

LEGISLATIVE COUNCIL.

Tuesday, September 10, 1957.

The **PRESIDENT (Sir Clifden Eager)** took the chair at 4.56 p.m., and read the prayer.

ROAD TAX.

CLAIMS BY HAULIERS.

The Hon. WILLIAM SLATER (Doutta Galla Province) asked the Minister of Transport—

(a) What is the number and amount of the claims made by road hauliers in respect of legislation previously declared invalid by the High Court?

(b) Have such claims been admitted and/or paid by the Government?

(c) What amount of road tax has been withheld by road hauliers pending the determination by the High Court on the validity of the Commercial Goods Vehicles Act 1955?

(d) Will any and what steps be taken by the Government to enforce payment of all such road taxes?

Sir ARTHUR WARNER (Minister of Transport).—The answers are—

(a) One hundred and five (105) individual claims covering a total amount of £203,919 0s. 6d. have been made.

(b) Where claims have been established beyond doubt, cash settlements have been negotiated by the Government; £51,692 15s. has been paid to date.

(c) An accurate answer is impossible, but it is estimated that something in excess of £300,000 has not been paid.

(d) Yes. Every practicable step is being taken.

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

IMPROVEMENT RATE.

The Hon. A. J. BAILEY (Melbourne West Province) asked the Minister of Transport—

(a) What were the voting figures at the meeting of the Melbourne and Metropolitan Board of Works on Tuesday, the 27th August last, on the proposal to increase the improvement rate for planning and highways?

(b) How many Commissioners were absent, and who were they?

Sir ARTHUR WARNER (Minister of Transport).—The answers supplied to me are not very clear, but after examining them I think I understand what is meant. They are—

(a) For—30. Against—14.

(b) Seven as under:—Commissioners H. J. McIvor, M.H.R., H. F. Mogg, C. F. Rooks, (leave of absence granted), W. W. Woodhouse.

Three seats vacant as a result of municipal elections in August. (Brunswick, Collingwood and St. Kilda).

SUBORDINATE LEGISLATION COMMITTEE.

PENAL REFORM REGULATIONS.

The Hon. R. W. MACK (Western Province) presented a report of the Subordinate Legislation Committee on the Penal Reform Regulations 1957.

It was ordered that the report be laid on the table.

STATUTE LAW REVISION BILL.

The Hon. G. S. McARTHUR (Minister of Forests) moved for leave to bring in a Bill to revise the statute law, and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

ACTS INTERPRETATION (SERVICE BY POST) BILL.

The Hon. G. S. McARTHUR (Minister of Forests) moved for leave to bring in a Bill to amend section 24 of the Acts Interpretation Act 1928.

The motion was agreed to.

The Bill was brought in and read a first time.

MELBOURNE CRICKET GROUND (TRUSTEES) BILL.

The Hon. G. L. CHANDLER (Minister of Agriculture) moved for leave to bring in a Bill relating to the trustees of the Melbourne Cricket Ground.

The motion was agreed to.

The Bill was brought in and read a first time.

**RAILWAYS (FURLOUGH)
AMENDMENT BILL.**

Sir ARTHUR WARNER (Minister of Transport) moved for leave to bring in a Bill relating to the computation of the period of service which entitles employees at the State Coal Mine to be granted long service leave.

The motion was agreed to.

The Bill was brought in and read a first time.

**LANDLORD AND TENANT
(CONTROL) BILL.**

The House went into Committee for the further consideration of this Bill.

Discussion was resumed of clause 9, providing for the Act not to apply to business premises after the 1st August, 1959.

The Hon. J. W. GALBALLY (Melbourne North Province).—This is a very important clause and it reflects the whole policy of the Government. It is aimed at the commercial extinction of the small working-class proprietor, the owner of the little mixed business who paid a sizeable amount by way of goodwill in the belief that the protection which the law had afforded since 1940 would not suddenly and abruptly be withdrawn. This clause is designed to protect the commercial gladiators of this city, the big people, because it will enable them to snuff out the small working proprietors in Melbourne and the suburbs and also in the country.

We register a vigorous protest against this proposal. Of course, it was only to be expected that the Government, at one stage or other of its career, would submit such a measure as this. It has endeavoured so far as it can to cover up its tracks. It reminds me of the story of the lion which felt that it was being pursued by hunters and so kept swishing its tail over the sand to cover its tracks. The Government is attempting to cover its tracks, but its actions are apparent to everyone; it is knocking out the little fellow. Just as it has been hard on the tenant of the small dwelling, so in the business field it is now, by this clause, dealing a death blow to the small working-class proprietor.

The Hon. L. H. S. THOMPSON.—A Government that you supported started this principle in 1953.

The Hon. WILLIAM SLATER (to Mr. Thompson).—Your people started this business in 1940.

The Hon. L. H. S. THOMPSON (to Mr. Slater).—A Labour Government began it.

The Hon. J. W. GALBALLY.—Having listened to all the talk about release of controls, we were mistaken in the belief that, if controls were abolished respecting premises with a rent above 50s., all would be well.

Sir ARTHUR WARNER.—I think there were two reasons why you took that action.

The Hon. J. W. GALBALLY.—That was one. We were misguided enough to believe the representations to which I have referred. But the small man who operates a business, perhaps with the assistance of his wife and other members of his family, is to be "thrown to the wolves."

I feel that the Country party has not given this innocent-looking clause the attention it demands. It has been put to members that the Government is really doing more than the Commissioner recommended—that a further period of twelve months' grace is being granted. The principle in this provision is vicious and can have only one result—those unfortunate people who put their money into small businesses will be at the mercy of the business tycoons. It is another instalment of monopoly government.

Mr. Slater will outline the divisions of the English legislation dealing with goodwill and compensation therefor, and will show that where a commercial tenant has enriched the premises by reason of goodwill and is given notice to quit, the owner should pay compensation awarded by due process of law to the tenant relating to such consideration of goodwill as will benefit the owner of the premises.

Sir ARTHUR WARNER.—Of course, the tenant has already benefited, in some cases up to fifteen years.

The Hon. J. W. GALBALLY.—But the Minister must understand that in our community there are many simple, honest folk who have believed that a Government would not suddenly withdraw protection from them. There are others—the well-to-do and the clever people—who can dominate and get Governments to do what they want. But that does not apply to many people who have seen an opportunity to get away from wage slavery and run their own businesses.

The Hon. L. H. S. THOMPSON.—The small capitalists.

The Hon. J. W. GALBALLY.—The small shopkeepers; the proprietors of mixed businesses, and of milk bars, who have seen fit to get away from the drudgery of working for a boss. Although operating under a weekly tenancy, they enjoy the protection of the law and have enjoyed it since 1940, and they have been misguided enough to think there will not be a sudden withdrawal of protection. These are the people for whom I plead and whom the Government should consider. They are humble people, industrious, hard-working, and the backbone of the community.

Sir ARTHUR WARNER (Minister of Transport).—The Government has given a warning over a number of years that business premises should by a gradual process be released from control, and that the landlords should not have to subsidize those business premises by taking an underpayment for a tremendous number of years. The proprietor of business premises to-day is paying 1957 wages; he is paying his rates on the 1957 basis; his repairs are being carried out on 1957 wages; he pays for his goods in 1957 currency and makes his profit and pays his taxes on the 1957 basis. The only factor remaining that is based on 1940 value is his payment to the landlord who has been debarred from the rights of his own property for approximately fifteen years.

The tenant has had the right to enjoy the use of the premises, and make profits out of the arrangement, for the whole period of fifteen years. It seems

to me that if the tenant has another two years in which to take advantage of the landlord, by that time the landlord can justifiably say to the tenant, "You have had another two years in which to make your arrangements to get alternative premises, to arrange with me for a lease, or to build yourself a property." Many persons who have paid only 30s. a week for the rent of shops actually worth £10 a week should, because of the landlord's subsidy, have been able to save enough money to build or to rent other premises.

Mr. Eggleston, who was so fulsomely praised by Mr. Galbally in the House last week, has stated on this subject that premises should be freed from control in one year, but he recommended that in special cases of hardship another year should be granted. The Government has said, in effect, "Let there be no uncertainty. We shall grant the tenants the full two years' protection, and in consequence there should not be any quarrels necessitating the incurring of legal expenses. The tenant shall have another two years in which to exploit the landlord and during that period rents will be kept down."

The Hon. J. W. GALBALLY.—The tenant may have bought into a business only in the last few months.

Sir ARTHUR WARNER.—I thank Mr. Galbally for reminding me of that fact. During the period referred to, many of the so-called poor, unfortunate tenants have been able to sell the right to exploit the landlord under the name of goodwill.

The Hon. T. W. BRENNAN.—The landlord's consent has been necessary.

Sir ARTHUR WARNER.—In many instances, the landlord has graciously granted his consent.

The Hon. WILLIAM SLATER.—If he refused, that was the end of the proposed sale.

Sir ARTHUR WARNER.—As Mr. Brennan points out, some of the allegedly avaricious landlords have allowed tenants to sell the goodwill of their premises and in many cases the goodwill has been based on an unreasonable rental. On innumerable occasions in this House, and elsewhere during the

last six or seven years, public warnings have been given that the question of the release of business premises from controls has been under consideration, and any person who purchased goodwill on the assumption that he would have the right to exploit the landlord forever must have been a complete "mug."

The Hon. J. W. GALBALLY.—Since the 1st January, 1956, the landlord has been able to charge what he has liked for a new tenancy.

Sir ARTHUR WARNER.—We are not discussing that question. The Bill does not deal with new tenants. The clause under discussion refers to prescribed premises which at present are limited, not those which are free.

The Hon. R. R. RAWSON.—You spoke of a person selling a business.

Sir ARTHUR WARNER.—By interjection, Mr. Galbally mentioned the case of the tenant who had recently bought a business.

The Hon. J. W. GALBALLY.—You stated that the tenant was selling the right to exploit the landlord.

Sir ARTHUR WARNER.—That is so, and Mr. Galbally referred to the class of persons who had recently bought into businesses. If it is put that no tenants have purchased businesses in the circumstances stated, I do not require to deal with the subject. But let us assume that some tenants have bought in, and that the landlord has been so generous as to consent to the rental of the prescribed premises being continued on the old basis.

The Hon. J. A. LITTLE.—That would not be an assumption, but a fairy tale.

Sir ARTHUR WARNER.—Then this has no effect on the point raised by Mr. Galbally. Two classes of tenant must be considered. First, a person must be a tenant in prescribed premises in order to suffer any disadvantage from the proposal. A tenant who has occupied the premises for fifteen years at the prescribed 1940 rent is to be allowed occupancy under the present conditions for another two years. The second category consists of tenants who have bought into businesses. If the rent paid

by such a person had been raised, or if he entered into a three-year tenancy or "bought in" after 1956, the premises would not be "prescribed premises" and he would not be affected by the provision.

Let us assume that such a person purchased a business before 1956 and that the landlord was stupid enough to allow him occupancy at the old prescribed rent. Mistakes have been made. In such a case as that, the incoming tenant would have bought the right to exploit the landlord, and he would have had that right some time prior to 1956. What the Government is proposing to do is to extend that right to August, 1959, after which the tenant will have to pay the fair market rental value for the premises in the same way as a fair market price must be paid for anything else purchased. Mr. Eggleston has stated clearly that it is time the present position was ended, and the Government agrees. The Government has always been consistent in contending that there had to come a time when business premises should be released from control. It is merely carrying out its policy, which has been more than ratified, as a result of an independent inquiry, by a gentleman who last week was praised fulsomely by Mr. Galbally.

The Hon. WILLIAM SLATER (Doutta Galla Province).—It has been interesting to hear the exposition of the social philosophy of the Minister of Transport. On many occasions he has spoken against controls and urged that they should be got rid of, lock, stock and barrel. Once he had to introduce a Bill which provided for controls, but apart from that occasion his has been the strongest voice in the community urging their abolition. The Bill contains a number of piebald proposals seeking the continuance of these much-despised controls so far as dwellings are concerned, but, as regards business premises, it is proposed that the axe shall fall two years hence.

Sir ARTHUR WARNER.—You can move an amendment if you so desire.

The Hon. WILLIAM SLATER.—I desire to refer the Minister to the liberal approach to the problem adopted by the

House of Commons in 1927. The English people experienced this problem of the difficult relationships between landlord and tenant, with its ever-increasing and widening complexities. In passing the Landlord and Tenant Act of 1927, the British Parliament attempted to hold the scales of justice evenly between the tenant and the landlord. I have been able to obtain the latest available figures dealing with this problem. I shall not refer at length to factories, because they do not enter the present argument to a considerable degree. In Victoria in 1955 there were 11,659 factories. I shall leave Mr. Feltham to speak enthusiastically for the residents of the Goulburn Valley. Shops in the metropolitan area totalled 27,348 in 1956.

Sir ARTHUR WARNER.—Were they all prescribed premises?

The Hon. WILLIAM SLATER.—I shall not venture to dissect the figures, but I present them as some statistical approach to the problem. The figures relate to the premises occupied by a large number of shopkeepers and a great diversity of businesses.

Sir ARTHUR WARNER.—And rents.

The Hon. WILLIAM SLATER.—That is so. The Minister of Transport has made great play upon the rent position, and the fact that the landlord pays 1957 wages and rates and taxes, and so on, but he has not told the other part of the story, namely, that there has been a tremendous increment of value in property since 1940. No one understands that fact better than the honorable gentleman. It is impossible at present for a person to buy a property at the 1940 price. If an effort is made to equate to the 1957 level of prices the 1940 values of wages and rates and taxes, it is necessary also to equate the capital value of the property similarly. In such an equation, we would get a more or less balancing out of the problem.

However, I have digressed from the position in England. In that country an attempt was made to apply some measure of justice between landlord and tenant. I do not think the 1927 English

Act has been repealed. I studied the subsequent legislation carefully in an effort to ascertain whether there had been any repeal or modification, but found none. It might be argued that the leasehold system in England is different from the freehold system in Victoria, but, by virtue of its perpetual nature, it is virtually a freehold system. It was provided that in the event of a landlord desiring a resumption of his premises, which had been occupied either by the tenant himself or his predecessors in title for at least five years, and the tribunal—in this case the County Court—was satisfied that there would be an enrichment by virtue of goodwill in the letting value of the premises, the tribunal was competent to order payment of compensation to the tenant.

The Government which sponsored the legislation went further and in a different direction from the pseudo-Liberal Government's approach to the problem here. Another section of the Act provided that a tenant could apply to the tribunal for an extended lease of his premises for a period not exceeding fourteen years, at a rent fixed by the tribunal having regard to what the tribunal might find to be the appropriate letting value in a bona fide offer for the premises in question. That was the approach of a Liberal Government in England in 1927, when faced with a problem no different from that existing in Victoria to-day. It sought to do justice between the two contending interests. The attitude of the Minister of Transport has been one merely of coming down on the tenant with the axe. Mr. Brennan and Mr. Feltham, as practising lawyers, must know that, as a result of the threat of this legislation, agents and owners have already gone to tenants and suggested that leases be entered into at rentals double, treble and in some instances four times the existing rates.

The Hon. T. W. BRENNAN.—That is correct.

The Hon. WILLIAM SLATER.—The element of duress has come into play.

The Hon. J. W. GALBALLY.—This is the “hanging” clause of the Bill, and the date of execution is set at the 1st August, 1959.

The Hon. WILLIAM SLATER.—When dealing with a problem which is fraught with difficulties, I felt it was appropriate that I should examine the English legislation. I have not had the opportunity of studying the position in other countries. A long time ago England faced a problem not very dissimilar from our own, and there the system has not been altered. Lawyer members of this House, perusing the All England Law Reports, constantly read of cases going on appeal from a County Court Judge to a High Court Justice on various questions arising under the legislation. The Government ought to give some consideration to the people concerned, many of whom have “bought in” recently while others have been in possession for long periods of time and have built up a goodwill.

I refer to personal goodwill which can be attributed to their own energy and industry, and not to site goodwill which is entirely different and is, of course, favourable to the landlord as against the tenant. In those cases where the goodwill has been attributable basically to the industry, energy and enterprise of small, medium or even big shopkeepers surely they should not now, as a result of a vicious swing of the pendulum, be deprived of the fruits of a lifetime's work and ambition. I venture the opinion that there has been no analysis of this problem by the Government in the light of the English legislation. It is a pity that it was not adverted to during the sittings of the Board of Inquiry.

As the Minister has remarked, Mr. Eggleston recommended a date on which business premises should be decontrolled, but it must be remembered that this recommendation was in the hands of the Government more than a year ago. It is wrong to say that that action is being taken as a result of Mr. Eggleston's recommendation. If that were the case, business premises would be decontrolled as from next August. As elections for both the Assembly and the Council are

due to be held next year, it is easy to understand why the Government has deferred the evil day and intends to decontrol business premises as from August, 1959.

I intend at the appropriate stage to ask that this Bill be recommitted in order that I may submit amendments which I formulated after a study of the English legislation. The basic principle of the English law is that to obtain compensation or an extended lease a tenant must approach the appropriate tribunal, which makes a determination in accordance with the letting value of the premises concerned.

The Hon. C. S. GAWITH.—You stated that the maximum lease allowed in England was fourteen years. Do you know anything of the history of this particular type of letting? Are you aware whether it has been successful or detrimental?

The Hon. WILLIAM SLATER.—No. I have not made a study of its operation; I am only stating the law. Seemingly it has worked out satisfactorily as there has been no substantial change since its introduction in 1927. Surely that is evidence of the justice and the merit of the proposals which I have put forward, and which, I believe, should be embodied in our legislation.

Sir ARTHUR WARNER (Minister of Transport).—I realize that there is some merit in the argument which Mr. Slater has advanced, but I believe he has exaggerated the circumstances surrounding the position in England and the situation with which we are faced in Victoria. It is some time since I have studied it, but I understand that the 1927 English legislation was enacted to cover, in most cases, long leases. As Mr. Slater is well aware, in England leases of 99 and even 999 years are not uncommon. When such long-term leases expire, considerable hardship is sometimes caused and the Act to which Mr. Slater referred was introduced to overcome those difficulties.

The Hon. WILLIAM SLATER.—I pointed out that there was a difference between our system and that operating in England.

Sir ARTHUR WARNER.—I agree. The English legislation was also designed to protect people who had erected buildings on leasehold land. Most of the cases with which we in Victoria are concerned involve leases that were entered into prior to 1940 and expired at least twelve years ago.

The Hon. J. W. GALBALLY.—Have you any statistics to show the number of business houses that are in the category of prescribed premises and the number that are not?

Sir ARTHUR WARNER.—I shall answer that question in a moment; it does not come within the ambit of what I am now discussing. Most tenancies for shops are on a three-year or a five-year basis. It is not often that a shop is leased for more than a seven-year period. Therefore, when the provisions which we are now discussing were introduced in 1940 a number of commercial premises were leased for three, five or seven year periods or, alternatively, were let upon a weekly tenancy basis. Since the time when the lease expired the persons renting the premises have, in effect, been granted an extended lease by the Crown, against the will of the landlord, for a period which has continued already for at least ten years. Any tenants who had created goodwill prior to the expiry of their original lease—I am considering now long-term tenants and not persons who have bought into business premises recently—have already received the privilege of a ten-year lease at reduced rates of rent in exchange for an expired lease of three, five or seven years or, worse still, a weekly tenancy. In my private capacity, I am a shopkeeper. Companies in which I am interested lease shops and in many cases are paying as rent only half of the real value of the shop. The present proposals of the Government will do more damage to me personally than to any other honorable member. I am very much more a tenant than I am a landlord.

The Hon. PAUL JONES.—What objection has the Government to the appointment of a tribunal to determine a fair rent?

Sir ARTHUR WARNER.—Persons renting business premises have for years enjoyed a great privilege. Many shopkeepers have been renting premises for £30 a week less than the establishment is worth. In some cases, the privilege extended by the Government has been worth £1,500 net a year to shopkeepers, for periods up to ten years. I think Mr. Slater spoke with his tongue in his cheek. Not only does he want the Government to extend a further two years of privilege to those who rent business premises, but also he wants them to receive payment for the goodwill that has been created over a period of time up to fifteen years during which they have had no moral right to continue their occupancy. That merely demonstrates Mr. Slater's attitude. He is against ownership of property by private individuals. If a man saves money and puts it into property Mr. Slater's cry is, "If he is silly enough to do that let us wreck him." It does not matter to Mr. Slater that the person who has saved money over a period might have subsidized other members of the community and enabled them to earn a living. His philosophy is, "Let us wring their necks for the last drop and then a bit more."

In most cases with which this legislation is concerned the landlords did not continue the leases voluntarily but were forced to do so by legislative action. The English leases to which Mr. Slater referred were given for periods of up to 99 years, and were entered into voluntarily. There was no control in England in 1927 which forced landlords to let business premises at fixed rentals. Any person in England who entered into a lease did so of his own accord. A tenant in Victoria, who has created goodwill in his business activities since 1940, has had ample opportunity of entering into a new lease and having embodied in its terms a provision relating to expenditure he laid out on repairs and other contingencies. He has also had the right to use section 84 of the Federal Income Tax Act to obtain a deduction from his taxable income for any work he has carried out on his landlord's premises. Mr. Eggleston examined the question of

goodwill, and I shall quote from his remarks to illustrate to members that the point has not been ignored. Paragraph 65 of his report states, *inter alia*—

The effect of control was to confer upon business tenants who had no leases or whose leases were about to expire a goodwill which was attributable to the fact that while the landlord was unable to raise the rent he was also unable to evict the tenant from the premises. Accordingly, the tenant came to regard the right to continue to carry on business in the premises, and to do so without being subject to rent increases, as a valuable right which ought in itself be protected.

I could not have put the point more clearly. In reply to a question raised by Mr. Galbally earlier, I can state that at the present time there are about 27,000 tenancies of business premises in existence. My guess—I point out that I have had some experience in this field—is that about one-third of the premises is prescribed and the others are not.

The Hon. WILLIAM SLATER (Doutta Galla Province).—I shall ignore the pleasant observations the Minister of Transport has made about me which imply that I stand for the wrecking of private enterprise in all fields. What I am totally opposed to is monopoly power. The Minister has completely ignored the immense value that adheres to property ownership to-day as a result of the cumulative effort of the whole community. The great business houses and shops in our community would be worth nothing if it were not for the activities of the community.

The Hon. J. A. LITTLE.—The Menzies Government has made a contribution, too, in reducing the purchasing power of the £1.

The Hon. WILLIAM SLATER.—That is so. The Minister of Transport has ignored all of those factors entirely and has merely restated his view that the State has subsidized the tenant as against the landlord. The position of landlords to-day, as a result of the extraordinary inflationary movements that have taken place in our economy, is immeasurably stronger in point of money terms—I will not say real value—than it has ever been before.

The Hon. T. W. BRENNAN (Monash Province).—I listened to the Minister intently and I was unable to determine—when he was referring so vehemently and pointedly to the iniquities of tenants making considerable sums of money at the expense of landlords in the last fifteen years—whether he was speaking as one of the rentier class or as a tenant. I am wondering whether the Minister is speaking of the person who is to make a profit out of the lease. There is a great difficulty here. The Minister has stated that he has had great experience in this problem but I direct his attention to the position that obtained in pre-war days. In those times, landlords had the right to give tenants notice to quit, but few people waited to be served with summonses for the simple reason that there was a choice of accommodation. I remember when the Commonwealth Government took possession of Chancery House in Melbourne. The tenants of that building inspected rooms in other premises which, they thought, would not be taken over by the Federal Government. I emphasize that one could then obtain accommodation in other buildings. Since the war, new offices have been erected and old ones have been renovated, but for many years landlords were satisfied to obtain rentals from old buildings without undertaking necessary repairs. When those rentiers found there was a dearth of accommodation they said, “Why cannot we participate in this great aggregation of values? Why cannot we do what we want with our own buildings? Our tenants are standing in our way.”

Sir ARTHUR WARNER.—In Adelaide, so many new buildings have been constructed that it has not been possible to let all the accommodation. That is what will happen here.

The Hon. T. W. BRENNAN.—In Melbourne, there are more old buildings than new ones. We cannot assume that the majority of tenancies in Melbourne are tenancies of prescribed premises. The Minister of Transport will assist the Committee greatly if he will supply the figures on these aspects. In the language of the honorable gentleman, it is

all a question of supply and demand. The Minister has spoken of those who control buildings under the "prescribed" legislation, but he wants to deal with tenants in those buildings. He should inform the Committee where his true interests lie. Is it in the "Golden Mile" of Melbourne, or farther out?

The Hon. J. W. GALBALLY (Melbourne North Province).—The discussion on this clause has been most interesting. There does not seem to be any provision in this Bill to enable a tenant to go to a court to present his case if he thinks he is being unfairly treated. We are all alarmed at the disappearance of the small shopkeeper. It is true that this provision will not take effect until 1959, but I believe that people should be enabled to appear before an independent tribunal. We do not desire that injustices should be perpetuated, and so I appeal to the Minister to postpone further consideration of this clause so that he may be enabled to confer with his advisers on the questions whether a tenant should be given the right to go to a court in order that the amount of goodwill may be determined and whether a landlord should be obliged to extend the tenancy at a fair rental.

The Committee divided on the clause (the Hon. D. J. Walters in the chair)—

Ayes ..	..	..	16
Noes ..	..	..	15

Majority for the clause 1

AYES.

Mr. Bradbury	Mr. Mack
Mr. Bridgford	Mr. Mansell
Mr. Byrnes	Mr. May
Mr. Cameron	Mr. Thompson
Mr. Chandler	Sir Arthur Warner.
Mr. Dickie	
Mr. Fulton	<i>Tellers:</i>
Mr. Gawith	Mr. Feltham
Mr. McArthur	Mr. Grigg.

NOES.

Mr. Arnott	Mr. Machin
Mr. Brennan	Mr. Rawson
Mr. Ferguson	Mr. Sheehy
Mr. Galbally	Mr. Slater
Mr. Jones	Mr. Smith
(Ballarat)	Mr. Thomas.
Mr. Jones	<i>Tellers:</i>
(Doutta Galla)	Mr. Bailey
Mr. Little	Mr. Tilley.

Clause 24 (Matters to be considered in determining fair rent).

The Hon. WILLIAM SLATER (Doutta Galla Province).—I support the clause because I am consistent in my point of view. It is interesting to note the role being played by the Minister of Transport. He believes, as a basis for the fixation of rents, in taking rents as at the 31st December, 1940, plus an additional 25 per cent. I had expected the honorable gentleman—this "no-controller"—to say full-bloodedly, "We will vary the basis for the fixation of rents." I am glad that better judgment has prevailed. Maybe, however, the proximity of the elections has some bearing on the matter. Whatever is the true reason, apparently the Minister has been persuaded to maintain a principle that has been the "anchor" since 1940. I do not claim that there have been no injustices in individual cases. I have always contended that there must be injustices to people on both sides of the fence, as it were, in legislation of this character.

Sir ARTHUR WARNER.—Controls always cause injustices.

The Hon. WILLIAM SLATER.—The Minister of Transport favours the law of the jungle. He wants an unplanned society that will run riot so far as social services and the monetary system in Australia are concerned, because his policy is an "open go."

The Hon. J. A. LITTLE.—The party to which the Minister belongs believes in the control of wages, though.

Sir ARTHUR WARNER.—Only minimum control.

The Hon. WILLIAM SLATER.—The Minister advocates the philosophy of putting the heel on the neck of the fellow below so that he will be effectively pegged down, but he wants everything else to be free. In retrospect, it is interesting to note that the honorable gentleman is adhering to the old 1940 basis for rents, subject to the addition of 25 per cent. It is difficult to understand his reasoning. This "no-controller" must have some controls where necessity drives him into that position.

Clauses 10 to 23 were agreed to.

The clause was agreed to, as were clauses 25 to 41.

Clause 42 (Prescribed grounds for notices to quit).

The Hon. WILLIAM SLATER (Doutta Galla Province).—In this clause the principle of restraining eviction is maintained, and that is a proper course. I am experiencing difficulty in reconciling the conflicting principles in this piebald measure, which provides for no control in one direction and very salutary control in another.

Sir ARTHUR WARNER.—If you want some of the controls removed, you may move an amendment accordingly.

The Hon. WILLIAM SLATER.—No, the Minister of Transport is the “no-controller.”

The Hon. J. W. GALBALLY.—Controls beget shortages.

The Hon. WILLIAM SLATER.—As Mr. Little rightly observed a few moments ago, the only factor which the Minister's party insists upon controlling is wages. It wants everything else to run free.

The Hon. P. V. FELTHAM.—Wages are not really controlled. I think Mr. Slater is alluding to the fixing of minimum wages.

The Hon. WILLIAM SLATER.—Wages are as rigidly controlled as they can be and no one knows it better than does Mr. Feltham. In the vast majority of cases the minimum becomes the maximum.

The Hon. P. V. FELTHAM.—I claim it is a misnomer to refer to wages as being “controlled.”

The Hon. WILLIAM SLATER.—I disagree entirely. There is operating a most effective control of wages which prevents any worker from receiving remuneration beyond the rates stipulated unless there is an arrangement to the contrary between the employer and his employees.

The Hon. J. W. GALBALLY.—Government Departments are precluded from paying more than is provided for in the relevant determinations.

The Hon. WILLIAM SLATER.—That is true. At this stage, I merely wish to remind the honorable gentleman that he favours controls in one direction and no control in another.

Sir ARTHUR WARNER (Minister of Transport).—Although I do not wish to enter a controversy upon this matter, I should like to say that I am becoming a little tired of all the talk about pegging and controlling wages.

The Hon. WILLIAM SLATER.—What I said is perfectly true.

Sir ARTHUR WARNER.—The clause before the Committee provides that the landlord shall not do certain things. A limitation is placed upon his actions. In this instance it is a control of the maximum rent whereas, so far as wages are concerned, the only control is on the minimum. Employers are not permitted to pay less than award rates but they are not debarred by law from paying over award rates.

The Hon. J. W. GALBALLY.—What about the Railway Department?

Sir ARTHUR WARNER.—There is no legislative provision against paying more than award rates.

The Hon. D. P. J. FERGUSON.—The parrot cry of employers is, “We will observe the award.”

Sir ARTHUR WARNER.—I repeat that there is no control over the maximum wages that may be paid in any industry; there is merely control over the minimum. Literally, there are hundreds of employers in Victoria who are paying more than the stipulated minimum.

The Hon. WILLIAM SLATER (Doutta Galla Province).—Sub-clause (6) provides, *inter alia*—

The prescribed grounds shall be—

- (b) that the lessee has failed to perform or observe some other term or condition of the lease and the performance or observance of that other term or condition has not been waived or excused by the lessor.

I ask the “legal” members of the Committee to consider that paragraph, which negatives the ordinary provisions

against forfeiture. If the breach of a condition is capable of being remedied on notice, such notice ought to be given. It may well be that there has been only a comparatively minor breach of a condition or stipulation in the tenancy agreement which gives rise to a ground for applying to the court. Ordinarily under property law there can be no forfeiture of lease for a breach of condition or covenant other than non-payment of rent. There is a provision relating to the service of notice in regard to any such breach.

The Hon. P. V. FELTHAM.—That is provided for in section 146 of the Property Law Act.

The Hon. WILLIAM SLATER.—I submit that there is no need for distinction between the relevant provision in this measure and that in the Property Law Act. An opportunity ought to be afforded a lessee to remedy a breach.

The Hon. P. V. FELTHAM (Northern Province).—The provision to which Mr. Slater referred has been embodied in the Landlord and Tenant Act since it was first enacted in 1948, and it has never caused any trouble. The magistrate uses his discretion whether or not he will give possession of premises even if notice to quit is served on these grounds, and I know of cases where the magistrate has referred to section 146 of the Property Law Act. When I have had occasion to serve a notice to quit under the provision to which Mr. Slater referred, I have taken the precaution of serving a notice under section 146 of the Property Law Act also. If the tenant remedies the breach under section 146, that precludes an application being made to the court on the ground mentioned.

The Hon. WILLIAM SLATER.—If every practising solicitor were as careful as you, all would be well.

The Hon. P. V. FELTHAM.—In some instances where it has been alleged that there has been a trivial breach or an oversight on the part of the tenant, the magistrate has refused an eviction order. I repeat that the relevant section in the Landlord and Tenant Act has really stood the test since 1948.

The Hon. T. W. BRENNAN (Monash Province).—My experience has been exactly the opposite to that of Mr. Feltham in at least one instance. A landlord brought an action against a tenant on the ground that he was not keeping the grass mown in front of his place and that it accordingly looked untidy. The magistrate solemnly granted an order for eviction on the ground that there was a condition precedent or implicit in the weekly lease that the tenant would keep the grass cut.

The Hon. P. V. FELTHAM.—That is unjust.

The Hon. T. W. BRENNAN.—I agree. It was a rank injustice.

Sir ARTHUR WARNER.—Did you lodge an appeal?

The Hon. T. W. BRENNAN.—The only appeal available would have been to the Supreme Court, but the tenant could not afford to make it. Paragraph (b) of sub-clause (6) provides that one of the prescribed grounds for notices to quit shall be—

That the lessee has failed to perform or observe some other term or condition of the lease and the performance or observance of that other term or condition has not been waived or excused by the lessor.

I consider that this provision could be vastly improved by inserting after the word "condition" and before the word "has" the words "upon due notice given by the lessor to the lessee," and I am prepared to move accordingly.

The sitting was suspended at 6.15 p.m. until 8.6 p.m.

The Hon. T. W. BRENNAN.—Following upon the discussion that took place before the suspension of the sitting, I have circulated an amendment of clause 42, and therefore I move—

That, after the word "lessor," which appears at the end of paragraph (b) of sub-clause (6), the following words be added:—

"Provided that notice in writing specifying the breach of such performance or observance has been served on the lessee and the lessee for a period of not less than fourteen clear days has failed to remedy such breach."

The reason for my moving the amendment is the suggestion of Mr. Slater regarding the question of non-performance

or non-observance of certain conditions, and it has nothing to do with the payment of rent. It may be that some paragraph in a lease refers to the keeping clear of a drain or the painting of the house. Legal members may be able to suggest a number of other such matters that may be involved. In the interpretation clause of the Bill the term "lease" includes, *inter alia*—

... every contract for letting of any prescribed premises, whether the contract is express or implied, or is made orally, in writing or by deed.

Under clause 42, a lease may include a mere verbal letting and conditions may have been mentioned by the lessor to a lessee, who had forgotten them. For instance, he might have undertaken to do something following a mere conversation between the parties. A lease includes also a written document and it contains certain clauses as to forfeiture, such as are implied by the Property Law Act. In the written lease there will be provisions as to the failure of the lessee to do or not to do certain things prejudicial to such a letting. I direct attention to section 146 of the Property Law Act 1928, which provides, *inter alia*—

(1) A right of re-entry or forfeiture under any proviso or stipulation in a lease for a breach of any covenant or condition in the lease shall not be enforceable, by action or otherwise, unless and until the lessor serves on the lessee a notice—

- (a) specifying the particular breach complained of; and
- (b) if the breach is capable of remedy, requiring the lessee to remedy the breach; and
- (c) in any case, requiring the lessee to make compensation in money for the breach;

and the lessee fails, within a reasonable time thereafter or the time not being less than fourteen days fixed by the lease to remedy the breach, if it is capable of remedy, and to make reasonable compensation in money, to the satisfaction of the lessor, for the breach.

The framers of the Property Law Act stipulated that there should be a period of fourteen days in which a lessee would have time to repair any breach of observance or performance. It is proposed to retain the penal powers of section 146 of the Property Law Act. Should we not

therefore insert in this Bill the necessary safeguards of the lessee, and if a lessee has been guilty of a breach, should he not be given an opportunity to repair that breach? That position should apply particularly if the lessee has taken an assignment from some other person, perhaps a lessee in prior occupation of the premises. I ask the Committee to agree to the amendment.

The Hon. WILLIAM SLATER (Doutta Galla Province).—I support the amendment. It is consistent with the principles embodied in section 146 of the Property Law Act.

The Hon. P. T. BYRNES (North-Eastern Province).—I should like to hear the view of the Leader of the House on the amendment. The Act has functioned well; there has been no trouble, and for that reason I do not see the need for the amendment.

Sir ARTHUR WARNER (Minister of Transport).—I agree with Mr. Byrnes. I do not think the proposed amendment would make any difference whatever. For years this provision has appeared in the same form in various Acts. I am sure that no landlord would be stupid enough to make an application resting on paragraph (b) of the prescribed grounds for notices to quit, as set forth in sub-clause (6), if the tenant had already cured the breach. I cannot imagine that any landlord would make such an application, knowing that if he were defeated he would be unable to make another and a proper application for six months. However, if the insertion of the additional words will make Mr. Brennan any happier, I think the amendment might be accepted.

The amendment was agreed to.

The Hon. WILLIAM SLATER (Doutta Galla Province).—Paragraph (f) of sub-clause (6) sets forth the following prescribed ground for notice to quit:—

... that the lessee has given notice of his intention to vacate the premises I consider that that notice should be in writing. Great trouble often arises in cases where verbal notice has been given, and in such a case there may continue to be all manner of contradictions.

Sir ARTHUR WARNER (Minister of Transport).—I suggest that this point be left until a later stage. My opinion is that the requiring of notice in writing will bring up other questions such as that of the agent giving notice on behalf of the tenant. There might be circumstances in which, if notice had to be given in writing, it would be considered that the landlord was binding his tenant.

The Hon. WILLIAM SLATER (Doutta Galla Province).—I am prepared not to proceed with my proposed amendment. Paragraph (j) of the sub-clause prescribes this ground for notice to quit—

That the lessor is a personal representative or trustee of a deceased's estate, that the gross value of the premises constitutes not less than half the gross value of the estate of which it forms part and that vacant possession of the premises is required in order that a trust for sale may be properly carried out.

That would be ground for repossession. I think there should be some reasonable period of notice. As the matter stands, it would be competent for a trustee, seeking to exercise power under the paragraph as drafted, to get to the court very easily and, almost in a summary way, obtain an order to secure repossession of the trust property.

Sir ARTHUR WARNER.—It is within the power of the magistrate to grant such an order.

The Hon. WILLIAM SLATER.—I do not think so, unless it is within the general powers of the magistrate.

Sir ARTHUR WARNER.—That is so.

The Hon. WILLIAM SLATER.—However, I do not like this provision in the form in which it is set out. It could lead in certain circumstances to much hardship.

Sir ARTHUR WARNER (Minister of Transport).—All these conditions will be subject to the magistrate examining the relative degree of hardship. He might well say, "These are grounds for possession, and I will allow it subject to six months' notice." I see no difficulty in the provision as it stands.

The clause, as amended, was adopted, as were clauses 43 to 51.

Clause 52 (Proceedings for recovery of possession, &c.).

Sir ARTHUR WARNER (Minister of Transport).—I move—

That the following sub-clause be added:—

() Where the application is made on the ground specified in paragraph (t) of subsection (6) of section forty-two of this Act the court in the consideration of any hardship that may be caused to the lessee by the making of an order shall disregard the loss to the lessee of such part of the rents received by him from sub-lessees as in the opinion of the court represents an inequitable profit.

The amendment was agreed to, and the clause, as amended, was adopted, as was clause 53.

— Clause 54 was adopted with a verbal amendment.

Clauses 55 to 60 were agreed to.

Clause 61 was verbally amended and, as amended, adopted, as were the remaining clauses and the schedule.

The Bill was reported to the House with amendments.

The Hon. WILLIAM SLATER (Doutta Galla Province).—I move—

That this Bill be recommitted.

My desire in seeking recommitment is specifically in respect of clause 9, which provides for the decontrol of all business premises as from the 1st August, 1959. I spoke earlier as to the necessity and wisdom of examining our law in the light of the landlord and tenant legislation of England as passed in 1927. There, the position had been met by two devices in the legislation, one of which gave the tenant the right of going to a tribunal consisting of a County Court Judge and having determined by such tribunal an amount of compensation because of the obligation upon the tenant to vacate the premises; or, alternatively, of securing a new lease of the premises for a period not exceeding fourteen years, at a rental fixed by the tribunal, together with the conditions of the lease.

It is not envisaged that my proposed amendment should be as comprehensive as the English legislation, but the two principles embodied therein largely

follow the English Act. For those reasons, it is submitted that they should be incorporated in this Bill. If the House agrees to the recommitment of the clause, I propose to move—

That, at the end of clause 9, the following proviso be inserted—

“Provided that where after the first day of August, 1959, an order for possession is sought against the lessee of any business premises who was such a lessee on the first day of August, 1959, the court may if it is satisfied—

- (a) that the lessee or his predecessor in title has been in possession of the premises for more than five years; and
- (b) that by reason of the carrying on by him or his predecessors in title at the premises of a trade or business or profession for a period of not less than five years goodwill has become attached to the premises by reason whereof the premises could be let at a higher rental than they would have realized had no such goodwill attached thereto—

order either—

- (a) that the lessor shall pay to the lessee an amount equal to the total of the following amounts—
 - (i) the value of the personal goodwill of the lessee in relation to the business carried on by him at the premises; and
 - (ii) the reasonable costs of removing his business to other premises; or
- (b) that the lessee shall be entitled to a lease of the premises for such further period as is fixed by the court not exceeding five years at a rental equal to the fair rent payable for the premises assessed on the capital value of the premises at the time of the making of the order without regard to the special value of the premises to the existing lessee and in every such case such premises shall cease to be prescribed premises on the parties entering into such lease.”

I wish to submit the amendment only because the proposals it contains have been in operation in England for a long period of time, and I have not read of any serious criticism of them.

The PRESIDENT (Sir Clifden Eager).—I do not think Mr. Slater should discuss the merits of the proposed amendment at this juncture.

The Hon. WILLIAM SLATER.—Very well, Mr. President.

Sir ARTHUR WARNER (Minister of Transport).—I do not propose to discuss the merits or demerits of the foreshadowed amendment. The general background of the matter has been dealt with fully in Committee. It was then pointed out that there were different matters to be considered here compared with those which arose in England, where there is provision for compulsory leases under the Landlord and Tenant Act, and so on. On those grounds, I contend that the Bill should not be re-committed. The Committee really dealt with the question and refused to agree to any amendment of clause 9. That was the substance of the vote.

Furthermore, this Bill has been under consideration for at least eighteen months, and its subject-matter has been the theme of a public inquiry. There was ample opportunity for Mr. Slater to state his point of view before Mr. Eggleston when he was examining the question. In addition, the consideration of the measure was adjourned for two months during which time representations could have been made to the Government. However, the proposed amendment has been brought before the House at the last moment.

Although the landlord and tenant legislation is now being amended, I believe that further changes will be made to it in the process of relieving landlords of their present difficulties. Probably another landlord and tenant Bill will be before this House within the next twelve months, in which event this matter can be dealt with before the legislation relating to business premises comes into force. Tenants of business premises will not be affected for two years from approximately this date.

There is nothing to prevent Mr. Slater from bringing in a private member's Bill to amend the Act along the lines he has proposed. After the long and painful process through which this Bill has passed, and considering the great hardships which now exist and the number of anomalies that require rectification, the passage of the measure should not be delayed further. Mr. Slater's party

was responsible for delaying it for two months, but I do not think we should go into that subject.

The Hon. WILLIAM SLATER.—You had better not. Our party was not alone in that regard. There might be trouble with some of the Government's other proposed legislation if you adopt that attitude.

Sir ARTHUR WARNER.—The Bill has not been hastily conceived and thrust before the House at a minute's notice. It has been painstakingly negotiated. Now, after eighteen months, and just before the third reading, Mr. Slater has submitted a proposal designed to alter certain principles. I urge the House not to agree to the recommitment of the Bill for the re-consideration of clause 9.

The Hon. P. T. BYRNES (North-Western Province).—In ordinary circumstances, I should consider it desirable to allow a proposed amendment such as that which has been foreshadowed to be debated. However, I think Mr. Slater has made it clear that the vote to be taken on his motion will be really a test vote. The Country party has examined the Bill thoroughly. I do not agree with the suggestion of the Minister of Transport that Mr. Slater might sponsor a private member's Bill to give effect to his proposed amendment. Usually, such measures do not make much progress in this Chamber. However, a period of two years must expire before the new law relating to business premises will come into operation. Another landlord and tenant Bill may be brought in next year to deal with a number of other questions.

Normally, I would support the motion submitted by Mr. Slater in order that his proposed amendment might be debated, but the question has been discussed to a degree, and there would not be any point in repeating the process. Members of the Country party, having made up their minds to proceed along certain lines, would vote against the proposal. As the Minister of Transport admits, there is some merit in it, and there could be cases in which hardship would be created. In my opinion, it is impossible to avoid anomalies and hardship to

someone, whatever is done. The paramount question for consideration is whether enough occupiers of business premises are affected to make it worth while for the legislature to give them much increased protection. During the last two months there has been adequate time for people to discuss this Bill with members.

The Hon. T. W. BRENNAN.—You have been in the country.

The Hon. P. T. BYRNES.—There are large numbers of shops in some country towns, although not as many as in the metropolis. The only representations made to me have come from persons who have abused me because they thought I would support amendments such as that which Mr. Slater has foreshadowed. There does not seem to be much opposition to the provisions of the Bill relating to business premises, although there may be to those concerned with homes. So many classes of persons have been withdrawn from the provisions of the Act by previous legislation that the remaining ones affected do not seem to constitute a high percentage. I can see no advantage in the House recommitting the Bill and putting Mr. Slater to the pains of debating the matter at length and to no avail. The decision of the Country party is to vote against the proposal.

The Hon. J. W. GALBALLY (Melbourne North Province).—It is true that the Committee had before it a suggestion from Mr. Slater along the lines of the English legislation. But at that time Mr. Slater was not able to present his ideas in a form that could be easily digested and discussed. As a result of considerable thought, these amendments can now be put before the House. I do not think the question at issue is whether or not in the last two months we should have considered this matter or whether Mr. Slater prefers to take the course of introducing a private member's Bill.

This is an important subject-matter attaching to business affairs and the livelihood of many people in the community. Mr. Slater has foreshadowed amendments which follow the English legislation, which has remained on the statute-book for 30 years. For members

merely to fob the matter off and say, "Whatever we do will result in injustice or hardship to somebody," is not a proper method of tackling the problem. I believe that we should thrash out the proposed amendment. It is not a proper procedure for us to say that there have been many amendments to the landlord and tenant legislation in the past and that no doubt in the future there will be further opportunities of considering additional amendments. Of course, there will always be hardship under this legislation, but is it not our duty to ensure that the hardship does not fall heavily on sections of the community we are endeavouring to protect, namely, small business people? I hope the House will not be hasty in rejecting the suggested recommitment of the Bill so that clause 9 might be considered, and I trust that the Minister of Transport will give the Committee another opportunity of considering this very carefully prepared amendment.

The Hon. T. W. BRENNAN (Monash Province).—The party I represent supports the motion for the recommitment of the Bill for the reason that important facts have been placed before the House to-night by Mr. Slater with regard to the English legislation. After all, this is a House of review. I freely confess that I have not studied that legislation in detail. Mr. Byrnes expressed a slightly uncertain attitude when he stated that in some circumstances he might have been prepared to support the motion for recommitment. The amendment to the legislation with regard to business premises is timed to commence on the 1st August, 1959.

Sir ARTHUR WARNER.—All the other provisions of the Bill, which have been delayed for a long time, will be affected by any further delay.

The Hon. T. W. BRENNAN.—That is so, but years have an awkward way of passing quickly. This momentous Bill affects many members of the community. The small business people of the metropolis are worthy of full consideration by Parliament.

I suggest that if a deputation of citizens residing in the principal city of the province represented

by Mr. Byrnes waited on him and forcefully expressed views in favour of Mr. Slater's request, Mr. Byrnes, with his eye on future elections, might conceivably concede to their wishes and bring the matter before the House, couched in language embodying the spirit of the request. In the circumstances my party supports the motion.

The Hon. P. V. FELTHAM (Northern Province).—I see a slight dilemma in the proposal outlined by Mr. Slater. The effect of the proposed amendment will be either to bring under control or partial control those business premises which have already been freed from control by the 1953 Act of the Labour Government or the legislation passed in 1955 by a Liberal Government or it will affect only a limited number of business premises and leave the decontrolled premises beyond its ambit. If the amendment will have the effect of recontrolling all previously freed business premises, my party is not in favour of it.

The Hon. WILLIAM SLATER.—It does not affect them at all.

The Hon. P. V. FELTHAM.—If it does not—and without examining the amendment and fitting it in to the pattern of the legislation, I am not certain of the position—it will have an effect only on a limited number of business premises, compared with those which have already been freed from control. For those reasons I do not see sufficient merit in the suggestion to justify its insertion in the Bill.

The House divided on the motion (Sir Clifden Eager in the chair)—

Ayes ..	..	..	14
Noes ..	..	..	17

Majority against recommitment of the Bill .. 3

AYES.

Mr. Arnott	Mr. Machin
Mr. Bailey	Mr. Rawson
Mr. Brennan	Mr. Sheehy
Mr. Ferguson	Mr. Slater
Mr. Galbally	Mr. Tilley.
Mr. Jones	
(Ballarat)	<i>Tellers:</i>
Mr. Jones	Mr. Smith
(Doutta Galla)	Mr. Thomas.

NOES.

Mr. Bridgford
Mr. Byrnes
Mr. Cameron
Mr. Chandler
Mr. Dickie
Mr. Feltham
Mr. Fulton
Mr. Grigg
Mr. McArthur
Mr. Mack

Mr. Mansell
Mr. May
Mr. Thompson
Mr. Walters
Sir Arthur Warner.

Tellers:

Mr. Bradbury
Mr. Gawith.

The report of the Committee was adopted, and the Bill was passed through its remaining stages.

BREAD INDUSTRY BILL.

Sir ARTHUR WARNER (Minister of Transport).—I move—

That this Bill be now read a second time.

The Bill covers a subject-matter which has been considered inconclusively on a number of occasions in this House. For many years there have been many justifiable complaints about the quality of Victorian bread. Most of those who travel abroad notice the high quality of bread offering in other countries as compared with that available in Victoria. The Government is attempting to improve the quality of the product in this State, and I have no doubt that its proposals will be met with the usual pressure from all sorts of queer directions by those who desire to maintain certain privileges that exist within the industry. First of all, an endeavour is being made to set out in the legislation formulae covering the quality of the materials that are used in the manufacture of bread. It is also desired that the quality of the bread itself should be improved. Furthermore, a proper description of certain types of bread such as milk loaves and so on are set out in the Bill. It is proposed to repeal the 1928 Act, which was obsolete even when it was enacted, and over which there have been certain legal difficulties. The measure also prescribes the method of manufacture and formulae for the different types of bread. It proposes the appointment of an advisory committee,

details of which I shall give the House later, which will be granted certain powers over the industry. Inspectors of the Department of Labour and Industry will have the right to examine bakeries to ascertain that bread of the prescribed type and quality is being manufactured, and to ensure that it contains all the ingredients specified by law. These officers will be enabled to carry out inspections similar to those they normally make in other industries.

One of the major difficulties that have arisen in regard to the bread industry has resulted from the various agreements that have been entered into by different sections of it. Yeast manufacturers have agreed to supply only particular bakeries, and some bakers have agreed to buy yeast only from certain manufacturers; millers have entered into similar types of agreements with bakeries; and many bakers have entered into zoning agreements. These actions have brought the industry into disrepute. Other factors arise in relation to bread-making, one being the hours of baking and the other the quality of the wheat. Nevertheless, I think the general public feel that the quality of bread has not been properly controlled, and also that there has been a measure of cartelism throughout the industry, as a result of which they have been deprived of the benefit of competition. Doubtless all will agree that if competition does not exist, there is often a lowering of quality and prices are increased. Probably that comment can be aimed at a number of Government businesses which, when protected in some way, give rise to the belief that there is a loss in the quality of the service to the community. In recent years there has been the notion that businesses are run for the benefit of the people in those businesses. I suggest however, that businesses are operated for the benefit of the consumers and that the consumers ought to be the first persons to be considered.

The Hon. T. W. BRENNAN.—Does that remark apply to all businesses, including the electrical business?

Sir ARTHUR WARNER.—Where there is competition, a business that does not give value and good service, at a reasonable price, will disappear. That is proved by the fact that there are some unsuccessful solicitors! That businesses sometimes go bankrupt is not usually due to the machinations of a cartel or a monopoly but is the result of administration by people not fit to be in command of them. In the long run, that means that the public buy goods and obtain services at reduced prices from the most efficient. In this industry, I feel, there has been cartelism and in my short period as a member of this House there have been many inquiries into the bread industry. In the past, the public do not appear to have been well represented in these matters.

The first part of the Bill relates to the specification of various bread standards, the type of ingredients and the quality of bread to be produced. It sets out penalties for people who do not comply with those standards, and it prohibits people from making misrepresentation as to the ingredients of bread.

The Hon. PAUL JONES.—Some materials are used in bread, but they should not be.

Sir ARTHUR WARNER.—That is true, and I hope I will have the unqualified support of Mr. Paul Jones in this matter. The measure will give the Governor in Council power to vary the provisions in the schedule relating to the kinds of bread and the substances in bread. Part II. of the Bill provides for the appointment of a committee that will be known as the Bread Industry Committee. It is to consist of seven members appointed by the Governor in Council, two being the nominees of bread manufacturers—one a representative of bread manufacturers in the country, and one in Melbourne. Two other members will be nominated by the unions concerned, and two will be persons nominated by the Minister to represent consumers in the metropolitan and country areas. The other member will be the independent chairman. It is proposed to alter the representation by

an amendment to provide for four consumer members on the committee. That means that there will be four from the trade, with four representing the unfortunate consumers. In other words, the rights of the public will be equal to the rights of the industry, and I suggest that that is a proper provision so that the people who pay for bread shall have equal representation on a body set up to ensure that a good quality commodity is available to them.

The functions of the committee are set out very clearly and it will have the responsibility of seeing that the Act is implemented in a proper manner. The Government proposes also to make a modification to enable breaches of the legislation to be followed up by officers appointed under the Labour and Industry Act instead of by members of the committee. In Part III., the Bill also provides that in the metropolitan area bakers shall deliver bread over a distance of 2 miles to any person demanding that service. There can be much argument as to whether bakers should have to deliver and whether a distance of 2 miles is long enough, but the Government and the other House have seen fit to approve of a distance of 2 miles.

Subject to the safeguards set out, the industry will be required to deliver over the counter or by vans. That is an attempt to stop anyone zoning, first, to prevent one baker from delivering in one or any other area, and, secondly, to give the right to the consumer to buy the bread he wants. In other words, the consumer will have the same privilege as to bread as he has in regard to the purchase of meat and other commodities. Where a bread manufacturer has reason to ask for an exemption from these provisions, he will be able to apply for, and to obtain, a certificate of exemption if he has reasonable grounds.

The Government is also prepared to make it an offence for any supplier to refuse to supply normal bread manufacturers. As members are aware, during

the last strike in this industry millers and yeast manufacturers refused to supply flour or yeast to people who could have kept housewives supplied with bread. That was done under the auspices of the master bakers. I feel that has left a nasty taste in the mouths of consumers, who contend that they could have got good bread if the trade had permitted certain bakers to obtain supplies. I made a personal examination of that position when the last strike took place. People who are in the business of milling flour or manufacturing yeast will be bound to deliver to any person who requires supplies and it will be illegal to refuse such supplies. I think Mr. Slater will agree with me in this case because I see from the Notice Paper that he intends to bring down a Bill to deal with cartels of the type I have mentioned.

The Hon. WILLIAM SLATER.—It will be a matter of “tit for tat,” and it will depend upon how you treat my proposed Bill.

Sir ARTHUR WARNER.—I am sure that Mr. Slater will be pleased with any action to prohibit attempts to continue restraint of trade in this industry. To my mind, that is not as difficult as it will be to legislate in the way that the honorable member has in mind. In Part V. of the Bill a description is given of the type of trade agreements that are to be prohibited. Restrictive agreements of the nature outlined will be void if they are not registered—if they are secretive they will be unenforceable at law. The committee considering these agreements will have power to accept or to reject any of them.

It is proposed to delete section 105 of the Labour and Industry Act 1953, under clause 15 of Part VI. That section attempts to prohibit private bakers from working outside the normal award hours. It attempts to take away the right of a person working in his own business and in his own hours, and it is felt that that has a restrictive effect on the industry.

The balance of the clauses relate to penalties and regulations, and the schedule deals with the standards. As doubtless honorable members will wish to consider this Bill, I shall be prepared to agree to an adjournment of the debate, if the House desires that.

On the motion of the Hon. J. W. GALBALLY (Melbourne North Province), the debate was adjourned until the next day of meeting.

RAILWAYS (FURLOUGH) AMENDMENT BILL.

Sir ARTHUR WARNER (Minister of Transport).—I move—

That this Bill be now read a second time.

The purport of this simple Bill is to authorize the Railways Commissioners to accord certain employees at the State Coal Mine credit, for long service leave purposes, for service in the coal-mining industry prior to their joining the State Coal Mine staff. In order to meet the cost of long service leave accruing under the coal-mining industry award, the Commonwealth Parliament in 1949 enacted legislation for the establishment of a fund from which owners are reimbursed expenditure on long service leave granted under any industrial award to employees in the coal-mining industry. By arrangement with the Commonwealth authorities, employment in the industry in the service of an employer bound by an industrial award providing for long service leave will be treated as service as a State Coal Mine employee, and so the State will be reimbursed to the extent to which long service leave is granted in respect of service other than at the State Coal Mine. There is no reason why this measure should be delayed, and I commend it to House.

On the motion of the Hon. G. L. TILLEY (South-Eastern Province), the debate was adjourned until the next day of meeting.

ADJOURNMENT.

LATROBE VALLEY WATER AND SEWERAGE
BOARD: OUTFALL SEWER.

Sir ARTHUR WARNER (Minister of Transport).—By leave, I move—

That the Council, at its rising, adjourn until Tuesday, September 24.

The motion was agreed to.

Sir ARTHUR WARNER (Minister of Transport).—I move—

That the House do now adjourn.

The Hon. W. O. FULTON (Gippsland Province).—I ask the Minister of Transport to direct the attention of the Premier to the position that obtains in Gippsland because of effluent which is pouring from the outfall sewer. The evil-smelling liquid, which emanates from the brown coal gasification plant at Morwell and from the paper mills at Maryvale, is causing untold hardship to landowners and could be dangerous to stock. The effluent has fouled a dam used for stock water on the property of Mr. W. Macreadie, contaminated pastures on the property of Mr. L. V. Williams, and caused heavy pollution of Blind Joe's creek at Rosedale. The creek serves several farmers as a reliable source of water for their stock. The open channel has also overflowed near the property of Mr. E. M. Crooke. One would have thought that this vile, evil-smelling liquid could have been carried to the sea by pipe-line, but that has not been done.

In support of my contention that the effluent could be dangerous to stock, I quote from a report submitted by Mr. W. L. Jewell, chief chemist, of the State Laboratories, Melbourne—

The amount of dissolved salts is not high. The sample contains an appreciable amount of organic matter.

The amount of phenol is relatively very high and I am of the opinion that such water would be definitely dangerous to stock, should they be persuaded to drink it. The information available as to the lethal dose of phenol for stock is not very definite, but indicates that something of the order of 30 gallons of this water might be expected to kill cattle. Repeated drinking of smaller quantities would have harmful effects. With very little natural flow in the creek, it is probable that this sample is

mainly undiluted effluent. With rain, and a flush down the creek, the amount of phenol should be reduced and eventually removed entirely, providing the pumping of the effluent is discontinued.

Wherever the outfall sewer overflows, pastures are killed. The Government ought to take immediate steps to remedy the harm that has been caused by the effluent to owners of property in various Gippsland towns and the City of Sale.

The motion was agreed to.

The House adjourned at 9.21 p.m. until Tuesday, September 24.

LEGISLATIVE ASSEMBLY.

Tuesday, September 10, 1957.

The SPEAKER (the **Hon. W. J. F. McDonald**) took the chair at 4.6 p.m., and read the prayer.

UNIFORM TAXATION.

HIGH COURT CASE: LEGAL EXPENSES.

Mr. FLOYD (Williamstown) asked the Treasurer—

1. What advantages (if any) will accrue to the taxpayers of Victoria from the recent decision of the High Court on uniform taxation?

2. What total amount of legal expenses was incurred by the State of Victoria in connexion with the preparation of the case and its presentation in the High Court?

Mr. BOLTE (Premier and Treasurer).—The answers are—

1. The recent decision of the High Court on uniform taxation was of great significance in emphasizing the true Federal nature of the Constitution. While the decision itself does not bring the so-called "uniform" tax scheme to an end, the invalidation by the court of the priority provisions in the Commonwealth legislation has removed an important element which has supported the scheme. In the view of the Government, this calls for a reconsideration of the allocation of financial resources between the Commonwealth and the States and, in particular, appropriate action to rectify the specific disabilities of the State of Victoria under the present arrangements. Although the Prime Minister has

rejected my proposal for a special Premiers' conference, the whole problem is under active consideration by the Government. In the meantime, I can assure the honorable member that the Government will not be party to any decision that will require the taxpayers of Victoria to pay more income tax than they pay now.

2. Payments are not complete, but it is anticipated that legal expenses will amount to approximately £6,400.

In view of the decision given by the High Court, I think that the costs incurred were quite reasonable.

SUBORDINATE LEGISLATION COMMITTEE.

PENAL REFORM REGULATIONS.

Mr. RAFFERTY (Caulfield), chairman, presented a report of the Subordinate Legislation Committee on the Penal Reform Regulations 1957.

It was ordered that the report be laid on the table.

ESTIMATES.

Mr. BOLTE (Premier and Treasurer) presented a message from His Excellency the Lieutenant-Governor transmitting Estimates of Revenue and Expenditure for the year 1957-58, in lieu of the Estimates of Expenditure for the first three months of the year 1957-58, transmitted on the 14th May, 1957, and recommending an appropriation from the Consolidated Revenue accordingly.

DISTINGUISHED VISITOR.

Mr. BOLTE (Premier and Treasurer).—The Honorable Stanley de Zoysa, who is Minister of Finance of the Government of Ceylon, is within the precincts of the House. By leave, I move—

That a chair be provided on the floor of the House for the Honorable Stanley de Zoysa, Minister of Finance of the Government of Ceylon.

Mr. SHEPHERD (Leader of the Opposition).—I have much pleasure in seconding the motion.

The motion was agreed to.

CRIMES BILL.

Mr. RYLAH (Attorney-General) moved for leave to bring in a Bill to consolidate the law relating to crimes and criminal offenders.

The motion was agreed to.

The Bill was brought in and read a first time.

LAND (RESUMPTION) BILL.

Mr. BLOOMFIELD (Minister of Education) moved for leave to bring in a Bill to amend section 286 of the Land Act 1928 in relation to lands to be resumed for educational purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

COUNTY COURT BILL.

Mr. PORTER (Honorary Minister) moved for leave to bring in a Bill to consolidate and amend the law relating to the County Court.

The motion was agreed to.

The Bill was brought in and read a first time.

MAINTENANCE (CONSOLIDATION) BILL.

Mr. RYLAH (Attorney-General) moved for leave to bring in a Bill to consolidate the law relating to the maintenance of wives and children and relating to confinement expenses and relating to the relief of persons whose relatives liable to support them reside in another State or a Territory of the Commonwealth or in the Dominion of New Zealand, and to facilitate the enforcement in Victoria of maintenance orders made in England and Northern Ireland and other parts of Her Majesty's Dominions and protectorates and in other countries and vice versa, and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

THE BUDGET.

The House went into Committee of Supply.

Mr. BOLTE (Premier and Treasurer).—This is the third occasion I have had the privilege of introducing the Budget for this State.

Before dealing with the Estimates for the year 1957-58 I shall refer to the accounts for the financial year ended 30th June, 1957.

THE YEAR 1956-57.

	£
The total revenue was	133,252,000
and the total expenditure	137,567,000
the deficit being	4,315,000

This result was obtained in the following manner:—

	£
Deficit on Railways Account	5,227,000
Deficit on State Coal Mine Account	308,000
the deficit on these accounts being	5,535,000
Surplus on General Account	1,220,000
leaving a net deficit of	4,315,000

The variations of the actual revenue and expenditure for 1956-57 from the Estimates as submitted to Parliament last September are disclosed in Table No. 1 accompanying this Budget Speech.

THE YEAR 1957-58.

The Budget Estimates for 1957-58 have been prepared against a background of virtually stable costs so far as Government expenditure is concerned. For the first time since the war the Estimates of Expenditure do not reflect variations in wage and salary levels in the way to which we had become accustomed in recent years. The Estimates are not affected by any major awards made during last year for the Teaching Service, the Public Service or the Police Force.

In these circumstances the consideration of the Estimates this year has assumed a particular significance. It has been possible to lay aside the familiar argument that rising wage and cost levels are largely responsible for increased Government expenditure. This year, we have been able to see the real pressures which are operating on the State Budget. These pressures all stem from the same source, namely, the demands imposed by an expanding population. In the two years since my Government was returned to office, the population of Victoria has increased by 150,000 people, or 6 per cent. Provision must be made for these citizens, many of them migrants, to receive the benefits of the existing standards of services provided by the Government in this State. The cost of these services is reflected both in our ordinary revenue expenditure and in the debt charges which must be incurred as a result of the construction out of loan funds of schools, hospitals and other public facilities.

The total estimated expenditure for 1957-58 is £145,011,000 or £7,444,000 greater than last year. £7,172,000 of this increase is accounted for by the following items:—

	£
Salaries and wages, and pay-roll tax	2,818,000
Interest and debt charges	3,314,000
Hospitals and charities, and health services	1,040,000

The increased provision in the Estimates for salaries and wages is not to cover increased rates of salaries and wages but results from the appointment of essential additional staff to the Teaching Service, the Police Force, mental hospitals and, to a minor degree, the Public Service generally, in order to maintain existing levels of Government services in the light of our rapidly increasing population.

Interest and debt charges on new loan expenditure and the effect of maturing loans being converted at higher interest rates represent a particularly heavy burden on the State's finances. To a large degree our loan moneys are used to finance capital works which return little or no revenue to the Budget. Indeed, they involve the Budget in additional costs in the form of heavy and continuing costs of operation, maintenance and staffing, as in the case of schools and hospitals.

While the State has to meet debt charges on all its capital expenditure, the Commonwealth, through its monopoly of major taxation fields, has been able to meet the whole of its capital expenditure from revenue on which no debt charges are paid. In addition it lends to the State some of its surplus taxation moneys and charges interest and sinking fund contributions on them. In the Estimates for 1957-58, we have had to provide a total of £4,500,000 to meet debt charges on surplus Commonwealth tax revenues which have been made available through the Loan Council in recent years. Debt charges on these non-existent debts—I emphasize this point—clearly absorb funds which should be available to make more adequate provision for our education, health and other services.

I have already stated that increased expenditure this year is estimated at £7,444,000. On the other hand, State taxation fields, including the effect of a full year's collections of increased rates of entertainments tax and stamp duties imposed in last year's Budget, are expected to yield an additional £2,056,000, whilst an additional £1,913,000 is anticipated from other revenue sources.

This indicates a deterioration in the budgetary position as a result of transactions on account of revenue and expenditure in 1957-58 of £3,475,000. However, as there was an actual deficit in 1956-57 of £4,315,000, we are left with a gap of £7,790,000 towards which the State will receive an increase in its income tax reimbursement grant of £4,240,000, leaving an anticipated deficit for 1957-58 of £3,550,000.

This year the tax reimbursement grant for Victoria was arbitrarily fixed by the Commonwealth at £50,301,000 without any knowledge of the problems which would face the State in the current financial year. This information would have been forthcoming if the States had been given their customary opportunity to present their Budget outlines and explanations at the recent Premiers' conference at which the amounts of the grants were announced.

Mr. SHEPHERD.—What was the difference in procedure on this occasion?

Mr. BOLTE.—The only difference on this occasion was that the Commonwealth announced the amount of tax reimbursement without the cases of the States having been submitted. In other years, the States' needs were outlined before any Commonwealth announcement was made, and the Commonwealth then revealed the tax reimbursement that had been decided on previously. To the extent I have explained, the procedure was short-circuited on this occasion.

Mr. WHITE.—The Commonwealth got in early this time?

Mr. BOLTE.—Yes.

The Government has given serious consideration to the alternative means which could be used to meet the anticipated deficit of £3,550,000. It has closely examined the taxation fields open to it and is of the opinion that these provide no further scope for additional revenue under existing conditions. Present State taxation fields are by their very nature inadequate, inflexible and inequitable; nevertheless, during the past five years revenue from State taxation in Victoria has increased by 111 per cent. compared with an increase of only 56 per cent. in our income tax reimbursement grants. No one can say that we have not done all we could to help ourselves in this regard. Before the war, Victoria's taxation per head of population was the lowest of all the States. In 1955-56 our Budget revenue taxes were the highest.

We have rejected the possibility of increasing railway freights and fares. According to the Budget Papers, it would appear that the whole of the deficit has been incurred through losses on the operations on the railways and the State Coal Mine.

However, the Government considers that it would be wrong and foolish to endeavour to budget for a surplus or to balance the Budget by trying to adjust the railway accounts, and this possibility has been discarded.

Mr. SHEPHERD.—By the expression “adjust the railway accounts” do you mean to balance them?

Mr. BOLTE.—The only adjustment possible would be an increase in all freights and fares to the extent necessary to make the railway accounts balance and this, in turn, would balance the Budget of Victoria.

Sir HERBERT HYLAND.—If rail freights and fares were increased, would the railway service continue to be patronized?

Mr. BOLTE.—In connexion with freights and fares, I believe that we have reached the point of no return. Consequently, a 20 per cent. increase in freights and fares might realize only a net increase in revenue of 5 per cent., or possibly there might be no increase at all. In some instances it has been established that a reduction in public transport charges has resulted in an increase in revenue.

In the Budget for 1956-57, which I described as an anti-inflation Budget—and I still stand by that statement—I outlined the Government's policy of avoiding any action on its part which would react adversely on the cost of living and the level of costs and prices generally. In the light of the experience of the past year I am convinced that this policy has been fully justified. In present circumstances, it would be an irresponsible act suddenly to jeopardize the obvious benefits of the present stability in costs by approving increases in the whole range of charges for Government services.

This policy is also reinforced by the present state of uncertainty which exists concerning uniform taxation.

As honorable members are aware, the High Court has recently delivered a judgment on a case submitted by Victoria as to the constitutional validity of certain aspects of the uniform taxation system. In its judgment, the court upheld the power of the States to impose and collect income taxation on an equal footing with the Commonwealth, thereby affirming the Federal principle of government, the unfettered operation of which lies at the very root of the Australian Constitution. The court also decided that, as a valid exercise of its powers under the Constitution, the Commonwealth could make grants to the States conditional upon the States refraining from exercising their concurrent power to impose and collect an income tax.

While it is clear that an important element in the structure of "uniform" taxation has been destroyed by the invalidation of the priority provisions in the Commonwealth legislation, the full implications of the judgment are still under consideration by the Government. In our view it would be desirable for representatives of the Commonwealth and the States to meet at an early date to discuss the practical effects of the judgment on present Commonwealth-States financial relationships. I recently asked the Prime Minister to convene a meeting of Premiers for this purpose, but he has informed me that he is not prepared to do this. It is the view of the Government that the recent High Court judgment calls for a reconsideration of the allocation of financial resources between the Commonwealth and the States and, in particular, for action to remedy the specific disabilities of this State under existing arrangements. The problem is receiving active consideration by the Government, and our aim will be to see that Victoria recovers from the position into which it has been forced under the present system of income tax reimbursement which has always discriminated severely against the taxpayers and citizens of this State.

The effect of so-called "uniform" taxation has been that Victoria has been called upon to provide some 30 per cent. of the total amount of income tax reimbursement grants, while it receives back only 26 per cent. of this amount. Details of the tax reimbursement grants and special grants to the States for 1956-57 and 1957-58 are given in Table No. 3 at the end of this speech. The table shows that in 1957-58, Victoria will receive by way of tax reimbursement grant £18 18s. per head of population compared with the following amounts per head of population in other States:—

						£	s.	d.
New South Wales	..	..	..	..	..	19	13	0
Queensland	..	..	..	..	..	21	10	0
South Australia	..	..	..	..	..	20	1	0
Western Australia	..	..	..	..	..	21	15	0
Tasmania	..	..	..	..	..	20	8	0

After allowance is made for the special grants recommended by the Commonwealth Grants Commission, the figures for the three claimant States are:—

						£	s.	d.
South Australia	..	..	..	..	..	26	12	0
Western Australia	..	..	..	..	..	36	10	0
Tasmania	..	..	..	..	..	31	10	0

If Victoria were to receive a grant on the basis of the average tax reimbursement grant per head of population received by the other States, the Government would have available at least an additional £3,750,000 this financial year, and consequently I would now be presenting a balanced Budget. The figures I have quoted illustrate quite clearly the way in which "uniform" taxation has operated to the detriment of Victoria. This form of taxation is uniform only in collection; that is where the element of uniformity begins and ends. The tax is no longer uniform from the point of view of distribution.

In view of the general uncertainty surrounding the future pattern of Commonwealth-State financial relations, the Government believes that it has an added reason for refraining from taking any precipitate action with respect to a general increase in Government charges.

I have given that information as a background to show clearly that it would be unfair to try to draw more revenue from the taxpayers of Victoria. A great deal of nonsense has been spoken about double taxation in Victoria, but to enter further taxing fields, or to increase the present rates of tax, would certainly be nothing more or less than double taxation. The Government

is gravely concerned that Victoria's finances are such that the State is solely dependent on the reimbursement of taxation from the Commonwealth Government, particularly when it discriminates against the taxpayers of Victoria. Should this position continue, the Government may be forced to apply to the Commonwealth to participate in the allocations by the Grants Commission and, as is done by South Australia, Western Australia and Tasmania, to apply for a special grant. Such action is not being contemplated now, but unless there is a new Commonwealth-State financial arrangement, action along these lines may well have to be considered in future.

ESTIMATED REVENUE 1957-58.

The Revenue for the current financial year is estimated at £141,461,000 details of which are given in Table No. 2, and is based on a continuation of the existing revenue conditions.

ESTIMATED EXPENDITURE 1957-58.

The estimated expenditure for the current financial year is £145,011,000, details of which are given in Table No. 2 which appears at the conclusion of this speech, together with actual expenditure in 1956-57. I shall now review the major activities of the State.

RAILWAYS.

Last financial year the deficit in respect of railway operations amounted to £5,227,000, whereas this financial year the anticipated deficit is £4,951,000, a decrease of £276,000. Details are:—

	£	£
Revenue	..	37,755,000
Working expenses.. ..	39,095,000	
Interest charges, &c.	3,611,000	42,706,000
Deficit	..	4,951,000

The estimated revenue for the current financial year is £292,000 in excess of the actual revenue earned by the Railway Department in 1956-57.

The revenue from general goods traffic is expected to be at about the same level as for last year, despite strong competition from road hauliers—particularly in respect of interstate consignments. We are always dependent on the seasons, and the outlook for the current year is not particularly bright. Consequently, it could well be that lesser quantities of wheat, livestock and other freight would be transported by rail, in which case the revenue for some of the most important items of the Budget could be over-estimated.

Last year, wheat railings were low because of the reduced production in consequence of serious floodings throughout the State. The estimate of revenue for the current year has been based on the expectation that there will be an average harvest.

Passenger traffic was stimulated to some extent by the Olympic Games, and it is anticipated therefore that this year there will be a small decline in such revenue.

Working expenses are estimated at £39,095,000, or £262,000 less than in 1956-57. Uncontrollable increases for which provision has been made amount to £536,000. These include provision for a full year for salary and wage increases under court awards (£76,000), payments to Brighton and Sandringham councils for rehabilitation of roads along former tram routes (£107,000), pensions (£98,000), Accident and Fire Insurance Fund (£52,000), and increased cost of fuel and diesel oils (£170,000).

These increases have been offset by savings made possible by utilizing to the limit the increasing fleet of diesel-electric locomotives and new track maintenance equipment.

Debt charges, &c., will amount to £3,611,000, an increase of £277,000, and, as already stated, the estimated deficit of the railways on account of the current financial year is £4,951,000.

STATE COAL MINE.

The revenue estimated as a result of operating the State Coal Mine in 1957-58 is £447,000 and the expenditure £782,000, a deficit of £335,000, an increase of £27,000 as compared with that incurred last financial year.

Although the estimated expenditure is £22,000 less than in 1956-57, revenue is expected to decline by £49,000, due mainly to an anticipated decline of over 6,000 tons in coal output and lower selling prices.

ROAD MAINTENANCE.

The High Court has recently handed down its decision in the important road hauliers case, *Armstrong v. The State of Victoria*. By this decision the Court held valid Part II. of the Victorian Commercial Goods Vehicles Act 1955 (No. 5931), which imposed a charge of one third of a penny per ton mile on the use of Victorian roads by heavy commercial goods vehicles.

Interstate hauliers sought to avoid payment of this contribution towards Victorian road maintenance on the ground that the charge infringed the freedom guaranteed by section 92 of the Commonwealth Constitution. It is gratifying to see that the Parliament of Victoria has been the first to prescribe and sustain a constitutional means of reconciling reasonable recompense for the use of Victorian roads in interstate trade with the notoriously difficult provisions of section 92.

This decision will be of considerable benefit to the Government in providing and maintaining a road network throughout the State of a standard to meet the needs of modern transport.

I may also add that it is anticipated that other States will quickly pass legislation similar to that enacted by Victoria and that we will have separately, if not conjointly, legislation of the same character in this regard.

EDUCATION.

The Government regards the provision of educational facilities as a major responsibility and in view of further increases in school enrolments increased amounts have had to be provided annually for this purpose. In the year prior to this Government taking office, the total expenditure on education from Consolidated Revenue, loan and other funds amounted to £25,275,000. In 1955-56 an amount of £30,346,000 was expended and in 1956-57 the expenditure was £33,622,000. For the current financial year provision has been made for an expenditure of £35,404,000.

The amount included in the Estimates of Expenditure for teachers' salaries is £16,990,000, an increase of £1,028,000 as compared with the expenditure last financial year. It is estimated that the full-time teaching staff will increase by at least 500 to a total of 14,300 during the current financial year. Additional provision for allowances to the extent of £172,000 has also been made on account of an increase in the number of students in training. The increased number of teachers as well as the number of students in training is the result of an intensive recruiting campaign to meet the urgent need for teaching personnel.

Other services for which additional provision has been made include conveyance of pupils, and technical education.

SCHOLARSHIPS AND ALLOWANCES.

When this Government came into office there were available 1,000 teaching bursaries and on 1st January, 1956, this number was increased to 1,325. Provision has since been made for a further increase of 500, making a total of 1,825. These will carry an allowance of £50 per annum and will be allocated as follows:—

Leaving certificate buraries	..	..	..	..	1,100
Matriculation bursaries	..	..	..	..	550
Diploma bursaries	..	..	..	..	175

Total expenditure on scholarships and bursaries for the current financial year is estimated at £243,000, an increase of £26,000 as compared with expenditure in 1956-57.

SCHOOL BUILDINGS.

The provision of funds for extending and improving our primary, secondary and technical school buildings, has been regarded by the Government as of the highest priority, with the result that the number of class-rooms built over the last two years was 1,675, being 39 more than was provided in the three years 1952-53 to 1954-55 inclusive.

Last financial year expenditure both on capital and maintenance works amounted to £7,354,000, and for 1957-58 an amount of £7,400,000 will be made available.

UNIVERSITY OF MELBOURNE.

Provision has been made in the Estimates of Expenditure for a Government contribution of £1,015,000 to the University of Melbourne—an increase of £70,000 on the amount made available last financial year.

In addition, an amount of £220,000 will be provided from loan moneys for university buildings and equipment. This is almost double the amount made available for university buildings last year and includes special financial assistance towards the cost of the new university library.

The whole question of the future development of Australian universities, including their financial needs, is at present under consideration by a committee appointed by the Commonwealth Government under the chairmanship of Sir Keith Murray, who is chairman of the University Grants Commission in Great Britain. The Minister of Education and representatives of the Treasury, the Education Department and the university have participated in discussions with the committee during its recent Melbourne sittings.

The policy of the Government on all matters concerning the proposed University of Technology will be finally determined when the committee's report has been received.

DEPARTMENT OF HEALTH.

The amount to be made available in 1957-58 from Consolidated Revenue for all health services other than hospitals is £8,671,000, an increase of £551,000.

I shall now refer to certain health services for which additional provision has been made:—Kindergartens and pre-school centres, £285,000 (increase £46,000); infant welfare centres, &c., £155,000 (increase £21,000); school medical and dental expenses, £72,000 (increase £5,000); crèches and day nurseries, £47,000 (increase £7,000); and assistance for elderly people and home helps, £135,000 (increase £35,000).

Honorable members can see that all of these amenities have been materially assisted this financial year.

BUSH NURSING HOSPITALS.

Bush nursing hospitals play a very important part in the hospital requirements of Victoria and therefore the Government has provided for maintenance purposes this year an amount of £74,000, an increase of £12,000. An increase was provided last year. In addition £1,000 has been provided towards administrative expenses of the Victorian Bush Nursing Association.

The Government is also assisting bush nursing hospitals with building grants on a £2 for £1 basis in lieu of £1 for £1 which previously applied.

HOSPITALS AND CHARITIES.

In 1954-55, expenditure for hospitals and charitable institutions amounted to £8,018,000, whereas last financial year the expenditure was £10,544,000—I emphasize that figure—an increase of more than £2,500,000. In the current financial year, if the hospitals and charitable institutions of this State are to be adequately maintained, an amount of £11,144,000 must be expended, an increase of more than £3,000,000 compared with the amount granted in 1954-55.

Additional beds are being provided in metropolitan and country hospitals and in this regard special attention is being paid to the particular needs of our older citizens. While the provision of new and more effective drugs and surgical equipment represents an additional financial burden, it has enabled further advances to be made in the standard of treatment available in our hospitals.

The amount of £11,144,000 will be provided in the following manner:—A balance of £97,000 in the Hospitals and Charities Fund, £7,625,000 direct from Consolidated Revenue; £850,000 from the tax on totalizator investments; and an amount of not less than £2,572,000 from the duty on Tattersall consultations.

Mr. SHEPHERD.—It there any falling off there at all?

Mr. BOLTE.—No. It should here be stated that in 1954-55, the first year that Tattersall's operated in Victoria, the contribution direct from Consolidated Revenue to the Hospitals and Charities Fund was £5,600,000 and, as has already been indicated, £7,625,000 will be provided this year, an increase of £2,025,000.

The contributions to the Hospitals and Charities Fund from Tattersall's receipts in 1954-55 was £1,733,000, and this year the contribution will be £2,572,000.

MENTAL HYGIENE.

This financial year an amount of £5,484,000 will be available for the general purposes of the Mental Hygiene Authority, an increase of £283,000. The amount of £5,484,000 includes a balance of £119,000 in the Mental Hospitals Fund, £5,038,000 from Consolidated Revenue and an initial allocation of £327,000 from the duty on Tattersall consultations.

There has been a considerable improvement in the staffing of our mental institutions and last year alone the staff was increased by 400. It is anticipated a further 220 employees will be engaged this year.

An amount of £1,140,000 was expended from the State's loan funds last financial year and this amount was supplemented to the extent of £570,000 by the Commonwealth Government. A similar provision will be made for 1957-58, so that for the two years ending 30th June, 1958, a total amount of £3,420,000 will have been expended on new buildings and the improvement of existing institutions, with the result of considerably better conditions for the mentally ill.

CHILDREN'S WELFARE—INCREASED ALLOWANCES.

Last financial year the rates of payment for State wards generally were increased and the Government has now approved further increases to operate from 1st October, 1957, ranging from 15s. to 20s. per week per child in respect of children boarded out in approved children's homes and juvenile schools. Further, in respect of approved juvenile schools accommodating almost exclusively wards of the State, the Government meets the deficiencies in operational costs, which has been the practice for many years.

In determining the financial provision to be made for the Children's Welfare Department, allowance has had to be made for additional homes for children, the greater number of children under the care of the Children's Welfare Department and the increased boarding out rates to which reference has just been made. It has thus been necessary to provide in the current year's Estimates an amount of £937,000 for this Department, an increase—it is a big one—of £182,000 as compared with the expenditure in 1956-57.

HOSTELS FOR YOUTHS.

The Government is very appreciative of the services rendered by existing children's welfare organizations in connexion with the provision and management of hostels for boys and girls. These hostels form an important part of child welfare activities in that they provide for youths who, having spent their childhood in an institution, desire to undertake a course of study or apprenticeship. The establishment of hostels provides them with accommodation until such time as they are in receipt of wages adequate to maintain themselves.

In order that this work may be extended, the Government has agreed to increase its maximum contribution for the erection or purchase of a suitable building from £6,000 to £7,500 on a £2 for £1 basis.

Assistance will also be continued to meet the cost of necessary renovations of an existing building and also for furnishings. So far as expenditure on renovations is concerned, the maximum assistance is £2,000 which however will be increased if the circumstances of the proposal warrant such action.

In addition, assistance is given to the institutions towards the maintenance cost of children residing in these hostels.

Parliamentary approval will be sought for the expenditure of £50,000 towards capital costs.

Mr. SHEPHERD.—Out of Consolidated Revenue?

Mr. BOLTE.—No, from loan funds. Towards meeting maintenance charges an amount of £7,500 has been included in the Estimates, an increase of £3,900.

YOUTH ORGANIZATIONS.

In pursuance of its policy to assist youth clubs and for the furtherance of the moral, intellectual and physical welfare and development of youth, an amount of £70,000 will be made available this financial year to the Youth Organizations Assistance Fund. This amount includes £20,000 which will be provided from loan moneys to be applied to establishing and equipping youth clubs in those areas where these facilities do not exist at the present time.

Sir HERBERT HYLAND.—On what basis?

Mr. BOLTE.—That is yet to be determined. Amounts previously provided from the Hospitals and Charities Fund for youth organizations will now be paid from the Youth Organizations Assistance Fund but specific grants as formerly have been included in either the Treasury or Department of Health estimates. When these grants are taken into consideration, the total provision for youth assistance this financial year will amount to £114,000 which is the greatest amount ever provided for this purpose.

POLICE.

During the year 1956-57 the expenditure for general police salaries amounted to £4,043,000 and provision has been made for an expenditure this year of £4,450,000, an increase of £407,000. This is accounted for by the fact that in 1956-57 there was an increase in the strength of the Police Force by 410 and it is estimated that not less than 180 additional appointments will be made in 1957-58.

Mr. SHEPHERD.—Does that number include reservists?

Mr. BOLTE.—No, it represents new men on strength.

PENAL REFORM.

The Penal Reform Act came into operation on 1st July, 1957, and £3,300 has been included in the Estimates of Expenditure on account of the Parole Board. Although it has been necessary to make this provision, the ultimate effects of the legislation will, it is felt, result in a reduction in our prison population, with a consequent reduction in costs to the State.

WELFARE OF ABORIGINES.

In accordance with legislation enacted last session, the Aborigines Welfare Board has been reconstituted and to provide for its additional activities, particularly in regard to housing, health and education, an amount of £47,500 will be available this financial year, £27,500 from Consolidated Revenue and £20,000 from loan funds. This provision is £31,000 in excess of last year's expenditure.

AGRICULTURE.

The total amount to be provided from Consolidated Revenue for all purposes of the Department of Agriculture in 1957-58 is £1,824,000, an increase of £105,000 as compared with the expenditure in 1956-57.

In addition the Government is making special provision to the extent of £100,000 to permit of an immediate commencement with essential building projects at Dookie and Longerenong colleges.

The new accommodation will provide for better training facilities and for an additional 130 students.

Further sums will also be made available for increased research facilities at the various stations under the control of the Department of Agriculture.

The provision by the Government of £30,900 in 1956-57 for the construction of poultry buildings at Burnley Gardens has enabled the Department of Agriculture, with the assistance of the Commonwealth extension services grant, to build 180 modern test pens and commence poultry accreditation and random sample laying tests this year.

This scheme is a major step in the improvement of Victorian poultry flocks as it will assist breeders to locate the best breeding stock.

Additional provision in this Budget with the continued assistance of the Commonwealth extension services grant will permit an active programme of work.

YOUNG FARMERS' CLUBS.

The number of young farmers' clubs has now increased to over 100 with a membership in excess of 3,000, and to meet additional costs the Government has increased the grant from £7,400 to £9,000.

DIPLOMA OF HORTICULTURE.

A most important advance in agricultural education in Victoria arises from the Government's decision to establish in 1958, at Burnley School of Horticulture, a three-year diploma course to serve all aspects of Victoria's many horticultural industries and interests.

The course will be similar in academic standing to those of Dookie and Longerenong Agricultural Colleges, and will be supported on its practical side by the Department of Agriculture's research station facilities.

COUNTRY WATER SUPPLY.

One of the most important works completed during the year was the duplication of the channel which conveys water for irrigation purposes from the Goulburn weir to Waranga reservoir, the construction of which is part of the extensive works being carried out to take advantage of the additional waters available from the enlarged Eildon reservoir.

Excellent progress has also been made on the enlargement of the Glenmaggie reservoir, to provide for expansion of irrigation in the Maffra-Sale and central Gippsland districts, whilst the Cowwarr weir, on the Thompson river, on which work commenced only in February of this year, has been completed except for the installation of steel gates and operating machinery.

Extensive works to tap the Tarago river have been completed and works to improve and extend the reticulation system within the Mornington Peninsula are also in progress.

Town water supplies and sewerage have been extended to towns previously without these modern amenities and reticulation improved where these services already existed. Drainage works have also been carried out in the Murray Valley irrigation district, the Goulburn system and the central Gippsland irrigation districts, particularly in the Nambrook-Denison soldier settlements.

The amount to be provided this financial year from Consolidated Revenue for the general purposes of the State Rivers and Water Supply Commission is £3,291,000 an increase of £86,000 as compared with actual expenditure in 1956-57.

FLOOD RELIEF.

Serious flooding occurred in northern Victoria during the winter and spring of 1956, causing extensive damage to roads, bridges and private property.

The Victorian Government and the Commonwealth Government provided £40,000 each on a £1 for £1 basis for the relief of flood sufferers and £5,000 has been included in the Estimates for 1957-58 as a further contribution by the State.

Prompt and energetic measures were taken to combat the flooding of the River Murray, which exceeded all past records. Vital installations were successfully protected and much damage to private property averted by the construction, under emergency conditions, of many miles of levee banks.

The Victorian Government and the Commonwealth Government agreed to provide £500,000 each on a £1 for £1 basis for the reimbursement of expenditure incurred upon emergency flood protection works, and for the purpose of repairing roads and bridges damaged as a result of the flooding of the River Murray and its tributaries.

The major portion of this amount is being made available for assistance to municipalities.

MUNICIPAL DRAINAGE WORKS.

Last financial year the Government, in addition to making funds available for the construction of main outfall drains in country centres where the drains serve an area of at least 150 acres, made available a sum of £30,000 specifically to assist councils with smaller drainage works where the area to be drained was less than 150 acres. The same policy will be continued in 1957-58.

SOLDIER AND LAND SETTLEMENT.

Land settlement is now taking on an enlarged phase with the opening up by the Lands Department of a number of blocks of virgin Crown land in the vicinity of Dergholm near the South Australian border. These blocks, which vary in size from 800 to 1,100 acres, have recently been allocated.

This form of development of Crown lands will proceed parallel with soldier settlement and general land settlement and will provide an opportunity for many of those who otherwise would have little prospect of establishing themselves on the land.

The number of soldier settlers who have now been assisted by the Soldier Settlement Commission is approaching the 6,000 mark.

The amount expended last financial year by the Soldier Settlement Commission amounted to £5,178,000 of which £1,598,000 was made available by the Commonwealth Government.

MINES DEPARTMENT.

The new deep drilling rotary drill upon which the sum of £130,000 was expended is now in course of erection at Portland where geological advice was to the effect that good water was likely to be obtained in this area by the use of this equipment, which can probe our deep artesian basins to a depth of 5,000 feet.

To co-ordinate effectively the work of the Government and the various interests and research bodies concerned in mineral exploration, an Advisory Committee on Mineral Development has been formed under the chairmanship of the Chief Government Geologist. It includes representatives of the University of Melbourne, the Chamber of Mines, the Australasian Institute of Mining and Metallurgy, and the Australian Mines and Metals Association.

This committee has already recommended that £20,000 should be spent on an aero-electro-magnetic survey of the mountainous country in eastern Victoria, and the Government has approved the recommendation.

Last financial year the expenditure from revenue for the various purposes of the Mines Department amounted to £326,000. The provision this financial year is £421,000, an increase of £95,000.

RURAL FINANCE CORPORATION.

The Rural Finance Corporation, since its inception in 1950, has approved of loans amounting to £10,167,000, of which £7,358,000 related to primary and £2,809,000 to secondary industries.

Money advanced in respect of primary industries was mainly for the purchase of farming properties and for the improvement and development of existing farms, and included special assistance and seasonal advances in the dried fruit areas.

With the assistance of finance from the Corporation many important secondary industries have been established in country centres, and other industrial undertakings have been able to extend their activities.

Industries that have received financial assistance comprise fruit packing and cool storage, dairy produce and milk pasteurization, clothing and textiles, brick and cement production, engineering works, and timber milling.

In addition to its normal business the Corporation has made loans at a concessional rate of interest for the following purposes:—

Housing loans to secondary industries (mainly saw-milling) and for bush fire relief;

farm water supply, dairy improvement, and farm installations for electrical energy; and

hail damage relief in certain dried fruit areas.

Under a recent amendment of the Rural Finance Corporation Act provision was made for the Corporation to administer funds for any special purpose the Treasurer may direct.

Within this authority the Corporation is providing financial assistance for the rehabilitation of farmers who lost substantial areas of land due to the flooding of Lake Corangamite, and is now dealing with the problem of peach growers who suffered losses following the floods in the Goulburn and Murray Valley areas in 1956.

Whilst immediate relief in necessitous cases was given by the Victorian Floods Relief Committee by way of grants for fodder, agistment and other purposes, in the Lake Corangamite area the Corporation has assisted in the purchase of additional land by farmers whose unflooded land did not provide a living area.

In other cases there was so little of the original holding left that the purchase of another farm has been necessary.

Advances are being made by way of long term loans at a concessional rate of interest for the first five years, the total advances being estimated at £200,000.

In order to rehabilitate peach growers who sustained heavy losses as a result of the destruction of their trees by floods during 1956, the Government will make available, through the Rural Finance Corporation, up to £1,000,000 for the purchase and planting of new areas.

A departmental committee has been appointed for the purpose of investigating each individual case and recommending to the Corporation appropriate measures of relief.

Where the provision of finance for the purchase of new land and trees is considered to be justified, a long term loan at a reasonable rate of interest will be made by the Corporation from the funds provided by the Government, subject to a limit of £10,000 in any one case. In necessitous cases, a concessional rate of interest will be considered.

HOUSING.

Since the Housing Commission was constituted, 34,785 units have been made available, of which 2,580 were provided last financial year, 1,438 being in the metropolitan area and 1,142 in country centres.

During the past year work has also proceeded steadily on slum reclamation projects at Collingwood, Carlton, North Melbourne and Fitzroy. In the current financial year the work will be extended to other areas, towards which the Government has specially allocated an amount of £500,000.

Mr. DOUBE.—You make no comparison with what was done in former years.

Mr. BOLTE.—Perhaps we should have made a comparison in respect of slum reclamation, because for years nothing was done in that direction.

Also during the year, 124 special low cost units designed to meet the need of elderly persons, childless couples, pensioners, and others in receipt of low incomes were erected in nine Melbourne suburbs and at the 30th June, 1957, a further 86 of these units were under construction in seven suburbs and 24 units at Geelong East and Norlane. Provision will be made in the current financial year for the erection of additional groups of these units.

During the financial year 1956-57 the Commission sold 1,798 houses for a total selling price of £5,714,000.

Rent collections yielded £5,050,000 and are estimated to amount to £5,600,000 in 1957-58 after allowing for rental rebates—estimated at £190,000—and for a reduction of rental collections due to the sale of an estimated further quota of 2,000 houses.

Under the terms of the new Commonwealth-State Housing Agreement the sum of £8,000,000 will be allocated for capital works of the State Housing Commission and £2,000,000 to co-operative housing societies.

In addition, a further amount of £400,000 will be available to the Commission in accordance with the provision in the agreement to provide rental homes for service personnel.

Not only has the Government been very successful in the removal of temporary housing settlements, but it has provided funds for the social rehabilitation of persons occupying such accommodation. The amount expended last financial year for these purposes was £13,300 and an amount of £8,600 has been provided in the Treasury estimates for this financial year. Honorable members will agree that expenditure in this direction is a wise measure. This procedure is necessary as the funds of the Housing Commission cannot be used for social rehabilitation work.

CO-OPERATIVE HOUSING SOCIETIES.

During the year ended 30th June, 1957, 112 new co-operative housing societies, being an all-time record number, were registered. In that period, societies obtained loan accommodation to an amount of £5,824,000 as compared with £3,034,000 in the previous year and £3,249,000 in the year ended 30th June, 1955.

The loan accommodation last year included £2,000,000 provided from housing loan funds. Honorable members will recall that, under a new housing agreement drawn up between the Commonwealth and the States during the year, provision was made for portion of each State's annual allocation of housing loan funds to be made available to co-operative housing societies and other approved institutions. In this State, however, amounts available under the agreement for the provision of finance for home builders are being made available to co-operative housing societies exclusively.

At the 30th June last, 24,607 members had obtained homes under the scheme and there were 5,195 more dwellings in course of erection—a total of 29,802. The aggregate membership of societies increased during the year from 25,507 to 31,687.

HOME FINANCE TRUST.

The establishment of the Home Finance Trust has proved highly successful in that, although it commenced operations only on 8th August, 1956, it had secured finance by 30th June, 1957, to the extent of £1,900,000. It had also at the same date approved 499 loans, the amount involved being £1,342,000. I point out that the Opposition asserted that this scheme would not work.

Thus many people, with limited cash resources, who form the bulk of the borrowers from the Trust have been enabled to become home owners. The Trust has also provided financial assistance for applicants from country districts in which co-operative housing societies have not been formed, and in fact could not be formed.

NATIONAL PARKS.

The National Parks Authority has now been constituted and provision has been made in the Estimates for a contribution of £4,650 to the National Parks Fund. In addition, loan moneys will be made available and authority to spend up to £50,000 for its purposes will be sought in the Public Works Loan Application Bill.

In anticipation of this approval an allocation of £20,000 has been made.

LOAN PROGRAMME.

Victoria's loan allocation this financial year is £42,420,000 and, having regard to the balance in the loan fund at 30th June, 1957, and the additional amount required to fund last year's deficit, the amount available for expenditure on works in 1957-58 is substantially the same as in last financial year.

Full details of Victoria's loan expenditure for the past five years may be obtained by a reference to page 59 of the Budget Papers.

CONCLUSION.

This year by way of conclusion it would seem appropriate to pause and to review briefly the progress which has been made in Victoria since the war.

Looking back there is no doubt that the last ten years, in spite of their difficulties and problems, will go down in our history as a decade of rapid expansion and sound development.

During those years our population has increased by over 600,000. Provision has had to be made, not only for the housing, education and health of these citizens, but also for the development of the resources which are necessary to enable those of working age to make a maximum contribution to the production of this State.

We can see evidence of our development in the 200,000 new homes which have been completed, the provision of 4,500 new class-rooms in State schools, the construction of 42 new hospitals, with an increased capacity of over 3,500 beds, the trebling of electricity production and of the capacity of the State's water supply storages.

These examples are staggering in themselves but we cannot afford to rest on past achievements. They must be taken as an indication of the sound foundation which has been provided and upon which further progress can be based.

The opportunities which abound in this State in an atmosphere of enterprise and economic freedom are already recognized both at home and abroad and are reflected in the present high level of activity in the private sphere. The Government realizes that we particularly need the help of overseas capital at the present stage of our development if we are to continue our expansion and further increase our standards of living. In this regard the Government has been encouraged by the response which has followed the work of recent overseas missions from this State, and it will continue its policy of taking all practical steps to maintain and stimulate this interest. I am convinced that Victoria offers a worth-while reward to all who are willing to peg a stake in its future.

The continued high levels of personal prosperity, employment and of primary and secondary production provide the basis on which we can look forward in all confidence to further progress in the development of our State.

Progress was reported.

The following tables are those referred to in the Budget Speech:—

TABLE 1.—FINANCIAL YEAR, 1956-57.

COMPARISON OF ACTUAL REVENUE AND EXPENDITURE WITH THE BUDGET ESTIMATE.

<i>Revenue.</i>							
		Budget Estimate.	Actual.	+	Increase.	—	Decrease.
		£	£				£
Commonwealth Payments—							
Tax Reimbursement		45,810,000	46,061,000	+			251,000
Financial Agreement		2,127,000	2,127,000				..
Probate Duty		7,850,000	7,005,000	—			845,000
Entertainments Tax		1,662,000	1,624,000	—			38,000
Land Tax		4,500,000	4,170,000	—			330,000
Stamps Acts—							
Duty Stamps, &c.		5,375,000	5,156,000	—			219,000
Betting		1,108,000	1,113,000	+			5,000
Totalizator		850,000	847,000	—			3,000
Tattersall Duty		2,850,000	2,979,000	+			129,000
Fees—							
Titles Office and Registrar-General's Office		808,000	689,000	—			119,000
Territorial (excluding Forests)		540,000	579,000	+			39,000
Forests		1,728,000	1,762,000	+			34,000
State Rivers and Water Supply Commission		2,850,000	2,875,000	+			25,000
Ports and Harbors		534,000	485,000	—			49,000
Interest on Loans and other Recoveries		7,982,000	8,472,000	+			490,000
Agriculture		470,000	513,000	+			43,000
Railways		37,511,000	37,463,000	—			48,000
State Coal Mine		448,000	496,000	+			48,000
All Other		8,340,000	8,836,000	+			496,000
Total Revenue		133,343,000	133,252,000	—			91,000

Expenditure.

	Budget Estimate.	Actual.	+	Increase.	—	Decrease.
	£	£				£
Part I.—Departments and General Services (exclusive of Railways and State Coal Mine).						
Debt Charges: Interest, Loan Conversion Expenses, Exchange and Sinking Fund Payments	17,815,000	17,733,000	—			82,000
Commonwealth-State Housing Agreement—Interest on Advances and Repayment of Principal	3,454,000	3,308,000	—			146,000
Commonwealth-State Soldier Settlement—Interest on Advances	83,000	94,000	+			11,000
Education (including University and Agricultural Colleges)	25,318,000	25,717,000	+			399,000

Expenditure—continued.

	Budget Estimate. £	Actual. £	+ —	Increase. Decrease. £
Health Services—				
Hospitals and Charities	9,180,000	10,322,000*	+	1,142,000
General Health, including Infant Welfare	3,258,000	3,072,000	—	186,000
Mental Hygiene	4,943,000	5,048,000**	+	105,000
Unapportioned	145,000	—	—	145,000
Children's Welfare	870,000	755,000	—	115,000
Police	5,519,000	6,018,000	+	499,000
Penal and Gaols	769,000	842,000	+	73,000
Law	1,669,000	1,780,000	+	111,000
Country Water—Ordinary Expenditure	3,089,000	3,133,000	+	44,000
Country Water—Sand Drift Removal	70,000	72,000	+	2,000
Forests	2,136,000	2,207,000	+	71,000
Lands and Survey	2,015,000	2,005,000	—	10,000
Agriculture	1,727,000	1,719,000	—	8,000
Miscellaneous Public Works	1,771,000	1,840,000	+	69,000
Pensions—				
Education	625,000	632,000	+	7,000
Police	652,000	761,000	+	109,000
Other	514,000	520,000	+	6,000
Legislative and General Administration	4,384,000	4,350,000	—	34,000
Miscellaneous	1,837,000	2,144,000	+	307,000
Part II.—Railways and State Coal Mine.				
Railways—Working Expenses	38,134,000	37,736,000	—	398,000
Debt Charges, Interest, Loan Conversion Expenses, Exchange and Sinking Fund Payments	3,402,000	3,334,000	—	68,000
Pensions	1,600,000	1,621,000	+	21,000
State Coal Mine—				
Working Expenses	775,000	773,000	—	2,000
Pensions	34,000	31,000	—	3,000
Total Expenditure	135,788,000	137,567,000	+	1,779,000

* Includes balance in Hospitals and Charities Fund at 30th June, 1957, of £97,000 being £223,000 less than balance at 30th June, 1956.

** Includes a balance in Mental Hospitals Fund of £119,000 at 30th June, 1957, being £154,000 less than balance at 30th June, 1956.

TABLE 2.—FINANCIAL YEAR, 1957-58.

ESTIMATED REVENUE 1957-58 COMPARED WITH ACTUAL REVENUE, 1956-57.

	Actual Revenue 1956-57. £	Estimated Revenue 1957-58. £	+ —	Increase. Decrease. £
Commonwealth Payments—				
Tax Reimbursements	46,061,000	50,301,000	+	4,240,000
Financial Agreement	2,127,000	2,127,000	—	—
Probate Duty	7,005,000	7,800,000	+	795,000
Entertainments Tax	1,624,000	1,900,000	+	276,000
Land Tax	4,170,000	4,600,000	+	430,000
Stamps Act—				
Duty Stamps, &c.	5,156,000	5,570,000	+	414,000
Betting Transactions	1,113,000	1,170,000	+	57,000
Totalizator	847,000	850,000	+	3,000
Tattersall Duty	2,979,000	2,950,000	—	29,000
Fees—				
Titles Office and Registrar-General's Office	689,000	760,000	+	71,000
Territorial (excluding Forests)	579,000	607,000	+	28,000
Forests	1,762,000	1,728,000	—	34,000
State Rivers and Water Supply Commission	2,875,000	3,025,000	+	150,000
Ports and Harbors	485,000	527,000	+	42,000
Interest on Loans and other Recoveries	8,472,000	9,232,000	+	760,000
Agriculture	513,000	522,000	+	9,000
Railways	37,463,000	37,755,000	+	292,000
State Coal Mine	496,000	447,000	—	49,000
All Other	8,836,000	9,590,000	+	754,000
Total Revenue	133,252,000	141,461,000	+	8,209,000

ESTIMATED EXPENDITURE 1957-58 COMPARED WITH ACTUAL EXPENDITURE, 1956-57.

	Actual Expenditure 1956-57. £	Estimated Expenditure 1957-58. £	+ Increase. - Decrease. £
Part I.—Departments and General Services (exclusive of Railways and State Coal Mine).			
Debt Charges: Interest, Loan Conversion Ex- penses, Exchange and Sinking Fund Payments	17,733,000	20,253,000	+ 2,520,000
Commonwealth-State Housing Agreement—In- terest on Advances and Repayment of Principal	3,308,000	3,751,000	+ 443,000
Commonwealth-State Soldier Settlement—In- terest on Advances and Repayment of Principal	94,000	168,000	+ 74,000
Education (including University and Agricultural Colleges)	25,717,000	27,264,000	+ 1,547,000
Health Services—			
Hospitals and Charities	*10,322,000	†11,047,000	+ 725,000
General Health, including Infant Welfare ..	3,072,000	3,305,000	+ 233,000
Mental Hygiene	**5,048,000	†5,366,000	+ 318,000
Unapportioned		51,000	+ 51,000
Children's Welfare	755,000	937,000	+ 182,000
Police	6,018,000	6,434,000	+ 416,000
Penal and Gaols	842,000	880,000	+ 38,000
Law	1,780,000	1,887,000	+ 107,000
Country Water—Ordinary Expenditure ..	3,133,000	3,221,000	+ 88,000
Country Water—Sand Drift Removal ..	72,000	70,000	— 2,000
Forests	2,207,000	2,123,000	— 84,000
Lands and Survey	2,005,000	2,044,000	+ 39,000
Agriculture	1,719,000	1,824,000	+ 105,000
Miscellaneous Public Works	1,840,000	1,910,000	+ 70,000
Pensions—			
Education	632,000	716,000	+ 84,000
Police	761,000	803,000	+ 42,000
Other	520,000	605,000	+ 85,000
Legislative and General Administration ..	4,350,000	4,822,000	+ 472,000
Miscellaneous Services	2,144,000	2,042,000	— 102,000
Part II.—Railways and State Coal Mine.			
Railways—Working Expenses	37,736,000	37,376,000	— 360,000
Debt Charges, Interest, Loan Conversion Ex- penses, Exchange and Sinking Fund Payments	3,334,000	3,611,000	+ 277,000
Pensions	1,621,000	1,719,000	+ 98,000
State Coal Mine—			
Working Expenses	773,000	750,000	— 23,000
Pensions	31,000	32,000	+ 1,000
Total Expenditure	137,567,000	145,011,000	+ 7,444,000

† This amount is exclusive of £97,000 balance in Hospitals and Charities Fund at 30th June, 1957.

‡ This amount is exclusive of £119,000 balance in Mental Hospitals Fund at 30th June, 1957.

* Includes balance in Hospitals and Charities Fund at 30th June, 1957, of £97,000, being £223,000 less than balance at 30th June, 1956.

** Includes a balance in Mental Hospitals Fund of £119,000 at 30th June, 1957, being £154,000 less than balance at 30th June, 1956.

TABLE 3.—TAX REIMBURSEMENT GRANTS 1956-57 AND 1957-58.

State.	1956-57.			1957-58.		
	Formula Grant.	Supple- mentary Payments.	Total.	Formula Grant.	Supple- mentary Payments.	Total.
	£'000	£'000	£'000	£'000	£'000	£'000
New South Wales ..	58,353	6,926	65,279	61,975	8,875	70,850
Victoria	40,237	5,826	46,063	44,000	6,301	50,301
Queensland	24,369	2,892	27,261	26,023	3,726	29,749
South Australia ..	14,049	1,668	15,717	15,238	2,182	17,420
Western Australia ..	12,252	1,454	13,706	13,098	1,876	14,974
Tasmania	5,385	639	6,024	5,866	840	6,706
Total	154,645	19,405	174,050	166,200	23,800	109,000

TAX REIMBURSEMENT AND SPECIAL GRANTS TO STATES 1957-58.

State.	Tax Reimbursement Grant (including Supplementary Payments).		Special Grant.		Total.	
	Amount.	Per Head.*	Amount.	Per Head.*	Amount.	Per Head.*
	£'000	£ s. d.	£'000	£ s. d.	£'000	£ s. d.
New South Wales ..	70,850	19 13 0	..	..	70,850	19 13 0
Victoria ..	50,301	18 18 0	..	..	50,301	18 18 0
Queensland ..	29,749	21 10 0	..	..	29,749	21 10 0
South Australia ..	17,420	20 1 0	5,700	6 11 0	23,120	26 12 0
Western Australia ..	14,974	21 15 0	10,150	14 15 0	25,124	36 10 0
Tasmania ..	6,706	20 8 0	3,650	11 2 0	10,356	31 10 0
Total ..	190,000	19 18 0	19,500	2 1 0	209,500	21 19 0

* Based on estimated population at 31st March, 1957.

SUPPLEMENTARY ESTIMATES FOR 1956-57.

Mr. BOLTE (Premier and Treasurer) presented a message from His Excellency the Lieutenant-Governor transmitting Supplementary Estimates of Expenditure for the year 1956-57, and recommending an appropriation from the Consolidated Revenue accordingly.

The House went into Committee of Supply.

Mr. BOLTE (Premier and Treasurer).—I move—

That a sum not exceeding £2,914,744 be granted to Her Majesty on account for or towards defraying services for the year 1956-57, as printed in the Supplementary Estimates.

Supplementary Estimates on account of the year 1956-57 are submitted for the approval of honorable members. The purpose of these Estimates is to obtain parliamentary authority under the appropriate divisions for certain urgent expenditure which has been incurred in excess of that already authorized by the Appropriation Act which was passed in November last.

Details of the transactions in respect of last financial year have been given in the Budget statement, and the expenditure involved in these Supplementary Estimates was included in that statement. The additional authority now required for the financial year 1956-57 is £2,914,744.

I shall traverse briefly the major items under which increased provision was necessary. For parliamentary printing an additional amount of £34,932 was expended. Under this item, provision is made to meet the cost of printing *Hansard*, Bills, reports, and so on. The expenditure exceeded the original estimate mainly on account of the printing cost involved in the consolidation of the statutes, which is now taking place, and the publication of first and second editions of *Hansard*.

An additional amount of £86,104 was required for contingencies in penal establishments and gaols. An increase of 21 per cent. in the prison population resulted in a greater outlay for provisions and clothing and in payments on account of prisoners' earnings. The resumption of production in the wire netting factory was responsible for heavier expenditure in the purchase of raw materials and in greatly increased consumption of gas and electricity. Furthermore, additional overtime was incurred owing to the shortage of staff and increased security measures.

In the Police Force, an extra £304,656 was required for salaries. When the Estimates for 1956-57 were prepared, it was calculated that there would be an increase of 150 in the strength of the Police Force, but this estimate was exceeded, and actually there was a net increase of 410. So that policemen could be transferred to regular police duties,

62 retired members were appointed to the Police Reserve to perform office, watch-house, and other sundry duties.

A further £123,004 was required for contingencies for police purposes. The additional appointment to the Force, together with the expanded activities of the Department, have had the effect of increasing expenditure under all items in the police votes. Some of the major factors in this increased expenditure were the greater use of private cars on police work and the increased mileage rate paid for their use, the purchase of additional items of clothing and equipment, the replacement of obsolete handcuffs, and the increase in postage and telephone rates.

Miscellaneous expenditure in connexion with the Police Force increased by £60,879. This was largely attributable to the fact that the expenditure on uniform allowances exceeded the estimate owing to the larger number of recruits, an increase in the use of departmental vehicles, particularly for traffic control and road courtesy work, and a steep rise in third-party insurance premiums. Furthermore, amending legislation enacted during the year provided for blood tests of drivers of motor cars to be used as evidence of intoxication or otherwise. The carrying out of the necessary analyses of samples of blood is done by the scientific staff of the university, and payment is made for the service.

The principal reasons for the additional expenditure of £243,289 for Education Department salaries are an increase of 336 in the teaching personnel, and adjustments of salaries of temporary teachers and trade instructors as from March, 1956. The main items responsible for the increased provision of £64,236 for contingencies comprise travelling expenses, £6,000; school equipment, £17,000; school requisites, £8,000; electricity, £8,600; and central heating, £10,000.

The extra allocation of £53,811 for contingencies for the Attorney-General's Department was necessary because the expenditure on jurors' fees and professional assistance exceeded the original estimate.

Mr. Bolte.

Pay-roll tax is payable to the Commonwealth Government by the Treasury on the salaries and wages paid from revenue, other than in respect of the Forests Commission, the State Rivers and Water Supply Commission, the Railway Department and the State Coal Mine. Increased salary payments consequent on additional staff appointments in the Education and Police Departments during the year 1956-57 necessitated an increased provision of £30,342.

For exceptional expenditure by the Treasury—under Division 56—a sum of £220,237 more than the original estimate was required. The main items included in this division included a contribution of £40,000 to the Victorian Flood Relief Account, a refund of £40,192 of interstate transport fees, including legal costs, and a contribution of £125,000 to the Organizing Committee of the XVI Olympiad towards promotional costs.

It is estimated that the loss incurred on the Olympic Games will amount to £350,000. To date, the State of Victoria and the Commonwealth Government have each contributed £125,000. In the current financial year an additional £100,000 will be paid. This will be shared equally by the State and Commonwealth Governments.

Expenditure by the Department of Agriculture in connexion with the control of fruit fly required an additional outlay of £28,420 to enable an effective plan of control to be maintained. During the financial year 1956-57, it was necessary to provide additional finance to the Hospitals and Charities Fund for the maintenance of hospitals and charitable institutions. When the Estimates for 1956-57 were prepared, it was anticipated that an amount of £9,500,000 would be necessary for this purpose, but owing to higher costs and an increase in the number of beds available it was necessary to raise this amount to £10,550,000. Of this increased provision, £900,000 was provided under Division No. 84—General Health—and the balance from receipts from Tattersall consultations.

Explanations have now been furnished regarding the more important items included in the Supplementary Estimates. I shall be pleased to give any further information that honorable members may desire, but it will be found that many of the items are self-explanatory. As the accounts for the financial year 1956-57 cannot be completed until these Supplementary Estimates have been approved, I ask honorable members to deal with them as expeditiously as possible.

Progress was reported.

VOTES ON ACCOUNT.

The House went into Committee of Supply.

Mr. BOLTE (Premier and Treasurer).

—I move—

That a sum not exceeding £27,383,985 be granted to Her Majesty on account for or towards defraying the following services for the year 1957-58:—Legislative Council—contingencies, &c., £3,490; Legislative Assembly—salaries and contingencies, £11,160; Refreshment Rooms—salaries and contingencies, £5,300; Engineers and Gardeners—salaries and contingencies, £2,475; Parliamentary Printing, £25,000; The Library, Parliament House—salaries, contingencies, &c., £2,790; Victorian Parliamentary Debates—salaries and contingencies, £6,325; The Governor's Office—salaries and contingencies, £7,200; Premier's Office—salaries, contingencies, and miscellaneous, £44,770; Patriotic Funds Council—salaries and contingencies, £350; Soil Conservation Authority—salaries, contingencies, and miscellaneous, £33,900; Regional Planning and Decentralization Division—salaries and contingencies, £5,925; Agent-General, £7,610; Public Service Board—salaries and contingencies, £13,940; Audit Office—salaries and contingencies, £35,750; Chief Secretary's Office—salaries and contingencies, £25,600; totalizer administration, £1,470; miscellaneous, £2,500; pensions, &c., £125; grants, £11,000; Immigration—salaries and contingencies, £8,900; Aborigines Welfare Board—miscellaneous, £5,000; Explosives—salaries and contingencies, £19,370; Gas Regulation—salaries, £2,815; State Accident Insurance Office—salaries and insurance of State employees, £55,100; Motor Car (Third Party) Insurance—salaries, £20,100; Workers' Compensation Board—salaries, £3,140; Fisheries and Game—salaries and contingencies, £38,700; Government Shorthand Writer—salaries and contingencies, £3,270; Government Statist—salaries and contingencies, £42,000; Children's Welfare—salaries, contingencies, and miscellaneous, £213,800;

Penal and Gaols—salaries and contingencies, £212,000; Police—salaries, contingencies, and miscellaneous, £1,611,700; Police Classification Board—salaries and contingencies, £550; Public Library, &c.—salaries and miscellaneous, £73,450; Free Library Service Board—salaries, contingencies, and grants, £11,810; Department of Labour and Industry—salaries and contingencies, £72,850; Education—salaries, £5,250,000; contingencies and miscellaneous, £1,321,600; works and buildings, £125,000; endowments and grants, £417,000; Teachers Tribunal—salaries and contingencies, £1,300; Attorney-General—salaries and contingencies, £242,185; Rent Control—salaries and contingencies, £10,840; Public Trustee—salaries and contingencies, £38,965; Courts Administration, &c.—salaries and contingencies, £137,245; Treasury—salaries and contingencies, £24,800; payment under the provisions of the Commonwealth Pay-Roll Tax Assessment Act, £218,500; miscellaneous, £97,000; transport, &c., £22,800; unforeseen expenditure, £600; payments to Railway Department, £58,000; miners' phthisis allowances, &c., £19,000; grants, £270,000; pensions, &c., £5; exceptional expenditure, £180,000; State Superannuation Board and Pensions Office—salaries, contingencies, and miscellaneous, £8,600; Registry of Co-operative Housing Societies—Co-operative Societies—salaries and contingencies and home finance administration, £9,500; Taxation Office—salaries and contingencies, £67,450; Stamp Duties—salaries and contingencies, £33,550; Government Printer—salaries, contingencies, and miscellaneous, £275,200; Lands and Survey, Land Settlement—salaries and contingencies, £221,000; miscellaneous, £200,000; Soldier Settlement Commission—salaries and contingencies, £58,500; Botanic and Domain Gardens, &c.—salaries and contingencies, £20,700; Works and Buildings, £550; Public Works—salaries, contingencies, and exceptional, £233,100; works and buildings, £338,000; Town and Country Planning Board—salaries and contingencies, £4,585; Ports and Harbors—salaries and contingencies, £37,305; works, &c., £87,160; Mines—salaries and contingencies, £49,250; miscellaneous, £35,000; Forests—salaries, contingencies, and miscellaneous, &c., £325,680; payment under the provisions of the Commonwealth Pay-roll Tax Assessment Act, £4,125; State Rivers and Water Supply Commission—salaries, &c., £795,000; payment under the provisions of the Commonwealth Pay-roll Tax Assessment Act, £21,000; Agriculture—Administrative—salaries, contingencies, miscellaneous, and exceptional, £198,000; salaries, contingencies, and miscellaneous, £88,500; Horticulture—salaries, contingencies, and miscellaneous, £66,000; Live stock—salaries, contingencies, and miscellaneous, £78,500; Dairying—salaries, contingencies, and miscellaneous, £77,000; Health—Administrative—salaries, contingencies, and miscellaneous, £1,527,950; General Health—salaries, contingencies, and miscellaneous, &c., £229,100;

Tuberculosis—salaries, contingencies, and miscellaneous, £297,040; Maternal and Child Hygiene—salaries, contingencies, and miscellaneous, £214,000; Mental Hygiene—salaries, contingencies, and miscellaneous, £1,208,000; Railways—working expenses, &c., £9,289,995; Railway Construction Branch, £10,075; State Coal Mines—working expenses, £195,480; Ministry of Transport—salaries and contingencies, £3,015. Total £27,383,985.

The amount included in this Supply schedule, namely, £27,383,985, is sufficient to meet requirements until the end of December, 1957. The first column of the Supply schedule indicates the amount required under each division of the Estimates to meet expenditure for the months of October, November, and December, 1957, and the second column shows the proportionate amount of the expenditure under each division for last financial year.

The Supply schedule discloses many variations from the expenditure for a proportionate period of the year 1956-57. There are many reasons for these variations, but the amount of Supply required, whether greater or less than the expenditure incurred for a proportionate period of the preceding year, does not necessarily reflect the position of the current year.

I refer honorable members to the Estimates of Expenditure for the year 1957-58, which are available, as by such reference it is possible to compare the estimated expenditure for the year under each division, with the actual expenditure incurred during the last financial year. This is the only true basis of comparison, as under some divisions the greater portion of the expenditure is not charged until the latter half of the year, while in other instances the expenditure is heavier in the earlier part of the financial year. In addition, Supply is not required for certain items of expenditure such as interest, sinking fund, and exchange payments, for which special appropriations have been authorized by Parliament.

I shall explain the main items in the schedule under which increased provision is required. The vote for parliamentary printing is greater by £7,517, because expenditure on this item is

heavier while Parliament is in session. There has been a large increase in staff in the penal institutions and consequently an additional £17,340 is required for that purpose.

In connexion with the Police Force, salaries, contingencies and miscellaneous account for an increase of £161,704. During the year 1956-57, there was a net increase of 410 in the strength of the Police Force. These additional appointments, together with the expanded activities of the Police Department, have the effect of increasing expenditure under all items in the police votes.

The vote for salaries in the Education Department is £1,070,934 more than the proportionate amount of expenditure in the previous year. The additional amount is necessary to provide for the increased number of teachers now employed, and to enable the payment, prior to the Christmas vacation, of salaries due on the 9th January, 1958. For works and buildings in this Department, there is provision for an addition of £79,708. It is the practice to pay allowances for works and buildings as early as possible in the financial year in order that school committees and advisory councils may effect necessary minor repairs and renovations.

An additional sum of £25,915 is required to meet payments by the Treasury under the provisions of the Commonwealth Pay-roll Tax Assessment Act; it is payable to the Commonwealth Government on the salaries and wages paid from revenue, excluding payments by the Forests Commission, the State Rivers and Water Supply Commission, the Railway Department, and the State Coal Mine. Increased provision for pay-roll tax is necessary consequent on increases in staff in the Education and Police Departments during 1956-57.

The grant payable to the University of Melbourne is £65,000 in excess of the amount paid in 1956-57, which more than accounts for the increased provision of £39,840 provided under the heading of "Treasury Grants." An additional £4,630 is required by the

Mines Department to provide for miscellaneous expenditure incidental to the operation of new drilling equipment, which will be installed by working three shifts.

Urgent maintenance works in all districts before the commencement of the watering season will necessitate the expenditure of an additional £17,629 by the State Rivers and Water Supply Commission. The increased provision of £18,329 for administration by the Department of Agriculture is necessary on account of seasonal work at Victoria Dock Cool Stores and to replace unserviceable departmental motor vehicles.

The main item for which decreased provision is necessary relates to the Premier's Office for salaries, contingencies, and miscellaneous. The amount involved is £12,763. The variation is explained by the fact that during 1956-57 it was necessary to provide for the expenditure incidental to the visit of His Royal Highness the Duke of Edinburgh.

I have explained the major variations in the amount of Supply required for the months of October, November and December from the proportionate amount of the estimated expenditure for last financial year. I shall be pleased to furnish any further information desired by honorable members, and I suggest that the necessary Bill should be dealt with expeditiously.

Progress was reported.

The sitting was suspended at 6.48 p.m. until 7.19 p.m.

AUDIT BILL.

Mr. RYLAH (Chief Secretary) presented a message from His Excellency the Lieutenant-Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of this Bill.

A resolution in accordance with the recommendation was passed in Committee and adopted by the House.

The House went into Committee for the further consideration of the Bill.

Clause 2 was agreed to.

Clause 3 (Interpretation).

Mr. CLAREY (Melbourne).—As I indicated in the course of my remarks on the motion for the second reading of this Bill last week, the measure is of a highly technical character. It was for that reason that I did not deal with it in detail at that stage. However, the Opposition has fully considered every clause and implication of the Bill and does not propose a lengthy discussion of each of them. Many of the clauses are taken almost word for word from the 1928 Act, but there are numerous alterations improving the phraseology and clarifying the meaning of that Act and its predecessors.

Clause 3 of the Bill consists of definitions, and that in itself is a distinct improvement. The 1928 Act was not even divided into parts. There were no definitions of any kind and, if a problem had arisen as to the meaning of a word in that Act or its predecessors, considerable difficulty might have arisen in deciding what action was necessary in the circumstances. The incorporation of the definition clause in this Bill has brought about a considerable strengthening of the whole legislation. In particular, the expression "Public authority" is now defined, and it is seen to be not merely one the accounts of which the Auditor-General is required by law to audit, but one that will include any other Government authority or semi-governmental activity which the Treasurer may feel that the Auditor-General should be required to investigate. The same might be said with respect to the interpretation of the term "Public moneys." Its meaning has been considerably extended by the definition and now refers to all revenue, loan, trust and any other moneys whatsoever, received or receivable for or on behalf of the Public Account.

I indicated in my second-reading speech that the words "surcharge" and "disallowance" are referred to in the Bill, but are not included in the definition clause. It is presumed that everyone would know what was a

disallowance and what was a surcharge. A "surcharge" is regarded by most of us as an extra impost—something over and above the usual charge. But reference to the Oxford dictionary shows that one of the meanings of "surcharge" is a charge made by an auditor upon a public official in respect of an amount improperly paid by him. Another meaning is that of making a charge upon a public official or body in respect of an amount improperly paid by him or it. I merely point out that a surcharge will represent an amount which an individual has improperly expended, a defalcation, or a default. Under this Bill, the Auditor-General will be given power to pin-point the individual concerned and say definitely who is responsible.

A "disallowance" will refer to an expenditure by a Government Department or other Government authority which has exceeded its power or its legal right to expend. That would be the subject of a report to Parliament by the Auditor-General, and any necessary action would then be left to Parliament. I have made this somewhat lengthy explanation when speaking to this clause in order to save needless repetition later.

The clause was agreed to, as were clauses 4 to 19.

Clause 20 (Auditor-General to report defaulters).

Mr. CLAREY (Melbourne).—The Opposition does not oppose this clause, but there may have been a slight omission. The clause is a word for word re-enactment of section 29 of the 1928 Act, and no reference is made in it to stores. It states that the Auditor-General shall transmit to the Treasurer the name of any collector of imposts who fails to account for all moneys handled by him and "shall from time to time generally communicate with the Treasurer upon all matters relating to the collection, receipt, issue and expenditure of public and other moneys affected by the provisions of this Act."

In clause 33 stores are specifically brought within the power of audit of the Auditor-General. It seems to me that there may have been an oversight in

that the word "stores" has not been included in clause 20. However, I do not know that the matter is of vital importance because the general powers of the Auditor-General under other parts of the legislation would, I think, enable him to take any necessary action.

The clause was agreed to, as were clauses 21 to 36.

Clause 37, providing, *inter alia*—

(1) The Treasurer may take such measures or proceedings as he thinks fit to recover the amount of any such surcharge and may order that no account payable to or claimed by any person surcharged shall be paid until the surcharge is satisfied.

Mr. CLAREY (Melbourne).—Sub-clause (1) states that the Treasurer "may take" certain measures for the recovery of moneys. I emphasize that the expression used is not "shall take." The side note reads, "Recovery of amount surcharged," and the meaning of "surcharge" is the imposition of a responsibility upon an individual who has defaulted or misappropriated moneys. The Auditor-General will have power to pin-point that individual and to report to the Treasurer. Sub-clause (1) provides that the Treasurer may take such measures or proceedings as he thinks fit to recover the amount of any such surcharge. The word I am concerned about particularly is "may."

The Auditor-General, having carried out his responsibility and specified the individual concerned, reports the position to the Treasurer, but the Treasurer is not necessarily obliged to take any further action. It may be said that the case may be one in which it is of no use to take any further action because it would be impossible to recover the money. However, I consider that even in such a case as that, the Treasurer should make some attempt to take action upon the report of the Auditor-General. I am unable to understand why the word "may" has been used in the drafting of the clause, particularly in view of the fact that in a somewhat similar circumstance, as covered by section 42 of the existing

Act, the word "shall" is employed. Section 42 of the Audit Act 1928 provides—

Whenever the Treasurer has been surcharged—

Under this legislation the Auditor-General was required to surcharge the Treasurer, not the individual concerned—

—as herein before directed, he shall ascertain by what person the fraud mistake or error occasioning such deficiency has been committed, and shall thereupon take such measures or proceedings as the case requires; . . .

The word "shall" has been replaced in the Bill by the word "may" and, in the opinion of the Opposition, this will considerably weaken the legislation rather than reinforce it. Therefore, I move—

That the word "may", where first occurring, be omitted with the view of inserting the word "shall."

Mr. RYLAH (Attorney-General).—I have examined the second-reading speech made by the honorable member for Melbourne regarding this matter. His amendment was in no way foreshadowed therein, and the Government has not had the opportunity to examine the question. I appreciate the views expressed by the honorable member but point out that if section 42 of the existing Act is compared with clause 37 of the Bill, it will be seen that the whole provision has been completely reconstructed.

Although under sub-clause (1) of clause 37 the Treasurer has certain discretionary powers, under the proviso to sub-clause (2) the word "shall" is used. That sub-clause provides that if the person surcharged is an officer or employee within the meaning of the Public Service Acts, the amount of the surcharge shall be deemed to be money paid by Her Majesty to the use of such officer or employee at his request, and such officer or employee shall be personally liable for such money and the Treasurer, on receiving notice of the surcharge from the Auditor-General, may deduct the amount of such surcharge from the salary or wages of such officer or employee.

Mr. CLAREY.—The word "may" is used there again instead of "shall."

Mr. RYLAH.—I say to the honorable member for Melbourne—fairly and reasonably, I think—that this is a matter of technical construction which has just been brought to my notice. The amendment was not foreshadowed in his second-reading speech, but I do not attempt to hold him responsible for that fact. I was simply being frank in stating that this was the first occasion on which the suggestion had been brought to the attention of myself or the Minister of Education, who has been piloting the Bill through the House. As this is a somewhat difficult matter of construction, I suggest that the question should be examined after the Bill leaves this House and before it is introduced in another place, and if there is any substance in the views expressed by the honorable member for Melbourne, I shall be happy to take the next necessary action in consultation with him.

Mr. CLAREY (Melbourne).—I appreciate the comments of the Attorney-General. I admit that I did not foreshadow the amendment, but I did state that, although the Opposition had accepted the Bill in principle, it was proposed to make in Committee any suggestions that might be considered necessary. I am prepared to accept the assurance of the Attorney-General that the question will be considered before the Bill is introduced in another place. In the circumstances, I will not press the amendment.

By leave, the amendment was withdrawn.

The clause was agreed to, as was clause 38.

Clause 39 (Queries, &c., by Auditor-General).

Mr. RYLAH (Attorney-General).—The honorable members for Melbourne and Ivanhoe raised a point with regard to this clause during the second-reading debate. The Premier desires me to inform the House that he has carefully considered the suggestions and proposes that consideration should be given by the Committee of Public Accounts to the suggestion of the honorable member for Ivanhoe, which was substantially on the lines of that made by the honorable

member for Melbourne, with a view to seeking a recommendation as to strengthening the position if the Auditor-General makes a report advising action and none is taken within a certain time. The Premier appreciates the consideration given by members on both sides of the Chamber to this clause. It is not an easy matter to resolve. A position is reached where the Treasurer—a Minister responsible to this Parliament—is placed in a situation in which he may become subordinate to the Auditor-General. A very nice question of responsibility has to be resolved. I believe that a committee comprised of six members, representative of all parties, would be the best type of body to consider the matter and make a recommendation to the Government. The question that was raised has been given very careful consideration, and the Treasurer is prepared to give an undertaking along the lines I have indicated.

Mr. CLAREY (Melbourne).—I fully appreciate the reasonable attitude adopted in many ways by the Attorney-General. However, the principle involved is too great for me to let the matter rest. As a member of Parliament, and not particularly as a member of the Opposition, I believe that it should be the responsibility of the Government to account publicly to Parliament for anything that an Auditor-General may in his wisdom consider to be an undesirable course of action. The Opposition objects to sub-clause (2) of clause 39, which exempts the Treasurer from any obligation to reply to a query or observation raised by the Auditor-General. It has been the practice of the Auditor-General in the past to address all of his important queries to the Treasurer. The Opposition could understand some extension of time being allowed to the Treasurer to guard against the possibility of his not being in a position to reply within fourteen days, but, speaking purely from a non-party angle, it is considered that it is extremely undesirable to exempt the Treasurer entirely from the obligation to do so. If one refers to the report of the Committee of Public Accounts covering the operations of the State

Seasoning Works at Newport, one can see that this issue could easily become one of very great importance. I refer particularly to paragraph 188 and following paragraphs of that report. Paragraph 195 embodies some of the evidence submitted to the committee by the Director of Finance, who stated, *inter alia*—

The normal reports of the Auditor-General in regard to what you might call departmental transactions all have to be addressed to the Treasurer.

Apparently under the existing Act that is necessary. Under the provisions of the proposed new clause, all of the reports will not necessarily have to be addressed to the Treasurer.

Mr. BLOOMFIELD.—That is most important.

Mr. CLAREY.—I agree. Probably the Minister of Education will make something of the fact that I have admitted to something which is perfectly obvious. Paragraph 188 of the committee's report reads—

It does seem to your committee that although over the years the Auditor-General has reported officially to the Honorable the Treasurer he has in fact tended to report to the Director of Finance. This statement may be too general but nevertheless your committee gets this impression from an examination of the many reports and files handled during this inquiry.

Paragraph 189 states, *inter alia*—

Your committee wishes to quote one example—The Forests Commission Audit Report for the year ended 30th June, 1951—Sent by the Auditor-General to the Honorable the Treasurer on 11th August, 1952.

Further details are given in that paragraph but the effect is that no reply was received until the 6th July, 1953. Even then the Auditor-General was not satisfied and on the 17th May, 1954, apparently a little frustrated and exasperated, he wrote again to the Treasurer. This letter tells its own story and bears on the point to which the Minister of Education referred. It is embodied in paragraph 192 of the report and is as follows:—

Since my memorandum dated 11th August, 1952, under cover of which I forwarded the audit report on the 1950-1 accounts, the Treasury had at intervals sought a reply from the Commission. Letters were sent by the Director of Finance on 28th October, 1952, 1st December, 1952, 8th April, 1953, and 6th May,

1953, and it was not until July, 1953, that I received information as to action taken or proposed to be taken to remedy the defects brought under notice in the report. However, no reply has been forthcoming with respect to the major points mentioned in my memorandum and, as these are fundamental, attention required to reach finality should be devoted to the several problems.

Paragraph 194 of the unanimous report of this non-party committee stated that there was no indication on the files examined that these significant queries came to the notice of the Treasurer, the Minister of Forests, or the Cabinet.

The passages I have quoted reveal the problem with which Parliament is faced. It appears that frequently queries which are addressed by the Auditor-General to the Treasurer never reach him. If the provision to which I have referred remains in the Bill there will be no obligation on the Treasurer to reply to any query addressed to him by the Auditor-General. I do not think I need labour the point. I believe that Parliament should take a definite attitude on the matter. If the Auditor-General considers that a query is of such importance that it should be addressed to the Treasurer rather than to an official in a Department or a public authority, surely the Treasurer of the State should be obliged to acknowledge that communication and furnish the information required.

The Attorney-General referred to remarks of the honorable member for Ivanhoe, but I do not think that in his second-reading speech the honorable member did make the suggestion to which the Attorney-General alluded. I intend to quote from page 1645 of the current issue of *Hansard*.

Mr. CHRISTIE.—That report does not cover all that I said.

Mr. CLAREY.—I can rely only upon the *Hansard* report. If *Hansard* has not reported all that was said, I do not know that we can take official cognizance of that fact. Sometimes other honorable members are under the same disability as claimed by the honorable member for Ivanhoe, but perhaps if everything members said was published in *Hansard*, in exactly the way in which it was delivered, our speeches might not make very

entertaining reading. At page 1645 of the current *Hansard*, the honorable member for Ivanhoe is reported as having said, *inter alia*—

My suggestion to the Ministry is that if the Auditor-General makes an interim report on a particular matter and he does not receive a reply from the Treasurer within three months he should have the right of making a further report to this House.

If the Government wishes to refer the question to the Committee of Public Accounts so that proposals should be considered to strengthen the Bill, the Opposition will have no objection. However, that committee has made only one report to this House since it was constituted—I do not criticize it; I am a member—and although it was an extremely important report, honorable members have not yet been afforded the opportunity of a full-scale debate on it. I think that is likely to be the position with any reports made in the future.

Clause 39 provides—

(1) Without prejudice to any other powers under this Part the Auditor-General may make such queries and observations addressed to the Treasurer or any other person whomsoever and call for such accounts vouchers statements documents and explanations as he thinks necessary.

(2) Every such query and observation received by any person other than the Treasurer shall within fourteen days after its receipt by that person be returned by him with the necessary reply to the Auditor-General.

The Opposition considers that it would be failing in its duty if it did not seek to amend sub-clause (2). Therefore, I move—

That in sub-clause (2) the words “other than the Treasurer” be omitted.

In other words, the Treasurer should be under the same obligation as any other public official to reply to queries raised by the Auditor-General.

Mr. BLOOMFIELD (Minister of Education).—This suggestion seems to me to be quite impracticable. First, it must be understood that the Government proposes to introduce an entirely different system to that now in operation. The 1928 Audit Act provided that the Treasurer was surcharged and it

was for him to make his own arrangements with subordinate or departmental officers. The proposal is that the Treasurer and departmental officers may be personally surcharged. In the ordinary course one could imagine that the officers whose defalcations or defaults were in question would be surcharged by the Auditor-General, but there may be occasions when the Auditor-General will address his inquiry or surcharge to the Treasurer himself. The position seems to me to be quite clear. Whereas a departmental officer or collector or sub-collector, as defined by the Act, might be in default and be required reasonably within fourteen days to answer the inquiry or observations of the Auditor-General, for clear, obvious and practical reasons that I need not elaborate, it would not be practicable to adopt the suggestion embodied in the amendment moved by the honorable member for Melbourne.

Mr. DOUBE.—Why will you not elaborate them?

Mr. BLOOMFIELD.—Because I should have thought it was unnecessary. However, the honorable member for Oakleigh has had experience in a Ministry, and it may be that the fates will be so odd that he will have experience in that capacity again. He must realize that the duties of the Treasurer, who is traditionally and almost always the Premier, are such that it is not practicable on many occasions for him, amongst all his other duties, to answer queries within such a strictly limited time. It was suggested by the honorable member for Ivanhoe—and I think his proposal has much merit—that a period of three months be allowed to the Treasurer within which to furnish a reply. Originally, I had the impression that the honorable member for Melbourne regarded that as a sensible suggestion. The proposal put forward by the honorable member for Ivanhoe has received the attention of the Government, and the Attorney-General has stated that the Government is concerned about the present provision. It does appear that there might be a reasonable case for providing that if the Treasurer does not furnish an answer within a

certain time the Auditor-General should have the right to refer the matter to Parliament. The Government has undertaken to give the Committee of Public Accounts an opportunity of submitting a recommendation on the subject. I believe that to be a reasonable approach.

I do not consider that the honorable member for Melbourne is acting reasonably when he suggests that the Treasurer, who might be surcharged because of the shortcomings or inefficiency of a Department, or might be interstate or even overseas when the report of the Auditor-General is submitted, and would have to depend for his information on a number of public servants over whom he has no personal control, should be required to furnish a reply within fourteen days—the same period as might be allowed to a minor official. I am sure that upon reflection the honorable member for Melbourne will revert to the reasonable frame of mind that he appeared to display recently when he was contemplating what was said by the honorable member for Ivanhoe. The Attorney-General has given an assurance that the matter will be submitted to the Committee of Public Accounts and that the recommendation of that body will be considered by the Government before the Bill becomes law.

Mr. CHRISTIE (Ivanhoe).—I can understand the fears expressed by the honorable member for Melbourne, but I suggest that his amendment does not go far enough and would not have the desired effect. The suggestion previously put to the Attorney-General was aimed at overcoming the great difficulty that was discovered by the Committee of Public Accounts. The Auditor-General reports to the Treasurer, but who is the Treasurer? In the instance brought under notice by the Committee of Public Accounts, the Treasurer did not see the vital report. Had such a report been submitted to an executive of an industrial undertaking, a top-level investigation would have been conducted immediately. The permanent head of the Treasury admitted that the report was not submitted to the Treasurer, so I can understand the misgivings of the honorable member for Melbourne, and I

share them. However, I consider that the assurance given by the Attorney-General is quite adequate to handle the problem involved. My suggestion was that if the Treasurer does not see a particular report from the Auditor-General and if the official of the Treasury handling the matter does not satisfactorily reply to the Auditor-General within three months, then the Auditor-General should have recourse to Parliament, which should take its obligations seriously. I am prepared to accept the assurance given by the Attorney-General. I do not think the amendment proposed by the honorable member for Melbourne goes far enough, and therefore I oppose it.

Mr. SHEPHERD (Leader of the Opposition).—It seems to me that the Committee is “beating about the bush” on this important matter. The honorable member for Ivanhoe is apparently trying to indict the honorable member for Melbourne and has indicated that many of the requests made by the Auditor-General to the Treasurer could be short circuited, either intentionally or unintentionally, by the Director of Finance or some other Treasury official. The honorable member has suggested that it all depends upon who is the Treasurer. I do not know whether he means the present Treasurer, the Deputy Premier, or the Director of Finance. I think the matter should be inquired into by a body which could go further than could the Committee of Public Accounts. Personally, I doubt whether that committee had the power to make the investigation it did into the activities of the Forests Commission. The Committee of Public Accounts of the House of Commons would not undertake such an investigation. That committee can deal only with the manner in which money has been spent. It has been said frequently that the work of the Committee of Public Accounts of the House of Commons is slow because its work is so big and that it is two or three years behind in its operations. I consider that a properly constituted Committee of Public Accounts should not be an investigating committee into matters relating to

administration, except in so far as they affect the Estimates and whether money was spent in accordance with the law.

The honorable member for Ivanhoe stated recently that every member of this Parliament should take a keen interest in the activities of the Audit Office. I do not know how honorable members generally could do that because the Auditor-General has such wide powers that it would not be feasible for anyone to interfere with the work carried out by that officer and his staff. To-night, the honorable member for Ivanhoe has accused the honorable member for Melbourne of submitting an ineffective amendment which, he says, does not go far enough. However, he did not state how far it should go. I believe that the Attorney-General would appreciate a recommendation from the Committee of Public Accounts.

Perhaps the Minister of Education should have stated whether he referred to the honorable gentleman as the Attorney-General, the Chief Secretary, or the Deputy Premier. Probably the furnishing of a report should be in the hands of the Attorney-General because it would be easier for him to request officials of various Departments to submit the relevant information within a limited period of fourteen days. I am sure that any member who has occupied a Ministerial office will appreciate the case put forward by the Minister of Education. It is difficult for a Minister to ascertain the necessary detail to enable him to furnish a reply relating to events that have occurred during the time that he has been carrying out the duties associated with the administration of his Department. The statement of the Minister of Education that the Treasurer may be interstate is not valid because the Treasurer would still be within a few hours' travelling time of his office. If he were travelling overseas, then the Deputy Premier and Treasurer would have to furnish the necessary reply.

Opposition members do not desire to make a vital issue of the amendment, but we consider that there is an important point of view to

be examined. We were impressed by the contribution made by the honorable member for Melbourne during the second-reading stage, and therefore we decided to let him handle this amendment. I ask the Committee to treat the amendment seriously because it has a great deal of merit and is more definite than the nebulous suggestion made by the honorable member for Ivanhoe, who apparently stated his case elsewhere. Evidently it did not meet with the approval of his party, but he was given the opportunity of stating his case in the House, knowing that the Government could not accept his suggestion. The compromise is the proposal put forward by the Attorney-General. I doubt whether that is the correct course to follow. I emphasize that I do not doubt the sincerity of the motives of the honorable member for Ivanhoe.

If the assurance given by the Attorney-General is accepted, will the Committee of Public Accounts inquire into the matter before the Bill is passed by this House or after? I do not regard the period of a fortnight, referred to in the amendment, as vital. Had the Minister of Education suggested a period of three months, then the Opposition might have taken a different view. I support the amendment and the remarks so ably put by the honorable member for Melbourne.

Mr. CLAREY (Melbourne).—There is little I can add to the lucid explanation of my Leader. Had I heeded the alluring words of the Minister of Education, I might have been lulled into a false sense of security. The honorable member for Ivanhoe, who endeavoured to support the honorable gentleman, contradicted him to some extent. The Minister said that for obvious practical reasons my amendment went too far, whereas the honorable member for Ivanhoe contended that it did not go far enough. If one argument is weighed against the other, my amendment must be just about right. In endeavouring to bolster up his case, the Minister of Education rather confused the point with the earlier discussion under clause 37, when the Opposition suggested that the words, “the Treasurer may” be altered to read,

“the Treasurer shall.” The Attorney-General admitted that there was force in my argument, and said that the Government would review the matter before the Bill went to another place. In other words, he admitted that the Treasurer should have a definite obligation placed upon him, but this Bill will absolve the Treasurer from any obligation. Perhaps the period of fourteen days mentioned in my amendment is too short, but is it not desirable that some reply—not necessarily a full one—shall be given within that period?

The amendment would ensure that any matters referred to the Treasurer by the Auditor-General would be reviewed immediately. When certain aspects of the Forest Commission's affairs were commented upon by the Auditor-General, a couple of years elapsed before that officer received a reply. Such a delay could not possibly occur if my amendment were agreed to. I see no necessity to apologize for the attitude of the Opposition, which is endeavouring to ensure that the powers that are to be conferred upon the Auditor-General shall be capable of enforcement. If the Treasurer will be enabled politely to put his fingers to his nose so far as the Auditor-General is concerned, many of the provisions of the audit legislation might as well be scrapped.

Mr. MEAGHER (Mentone).—It is necessary for someone to direct the attention of the Leader of the Opposition to the Standing Order under which the Committee of Public Accounts is constituted and, to some extent, to contradict his claim that that committee is not the body to which this matter should be referred. Standing Order 169A states, *inter alia*—

The duties of the Committee of Public Accounts shall be as follows:—

- (c) To inquire into and report upon any questions which may have arisen in connexion with the Public Accounts.
- (e) To deal with any special references that may be made to them by the Legislative Assembly.

I believe every member will agree that the work of audit is certainly connected with public accounts and accordingly

that it is proper for the matter to be referred to the Committee of Public Accounts. That committee first directed attention to certain happenings that had frustrated the Auditor-General in his attempts to draw attention to a matter which he considered to be of some importance. It is logical that this Committee should agree to the Attorney-General's suggestion that in the event of the Auditor-General making a report it should be referred to the committee which in the first instance directed attention to the matter. Both the Minister of Education and the honorable member for Ivanhoe were correct in their statements concerning the amendment submitted by the honorable member for Melbourne. The Minister stated that he thought the amendment went too far because of the stipulation that the Treasurer should have only a fortnight in which to investigate and reply to any representations made by the Auditor-General. The honorable member for Ivanhoe contended that the amendment had not gone far enough, and that is true also, inasmuch as the amendment would not confer adequate power on the Auditor-General to take action should his efforts to obtain a reply fail. This matter is of such importance that it should not be dealt with hastily, and I therefore suggest that an all-party committee such as the Committee of Public Accounts, which has adequate power to deal with the matter, should be afforded an opportunity to report to the House upon it. As chairman of that committee, I undertake to have a report submitted within a short period of time.

Mr. CLAREY.—Will the Government take any notice of its report?

Mr. MEAGHER.—As a supporter of the Government, I believe that the Government will take proper notice of any sensible report. I shall support any reasonable amendment which, in effect, will enable the Auditor-General to perform the functions for which he was appointed. I have no hesitation in saying that, under prevailing conditions, the Auditor-General has not the requisite powers. The amendment is inadequate, and the logical course would be to refer the matter to the Committee

of Public Accounts. I urge the Committee to adopt the Attorney-General's suggestion.

Mr. CHRISTIE (Ivanhoe).—The amendment submitted by the honorable member for Melbourne seeks to make it mandatory that the Treasurer shall reply to the Auditor-General within fourteen days. The suggestion advanced by the honorable member for Melbourne in his second-reading speech, and accepted by the Attorney-General, was that the matter should be referred to an all-party committee for the purpose of teasing out the knotty problem of whether the matter should be brought to the notice of Parliament if a reply is not received by the Auditor-General within three months. Parliament should know what is happening with respect to public finance but, if the Treasurer did not reply to a communication from the Auditor-General within fourteen days, when would members become aware of that fact? Suppose that the incident occurred during the first week in July.

Mr. CLAREY.—The Auditor-General could make a special report under clause 48.

Mr. CHRISTIE.—The matter could be included in his general report, in which case Parliament might not learn of it for eighteen months. That is why I claim that the amendment does not go far enough. The Attorney-General was good enough to undertake to have the matter referred to the Committee of Public Accounts. That body understands the problem and could deal with it better than this Committee could. The matter could be brought back to Parliament if satisfaction could not be obtained. I think there is a considerable difference between the two propositions.

Mr. SHEPHERD (Leader of the Opposition).—I thank the honorable members of Ivanhoe and Mentone for their contributions to the debate. However, the honorable member for Mentone has not convinced me that the Committee of Public Accounts is likely to have referred to it by the Assembly an amendment that should be submitted in legislation. The Attorney-General has offered, in good faith, to refer the question to the Committee of Public

Accounts and the Opposition accepts his offer. Paragraph (e) of Standing Order 169A states that one of the duties of the Committee of Public Accounts shall be—

To deal with any special references that may be made to them by the Legislative Assembly.

If this matter has anything to do with the Committee of Public Accounts, that may be the right committee to make the investigations. However, the Statute Law Revision Committee may be the body more able to report upon how legislation should be amended on any particular question. The Committee of Public Accounts has considerable powers and is doing a good job in bringing forward sensible reports. The Attorney-General in good faith has indicated his willingness to co-operate with the object of effecting an amendment to the Bill with the object of meeting the wishes of the Opposition and certain members of the Government party, but I do not think the Committee of Public Accounts is empowered to deal with the matter unless the Assembly requires it to do so.

It is proposed that the Treasurer shall be compelled to report back to the Auditor-General within fourteen days and that, if a report is not received by the Auditor-General within the stipulated time, Parliament shall be notified so that members may know what is or what is not happening. That is important. While I accept the Government's explanation, as a layman I believe that unless the Government is directed by Parliament to have the measure investigated, the task will be outside the charter of the Committee of Public Accounts.

Mr. RYLAH (Attorney-General).—I believe that members are, to some extent, talking at cross purposes. The honorable member for Melbourne has moved an amendment to clause 39 which in effect stipulates that the Treasurer shall reply to a query from the Auditor-General within fourteen days. That raises several interesting aspects, the first of which is, "Will the Treasurer be responsible to the Auditor-General or to Parliament?" I should think it would be preferable for him to be responsible to Parliament. The second aspect that

arises is, "What will be achieved by a direction to the Treasurer that he shall reply to the Auditor-General within a specified period?" Obviously, the Treasurer will be in a position to make such a reply as he considers will meet the case, and his responsibility will revert to Parliament anyway. Perhaps I misunderstood the honorable member for Melbourne when, in his second-reading speech, he said that there should be some machinery whereby the attention of Parliament could be drawn to matters raised by the Auditor-General, if a reply was not received within a certain time, so that members could be afforded an opportunity to consider what action should be taken. Here there is a different aspect, namely, the responsibility of the Treasurer to Parliament and the extent to which Parliament shall give special attention to a report of the Auditor-General. I think the Bill makes it clear that Parliament will receive specific reports prepared by the Auditor-General, and the honorable member for Melbourne mentioned a special report that could be furnished under clause 48. It may well be that on a full examination of this matter the protection afforded in clause 48 will be found to be adequate.

I am prepared to undertake that the matter will be referred to the Committee of Public Accounts. In the past no difficulties have been encountered in referring matters to parliamentary committees. Frequently I, in my capacity as Attorney-General, have addressed carefully phrased and courteous letters to the chairman of the Statute Law Revision Committee suggesting that that committee might like to examine an anomaly in the law.

Mr. SHEPHERD.—Did you receive replies within fourteen days?

Mr. RYLAH.—The chairman replied promptly, stating that the committee had commenced an investigation pursuant to its powers. Any procedural difficulties can readily be overcome, and I repeat that the adoption of the course I have suggested is the only way adequately to handle the two problems that arise under clause 39. I should have thought that the introduction of this Bill was ample evidence of

the Government's good faith in this matter. For many years demands have been made for an amending audit Bill. As the honorable member for Melbourne pointed out, the present legislation is based on the Act of 1890 which has not been substantially amended since that year. The first report of the Committee of Public Accounts relating to the Forests Commission included a recommendation that the Government consider bringing the Audit Act up to date. The Government accepted the recommendation and the legislation has been revised. Now the Committee has before it in this Bill the first attempt made to revise this important Act since the beginning of the century. A matter of this kind should not be lightly embarked upon. I cannot imagine a better body to give it full consideration than an all-party committee with the standing of the Committee of Public Accounts. On behalf of the Government, I repeat the offer I made earlier to place the suggestion of the honorable member for Ivanhoe and the comments of the honorable member for Melbourne before the Committee of Public Accounts for examination and report.

The Committee divided on the question that the words proposed by Mr. Clarey to be omitted stand part of the clause (Mr. Christie in the chair)—

Ayes	..	..	..	37
Noes	..	..	..	16
—				
Majority	against	the		
amendment	..	..		21

AYES.

Mr. Balfour	Mr. Moss
Mr. Barclay	Mr. Petty
Mr. Bloomfield	Mr. Porter
Mr. Bolte	Mr. Rafferty
Mr. Brose	Mr. Rossiter
Mr. Cook	Mr. Rylah
Mr. Dunstan	Mr. Scott
Mr. Fraser	Mr. Stanistreet
Mr. Gainey	Mr. Stirling
Mr. Gibbs	Mr. Suggett
Mr. Guye	Mr. Taylor
Mr. Holden	Mr. Turnbull
Sir Herbert Hyland	(Kara Kara)
Mr. Kane	Mr. White
Sir Albert Lind	Mr. Wilcox
Mr. Loxton	Mr. Wiltshire.
Sir Thomas Maltby	Tellers:
Mr. Manson	Mr. Macdonald
Mr. Meagher	(Burwood)
Mr. Mibus	Mr. Snider.

NOES.

Mr. Clarey	Mr. Ruthven
Mr. Connell	Mr. Shepherd
Mr. Doube	Mr. Stoneham
Mr. Drakeford	Mr. Sutton
Mr. Fennessy	Mr. Turnbull
Mr. Holland	(Brunswick West).
Mr. Macdonald	
(Geelong West)	Tellers:
Mr. Mutton	Mr. Floyd
Mr. Ring	Mr. Schintler.

PAIRS.

Mr. Cochrane	Mr. Lovegrove
Sir George Knox	Mr. Towers
Mr. Mitchell	Mr. Crick
Mr. Reid	Mr. Scully
Mr. Tanner	Mr. Todd.

The clause was agreed to.

Clause 40 (Dispensing with audit).

Mr. CHRISTIE (Ivanhoe).—This clause confers on the Auditor-General discretionary power to decide the extent of the detailed audit he shall make of any accounts or stores. Although the Auditor-General is an experienced officer in his particular duties, no doubt overseas experience would be of value to him in the discharge of his functions, particularly in the exercising of the discretion to dispense with audit. At present a conference of Auditors-General from all parts of the British Commonwealth is being held in the United Kingdom. I ask the Minister in charge of the Bill whether the Auditor-General of this State received an invitation to attend; if not, I should like to know why and to urge that he be given the opportunity of attending the next conference that is convened.

Mr. CLAREY (Melbourne).—If the Opposition had advanced the proposal made by the honorable member for Ivanhoe, it would have been accused of wishing to inflate the Budgetary deficit by suggesting such additional expenditure. Nevertheless, the suggestion is a good one. Having been closely associated with the Auditor-General for a long period, I know that both he and the State would benefit by his attendance at a conference such as that mentioned. This clause is identical with section 25B of the Commonwealth Audit Act and section 54 of the New South Wales Audit Act. It is desirable that the Auditor-General should have discretionary power in relation to the extent of

audit, and the Opposition raises no objection to the inclusion of this provision in the Bill.

Mr. BLOOMFIELD (Minister of Education).—The Auditor-General was not invited to the conference mentioned by the honorable member for Ivanhoe. I understand that an invitation was extended to the Commonwealth Auditor-General, who had before him recommendations made by a conference of State Auditors-General held last February, and to that extent he may have attended the United Kingdom conference as the representative of the State Auditors-General.

Mr. CHRISTIE (Ivanhoe).—Surely, if it is good enough for the Auditor-General of the State of Ghana to be present at the United Kingdom conference, the Victorian Auditor-General also should be represented. I am not interested in the question whether or not the Auditor-General for the Commonwealth is present, but I hope that the Government will take such action as is necessary to ensure that our own Auditor-General attends the next conference.

Mr. SHEPHERD (Leader of the Opposition).—I contend that this is a most important clause. I can readily understand how the Auditor-General would be placed if asked to conduct a stock audit of the Victorian Railways. Usually, the annual railway stocktaking commences at midnight on a specific date and concludes 24 hours later, and, during that time, spare parts, old parts, outmoded materials, and all articles of stock and equipment are checked. Doubtless, similar practices are followed in other Departments. The administrative head of each Department would be expected to see that a capable person was placed in charge of stock and that an efficient system was in operation. Unfortunately, all stocktaking systems are not good. The late Sir Harold Clapp was particularly keen to improve the railway stock-keeping system.

This clause provides a "get-out" for the Auditor-General. If it were decided that he must make a detailed audit of all accounts and stores, it would be physically impossible to do so, but while it is written into this measure that he is

able to dispense with an audit, the Auditor-General is still responsible because he is prepared to trust some other person to make an audit of stock and stores.

I agree that our Auditor-General should be well versed in overseas auditing systems. From the remarks of previous speakers, it is evident that the person at present holding the office of Auditor-General has the confidence of all honorable members. In fact, I cannot recall any criticism of the present Auditor-General or any of his predecessors, all of whom have been men of ability and integrity. It is important that periodically there should be an accurate audit of stocks and stores—sometimes this is more necessary than the auditing of accounts—because not only must there be an appreciation of the value of the stock, but depreciation also must be taken into consideration.

The clause was agreed to, as were clauses 41 to 48.

Clause 49 (Regulations).

Mr. CLAREY (Melbourne).—This clause contains a somewhat new, but extremely desirable, departure from the practice that has been observed in the past in that it sets out in detail the regulating powers of the Governor in Council. In the House last week there was some discussion on the tendency of certain Government Departments and officials to exceed the powers conferred upon them under the Act. This clause also will enable regulations to be made covering any other Act relating to the Public Account. The Opposition supports the Bill in principle and, apart from a little delay in dealing with one suggestion which has been accepted by the Minister, and another proposal which was accepted in part, we have endeavoured to assist its passage. The Bill may not be perfect, but at least it represents a considerable improvement on the existing legislation and the Government should be commended for its introduction.

The clause was agreed to, as were the schedules.

The Bill was reported to the House without amendment, and passed through its remaining stages.

STAMPS BILL.

The debate (adjourned from May 15) on the motion of Mr. Rylah (Attorney-General) for the second reading of this Bill was resumed.

Mr. CAMPBELL TURNBULL (Bristol West).—This is an important Bill inasmuch as the Stamps Act is one of the methods by which the Government raises approximately £7,000,000 annually. This very old form of taxation was first introduced into a British community by William III. When the parties to a transaction commit that transaction to an instrument or to a piece of paper, certain laws require that duty be paid on the document used. This applies to promissory notes, cheques, receipts, transfers of shares, transfers of land, conveyances, settlements or deeds, annual licences for insurance companies. Furthermore, the racing community is taxed substantially by means of a betting tax, and bookmakers also must pay a tax of 2 per cent. on their turnover. Last year the Government introduced a law which levied a tax on hire-purchase agreements. In addition, in an attempt to balance its Budget, it increased the amount of duty payable on cheques and receipts. Duties imposed by Victoria do not follow the same lines as those imposed under Commonwealth legislation. In relation to gifts, the Commonwealth Government levies a duty, not on the instruments but on the transactions. Every gift of £2,000 or over attracts Commonwealth duty, but in Victoria if a man were to give his wife £2,000 in cash and did not commit the transaction to writing, then no duty would be payable.

Mr. Richards, the Comptroller of Stamps, has legal qualifications, and upon assuming that appointment he discovered that there were many practices and administrative directions which had been applied under the present stamps legislation but which could not be justified. He made a note of these anomalies and discrepancies, and the result is that this important Bill is now before the House. This measure contains three important principles. The first is that it will facilitate the working

of the Stamps Office and will assist the public and the legal fraternity. Secondly, it clarifies many of the archaic practices that have previously been followed by the Stamps Office, and thirdly it will bring about some measure of justice in the stamp legislation.

Representatives of the legal profession are the most frequent customers of the Stamps Office. Their business is concerned with instruments relating to the transfer of land and shares and many other documents. In addition, bookmakers present various forms showing the business that they have transacted, and they pay tax on their turnover and stamp duty on their betting tickets. In the past, the clients of solicitors have been put to a great deal of expense because it has been necessary to prepare declarations and other documents relating to various transactions, and this Bill will improve that situation. Mr. Richards is to be complimented on his work in that regard.

I have been supplied with figures which show how the total annual taxation of £7,000,000 from stamp duty is made up. The Comptroller of Stamps sells £1,800,000 worth of adhesive stamps a year. These stamps are used for cheques, receipts, leases, and shares. Over £1,000,000 is received from duties on cheques and receipts. Honorable members will recall that at one stage every cheque had to be taken to the Stamps Office to have a 2d. duty stamp impressed on it. The procedure has been changed and now a statement appears on a cheque that the relevant duty has been paid. The amount involved is paid by the banks to the Stamps Office in a lump sum. That change in procedure has meant a great saving in administrative work. I have been informed that duty on the transfer of shares results in a revenue to the Government of £120,000 annually. That type of tax is a modern innovation. It was introduced in this State in 1937 by the bankrupt Dunstan Government. The assessment of the duty on the transfer of shares is an important aspect of the work performed by the present Comptroller of Stamps. Revenue obtained by the imposition of a duty on documents relating to the transfer of land is in the vicinity of £2,000,000

annually. In addition, insurance companies pay certain duties which return approximately £360,000 a year to the Government. I admit that it is necessary, no matter what Government is in power, to have an effective Stamps Act and a vigilant staff to ensure that the correct duty is assessed.

I do not propose to refer to the various amendments contained in the Bill because the notes on the clauses circulated by the Attorney-General adequately explained them. However, there is one important principle which is referred to in clauses 14 and 23 of the Bill, and the effects of which can be seen throughout the whole measure. It has specific application to the transfer of shares and of areas of land that have been in the possession of one family for many years. If a man sells some of his shares to his son at the current market value, then duty is assessed on that transaction at $\frac{1}{4}$ per cent. However, if the shares are transferred at a price which is less than their market value, then an *ad valorem* gift duty of from 1 per cent. to 5 per cent. is levied, according to the value of the shares. The same principle will apply to the sale of land. The question whether a transfer of land or shares is a sale, a gift, or partly a sale and partly a gift has caused much trouble not only to the Comptroller of Stamps but also to the legal profession.

The Opposition supports the Bill and agrees with the principle incorporated in it so far as the transference of shares and of land is concerned, where the consideration is partly cash and partly benefaction. The point is that the people who are concerned will probably save thousands of pounds because of the legal costs to which they may be put at present. The stamps law is one of the most highly contested in the State, and it is very difficult to understand. But I say this concerning the Bill now before us, that the various amendments which Mr. Richards has recommended make this complicated law less difficult to understand.

One of the branches of stamp law which always raise trouble is the question of deeds of gift and deeds of settlement. As I understand the Bill, that

has not been altered. All that the Government has done has been to split up the old Part IX. of the Third Schedule so that it may be more readily understandable. It was for many years a great source of income to the legal profession because of continual litigation as to whether a particular transaction was a gift or a settlement. This Bill does not alter that position. Before a particular document can be regarded as being in connexion with a gift, one has to find some benefaction. That is a difficult proposition, but a somewhat recent case suggests that if the consideration is less than the market value where there is a transaction that has a family background, then *prima facie* there is benefaction.

That philosophy conflicts with what the High Court has said in what is known as Campbell's case; but if that proposition is to stand, then it makes this branch of the law more readily understandable both so far as the Comptroller and the public are concerned. If there is a family background to a transaction—involving, say, a mother and daughter—and the consideration is grossly inadequate, then for all purposes it becomes a gift. But if the transaction is in respect of land, under this Bill it is only a sale so far as the money part is concerned, but so far as concerns the benefaction it is a gift.

Sir HERBERT HYLAND.—Can you say what is the position in regard to promissory notes?

Mr. CAMPBELL TURNBULL.—In that connexion I propose to refer to a case in which a man "got around it." The person concerned was Sir Arthur Fadden, the present Treasurer of the Commonwealth. The way in which he got round the provisions of the Commonwealth stamps duty was this: He made a sale of certain shares to his family, but he sold on credit. The family in fact paid no money but undertook to pay it. I have the report of the case in a volume before me and the Leader of the Country party may see for himself how his friend Sir Arthur Fadden circumvented the provisions of the gift duty so far as the Commonwealth was concerned.

Mr. Campbell Turnbull.

I have stated the main provisions of the Bill except in regard to the assignment of leases, the assessment of duty on which becomes a ticklish problem. In this measure a very simple method has been evolved. In clause 22 there is set forth a new heading, together with expressions, for insertion in the Third Schedule to the principal Act. This provides, in the case of a lease or agreement, for a lease of any lands or tenements as follows:—

For every transfer or assignment (otherwise than by way of gift) of any lease—

(a) where the lease is for a definite term—

in respect of each year and fractional part of a year of the unexpired portion of the term, 10s., and in addition in respect of each £50 and fractional part of £50 of the yearly rent payable at the date of the transfer or assignment whether reserved as a yearly rent or otherwise, 10s. . . .

It will be seen that the amount of 10s. is mentioned in the Bill. I understand, however, that an amendment is to be circulated by the Government proposing a reduction of that amount to 5s. No doubt, as we draw nearer to election time, the Government will see to it that it does not increase taxes; it will probably be reducing them. I do not suggest that that is the reason why it is proposed in this particular matter to reduce the amount of 10s. to 5s.

There are cases in which the existing duty has been varied. Let us suppose that one has a counterpart of a lease and that it has to be stamped. Under the old law the amount of duty would be 1s., but that is now being increased to 5s. In the Bill there is also some variation of the law so far as powers of attorney are concerned. Again, I compliment the author of this Bill because, if passed, its effect will be to make the work of the solicitor much easier than it has been. I conclude by repeating that we have carefully considered the Bill from every angle and think it a good measure, and therefore commend it to the House.

The motion was agreed to, and the Bill was read a second time.

Mr. RYLAH (Attorney-General) presented a message from His Excellency the Lieutenant-Governor recommending that an Appropriation be made from the Consolidated Revenue for the purposes of this Bill.

A resolution in accordance with the recommendation was passed in Committee and adopted by the House.

The House went into Committee for the consideration of the Bill.

Clauses 1 and 2 were agreed to.

Clause 3 (Valuation of marketable securities).

Mr. CAMPBELL TURNBULL (Briswick West).—This clause is designed to amend section 26 of the principal Act. Sub-paragraph (ii) of paragraph (a) provides that in sub-section (1) for the words "value of such security according to the average price" there shall be inserted the words "unencumbered value." In this part of the Act dealing with transfers of shares, there are various expressions relating to what might be described as the market value of the shares. The object of the Bill is to reduce them to the one expression only—"unencumbered value"—so that there will be consistency. "Unencumbered value" merely means the market value.

Paragraph (c) of the clause provides that at the end of section 26 of the principal Act there shall be inserted a new sub-section. Its purpose is to show how the unencumbered value is to be ascertained where shares are dealt with on a recognized stock exchange in the Commonwealth of Australia. It is proposed that the Comptroller of Stamps shall be authorized to accept the approximate average price thereof as disclosed by the sales of quotations in respect of similar securities or rights on any recognized stock exchange. Where particular shares are listed on a stock exchange, obviously that is the best method of ascertaining the unencumbered value.

The clause was verbally amended and, as amended, adopted.

Clause 4, relating to the stamping of instruments of conveyance or transfer of land held in escrow.

Mr. RYLAH (Attorney-General).—I move—

That the following new sub-clause be inserted:—

() The Principal Act is hereby amended as follows:—

(a) In sub-section (2) of section twenty-eight for the words "one month" there shall be substituted the words "three months";

(b) In section eighty-four—

(i) in sub-section (2) for the words "one month" there shall be substituted the words "three months";

(ii) in sub-section (3) for the words "more than one month but not more than three months" there shall be substituted the words "more than three months but not more than four months";

(iii) in sub-section (4) for the words "three months" there shall be substituted the words "four months".

Under the Act, as it now stands, the general rule is that instruments must be stamped within one month of first execution or of first coming into Victoria, if they are to avoid penalties. This amendment extends the penalty-free period to three months and will overcome some of the practical difficulties which often result from the shorter period.

Mr. CAMPBELL TURNBULL (Briswick West).—No objection is offered to the amendment.

The amendment was agreed to, and the clause, as amended, was adopted.

Clause 5 (Amendment of assessment).

Mr. CAMPBELL TURNBULL (Briswick West).—The amendment embodied in the clause is necessary. It provides that at the end of section 32 of the principal Act, there shall be inserted the following sub-section:—

(7) The Comptroller of Stamps may, on his own motion or at the request of any person, amend any assessment of duty or any opinion that an instrument is chargeable with duty; and the Minister may allow a refund to such person of any amount of excess duty paid.

The Commissioner of Taxation and his deputies are empowered to amend any income tax assessment. However, the Comptroller of Stamps has not possessed similar authority, even where a mistake has been made by one of his own officials or when, on the submission of additional evidence, it was patently clear that an amendment should be made, either for a reduction or an increase. The Opposition supports the amendment.

The clause was agreed to, as was clause 6.

Clause 7 (Recovery of penalties).

Mr. CAMPBELL TURNBULL (Briswick West).—Sub-clause (1) provides that a new sub-section shall be added to section 159 of the principal Act. It is a provision which enables the Comptroller of Stamps to compound, as it were, the various penalties which may be imposed for breaches of the Act. I am informed that 57 different penalties are provided for in the Stamps Act. Section 159 enables the Minister to compound proceedings, which means that court proceedings must be instituted and, strictly speaking, before action is taken some form of process of a court must be gone through. It is proposed that the Comptroller of Stamps may, without instituting proceedings against any person for the recovery of any pecuniary penalty for which provision is made in this Act or the regulations, demand and receive the amount of such penalty or such reduced amount—not being less than the prescribed minimum penalty, if any—as he thinks fit.

Having regard to the various ways in which the Act may be contravened, I submit that the new proposal is not unreasonable. I can see no real objection to the Comptroller himself being empowered to inflict the penalty instead of requiring the taxpayer concerned to go through the ordinary processes of the court. If proceedings were instituted, the Minister for the time being would, in effect, withdraw these proceedings and inflict the fine himself. The amendment deals with the matter in a practical way. The Minister would act only on the opinion of the Comptroller of Stamps. The proposal will

enable red tape to be cut and the Comptroller will inflict the fine himself. This is a desirable provision.

Sub-clause (2) provides that for section 160 of the principal Act there shall be substituted the following section:—

160. All penalties recovered under this Part including all amounts paid under sub-section (3) of the last preceding section, shall be paid into the Consolidated Revenue.

Section 160 at present provides—

All penalties recovered under this Part shall be applied as follows:—

One moiety shall be paid into the Consolidated Revenue and the other to the informant.

The days since common informers instituted proceedings have passed. That is a relic of former times. If some person found that members of the Country party, for example, had committed a breach of the Act, and he informed on them, he would at present receive half the amount of any fine imposed. Under the amendment, all the penalty will be paid into Consolidated Revenue. It is time that the present provision disappeared from the statute-book.

The clause was agreed to, as were clauses 8 and 9.

Clause 10 (Bills of Exchange).

Mr. CAMPBELL TURNBULL (Briswick West).—This is an interesting provision. The only person who is entitled not to place duty stamps on his cheques is the ambassador of another country. Many disputes arise as to who enjoys the status of an ambassador, and to overcome the difficulty it was agreed at a Premiers' conference that the immunity should be extended to a foreign consul or trade commissioner of any part of the British Commonwealth.

The clause was agreed to, as were clauses 11 to 13.

Clause 14, providing, *inter alia*—

(1) Under the heading "IV. (A) Transfer of Marketable Securities" in the Third Schedule to the Principal Act—

(f) after sub-paragraph (d) of paragraph (6) of the exemptions there shall be inserted the following sub-paragraphs:— . . .

Mr. RYLAH (Attorney-General).— I move—

That the following sub-paragraph be added to paragraph (f) of sub-clause (1):—

(j) a transfer of any marketable security or right in respect of shares made by or on behalf of a transferor outside Australia to a trustee or nominee in Victoria as part of a scheme or arrangement approved by the Treasurer to facilitate dealings outside Australia in any entitlement founded upon or arising out of such marketable security or right;

This paragraph provides a further exemption for a limited class of marketable securities and is designed to facilitate and preserve the investment of foreign capital in Victorian companies. If foreign investors had to deal always on the Victorian registers, every transfer would involve considerable trouble and expense. One plan to overcome this would be for a local institution to accept a transfer as trustee of all the shares covered by the foreign capital. Negotiable notes could then issue in the foreign country based on the trustee's holding, and those notes would be freely transferable in that country. In this way a foreign investor wishing to withdraw his money could sell to a fellow-countryman and so obviate the risk that he might, as an alternative, sell his shares in Victoria, and withdraw his investment from Victoria altogether.

It is felt that the exempting of the transfers to the local trustee will, in addition to being consistent with other exemptions under the Act, greatly help in preserving foreign exchange for the benefit of Victoria, and, consequently, of Australia. It is to be noted that the provision relates only to schemes and arrangements approved by the Treasurer, and this should obviate any chance of the use of the exemption for purposes beyond those intended for it.

Mr. CAMPBELL TURNBULL (Briswick West).—The Opposition offers no objection to the amendment.

The amendment was agreed to.

Mr. CAMPBELL TURNBULL (Briswick West).—This clause contains the important principle which I attempted to explain in my second-reading speech.

The clause, as amended, was adopted, as were clauses 15 and 16.

Clause 17 (Conveyances and Transfers).

Mr. CAMPBELL TURNBULL (Bruns-
wick West).—Sub-clause (2) makes an
exemption which brings the provision
into line with clause 10 concerning
ambassadors and so on.

The clause was agreed to, as were
clauses 18 to 20.

Clause 21, providing, *inter alia*—

(1) Where, pursuant to sub-paragraph (b)
of paragraph (2) under the heading "VIII.
LEASE or agreement for a lease of any lands
or tenements for any definite or indefinite
term" in the Third Schedule to the
Principal Act, duty is payable on the total
consideration for the full term of a lease
and the rent reserved by such lease is
subject to re-appraisal in any way
whatsoever during the term of the lease so
that the total consideration is not
immediately ascertainable, duty shall in
the first instance be payable upon the total
consideration appropriate to the full term of
the lease calculated upon the basis of the
highest rent payable thereunder at any time
before the date when the first re-appraisal
becomes effective.

(2) Whenever the rent is re-appraised or
a re-appraised rent is further re-appraised
and thereby the rent is increased, the lessee
or (as the case requires) the assignee for
the time being of the lease shall within one
month of such increase becoming effective
produce to the Comptroller of Stamps his
copy of the lease together with a statutory
declaration setting out the amount and
particulars of the increase and shall pay
to the Comptroller additional duty as upon
a lease pursuant to the said sub-paragraph
(b) of paragraph (2) under the said heading
in respect of the additional consideration
thereby payable for the full remaining term
of the lease notwithstanding that such
additional consideration does not exceed
the rate of Sixty-five pounds per annum.

(4) Every person who contravenes or fails
to comply with the provisions of this section
shall be liable to a penalty of not less than
Ten pounds and not more than One hundred
pounds.

Mr RYLAH (Attorney-General).—
I move—

That in sub-clause (1) after the word
"basis" the expression "of the continuation
of payment" be inserted.

As at present drawn, the clause would
probably enable the Comptroller to assess
the whole term of a lease containing a

re-appraisal provision at the highest
rental chargeable before re-appraisal-
ment. There are many modern leases
which provide a rising scale of yearly
rents up to the first re-appraisal—
for example, a lease where the rentals
are £200 for the first year, £400 for
the second year, £600 for the third year
and thereafter as re-appraised. It was
not intended that the lease should be
assessed at the rate of £600 for the
whole term, but that the taxpayer
should have the benefit of the actual
lower rentals for the appropriate years.
The purpose of the amendment is to
ensure this right to the taxpayer.

Mr. SHEPHERD (Leader of the
Opposition).—The Minister of Education
reminds me that both he and I have had
the opportunity of signing some worth-
while documents of historic value relat-
ing to Mildura College land leases. I am
wondering whether the amendment
moved would be effective in those cases.
When I was Minister of Education in a
previous Government I found it was
necessary after 10-year periods to re-
appraise the value of 50-year leases.
I should like to know whether such
leases would be exempt from the
suggested provision; I am not asking
that they should be. Some persons
operating on such leases are doing very
well. The Chaffey family is an example.
Benefits accruing from leases were
devoted entirely to the Mildura Agri-
cultural College, but that has been
amended so that the high school at that
centre now benefits. I hope a recent
rumour that there is to be a diversion to
the technical school does not prove to be
true, unless there is a strong necessity
for the proposal. Naturally, the Lands
Department up-values properties as they
are developed. I think it is probable
that the persons I have mentioned will
be affected by the amendment and will
have to pay duty.

Mr. RYLAH (Attorney-General).—
Without knowing the particular circum-
stances of the leases referred to, I assure
the Committee that, if they are subject
to duty, the persons liable to pay the
duty will receive the benefit of these
provisions.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That in sub-clause (2) the words "his copy" be omitted with the view of inserting the words "a duly stamped part."

The words "his copy" could lead to difficulties where, for example, the lessee has lost his copy. The only thing necessary in connexion with the levying of stamp duty is that either the original stamped lease or the stamped counterpart should be produced. It is therefore proposed that the lessee be required to produce one of the parts of the lease which was originally stamped.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That in sub-clause (4) the words "not less than £10 and" be omitted.

The minimum penalty of £10 for failure to produce the re-appraised lease is thought to be too high. There will undoubtedly be a considerable number of these cases where the increased rent is quite small and where private people may well err in ignorance. It is not, therefore, proposed to bind the courts or the Comptroller to a minimum penalty. It will be quite satisfactory for the enforcement of the Act to prescribe a maximum only.

Mr. CAMPBELL TURNBULL.—There must be an election in the offing; the Government is becoming generous.

Mr. RYLAH.—The Government is averse from prescribing minimum penalties at all times whether there is an election pending or not. These are rather peculiar amendments of the Stamps Act as most of them are framed in favour of the taxpayer, an unfortunate individual who rarely receives consideration from Parliament or from a Government. However, I am sure that all parties will join with the Government in passing legislation which is aimed at giving some slight consideration to taxpayers and does attempt to eliminate a tremendous amount of unnecessary red tape, thus reducing the cost of administration. I take this opportunity to say that I regard the present Comptroller of Stamps as a kindly tax-gatherer, if such a person

exists. In considering all the proposals which have been put forward from the various parties in discussions on this Bill during the recess, I think that in his approach he has retained that characteristic.

The amendment was agreed to, and the clause, as amended, was adopted.

Clause 22, providing, *inter alia*—

In the Third Schedule to the principal Act for the heading "VIII. Lease or agreement for a lease of any lands or tenements for any definite or indefinite term" and all expressions thereunder there shall be substituted the following heading and expressions:—

VIII. Lease or agreement for a lease of any lands or tenements for any definite or indefinite term—

.

(4) For every transfer or assignment (otherwise than by way of gift) of any lease—

(a) where the lease is for a definite term—

in respect of each year and fractional part of a year of the unexpired portion of the term, 10s., and in addition in respect of each £50 and fractional part of £50 of the yearly rent payable at the date of the transfer or assignment whether reserved as a yearly rent or otherwise, 10s.;

(b) where the lease is for an indefinite term—

£2 10s., and in addition in respect of each £50 and fractional part of £50 of the yearly rent payable at the date of the transfer or assignment whether reserved as a yearly rent or otherwise, 10s.

Mr. RYLAH (Attorney-General).—I move—

That in paragraph (a) of sub-clause (4) the expression "10s." wherever occurring be omitted with the view of inserting the expression "5s."

The new scale of charges for assignments of leases—10s. per annum and 10s. for each £50 of rent—could result in more duty on the assignment of part only of the term of the lease than was paid on the original lease. It is thought that this is undesirable and that a reasonable scale would be one half of

the scale set out in the Bill. These proposals reduce the fees by 50 per cent.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That in paragraph (b) of sub-clause (4) the expression “£2 10s.” be omitted with the view of inserting the expression “£1 5s.”

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That in paragraph (b) of sub-clause (4) the expression “10s.” be omitted with the view of inserting the expression “5s.”

The amendment was agreed to.

Mr. CAMPBELL TURNBULL (Brunswick West).—The proposals in this amended clause are important and will make the task of the taxpayer much easier in estimating the amount of duty for which he will be liable. They will also save considerable time and work in the Stamps Office. The Opposition commends them and is pleased that the Attorney-General has agreed to reduce the fees charged by 50 per cent.

The clause, as amended, was adopted.

Clause 23 (“Addition” to settlements, &c.).

Mr. CAMPBELL TURNBULL (Brunswick West).—This provision is concerned with the assessment of duty on the disposal of land for part consideration and part benefaction. It will also make the tasks of both the taxpayer and the tax assessor easier than they have been in the past.

The clause was agreed to, as were clauses 24 and 25.

Clause 26 (Assessment of duty on deeds of settlement or gift).

Mr. CAMPBELL TURNBULL (Brunswick West).—The present situation, where land is the subject of a gift, is that the Comptroller of Stamps is bound by section 71 of the Land Tax Act, under which the valuation in the register must be accepted. The difficulty met with is that many valuations in the Land Tax register are completely out of date and considerable revenue is lost. The proposal in this Bill is that where the value of the land does not exceed £25,

the municipal valuation will be accepted and where it exceeds £25 the Land Tax Commissioner will be approached under section 72 of the Act and asked to seek an up-to-date valuation as at the date of the alleged gift. This provision will protect the public revenue and the Opposition has no objection to it.

The clause was agreed to.

Clause 27 (Deeds of settlement or gift).

Mr. RYLAH (Attorney-General).—This clause contains amendments to the Third Schedule to the principal Act, as amended, which relates to deeds of settlement or gift. Clause 3 of the exemptions is as follows:—

Any instrument whereby any property is settled or agreed to be settled or is given or agreed to be given in trust for any religious charitable or educational purpose or to or in trust for any corporation or body of persons associated for any such purpose so far as the instrument relates to property so settled agreed to be settled or given or agreed to be given.

The words “in trust” are strictly unnecessary and could lead to difficulties of construction. They could exclude gifts for a religious, charitable or educational purpose where there is no interposition of trustees but a direct gift. It is suggested, therefore, that they be eliminated, and I move—

That the words “in trust” be omitted.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That the words “to or in trust for” be omitted with the view of inserting the words “in trust for or to.”

This amendment simply alters the order of words so that they shall follow in correct sequence the concepts of settlement and gift to which they belong.

The amendment was agreed to.

Mr. RYLAH (Attorney-General).—Clause 4 of the Exemptions is in the following terms:—

Any instrument whereby any money or property is given or agreed to be given to or which establishes or regulates or relates to the establishment or regulation of any fund or scheme established for the principal purpose of making provision by way of superannuation payments, annuities, pensions, gratuities, allowances, lump sum payments, benefits, assistance or the like for

the directors officers servants or employés of any employer or employers on the termination of their office or service or on their withdrawal from membership of such fund or scheme or during their incapacity for work attributable to illness or accident or for the widows or children or dependants or legal personal representatives of any such directors officers servants or employés or for any persons duly selected or nominated for that purpose pursuant to the provisions of such fund or scheme.

I move—

That after the word "service" the words "whether by death or otherwise" be inserted.

The amendment was agreed to, and the clause, as amended was adopted, as were the remaining clauses.

Mr. RYLAH (Attorney-General).—I propose the following new clause to follow clause 6:—

AA. At the end of section one hundred and fifty of the Principal Act there shall be inserted the following sub-section:—

(3) When any person has used an adhesive stamp for an instrument liable to duty and such duty is required by this Act to be denoted by an impressed stamp the Minister may, upon the instrument being impressed with the proper duty, cancel and allow as spoiled the adhesive stamp so misused.

The Act provides for refunds in a number of different sets of circumstances, but it does not cover the case of adhesive stamps having been used where an impressed stamp is required. This clause provides that, once the correct duty is impressed, the normal provisions as to refund will apply to the value of the adhesives wrongly used.

The new clause was agreed to.

The Bill was reported to the House with amendments, and passed through its remaining stages.

ADJOURNMENT.

Mr. RYLAH (Chief Secretary).—I move—

That the House, at its rising, adjourn until to-morrow, at half-past Three o'clock.

The motion was agreed to.

The House adjourned at 10.6 p.m.

Session 1956.—70

LEGISLATIVE ASSEMBLY.

Wednesday, September 11, 1957.

The **SPEAKER** (the **Hon. W. J. F. McDonald**) took the chair at 4.5 p.m., and read the prayer.

HOUSING COMMISSION.

EVICCTIONS.

Mr. DOUBE (Oakleigh) asked the Minister of Housing—

1. How many evictions have been effected by the Housing Commission in the past twelve months?

2. What was the average number of children in the families concerned?

Mr. PETTY (Minister of Housing).—The answers are—

1. The Housing Commission served notices to quit for non-payment of rent on 3,309 tenants during the twelve months ended 31st August, 1957; 2,044 were in the metropolitan area and 1,265 in the country. Of the total, 72 were finally evicted, 40 being in the metropolitan area and 32 in the country.

2. The average number of children in the 72 families concerned is 3.97.

PUBLIC SERVICE.

PROFESSIONAL OFFICERS: RESIGNATIONS AND APPOINTMENTS.

For **Mr. MOSS** (Murray Valley), **Mr. White** asked the Premier—

How many trained professional officers have—(a) resigned from, and (b) been appointed to, each Government Department under the control of the Public Service Board, during the last five years?

Mr. BOLTE (Premier and Treasurer).—The information requested by the honorable member is being collated, and will be forwarded to him as soon as possible.

STATE RIVERS AND WATER SUPPLY COMMISSION.

CONSTRUCTION OF RESERVOIRS.

Mr. STONEHAM (Midlands) asked the Minister of Water Supply—

1. What new reservoirs have been approved by the State Rivers and Water Supply Commission for construction when funds become available, and what is the estimated cost of each?

2. Whether actual construction of any new reservoirs will be commenced during the current financial year; if so—(a) which reservoirs; and (b) when construction of the remaining approved reservoirs is likely to be commenced?

Mr. MIBUS (Minister of Water Supply).—The answers are—

1. Tullaroop—approximately £2,000,000. The Commission proposes also to build a service reservoir for Castlemaine but plans have not been finalized and estimates cannot be given. Similarly, new service reservoirs for Mornington and for other rapidly expanding urban areas of the Mornington Peninsula are required, but plans and estimates are not yet available.

2. It is unlikely that it will be possible to start work on any new reservoir during the current financial year. Tullaroop and Castlemaine reservoirs will be commenced when funds are available.

EPPALOCK WEIR.

Mr. STONEHAM (Midlands) asked the Premier—

Whether, in view of the statement attributed to him (the Premier) in the *Bendigo Advertiser* of 9th July last, that “he considered Eppalock the most dangerous dam project in the State because of the heavy erosion in the country surrounding the weir” the Government has any plans for enlargement of or other improvement to this reservoir?

Mr. BOLTE (Premier and Treasurer).—The answer is—

At the moment a very large number of town and rural water supply projects, as well as irrigation and sewerage works of high priority, are awaiting funds.

In these circumstances consideration cannot be given to further works at the Eppalock project for some considerable time.

That decision was made without regard to the statement that I am alleged to have made.

UNIFORM TAXATION.

HIGH COURT CASE.

Mr. JAMBELL TURNBULL (Bunswick West).—By leave, I desire to ask the Premier a question without notice. It is as follows:—

Will the Premier lay on the table of the Library a copy of the recent judgment of the High Court in the uniform taxation case and, further, is he prepared to set apart a period of time, on a day convenient to himself and Parliament, to discuss this particular judgment?

The High Court's judgment in this matter will be of considerable importance to this State not only while the present Government is in office but perhaps when the party to which I belong is in power, and I submit that much good would result from a full discussion of it in this House.

Mr. BOLTE (Premier and Treasurer) (*By leave*).—I have no objection whatever to having a copy of the High Court's judgment laid on the table of the Library and to affording the House an opportunity to discuss it. That opportunity might be as early as Tuesday next.

CRIMES BILL.

Mr. RYLAH (Attorney-General).—I move—

That this Bill be now read a second time.

This Bill is another instalment in the process of consolidating the legislation of this State. The measure has been examined by the Statute Law Revision Committee, which has recommended that it be passed into law.

It is scarcely necessary for me to add anything to the committee's recommendation. I point out, however, that last year sweeping alterations were made to the criminal law by the Penal Reform Act, which introduced a new system of probation and control for convicted offenders. The new probation and parole system came into operation on 1st July last. This Bill incorporates the 1956 legislation, so that it falls into its proper perspective with other legislation relating to crime.

The 1956 Act contains a substantial number of transitory provisions dealing with the changeover from the previous system of indeterminate sentences to the new system of probation and parole. Although these transitory provisions will become progressively exhausted, they are retained in the Bill. One problem confronting the Parliamentary Draftsman when a consolidation is being made is that much drafting is necessary to provide for the transitory changeover period. In the past the practice has usually been

to continue those transitory provisions long after they are needed, but in this case the Director of Statutory Consolidation has thought out the neat device of reproducing the relevant sections in a schedule so that when they are no longer effective they can be repealed without having to be rescinded, and can be dropped from the legislation, thus considerably reducing its bulk without interfering with the sequence of those provisions that will operate for some time.

The Bill has been brought forward as early as possible so that those who have recently undertaken the administration of the new penal reform provisions will be assisted by having at their disposal a document containing a consolidation of the law instead of a set of about seventeen different Acts and amendments. At this stage I might say that one of the features of the probation and parole system as introduced by the Penal Reform Act last year has been the excellent type of men who have been prepared to offer their services and undergo training as probation and parole officers. I believe the probation and parole system will become one of the most successful and sweeping social reforms that have been achieved in this State for many years.

I ask the House to accept the recommendation of the Statute Law Revision Committee and pass this measure without delay.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until Wednesday, September 18.

COUNTY COURT BILL.

Mr. RYLAH (Attorney-General).—
I move—

That this Bill be now read a second time. The purpose of the Bill is to consolidate and amend the present Acts relating to the County Court. The principal intention is consolidation, but the opportunity has been taken to amend the law with the view of bringing it up to date and clearing away much of the "dead wood" which now exists and which will become obvious as I outline certain matters.

Issued with the Bill is an excellent explanatory paper, carefully prepared by the Director of Statutory Consolidation, which amplifies the statements I shall make in this speech. It is important that a copy of the paper should be in the possession of each member, because it must be read in conjunction with this second-reading speech. It contains a good deal of detail showing the provisions that are being consolidated, the amendments proposed, and, to a large extent, the reasons therefor.

The Bill is concerned mainly with the consolidation of the seventeen Acts and enactments which make up the present County Court Acts. As part of the normal consolidating process, transitory provisions which appeared in the 1928 Act by reason of changes in the law made at that time are now omitted. This is explained in some detail in paragraph 1 of the explanatory paper. Here is another illustration of the value of the neat device I referred to when explaining the consolidation of the Crimes Bill, namely, that the modern practice in consolidation is to include transitory provisions in a schedule so that they need not be reprinted year after year as part of the Act, as has happened in the case of the County Court Act 1928. As part of the ordinary consolidation process also, provisions relating to the enforcement of interstate debts, which appeared in Part VII. of the 1928 Act, but which had not been availed of for many years prior to 1928 and are now superseded by other legislation, are also omitted. This matter is dealt with in paragraph 6 of the explanatory paper.

The Bill contains also some substantial amendments of the present law. The most important of these creates the County Court as one court for the whole of Victoria in lieu of the separate County Courts now existing. Closely connected with this change are provisions for the appointment of a chairman of Judges, for the appointment of Acting Judges instead of Deputy Judges, and for the making of Rules of Court by a majority of Judges instead of any three Judges. In this connexion I refer members to paragraph 2 of the explanatory paper.

The present Act contains a provision authorizing the removal of a County Court Judge who goes out of Victoria without first obtaining the permission of the Governor in Council. This is a relic of the earlier law under which a County Court Judge was appointed as the Judge of a particular County Court. At the present time, there are thirteen permanent County Court Judges, each of whom is a Judge for all courts. There is, therefore, not the same need nowadays to have every Judge, even when on vacation, at call. While the County Court Judges generally are fairly faithful in advising the Attorney-General when they intend to go outside Victoria, I suppose there have been occasions when the learned Judge presiding at Mildura has been invited by some of the local residents to cross the River Murray to look at the citrus groves on the other side of the border. If he did so he would, under the Act as it is now framed, place himself in a position where the Attorney-General could move to have him removed from office. That illustrates how archaic is the section proposed to be repealed.

Moreover, the Governor in Council is enabled to remove a Judge for neglecting to perform the duties of his office. Accordingly, the provision requiring the consent of the Governor in Council for a journey out of Victoria is no longer necessary and its omission from the legislation is proposed. It is clear that if a Judge were tempted to another State by reason, for example, of the attractive orange groves, and remained there, neglecting his duties, provision exists for his removal from office. I think we can safely delete this archaic provision. This matter is dealt with in further detail in paragraph 3 of the explanatory paper.

The 1928 Act, as amended up to 1949, contained provision for the payment of retiring allowances to Judges, but made no provision for their widows. In 1949 a new system of pensions was introduced which included pensions for Judges' widows. All the Judges then holding appointment had the right to elect to come under the new system, and all but one of the Judges so elected. The new system applies also to all

Judges appointed since 1949. As a result, the provisions for the new system of pensions are set out in the Bill and the old provisions for retiring allowances are omitted, but with a saving of their operation in the case of the one Judge to whom they still apply. This is explained in paragraph 4 of the explanatory paper.

Special provision is made for the use of suburban court-houses for sittings of the court at Melbourne as the accommodation available in the city court-houses is not always sufficient to cope with the pressure of business in the County Court. Paragraph 5 of the explanatory paper deals with this matter.

I propose, after the debate is adjourned, to move that the proposals contained in the Bill be referred to the Statute Law Revision Committee. I think it is desirable that the committee should report to the House on the provisions of the Bill and advise whether any of the proposals embodied in it are objectionable to the administration of justice.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until Wednesday, September 25.

Mr. RYLAH (Attorney-General) (*By leave*).—I move—

That the proposals contained in the County Court Bill be referred to the Statute Law Revision Committee for examination and report.

The motion was agreed to.

MAINTENANCE (CONSOLIDATION) BILL.

Mr. PORTER (Honorary Minister).—I move—

That this Bill be now read a second time. This consolidating Bill comes before the House with a recommendation from the Statute Law Revision Committee that it should be passed into law. The committee heard evidence on the Bill and examined detailed matters that arose in the course of consolidation. I do not wish to traverse the work of the committee, but I should like to explain to the House why the Bill has been brought forward at this stage.

Mr. Rylah.

Recently the Attorney-General received a report from the Director of Statutory Consolidation indicating that he had just completed, with some difficulty, a draft consolidation of the Maintenance Acts, including the 1957 Act. The Director made certain observations on the state of the existing legislation and said, *inter alia*—

Since 1928 the law relating to maintenance has been substantially altered and improved both by amendment and additional substantive provisions. But in their unconsolidated form, the existing Maintenance Acts have become so obscure and diffuse, as the result of much amendment and addition, that the ascertainment of the law is a matter of great difficulty. The Maintenance Act of 1928 was a piece of social legislation chiefly designed to afford some protection to deserted wives and children. The legislation passed since 1928 has, in the main, been directed at extending the protection and improving the lot of wives and children left without lawful and adequate means of support. But this very legislation, operating sometimes by detailed amendment and sometimes by new provisions super-imposed on existing legislation, has markedly increased the difficulties of those who are called upon to advise and help the women and children whom the legislation is designed to protect—and any legal practitioner might well be excused for vacillation and uncertainty when his services are sought. And so we are reaching the paradox that improved social legislation, owing to difficulties of ascertainment, may provide less social justice.

It had not been proposed to introduce a consolidating Maintenance Bill this year. Some Departments are pressing requests for the consolidation of Acts which they administer. These requests are based principally on departmental convenience.

It seems to me, however, that the reason for early consolidation of the Maintenance Acts is much more important than any ground of convenience, and, accordingly, I propose, if you agree, to have this consolidating Bill ready for introduction as early as possible.

The Director's views seemed to be sound and proper, and instructions were therefore given that the Bill to consolidate the Maintenance Acts should be completed for introduction as early as possible. The need for consolidation is urgent, and I ask the House to pass the measure as soon as possible.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until Wednesday, September 25.

TRUSTEE COMPANIES BILL.

The debate (adjourned from May 16) on the motion of Mr. Rylah (Attorney-General) for the second reading of this Bill was resumed.

Mr. CAMPBELL TURNBULL (Brunswick West).—This is a very technical Bill and an important one to the trustee companies, which play a big part in the administration of many deceased estates in Victoria to-day. It is also of importance to beneficiaries under trusts and settlements which are administered by those firms. The proposals in the Bill were investigated at considerable length by the Statute Law Revision Committee, which has issued two reports included in which are records of valuable evidence given to the committee by officials of the companies and of submissions by counsel who appeared before the committee on behalf of the trustee companies concerned. To illustrate the importance of these companies to the management of deceased estates I point out that one firm alone now administers estates to the value of £25,000,000.

In the early days it was a common practice, especially by graziers, to leave property in the form of a life estate to the widow and perhaps a further life estate to a child of the marriage, with instruction that, on the demise of that child, the property was to go to his issue. It can thus be seen that, in that period of Victoria's history, trustee companies played an important part in the management of family affairs. It was often necessary for a company to continue a business for some considerable time in order to settle all outstanding debts and to distribute the assets among the beneficiaries. A legal and technical definition of a trust is as follows:—

A trust is an equitable obligation binding a person (who is called a trustee) to deal with property over which he has control (which is called the trust property), for the benefit of persons (who are called the beneficiaries or, to use the more legal and technical word, *cestuis que trust*) and any one of whom may enforce the obligation. Any act or neglect on the part of a trustee which is not authorized or excused by the terms of the trust instrument or by law is called a breach of trust.

There have been many actions in which beneficiaries or *cestuis que* trusts have from time to time sued trustees for a breach of trust. It is very important that proper persons should be selected by testators to become the executors and trustees of their estates, as they will be the people who will administer the testators assets after death.

A number of trustee companies operate in Victoria. So far as I can ascertain they were incorporated and given power under the Trustee Companies Act passed in about 1880. The following companies concerned are named in a schedule to the Act:—The Trustees Executors and Agency Company Limited; the Union Trustee Company of Australia Limited; the Perpetual Executors and Trustees Association Limited; National Trustees Executors and Agency Company of Australasia Limited; the Ballarat Trustees Executors and Agency Company Limited; the Equity Trustees Executors and Agency Company Limited; the Sandhurst and Northern District Trustees Executors and Agency Company Limited; and the Farmers and Citizens Trustees Company Bendigo Limited. Under the 1928 Act, those companies are the only ones enabled to carry on this type of business. In effect, they have a monopoly of trustee company work. Of course, that does not mean that only those companies are entitled to act as trustees of estates. In the early days, solicitors were predominant among trustees of big estates, but in recent years accountants have accepted the responsibility of acting as trustees because of their intricate knowledge of business administration and accounts. Moreover, an accountant may manage the books of a firm which is the subject of a gift under a will. In 1937 Parliament passed legislation enabling a Public Trustee to be appointed. To-day, his office deals with a large number of deceased estates which, on the whole, are probably somewhat smaller than those handled by trustee companies.

It may well be that recently the trustee companies have been losing business because of the antiquity of the

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provisions of the law under which they are compelled to operate, and it is the desire of those firms that the legislation should be remodelled. That course has been recommended also by the Statute Law Revision Committee. There is no legislation in England comparable to the Victorian law, but doubtless trustee companies in that country are incorporated under the ordinary company law. It is the custom in England for a wider range of persons and organizations to carry on the work of the management of trusts. For example, banks, insurance companies, trust corporations, solicitors and private people undertake the task.

Great care was taken in the preparation of the 1928 Victoria Act to ensure that when estates were managed by trustee companies there would be no loss to beneficiaries. The organizations concerned were required to possess a specified amount of paid-up capital and were called upon to lodge certain deposits with the Government to cover any liabilities they might be called to meet.

I have carefully examined the present Bill, which has the approval of the Statute Law Revision Committee, and it establishes certain important principles. The first is that a trustee company may calculate its corpus commission on the value of the estate at the date of distribution. At present the value of the estate is calculated at the date of death. The second principle, which is contained in clause 6, enables trustee companies to make a reasonable charge for the preparation of certain tax returns. I have no doubt that such a charge is levied at the present time, but the Bill authorizes this practice and brings trustee companies into line with the Public Trustee. The regulations under the Public Trustee Act 1939 prescribe that the Public Trustee may charge a fee of 10s. 6d. for the preparation and lodging with the Commissioner of Taxes of any return to enable the assessment of income, land or sales tax, or gift duty.

The next provision, which is important, authorizes the establishment of a common fund. Here again, the

ordinary trustee company will be brought into line with the Public Trustee. Under section 7 of Act No. 5286, which was passed in 1948, the Public Trustee is empowered to establish a common fund. Further, clause 3 repeals the out-of-date section of the 1928 legislation which prohibits a trustee company from depositing with a bank amounts in excess of £20,000 for any one estate. This will provide companies with greater freedom to carry on their statutory duties and, consequently, I endorse the action of the Statute Law Revision Committee, which promptly recommended, after two inquiries, the repeal of the somewhat archaic section 23 of the Trustee Companies Act.

Another principle, which is contained in clause 4 of the Bill, provides, in effect, that a trustee company shall be authorized to collect its commission in connexion with one or more life estates at the time the actual work is performed. It should be appreciated that in some cases involving one or more life estates and a remainderman, final distribution of the estate or estates may be deferred for 40, 50 or 60 years, and it is desirable that the commission should be paid as the work is performed.

I should like now to elaborate on some of the matters to which I have referred. Under the 1928 legislation, trustee companies were empowered to charge commission up to 2½ per cent.—it was known as corpus commission—on the capital value of an estate committed to its management. In 1953, the rate of commission was increased to 4 per cent. on the gross value of the estate, although I understand that it is customary to charge 3¾ per cent. commission which is convenient to calculate, being 9d. in the £1. However, the 1953 legislation did not prescribe the date at which the estate must be valued, nor did it define the expression “gross value.” Consequently, trustee companies charged commission on the value of the estate as at the date of death. Of course, since the present Victorian Government assumed office, and during the régime of the present Federal Government, money has depreciated in

value, and it is necessary, therefore, that trustee companies should be enabled to charge commission on present-day values. Clause 2 provides, in effect, that companies may charge commission on the gross value of an estate at the time of distribution of assets to beneficiaries. That provision is fair and just. The Public Trustee charges commission at the rate of 2½ per cent., but this impost is based on the value of the property at the date of realization.

In connexion with the principle which enables trustee companies to make a reasonable charge for the preparation of certain tax returns, I emphasize that in these modern times, companies employ accountants to perform this work because of the large amounts and the complex nature of the computations involved. In fact, it is necessary to employ trained staff with a knowledge not only of taxation matters but also of the mechanics of the estate. The Public Trustee is similarly situated, and Opposition members approve of this particular provision.

The question of authorizing trustee companies to establish a common trust fund—the Public Trustee has similar power—was dealt with by the Minister of Education when the original Bill was explained to the House. It was dealt with also by the Attorney-General in his second-reading speech on the amending Bill. In many instances, a trustee company is required to administer a great number of small estates—they may be valued at £200, £300, or £1,000—and under the existing legislation the funds must be invested in a State Savings Bank, but the return might be very small. It is essential, for the benefit of beneficiaries under a will, many of whom are widows and children, that a trustee company shall be able to obtain as much interest as possible. In future, where there are a number of small estates, the moneys may be lumped together and invested favourably, on behalf of the beneficiaries, thereby producing a return far higher than bank interest.

A trustee company that is carrying on a complex business such as a bakery may consider that the commission normally paid for that work

is too low. By clause 5 of the Bill the company will have the right to place the facts before the Supreme Court and the court may approve of the payment of 5 per cent. commission. The Opposition agrees with that provision. Frequently testators specify the rate of commission to be paid.

The Attorney-General dealt adequately with the desirability of establishing a common fund, and I do not propose to comment upon that aspect. Paragraph (c) of clause 3 repeals part of subsection (3) of section 25 of the principal Act. The part to be repealed states—

But no trustee company shall so deposit with any such banking company or banking corporation more than the sum of twenty thousand pounds on behalf of any one estate of which it has control.

At the time the original Act was passed, £20,000 had a higher purchasing value than it has to-day. I presume that the object of the provision was to ensure that investors did not "put all their eggs in one basket."

Clause 4 provides that a trustee company may deduct its commission from the earnings of the estate from day to day or whenever it considers it expedient to do so. Doubtless, the overhead expenses involved in conducting a trustee company have increased in recent years. According to the evidence submitted to the Statute Law Revision Committee, 90 per cent. of the commission earned by trustee companies is used to defray administrative costs, the greater part of which represents salaries. Therefore, it is necessary that these companies obtain their income as soon as possible in order that they may pay their staff and conduct their businesses.

Paragraph (b) of clause 3 provides that section 23 of the principal Act shall be repealed. That is important. The first report of the Statute Law Revision Committee contains an analysis of a proposed new memorandum of association of the Perpetual Executors and Trustees Association Limited. The analysis provides a detailed comparison of the present section 23 and what is proposed in this Bill. The existing provision prohibits and restricts trustee

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companies from doing various things, and the companies consider that this section has to some extent frustrated them in their obligations to beneficiaries. Moreover, they consider it to be detrimental to the introduction of modern business practices which should be followed in the management of an estate. The section specifically prohibits a company from investing its own funds. Invariably, trustee companies are public companies and have an obligation to their shareholders to pay dividends. If a company has some of its own funds which could be invested, then I know of no reason why it should not be permitted to buy shares or purchase buildings in the same manner as a private individual or an ordinary corporation can. The companies are of the opinion that they should have the right to invest their own funds wherever they consider it prudent to do so.

It is not uncommon for three or four generations of one family to have done business with a particular trustee company. A widow who has been left a large business by her husband may consider that she has not the necessary ability to conduct it. She may ask the trustee company to carry on the business for her, but at present the company has no statutory power to do so. I point out that the companies employ staff who are competent to undertake such work.

Further, there may be rich tradesmen who desire to live abroad and have their business affairs in this country conducted by a trustee company. The trustee companies submit that they have the skilled staff to undertake work of that character and want to know why they should not be permitted to do it. I concede that to some extent they are capable. In many cases, however, it is necessary for the person going abroad to hand over to a trustee company a power of attorney. The ordinary individual seems to be reluctant to execute a power of attorney, but we think it is desirable that companies with the requisite competency and trained staff should be authorized to undertake work of that character.

Section 23 of the principal Act, which limits the investment of funds, does not state clearly whether it relates precisely to funds that a trustee company may hold in a fiduciary capacity or to those that it holds in its own right. There is a growing tendency for business organizations to implement superannuation schemes, and that is a laudable objective. So far as I can ascertain, those schemes are handled largely by insurance companies. Trustee companies claim that they are competent to administer superannuation business and they propose, if this Bill becomes law and section 23 of the principal Act is repealed, to enter this field of business. It may well be that a large trustee company will consider it desirable to go even so far as to establish an estate agency branch because it is conducting business of that character. A reputable trustee company that has an attractive property offered to it may consider that it is just as competent as are estate agents in the city and suburbs to undertake the negotiations involved.

The Statute Law Revision Committee's report of 15th March, 1956, at page 33, states that section 23 of the principal Act prohibits a trustee company from owning its own building. Despite that provision, however, trustee companies own many buildings. I do not know whether those organizations have been informed that they are acting illegally but it is more than apparent that a trustee company has no power, say, to buy a building, occupy the ground floor, and let the upper storeys. That has occurred in some instances. The trustee companies desire that they shall be empowered by legislation to operate in these matters in the same way as a corporation may do.

A corollary to the emendations to the law that are provided for in the Bill is that trustee companies will be enabled to earn additional revenue. The inquiry conducted by the Statute Law Revision Committee was thorough, and that body had before it balance-sheets of the Trustees Executors and Agency Company Limited, the Union Trustee Company of Australia Limited,

the Equity Trustees Executors and Agency Company Limited, the Perpetual Executors and Trustees Association Limited, the National Trustees Executors and Agency Company of Australasia Limited, and the Fidelity Trustee Company Limited. I do not know why the accounts of organizations operating at Ballarat and Bendigo also were not investigated. The latest report of the Statute Law Revision Committee, dated 7th May last, at page 22, reveals that profits made by trustee companies are not of a very high order, and I am impelled to say that those organizations are beginning to feel that they cannot properly discharge the duties which they owe to the beneficiaries under estates that they manage unless their incomes are increased. I do not know whether that attitude arises from competition they are experiencing from professional accountants and the Public Trustee. However, the adoption of the various principles I have outlined may well result not only in more profit being earned by trustee companies but also in the engagement by those organizations of more highly-trained staff, which will provide a better service to beneficiaries and other sections of the community. For those reasons, the Opposition commends the Bill.

The motion was agreed to.

The Bill was read a second time and committed.

Clauses 1 to 3 were agreed to.

Clause 4 (Commission: When payable and how calculated).

Mr. CAMPBELL TURNBULL (Briswick West).—This provision enables a trustee company to collect commission earned, without waiting until an estate is finally wound up. In those instances where there is a large estate, a life interest or a series of life interests, final distribution may be long deferred, but under this clause trustee companies may progressively deduct commission from the proceeds of estates. The beneficiaries will be adequately protected by the proviso to sub-clause (1) which stipulates that should there be any

change in the value of the estate since its committal to the administration or management of the company an adjustment of commission must be made when the final distribution occurs.

The clause was agreed to, as were the remaining clauses.

The Bill was reported to the House without amendment, and passed through its remaining stages.

LANDLORD AND TENANT (CONTROL) BILL.

The message from the Council relating to the amendments in this Bill was taken into consideration.

Mr. RYLAH (Attorney-General).—The first amendment made by the Council is in the interpretation of "Higher rent dwelling" in sub-clause (1) of clause 3. Originally, this was defined as "prescribed premises, being a dwelling-house, which were leased at the thirty-first day of December, One thousand nine hundred and forty or at any time before that day . . .". After the words "at any time," the Council inserted the words "within five years." That amendment was made pursuant to an undertaking I gave during the debate in this Chamber that the Government would examine the definition to ascertain whether it was too wide. I recall a member quoting the possibility that certain premises might have been let in the year 1890 at £4 a week and subsequently rented at perhaps 30s. a week. It was contended that, by reason of the fact that in the distant past the premises had been let at a higher rate, they would be brought into the category of "higher rent dwelling." The matter was explained by the Leader of the Government in another place and the alteration accepted. I move—

That amendment No. 1 be agreed to.

Mr. SHEPHERD (Leader of the Opposition).—I take it, from the explanation of the Attorney-General, that the amendment meets the query raised in this House, and that the effective date will be 1935 instead of 1940?

Mr. RYLAH.—That is so.

Mr. SHEPHERD.—Does it mean that there will be an additional period of time in which premises may be affected by the rent mentioned in the legislation?

Mr. RYLAH (Attorney-General).—There will be a limited period of five years.

Mr. LOVEGROVE (Carlton).—As the Attorney-General stated, this amendment was made pursuant to an undertaking given by the Government when the Bill was being debated in this Chamber last June. I think it reasonable to point out, however, that the amendment—in line with others made by the Council—does not amount to much. In fact, it makes no alteration of substance that will mitigate the hardships generally imposed by the Bill upon tenants throughout the State. It merely constitutes the Government's final "coat of paint" upon its latest tombstone to rent and eviction control. I suppose there cannot be any great objection to the amendment. Metaphorically, the Minister of Transport has sprinkled scent on the chopping-block, and it will not make conditions easier for tenants who, in the majority of cases, will not be protected by this provision, although in some instances they may be.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—In the interpretation of "prescribed premises," the expression "appurtenances" appears instead of the word "appurtenances." This is obviously a misprint which requires correction. I move—

That amendment No. 2 be agreed to.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—Another verbal amendment was made by the Council. In paragraph (a) of sub-clause (1) of clause 5, in line 41, the word "then" should be omitted and the word "than" inserted in its place. I move—

That amendment No. 3 be agreed to.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—Amendment No. 4 relates to clause 42, sub-clause (6) of which sets out the prescribed grounds for notices to quit. The ground stated in paragraph (b) is—

That the lessee has failed to perform or observe some other term or condition of the lease and the performance or observance of that other term or condition has not been waived or excused by the lessor;

In another place the paragraph was amended by the insertion after the word “lessor” of the following words:—

Provided that notice in writing specifying the breach of such performance or observance has been served on the lessee and the lessee for a period of not less than fourteen clear days has failed to remedy such breach.

This amends a provision which has remained in the legislation since 1948, when controls were first introduced in this State after the Commonwealth Government relinquished its national security controls. The purpose of the amendment is to protect tenants.

Mr. CAMPBELL TURNBULL.—They are not to be allowed much time.

Mr. RYLAH.—Since 1948, a number of amending Bills have been brought into this House by different parties when they have formed the Government, and this particular hardship has only just been brought to light. When the matter was referred to me and the advisers to the Government, considerable doubt was expressed as to whether there was any need for this amendment. The provision it relates to is that contained in clause 42 which provides that a notice to quit may be served on prescribed grounds.

Usually in the case of a notice to quit issued on ground (b) the breach is remedied before the proceedings reach the court. It was considered in another place that there might be a case in which a lessee might not realize that he had a right to remedy the breach. An Opposition member suggested that the lessee should be given the benefit of receiving a notice in writing specifying the breach and giving him an opportunity to remedy it, before a notice to quit could be issued. The provision is a protection for the tenant. The Government believes that the experience

gained during the period between 1948 and 1957 indicates that the provision is not necessary, but that it is an added insurance for a tenant in the circumstances outlined. I move—

That amendment No. 4 be agreed to.

Mr. LOVEGROVE.—Who suggested the period of fourteen days?

Mr. RYLAH.—I could not say.

Mr. LOVEGROVE (Carlton).—I believe the Attorney-General spoke in good faith when he mentioned that the amendment was proposed by an Opposition member in another place, but he was not a member of the official Opposition, which takes the view that the period should be extended from fourteen to 30 days. Clause 42, which is the most notorious clause in a very bad Bill, deals with repossession. I think it was the honorable member for Camberwell who claimed during the second-reading debate that there had been an expansion of the grounds for repossession from seven, some years ago, to 24, including those contained in the Bill. This House should have regard to the economic situation to which the Government and its “godfather” in Canberra has brought the country in terms of the present wide-spread unemployment and a radical reduction in income earned and its purchasing power.

Mr. RYLAH (Attorney-General).—On a point of order, Mr. Speaker, I think the Standing Orders of the House provide that the present discussion must be confined to the amendment made by the Legislative Council.

The SPEAKER (the Hon. W. J. F. McDonald).—Order! I must uphold the point of order. I ask the honorable member for Carlton to adhere to the relevant topic of discussion, which is the amendment at present before the House. I must admit that I missed his divergence.

Mr. LOVEGROVE (Carlton).—I assure you, Mr. Speaker, that you were not misled. I was merely sketching a background situation which had developed in many ways since the introduction of this

Bill as some justification for the contention that, under existing circumstances, the period of fourteen days does not give an adequate protection for tenants placed in the position visualized. There has been a great expansion of the grounds for repossession, under conditions to which I have already referred. Another aspect is the deplorable lack of accommodation, a situation that has been aggravated by the actions of the Government. It is extremely likely that to-day under the terms and conditions of many leases there is a strong case for the extension of the period of notice specified in this particular amendment. I ask the Attorney-General whether he will agree to my proposal. In the absence of an answer from the honorable gentleman, I desire to indicate that the Opposition will oppose the amendment.

Mr. DOUBE (Oakleigh).—The Opposition is entitled to an expression of view on this point by the Government. The Attorney-General pointed out that for many years no actual time limit has been imposed on the remedying of breaches of terms or conditions of leases, and that in cases where tenants failed to observe some requirement usually they have been able to avoid going to court by satisfying that requirement subsequent to receiving a notice to quit. It will be seen that by limiting the period of notice and taking remedial action to fourteen days the loophole which apparently existed will be closed.

Mr. RYLAH.—Nonsense!

Mr. DOUBE.—If the requirement is not complied with within fourteen days, tenants will not have a further opportunity to comply with it.

Mr. RYLAH.—It means that a landlord will not be able to issue a notice to quit unless the fourteen days' notice has been given, whereas at present he can issue a notice to quit even if such notice specifying the breach has not been given.

Mr. DOUBE.—There might be a large number of cases in which the relevant condition could not be complied with in fourteen days, and in which 30

days would be a more reasonable period. I can see no reason why the Government should not accept the Opposition's suggestion. We are not asking that tenants should be permitted to continue to break the terms or conditions of a lease. As the honorable member for Carlton pointed out, at present it is rather difficult for tenants to comply with a notice within fourteen days, particularly if it means spending a large or even a moderate sum of money.

Mr. SHEPHERD (Leader of the Opposition).—I urge the Attorney-General to give consideration to the suggestion of the honorable members for Carlton and Oakleigh. It appears that fourteen days in which a tenant may remedy a breach is considered a reasonable length of time by some people, but I believe that it is impossible to find two cases of tenancy leases exactly similar in character. As an example, if Parliament House were leased, one of the terms might be that the lessee should maintain in good order and safe condition the lift on the Legislative Council side of the building. It would not be possible for the lessee to comply with an order from the owner that the lift should be placed in safe working condition within fourteen days.

Mr. BLOOMFIELD.—It would be equally impossible to comply with the order in 30 days.

Mr. SHEPHERD.—But it would be possible to get nearer the mark in 30 days. I merely cited that as an example of the difficulties that might be encountered if a time limit of fourteen days were fixed. This provision does not apply only to residences but could apply to any building in the city. The important feature is that the requirement is not that the work shall be commenced within fourteen days but that it shall be finalized. The Government has accepted the amendment put forward in another place and all that we are asking is that the time limit should be extended. No honorable member could obtain the services of a painter to carry out the entire interior redecoration of a house or the outside painting of it within fourteen days, and

it would be a physical impossibility for a man to complete the work in that time. I had to wait for seven months to obtain the services of a painter to commence painting the outside of my property, and he has painted for me on four occasions previously in my lifetime. I could not have complied with any order that my house should be painted within fourteen days. I regard this proposal of the Government as merely another excuse to force tenants out of properties. I am not referring to the amendment.

Mr. RYLAH.—I should think not.

Mr. SHEPHERD.—I refer to the main provisions of the clause to which the amendment relates. It will give owners an excuse to approach the court in order to obtain possession of their properties. I will agree that in many cases their excuses might be legitimate, and perhaps that admission will pacify many honorable members on the Government side of the House. However, it is not possible for an ordinary person leasing a property to ensure that all necessary repair work under the terms of the lease shall be completed within fourteen days of any order. The Opposition is merely asking for a small extension of time to 30 days. There is nothing very expansive or exaggerated in our request. We do not wish to be unrealistic, although perhaps we might have had a better chance of having our suggestion accepted had we adopted such an attitude. We feel that a little more latitude should be given to individuals or to companies who may be called upon to carry out repairs under the terms of leases.

The sitting was suspended at 5.46 p.m. until 7.36 p.m.

Mr. SCULLY (Richmond).—The amendment to clause 42 was moved in another place by one of my colleagues after consultation with representatives of all parties, and there was general agreement as to the necessity for its inclusion in the Bill. Its purpose is to give some additional protection to the tenant. A tenant could have entered into occupation of premises as an assignee, not knowing that certain

conditions requiring his compliance had been laid down by the landlord. Later, the landlord might inform him that he had failed to observe certain conditions specified when the lease was granted, and that consequently it was intended to evict him. An application could be made to a magistrate on the ground that the tenant had failed to observe conditions agreed upon when the lease was granted.

The amendment has been based on a similar provision in the Property Law Act. If incorporated in the legislation, it will safeguard a tenant against the type of action I have mentioned. Before notice to quit could be given, the owner or landlord would be compelled to serve on the tenant a notice in writing setting out the conditions with which he had failed to comply and giving him at least fourteen days in which to remedy the breach. I have no objection to a longer period being allowed. The Property Law Act provides for fourteen days, but 30 days would be suitable. It must be remembered that the definition of "lease" includes "every contract for letting of any prescribed premises, whether the contract is expressed or implied or is made orally, in writing or by deed...".

When the lease was being arranged, certain matters could have been mentioned in the course of conversation and not a great deal of attention paid to them by the tenant, but later he could be accused by the landlord of not having observed conditions claimed to have been agreed upon. In those circumstances, it would be unfair for the tenant to be informed that this was an immediate ground for the recovery of possession of the premises. The amendment is designed to give some additional protection to the tenant, before a notice to quit is served. I support any proposal to increase from fourteen to 30 days the period in which the tenant can remedy the breach.

Mr. PORTER (Honorary Minister).—The Government appreciates the manner in which the Leader of the Opposition has approached the consideration of this problem. He has suggested that the

amendment made in another place be further amended so as to provide for a longer period. Before the Government could agree to the Opposition's proposition, it would have to examine its full legal implications, and therefore I move—

That the further consideration of the amendments made by the Council in this Bill be postponed until later this day.

The motion was agreed to, and the debate was adjourned until later this day.

PORT MELBOURNE LAGOON LANDS BILL.

The debate (adjourned from September 4) on the motion of Sir Thomas Maltby (Minister of Public Works) for the second reading of this Bill was resumed.

Mr. TODD (Port Melbourne).—This Bill is one of the minor pieces of legislation that from time to time are brought before the House. It deals with the vesting in the Melbourne and Metropolitan Board of Works of a certain area of land in Port Melbourne on which a pumping station has been erected. Although relatively unimportant, the measure possesses some features that may interest members. In the early 1800's the Port Melbourne lagoon area was almost devoid of settlement and subsequently it was reclaimed. In 1889 a pumping station to divert storm water into the sea was erected on the reclaimed land. In those days it was necessary to import from Great Britain costly suction gas engines to drive the pumps, and up till 1946 those pumps were still working although by that time they had deteriorated to a state of obsolescence.

Until 1946, the responsibility for operating the pumps when storm water in the well chamber at the pumping station rose to a certain height remained with the Port Melbourne City Council. From the year 1928 the Melbourne and Metropolitan Board of Works undertook the financial responsibility in connexion with that task. In 1946 the Board of Works took over full control of the

pumping station and placed a member of its staff in charge of the engines. Unfortunately, however, the man concerned lived in the Northcote district and when rain fell at Port Melbourne some time elapsed before he could get across from his home to start the pumps. Frequently the storm water would rise in the well chamber and flow back through the storm water drains, thus flooding the area. Subsequently there was a period of recrimination between the municipal council and the Board of Works, and in 1948 the latter body decided to modernize the pumping station and install electrical control equipment.

Plans were formulated by the Board of Works and tenders for its machinery were invited. At that particular time the question of tenders for pumps seemed to have been a live one. Just prior to 1952 a contract was let to Thompson's, of Castlemaine, for the supply of pumping equipment at a cost of £19,000 and work on the project commenced. Due to the extravagant attitude of the Federal Government at that time, most of the public utilities of this State suffered severe financial stricture. The Board of Works was one of them. That body had to ask Thompson's to desist from the construction of the pumping equipment because it was experiencing difficulty in obtaining the requisite finance not only to pay for the pumps but also to proceed with other necessary alterations at the pumping station. It was not until two or three years later that work was resumed and the pumps were finally delivered to Port Melbourne. In the intervening years the cost rose from £19,000—the price submitted by the successful tenderer—to £32,000. I submit that there are other instances in Victoria of public utilities suffering considerably because of the "Come to the party and let's have a good time" attitude of the Federal Government during the period from 1949 to 1952.

In 1955 the Melbourne and Metropolitan Board of Works made application to have the area of land on which the pumping station stands vested in it, and that is the reason why this Bill is now

before the House. At that time it was estimated that the sum of £70,000 would be required to install the pumps and electrical equipment. The estimate of £70,000, in 1955, which included the necessary alterations, rose to an actual expenditure of £93,000 in 1957. I suggest that had this public utility been enabled to proceed with its planned programme in 1952, the cost of the undertaking would probably have been halved. It is interesting to note that the matter of tenders for this type of work is at present the subject of criticism in the Melbourne City Council. Consequently, I intend to review the methods used by public utilities when affairs are dealt with in various places. The practice of the Melbourne and Metropolitan Board of Works of asking competent men to judge which tender is the most acceptable is adopted by every other public utility and probably every metropolitan municipal council, but unfortunately, some objection has been raised to the action of the Board of Works in that regard.

One city councillor has taken it upon himself to refer to the Board of Works as an organization of laymen who conduct all kinds of business ranging from haberdashery to groceries. I submit that the comments of that gentleman are not in the best taste, because those who are responsible for recommending to the Board of Works which tender should be accepted for a particular job are competent men who possess the highest degrees in engineering. From the point of view of the Board, this statement concerning the decision to accept the tender of Kelly and Lewis—

The SPEAKER (the Hon. W. J. F. McDonald).—Order! That subject is irrelevant to the debate.

Mr. TODD.—I wish to refer to the qualifications of the men who decided which tender should be accepted.

The SPEAKER.—That argument is irrelevant to the motion before the House.

Mr. TODD.—I bow to your ruling, Mr. Speaker, but reiterate that recommendations to the various committees

of the Melbourne and Metropolitan Board of Works are made by men possessing the highest qualifications in their respective branches of engineering. It is ridiculous to suggest that, after competent engineers have arrived at certain decisions, crystal-gazers and palm-readers from outside should be brought in to add to the cost of the project under consideration. For many years these competent officers have been able to guide the Board, as a result of which very few, if any, mistakes have been made by it. Although this Bill is a simple one, it concerns the activities of a metropolitan organization which is headed by a man for whom, although he may possess different political beliefs from myself, I have the highest admiration. The staff under his control are of the highest integrity and are worthy of the confidence of the community.

The motion was agreed to.

The Bill was read a second time, and passed through its remaining stages.

LOCAL GOVERNMENT BILL.

The debate (adjourned from June 5) on the motion of Sir Thomas Maltby (Minister of Public Works) for the second reading of this Bill was resumed.

Mr. HOLLAND (Flemington).—This Bill amends the Local Government Act, which deals with a most important aspect of government in this State. As such, the Opposition has carefully considered its provisions. The Minister of Public Works made a brief second-reading speech, which did not enlighten the House greatly, and in the course of which he mentioned that all Governments had found it necessary almost annually to amend the principal Act. The honorable gentleman mentioned that large numbers of requests to amend the Act are received from municipal councils, the Municipal Association of Victoria, and public men. He further asserted that the rapid expansion of municipal responsibilities and the physical expansion of municipalities were accelerating the need for frequent and extensive

amendments to the Act, and that the Bill was an attempt partly to satisfy that need. The Minister stated that the Bill consisted of a series of individual amendments not necessarily related to one another and that, in effect, it was a Committee Bill. Although the principal Act is in the course of consolidation, the honorable gentleman made it clear that at this stage it was only practicable to cover a limited field of amendments, and he hoped to introduce a further Bill later in the session.

The Opposition considers that many important amendments amongst those already before the Minister of Public Works for consideration should have been included in this Bill. Moreover, if it is the intention of the Government to consolidate the Local Government Acts, all necessary amendments should be made before that work is concluded. In certain respects, the principal Act is archaic. If it is brought up to date and streamlined it would be ridiculous subsequently to introduce a further series of amendments. Undoubtedly, many aspects of the machinery of local government require amending. Local government, which is the third arm of our form of government, is closest to the needs of the people and operates under considerable difficulties. Nevertheless, more and more responsibilities are being thrust upon it by successive Governments, particularly in respect of social services, without adequate financial recompense being made to municipalities. Although many improvements are needed in the machinery of local Government, it must be recognized that, if it is to continue in the way it has developed, adequate funds must be provided. It is appreciated that finance is a serious difficulty of this Government, as it is with the municipalities which have only two ways of financing their undertakings—by the use of loan money for capital works and the imposition of rates for their ordinary day-to-day working expenses. Municipal borrowing is a direct responsibility of this Government, and I think that, within the limits of its resources, the Administration has attempted to be fair to the municipalities in their efforts

to cope with the increased demands that are being made upon them. However, unless more favourable consideration is given to the method of financing local government it will not be possible for councils to continue to provide such important amenities as streets and so on. So far as the rating position is concerned, many councils to-day are levying rates almost to the extent of the legal maximum limit. Some have managed to remain solvent—many of them are not—only as a result of revaluations, which brings to mind an important point regarding the system under which municipal valuers are appointed. To-day men carrying out this most important work do not need to possess qualifications for the job.

SIR THOMAS MALTBY.—Correction of that system is overdue.

Mr. HOLLAND.—I am pleased to hear the Minister make that statement, with which I agree. It is legally possible for municipalities to allow as long as ten years to elapse between valuations. Municipal valuations affect the activities of the Melbourne and Metropolitan Board of Works—another important arm of local government under the control of the Minister of Public Works. The administration of the Board also should be given close scrutiny.

Former Governments generally have taken an active part in providing a little extra finance for the added responsibilities thrust upon municipalities but not nearly sufficient recompense has been granted for the work undertaken. If the local councils are to continue to discharge their responsibilities for the maintenance of baby health centres and other general social services more funds must be provided in some way. I believe these important aspects should be examined, rather than the machinery side of local government. I am sure that municipalities will respond to any demands that are made upon them provided ways and means are found of financing the necessary work.

I do not wish to traverse the whole field of municipal government or worry a great deal about the many complex

matters which the Minister of Public Works knows need attention to bring the Act up to date. Many of the amendments included in the Bill are unimportant and are not urgent. However, sandwiched in between them and other consequential machinery amendments are one or two important changes. In some ways these proposals impinge on the principles of our conception of local government.

Mr. ROSSITER.—What is your conception of local government?

The SPEAKER (the Hon. W. J. F. McDonald).—Order!

Mr. HOLLAND.—I am sorry that I roused the honorable member for Brighton, but we of the Opposition are used to his roaring when he is aroused, and it does not affect us. If he desires a copy of the Labour party policy on local government reform, I shall be prepared to furnish him with one as I played a big part at a recent conference of the Labour party in drafting a much more streamlined policy than that advocated by the party to which the honorable member belongs.

Mr. ROSSITER.—Tell us about it.

Mr. HOLLAND.—I do not want to speak about that policy to-night.

Mr. WHITE.—Tell us about Debney's Paddock!

Mr. HOLLAND.—I am not prepared to deal with that subject at this stage. If the Government is prepared to give me the opportunity at a later date to discuss Debney's Paddock I shall be glad to accept it. I hope the honorable member for Brighton will attempt to refute the points I am seeking to make on this Bill. Usually all he tries to do is indulge in a form of sniping which does not get anybody very far. Clause 4 of the Bill seeks to amend those sections of the principal Act which relate to the union of municipalities, and we believe that the proposals cut across the requirements already in the legislation. The amendments seem to be framed to suit one locality only and were probably brought forward because of the fact that twelve months or two years ago

the Government introduced a Bill relating to the unification of certain cities in the Geelong area. That measure was not proceeded with as the Municipal Association of Victoria did not wish to see the proposal dealt with in the form the Government proposed. Probably the fact that another Bill dealing with the same municipalities has been on the Notice Paper in another place for some time has also had a bearing on the framing of clause 4. We believe that the Government's present proposals are not worthy of support.

Another matter of principle with which the Opposition is concerned relates to the amendment to section 53 of the principal Act, contained in clause 5, which deals with the qualification of councillors. We consider that this proposal cuts right across what is regarded as an accepted principle of local government—that councillors should give voluntary service on the one hand, and, on the other, should not attempt to do business with the councils of which they are members.

Mr. HOLDEN.—Do you or do you not agree with the amendments proposed in clause 5?

Mr. HOLLAND.—We do not agree with the Government's proposal to insert a new paragraph (f) after paragraph (e) in sub-section (2) of section 53 of the principal Act. There are certain merits in the other two amendments proposed in clause 5 relating to cultural activities, and we have no objections to them. We believe that there are serious dangers for councils in the proposed new paragraph (f). On the one hand there could be some collusion between a councillor and his employee; on the other hand there could be a councillor in the hands of an unscrupulous employee.

Mr. HOLDEN.—There was a case in Keilor in which a councillor sold a few pounds of nails to a council employee.

Mr. HOLLAND.—I am aware of the fact that in individual cases certain people may be prejudiced, but I am dealing particularly with the principle of the matter and the dangers attaching

to it. A councillor could be endangered if placed at the mercy of an unscrupulous employee, but on the other hand, if a councillor wished to trade with the council as such, by collusion with an employee, he could get away with murder, as it were. The principle laid down for people connected with companies of over twenty shareholders dealing with the council is wrong; after all, there is not much difference between a company of nineteen shareholders and one of twenty shareholders. I am not dealing with the question of some reputable person being approached—as in the case of the councillor at Keilor mentioned by the honorable member for Moonee Ponds—but I am more particularly concerned with the principle. I do not know a great deal about the Keilor case except that the councillor concerned is a respectable person, who was the victim of unfortunate circumstances. Like many other councillors, who have been ousted and heavily fined, he was unlucky. Opposition members contend that the proposed amendment will open the door too wide. It is unfortunate if a person occasionally is “caught in the toils” because of the rigidity of the law, but that happens sometimes.

Clause 8 contains another important change in that it enables the municipal clerk to act as the returning officer. That is a sound provision and Opposition members raise no objections to it, although it could be improved slightly by making it easier to replace a person who died. There appears to be no reason for objecting to clause 10, which provides for the elimination of the words “and within an adjoining ward” from section 131 of the principal Act. As a member of the Melbourne City Council I believe that this is a sound provision.

Clause 11, which amends section 166 of the principal Act, deals with officers who incur incapacity or disqualification for certain of their actions. Again, I contend that the principles that are supposed to animate councillors in their services with municipalities should be applicable also to officers. I do not think an officer should have any business

dealings with the council by which he is employed even as a shareholder in a company with more than twenty shareholders. However, if it is reasonable to amend the Act to provide that councillors shall not be disqualified if they indulge in cultural or sporting activities, a similar privilege should be extended to officers.

Clause 12 amends section 249 of the principal Act, as amended, by exempting ambulance services from rating, and Opposition members have no reason to cavil at this proposal. It is anticipated that the proposal is meant for non-profit making ambulance services. As the clause is framed, it would be competent for a private ambulance service, operating with a view to making a profit, to obtain an exemption from rating.

Sir THOMAS MALTBY.—Are there any such ambulance services?

Mr. HOLLAND.—I do not know; there could be.

Sir THOMAS MALTBY.—I have heard only of non-profit making concerns.

Mr. HOLLAND.—This brings to mind the general question of rating exemptions so far as councils are concerned. A definite principle has been laid down by the Government in connexion with this matter. The Government has said, in effect, “Here is a type of Government organization, charitable institution, or place of worship, which should be exempt from rating,” and immediately appropriate legislation has been passed providing that in future such organizations shall be so exempt. Consequently, the ratepayers of a particular municipality are charged higher rates to provide what is, in effect, a community service. The incidence of this type of exemption is reaching such proportions that councils can no longer bear it. In a recent decision given concerning a Salvation Army home at Bayswater, the conception of non-rateable property was extended so much that it will cause grave concern to many municipalities. In order to bring home forcibly to honorable members the need for governmental consideration on the question of municipal finance, I propose

Mr. Holland.

to quote certain figures indicating the losses sustained by councils because of rate exemptions. In Sydney, the loss on Commonwealth properties amounted to £71,000 and on State properties the loss sustained was £532,000.

The SPEAKER (the Hon. W. J. F. McDonald).—Order! There are several conversations going on in the Chamber at the present time. I ask honorable members to desist from this practice.

Mr. HOLLAND.—In Melbourne, the rating exemption on Commonwealth properties amounted to £43,000, and on State Government properties to £89,000. In Adelaide the value of the exemptions amounts to £17,000 for Commonwealth properties and £91,000 for State buildings. In Brisbane the relevant figures are: Commonwealth, £77,000; and State, £145,000. In Perth the figures are Commonwealth, £20,000 and for the State, £80,000, while in Hobart the amounts are respectively £7,000 and £16,000. Therefore in all of the capital cities the values of rating exemptions are: Commonwealth, £236,000; and State, £954,000. Other exemptions are provided for under the Local Government Act.

The City of Melbourne is obliged to grant exemptions on properties which would bring in an income from rates of approximately £250,000 annually. Probably the City of Melbourne is able to stand exemptions of that magnitude, but the position is not the same in, say, South Melbourne in which many religious organizations are located. I agree that such institutions should be granted rate exemptions, but the Government should accept some responsibility and recompense the municipalities for the rates that are not collected. If councils are to bear a larger share of the cost of providing social service facilities for young and old, the Government should assist them financially. The Commonwealth Government refuses to pay rates on its properties, but it provides some form of recompense by not charging municipalities sales tax. Of course, the State Government does not levy land

tax on councils, but the amount involved is nowhere near the saving to the State in rates.

I do not expect the Government to delete clause 12 from the Bill or to take action immediately to overcome the difficulties to which I have referred. However, it is time that it investigated municipal finance and assisted in relieving the burden that is placed on councils.

Sir THOMAS MALTBY.—The Government is trying to help the municipalities by accepting some responsibility in regard to the making of streets near Government schools and other buildings.

Mr. HOLLAND.—Any action that is taken to help municipalities will be greatly appreciated, but assistance should be provided on a wider basis. Both the Commonwealth and the State Governments are placing more responsibilities in regard to social services on municipal councils because they believe, as I do, that those organizations are best suited to do the job. If the Government approaches the problem involved by realizing that it has to take its fair share of responsibility, then municipal government will carry on. I believe municipalities are doing a good job now. There are many aspects of the Bill with which the Opposition does not agree. I consider that urgent action should be taken to iron out the difficulties under which municipalities are suffering to-day.

Mr. HOLDEN (Moonee Ponds).—I compliment the honorable member for Flemington for the over-all picture that he has painted in regard to this Bill. He said that he believed in the functions and responsibilities that local government undertakes in this State. I do not know whether he will be "hailed over the coals" for making that statement. He may be going against the policy of the Labour party. I agree that local government does play an important part in the development of this State.

To obtain finance to carry out their work, municipal councils depend on rates levied and loan funds granted by the State Government. During the post-war years, municipalities have not always

been prepared to increase the valuations of properties sufficiently in order that they may gain adequate income with which to finance their normal functions in regard to street works, drainage, and so on.

Mr. TODD.—Tell that to the people you represent.

Mr. HOLDEN.—I am prepared to say the same thing at Northcote. The honorable member for Flemington raised a pertinent point concerning the part played by local government authorities in providing social services. He criticized the Government for not playing its part in subsidizing the councils fully for the work that they are doing in that regard. I agree that a State Government should play an important role in the provision of social service facilities within its own State, but I believe also that it is the responsibility of the people themselves, through their local councils, to initiate home-help services, baby health centres, dental clinics at pre-school centres, elderly citizens' recreation clubs and youth services. They are some of the most useful activities that can be undertaken by local governing authorities with the assistance of the State Government. I would never favour complete control by the Government, because I consider that support should be forthcoming from municipal councils and ratepayers within the various districts.

Mr. SUTTON.—The Government initiates services but does not give large enough subsidies.

Mr. HOLDEN.—It may be that the Government observes the need for a certain service and initiates it, but the local governing authority affected has a responsibility in the matter. Local residents should play an important role in the establishment of amenities in their districts. I do not intend to devote much time to discussing the various clauses of the Bill, because it is a machinery measure which can best be dealt with in Committee, but I should like to refer to certain aspects. Paragraph (b) of clause 5—which relates to exceptions from incapacity of councillors on the ground of interest—provides

that after paragraph (e) of sub-section (2) of section 53 of the principal Act there shall be inserted the following expression:—

(f) The sale and delivery of an article to the council in the ordinary course of a retail business if the sale is made without his personal knowledge and in disregard of his express instructions.

I do not represent the district of Keilor, but nevertheless take a considerable interest in it. A certain situation involving a local councillor, through no fault of his own, arose there. An employee of the shire council required a few nails to complete a job. Instead of obtaining from the shire office an order to get the nails from a certain supplier, he went to the nearest shop and obtained enough for his immediate needs. The shop happened to be conducted by one of the councillors representing the area. The matter was raised at a meeting of the council, and the councillor felt that he had committed a grave sin, although the nails were supplied without his knowledge. The proposed new provision in section 53 of the principal Act is clear and should iron out the difficulties. An important issue is the complete honesty and integrity of councillors and council employees.

Mr. BROSE.—Do you not think that the provision could be used as a cloak to cover improper practices?

Mr. HOLDEN.—No. I have complete faith in humanity. I may be an innocent, but I believe that a majority of people in the community observe Christian beliefs and that as a general rule workmen are honest and have integrity. The proposed new paragraph (f) should place beyond doubt the position of councillors, who render public service but who could be crucified at present because of the innocent action of some employee. The honorable member for Flemington apparently has grave doubts on this question, and considers that the provision will serve as a cloak to cover some of the nefarious activities that he evidently thinks certain councillors may indulge in. In my view, its inclusion in the legislation will be to the benefit of our system of local

government. Paragraph (d) of sub-clause (2) of clause 8 provides that for sub-section (3) of section 325 of the principal Act there shall be substituted the following:—

(3) The municipal clerk shall be the returning officer for the purposes of the poll;

Sub-section (3) now states—

The chairman of the municipality or (in case there is no chairman or the chairman is absent incapable of acting or refuses to act) the municipal clerk shall be the returning officer for the purposes of the poll.

I do not know why this amendment is considered to be necessary. There are three elected members of each municipal riding, and the prevailing practice is for the councillors who are not due to retire to act as returning officers at municipal elections. Speaking from personal knowledge, I can say that in the municipality of Essendon councillors have done a particularly good job as returning officers—without payment—and have not complained about the duties they undertake on one day in each year. I do not know why the added burden of that task should be placed on municipal clerks or shire secretaries.

Mr. SUTTON.—Councillors who act as returning officers take part in municipal election campaigns.

Mr. HOLDEN.—The honorable member for Albert Park casts aspersions on the integrity of municipal councillors.

Mr. SUTTON.—There is nothing wrong in their action.

Mr. HOLDEN.—Have representations ever been made to the Minister of Public Works or to Parliament to the effect that a returning officer, irrespective of whether he was a councillor or not, has done something wrong?

Mr. SUTTON.—I do not suggest that what is done is wrong.

Mr. HOLDEN.—The Opposition apparently agrees that there is nothing wrong in what is being done by the municipal councillors concerned; therefore why should the job of acting as returning officers be taken out of their

hands? I now pass to clause 12, which relates to exemption from rating. It provides that—

At the end of sub-section (1) of section two hundred and forty-nine of the principal Act as amended by any Act there shall be inserted the following paragraph:—

“(j) Land used exclusively in connexion with the provision of an ambulance service.”

I was impressed with the argument of the honorable member for Flemington, and agree wholeheartedly with his submission that should there be established on land within a municipality an ambulance service that does not function on a completely charitable basis—one that makes a profit from its operations—it should be required to pay municipal rates. However, an ambulance service that operates entirely on a charitable basis should be free from such rates. Probably the Minister of Public Works will agree with that contention and will examine the possibility of having paragraph (j) of sub-section (1) of section 249 of the principal Act amended accordingly. I trust that all members irrespective of their political views, will seriously consider the implications of this measure.

Mr. FLOYD (Williamstown).—On a previous occasion I agreed with the contention of the Minister of Public Works that the Local Government Act was a complex piece of legislation. The honorable gentleman stated also that it was a very interesting one. I, too, thought so until I heard the speech of the honorable member for Moonee Ponds, who was so complacent and naïve about the ramifications of municipal councillors and council employees that I suggest if ever he visits the town hall at Moonee Ponds he should take care lest someone outside tries to sell him the town hall clock! Those of us who are closely associated with municipal affairs know how difficult it is to work under the provisions of the Local Government Act because of its complexities. When a measure aimed at amending that Act is brought before the House members are not particularly interested in it because there is no central point in the debate. They are in agreement with some clauses

and in disagreement with others. Such a measure is a Committee one and members experience difficulty in traversing the subject-matter dealt with. Those of us who are interested in local government matters take the opportunity of fully debating a Bill to amend the Local Government Act in the hope that the Minister of Public Works may be induced to correct some anomalies to which attention is directed, in addition to those dealt with in the Bill.

The Local Government Act is becoming outmoded and difficult for citizens as well as councillors and town clerks to understand. It has been consolidated at various stages—most recently in 1946—but it has not been overhauled. No doubt in the present consolidation a number of existing anomalies and a measure of bad verbiage will be perpetuated. When the late Sir Leo Cussen consolidated a number of Acts some years ago he virtually rewrote them. Rather than wait for, say, the Williamstown council or some country municipality to direct attention to an anomaly, the Government should take action to have the Act brought up to date now. Perhaps that could be done through the medium of the Statute Law Revision Committee.

The schedules to the Act should also be overhauled. Uniformity does not exist among councils in the adoption of provisions contained in the schedules. In New South Wales many schedules and by-laws are uniform amongst cities, shires and boroughs, apart from purely local aspects. In this State too many by-laws are peculiar to local councils. It is difficult for council officers and citizens to keep up with them. Often court decisions in respect of a matter concerning a municipality have a chain effect on by-laws in other municipalities without town clerks becoming aware of the situation. Unless by-laws are continually surveyed by legal officers, most of them do not stand up to a test in court. In my own municipality we have found it difficult to deal with the large-scale erection of garages on street corners because the by-laws are not up to date. I suggest that the Minister of Public Works

Mr. Floyd.

should examine the by-law making powers of councils with the object of achieving as much uniformity as is possible.

I have great respect for councillors and have had the opportunity to examine their work closely. Although they receive many "kicks," they help this Parliament to govern Victoria. The following statement, which appeared in the March issue of the *Municipal Journal* is interesting:—

The professional ability of our local government executives and the capacity of councillors to hammer out prudent policy in round table council discussions add up to provide a level of administrative efficiency which other agencies of government find it difficult to equal....

On the other hand, local government is conscious of its shortcomings which are mainly the result of the failure of Federal and State governments to recognize the financial handicaps they impose on the municipal system. While these injustices continue, the tax burden the ratepayer is called upon to bear will not grow any lighter.

Because the local town hall is so readily accessible to the ratepayer with a grouch, there is a tendency for municipal heads to receive many of the cuffs which are deserved elsewhere.

My colleague, the honorable member for Flemington, was called to order because he praised councils. The Opposition pays tribute to councils both city and rural. It is our desire to make them uniform to some extent.

Mr. ROSSITER.—To what extent?

Mr. FLOYD.—Apparently the honorable member for Brighton has not kept abreast of socialistic policies. At a recent Trades Hall conference, the Labour party altered its policy on municipal government and deleted the Greater Melbourne council proposition about which the honorable member for Brighton has "screamed." In lieu the party adopted a policy of instituting regional councils. The Opposition believes that contiguous municipalities possess common interests. Therefore, better service would be provided for ratepayers if a common policy were carried out. Then one would not find one side of a boundary road in good condition while the other side was full of potholes. The

policy was adopted about last June or July, so apparently the Liberal party's "Gestapo" is not as effective as I thought it was.

Let us consider the remarks of the honorable member for Moonee Ponds who asserted that councils by failing to raise valuations were not carrying out their functions. He should know that councils do not take such action, which is the duty of sworn valuers, if revaluation is justified. In fact, it is illegal for a council to interfere with the decisions of the valuer, which are final. The council bases its rate on the revenue required and the valuations existing at the time. Most councils are up to their limit of 4s. in the £1. In some suburbs many areas are not rated. In my own municipality the proportion is 23 per cent. In other words, ratepayers must pay for roads and footpaths used by Government instrumentalities, both Federal and State. In our district we have had to make and maintain 9 miles of roads and footpaths towards which the Government instrumentalities contributed nothing.

Mr. FRASER.—Except for the service the council receives from the instrumentalities.

Mr. FLOYD.—I shall come to that aspect. There should be a *quid pro quo*. The council provides footpaths and roads, along which are conveyed heavy items of equipment for the Newport workshops, but the Victorian Railways do not contribute financially towards their upkeep. In some instances the uniform building regulations have been broken by Government instrumentalities which have asserted, "We cannot comply with council by-laws; we are working for the State." When it has been discovered that buildings are not suitable for the required purpose, instead of being demolished they have been leased to private enterprise. Thus a sub-standard building—on which rates are now payable—exists in the municipality after being built under the subterfuge of it being a Government building not subject to the regulations.

Mr. FRASER.—Where is this sub-standard building?

Mr. FLOYD.—I do not wish to embarrass the Minister of Public Works, from whom I have received good service. I am sympathetically disposed towards the honorable gentleman, who not only handles a complex subject in this instance, but also covers a complex field of administration. My next point is that local government is so important that its oversight should not be part of the function of the Public Works Department but should be entrusted to a separate Local Government Department. That would obviate the necessity of an overburdened Minister of Public Works having to listen to every quibble that arises affecting municipal government and administration, whether it emanates from Geelong, Williamstown, or elsewhere. If my proposal were adopted, a Minister of Local Government would have the opportunity of completely overhauling the Local Government Act instead of having to bring forward piecemeal amendments from time to time as has been found necessary by the busy Minister of Public Works, who has big organizations such as the Melbourne Harbor Trust and the Melbourne and Metropolitan Board of Works to supervise in addition to many other responsibilities.

Sir THOMAS MALTBY.—I agree heartily with your proposal.

Mr. FLOYD.—I have great respect for the Minister of Public Works, and I am pleased that he agrees there is merit in my suggestion. I hope that my remarks will bear fruit in the near future. An urgently needed reform is the preparation of a uniform set of by-laws governing municipal affairs so that the ordinary man in the street may readily ascertain what matters affect his activities. I was disappointed that the honorable member for Moonee Ponds did not mention the complex subject covered by clause 4 of the Bill, which relates to the union of two municipalities. Although machinery is provided in the Local Government Act for the Minister of Public Works, through the Local Government Advisory Board, to initiate a poll concerning the severance of portions of a municipality, apparently there is no means by which a poll can be taken concerning

the union of two municipal areas. Therefore, I believe the proposed change will be of benefit. It seems that progress in local government affairs is made by the process of trial and error.

Sir THOMAS MALTBY.—There is a general need for this change. It will have a much wider application than in the Geelong area.

Mr. FLOYD.—Some of the amendments dealt with by the Bill cover matters that were obviously missed when earlier legislation was being drafted, and apparently machinery for a union poll should have been included in the Act years ago. Most of the matters to which I intend to refer could be better dealt with in the Committee stage. So far as the membership of clubs is concerned, I believe that from time immemorial councillors have been connected with local football clubs and social organizations. Many have acted as secretaries of such bodies; they have engaged town halls for various functions, completed leases, and carried out many other duties for the clubs. I wonder if some "nark" has now come to light who wishes to prevent municipal councillors from continuing to engage in those activities. However, I have no complaints about the proposals of the Government in this connexion.

I shall have more to say about councillors attempting to benefit from trade with a municipal council when the Bill is being dealt with in Committee. However, I shall not take the naïve attitude adopted by the honorable member for Moonee Ponds. I cannot see how things can be allowed to jog along nicely in the belief that everything in the garden is lovely and that all councillors can be relied upon to act in the proper manner, as I know of at least two occasions when something of this nature was brought forward by fellow councillors. It is not just a matter of somebody coming along and buying three-pence worth of nails in order to crucify a councillor. After all, such a victim could have recourse in the normal way to a court of law. If an unscrupulous employee attempts to "frame" a councillor, action can be taken to ensure that decency and justice shall prevail.

I do not see any objection to the Government's proposals concerning town clerks acting as returning officers. As the Act stands at present, councillors often take the credit of acting as returning officers while the town clerks do all the work. They might as well have the responsibility from the beginning. It might be considered that there is some merit in insisting upon a councillor acting as returning officer as he could be called upon to give a casting vote in the event of a tie. However, there have been occasions in the past when town clerks and poll clerks have been called upon to act in a similar manner, and invariably they have allowed the existing state of affairs to continue.

Concerning the payment of rates by ambulance services, there is doubtless a certain degree of sentiment involved. I believe that if an ambulance service is doing a job for the community and there is no residence or shop attached to the building used, no rates should be paid. However, if attached to the building there is a residence which requires a garbage service, or there is a shop which is making profits, the service should accept the responsibility of paying rates. I look forward to the day when amendment of the Local Government Act can be tackled in a comprehensive manner. Perhaps the proposals could be referred to the Statute Law Revision Committee or some other competent body so that a Bill in a properly consolidated form could be presented to the House. That would enable Parliament to pass more workable legislation which would permit of local government taking its proper place in the administration of the affairs of the State.

Mr. SCHINTLER (Footscray).—I am delighted that the Minister of Public Works has seen fit to bring before Parliament a Bill seeking to amend important provisions of the Local Government Act. Whilst I agree entirely with some of the proposals, I am totally opposed to others. I shall give my reasons in detail when the Bill is in the Committee stage. Local

government in Victoria, and elsewhere in Australia, is of such importance that a large proportion of the population, and probably a number of members of this House, do not realize the immensity of the work that local councillors perform in the interests of the community. Local government is one of the few forms of democratic government that have stood the test of centuries in our way of life. Very early in the history of our people, small groups of people banded together and, in their common interests, they met in whatever place was available—in some little room, under a tree, or, in fact, almost anywhere—in order to discuss problems affecting the welfare and benefits of the ordinary man in the street. From that humble beginning, local government has developed, until to-day it is one of the most important features of civilization.

Unfortunately, the great majority of municipal and shire councils in Victoria are rapidly approaching the position whereby it will be impossible for them under the existing set-up to carry out the duties and services that they desire to give to the public they represent. Before very long, this Government, or some future Administration, must face the responsibility of acting to ease the load that is progressively being placed on the shoulders of men who are working for the good of the people in a completely voluntary capacity. Having had eleven years' experience as a member of a municipal council, I claim to have some knowledge of the problems encountered in the course of local government, particularly in connexion with financial matters.

Because we are all human, it is natural enough that over the years, there has been a tendency to shed some of our responsibilities and burdens on to other persons or organizations. In other words, we take the line of least resistance and hand over certain tasks to other persons or bodies, and, as a result, the local government authorities throughout the State have had foisted on them various public duties which, although subsidized up to a point by the State, are not sufficiently subsidized to

enable the councils concerned to provide adequate service to the people. In fact, even when councils have been subsidized on a £2 for £1 basis, they have had insufficient finance for their many commitments. Local government authorities are responsible for the operation of kindergartens and pre-school centres, and the implementation of the Health Act so far as the X-ray anti-tuberculosis campaign and the poliomyelitis immunization scheme are concerned. Certainly, they are subsidized to some extent in this connexion, and the serum required for the immunization is provided, but there are always extraneous expenses, which fall upon the administration in implementing the wishes and desires of the Department of Health. Additionally, local governing authorities have certain responsibilities for the welfare of elderly citizens, spastic children, sub-normal children, youth centres and home-help services. Municipal councils serve a useful purpose in the community, and if they are to continue in the interests of the people, a Government must some day accept a degree of responsibility for financing the provision of these facilities for the people.

The honorable member for Moonee Ponds referred to certain proposals contained in the Bill. Unfortunately, I cannot agree with him that the proposal contained in new paragraph (f) of sub-section (2) of section 53 of the principal Act is justified. I contend that persons who are elected to office as councillors should be held in such high esteem by the people that there should be no broadening of the legislation to open the way for the minority to act as envisaged. This provision will enable a councillor, if he so wishes, to use his position as a custodian of public moneys, to convert his knowledge and contacts to his own pecuniary interests or advantages. That is a dangerous position and, during the Committee stage, I shall elaborate on my point of view.

Clause 12 of the Bill will exempt ambulance services from municipal rating, and I agree with that proposal.

However, although our ambulances are more or less centralized in particular districts, they serve surrounding areas also, and it is unfair that the city in which the depots are situated should not be compensated in some way so far as rates are concerned. For many reasons, the Government deserves commendation for introducing this measure, although in the Committee stage I and other Opposition members will elaborate on specific aspects with which the Bill deals.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2 (Adjustment of liabilities, &c., on severance).

Sir **THOMAS MALTBY** (Minister of Public Works).—Government and Opposition members have made a number of proposals, most of which I propose to accept. However, I require time to permit the Parliamentary Draftsman to prepare the amendments. As this is a non-political Bill, and as each clause is virtually a Bill in itself, I propose to allow ample time to honorable members to prepare any further amendments that they may desire to move. I thank honorable members generally for the spirit in which the second-reading motion was debated.

Progress was reported.

LANDLORD AND TENANT (CONTROL) BILL.

The message from the Council relating to the amendments in this Bill was further considered.

Discussion was resumed of the Council's amendment No. 4—

Clause 42, page 31, line 40, after "lessor" insert—"Provided that notice in writing specifying the breach of such performance or observance has been served on the lessee and the lessee for a period of not less than fourteen clear days has failed to remedy such breach."

and of Mr. Rylah's motion—

That amendment No. 4 be agreed to.

Mr. SHEPHERD (Leader of the Opposition).—I move—

That the following words be added to the motion:—

"with the following amendment:—

Omit the word 'fourteen' and insert the word 'thirty'."

I do not think there is any need for me to say more at this stage.

Mr. RYLAH (Attorney-General).—As I indicated earlier to-day to the Leader of the Opposition, the Government has given serious consideration to the proposed amendment and is not prepared to accept it. Its reasons are that if this ground of eviction was limited to the non-observance of a covenant, there might be some logic in the views expressed by Opposition members, but the provision that is referred to, and which is proposed to be further amended at this stage, is one that has remained in the legislation since 1948. As far as I have been able to ascertain from the advisers to the Law Department, its operation has created no difficulty, except in one case which related to the observance of a covenant. The Government is concerned about the effect of a further amendment on the non-observance of a covenant. To quote an example, an owner of a property may be aware that his tenant, contrary to the conditions of the lease, is converting the premises into business premises—the lease having been fairly drawn and providing that the premises would be used for a dwelling-house only. Under the existing legislation the owner would be entitled to give 28 days' notice that he intended to evict on the ground that there had been a breach of a condition of the lease. Under the amendment that the Government has accepted in another place, 42 days would elapse before the owner could stop or do anything about stopping this obvious and flagrant breach of a condition of the lease.

If the amendment suggested by the Leader of the Opposition were accepted, a further sixteen days would elapse, making a total of 58 days. The amendment made by the Council follows a

provision in the Property Law Act, which has applied for many years. The Government has gone a long way to meet the views of the Opposition expressed in another place and is not prepared to go further.

Mr. SHEPHERD (Leader of the Opposition).—I regret that the Government is not prepared to accept the amendment. I thank the Attorney-General for the consideration that he has given to the proposition submitted by the Opposition. I can readily understand the desire of the Government to relieve the conditions of a lessor under the Landlord and Tenant Act. If the Government had been adamant in another place, it is possible that the concession of fourteen days would have been taken away from the people who could be affected. Opposition members believe that the point of view they have put forward has some merit. I agree that the Government, being consistent in its policy, and, as it claims, generous in its actions, has a right to differ from us on this question. By the same token, we have the right to differ from the Government in regard to the benefits that will accrue if the additional time is granted. People frequently take advantage of leases, and I am sure that the Attorney-General is acquainted with cases in which breaches have been made, perhaps flagrantly and irresponsibly. The Opposition proposes to persist with the amendment. We appreciate what the Attorney-General has done in the matter.

Mr. CAMPBELL TURNBULL (Brunswick West).—The whole basis of a law is that it should be equitable and fair. Surely there must be numerous examples of covenants in leases which cannot be performed within a period of fourteen days. The Leader of the Opposition cited a sensible example when he referred to the painting of a house. One cannot arrange for such a job in a day or two.

Mr. RYLAH.—Can the honorable member quote one single case of hardship during the past eight years?

Mr. CAMPBELL TURNBULL.—The Attorney-General has had his say, and now I am having mine.

Mr. RYLAH.—The party which the honorable member supports had plenty of opportunities to amend this law. The Labour party Government introduced amending landlord and tenant Bills in 1953 and 1954.

Mr. CAMPBELL TURNBULL.—I am not responsible for what has taken place in this Chamber during the last eight years, but I have some responsibility regarding the matter now under consideration. The law should never bring the subject into contempt, but I submit it is contemptuous to suggest that a lessee is bound to remedy within fourteen days a breach of a covenant which cannot be remedied in so short a time. The Leader of the Opposition and the honorable member for Carlton have been reasonable. I am aghast that the Attorney-General will not accept the proposal aimed at increasing the period from fourteen days to 30 days. The tenant may have been in the premises for twenty or 30 years, and have paid rent regularly to the hungry landlord. Surely the Attorney-General will allow another sixteen days in which necessary work of painting, plumbing, or whatever it may be, can be carried out.

The House divided on the question that the words proposed to be added be so added (Mr. Christie in the chair)—

Ayes	15
Noes	33

Majority against Mr. Shepherd's amendment	18
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AYES.

Mr. Clarey	Mr. Shepherd
Mr. Doube	Mr. Sutton
Mr. Drakeford	Mr. Todd
Mr. Fennessy	Mr. Turnbull
Mr. Floyd	(Brunswick West).
Mr. Holland	
Mr. Lovegrove	Tellers:
Mr. Mutton	Mr. Connell
Mr. Ring	Mr. Schintler.

NOES.

Mr. Balfour	Mr. Petty
Mr. Barclay	Mr. Porter
Mr. Bloomfield	Mr. Rafferty
Mr. Brose	Mr. Reid
Mr. Cook	Mr. Rossiter
Mr. Dunstan	Mr. Rylah
Mr. Fraser	Mr. Scott
Mr. Gainey	Mr. Snider
Mr. Holden	Mr. Stirling
Sir Herbert Hyland	Mr. Tanner
Mr. Kane	Mr. Taylor
Mr. MacDonald	Mr. Turnbull
(Burwood)	(Kara Kara)
Sir Thomas Maltby	Mr. Wilcox
Mr. Manson	Mr. Wiltshire.
Mr. Meagher	Tellers:
Mr. Mibus	Mr. Gibbs
Mr. Moss	Mr. Loxton.

PAIRS.

Mr. Crick	Mr. Mitchell
Mr. Macdonald	Mr. Cochrane
(Geelong West)	
Mr. Ruthven	Mr. Guye
Mr. Scully	Mr. Suggett
Mr. Stoneham	Mr. Stanistreet
Mr. Towers	Sir George Knox.

Mr. Rylah's motion was agreed to.

Mr. RYLAH (Attorney-General).—

The fifth amendment made by the Council in this Bill is as follows:—

Clause 52, page 44, insert the following new sub-clause to follow sub-clause (6):—

"() Where the application is made on the ground specified in paragraph (t) of sub-section (6) of section forty-two of this Act the court in the consideration of any hardship that may be caused to the lessee by the making of an order shall disregard the loss to the lessee of such part of the rents received by him from sub-lessees as in the opinion of the court represents an inequitable profit."

I move—

That amendment No. 5 be agreed to.

A very curious position has arisen under this added ground. The intention of Parliament, I believe, was to provide ways and means for a landlord to regain possession of his premises when there was in possession of it a tenant who was making an inequitable profit. That stage was deemed to be reached when the aggregate rents exceeded the amount paid by the lessee to the lessor by more than 100 per cent. If a lessee sublets a property at an enormous profit, it is not an unreasonable proposition that the owner should be afforded a chance to regain possession. The court has interpreted the relevant provision.

Mr. LOVEGROVE.—What case are you citing?

Mr. RYLAH.—I cannot specify the particular case, but it is fully reported and was explained in great detail in another place, where this amendment was agreed to unanimously. The court came to the curious conclusion that when such eviction proceedings were commenced the ordinary rules of hardship applied; therefore the court had to take into consideration the hardship of the lessor and lessee, and if the lessee was making 100, 150, or 200 per cent. profit, that factor had to be considered in his favour in considering whether an eviction order would be granted.

Mr. LOVEGROVE.—Goodwill would have to be taken into account.

Mr. RYLAH.—No. This is a question of the aggregate amount of rentals received, irrespective of goodwill.

Mr. LOVEGROVE.—That is something that the landlord is deprived of.

Mr. RYLAH.—Not at all. The provision represents an attempt by Parliament to do justice as between owner and lessee. Parliament said, in effect, "We will continue to protect the lessee, provided that he does not indulge in a racket." Parliament defined as a racket a profit equivalent to more than 100 per cent. of the aggregate rentals.

Mr. LOVEGROVE.—You are alluding to what the Government thought was a racket.

Mr. RYLAH.—I think it was a Government of a different political complexion from ours that introduced the relevant provision. I am supporting it merely because I regard it as sound and fair. In this instance, Parliament says, in effect, "If the lessee plays the game too hard and makes a racket out of his occupation, the lessor shall have a valid ground for seeking eviction." I am certain, however, that Parliament did not intend that when a case of this character came before the court, the very racket that the tenant had practised should count in his favour when the relative hardship as between landlord and tenant was being considered. In other words, the bigger the racket

the better would be the tenant's case. The amendment made by the Council is designed to meet just that position and to say, in effect, to the court, "If proceedings are well founded under paragraph (b) of sub-clause (5) of clause 42, the fact that the lessee has made an inequitable profit shall not be considered as a factor in his favour."

Mr. LOVEGROVE (Carlton).—This measure was debated in another place only last night, and the Opposition has had little, if any, opportunity to study the court's ruling in the case referred to by the Attorney-General. I assume, however, that the advice upon which the Government acted is based on the expectancy that the amendment made by the Council will protect the position should the relevant case revert to the same court. I direct attention to the fact that, when speaking at a pleasant Sunday afternoon in Wesley Church, during February of this year, the Leader of the Country party canvassed much of the material outlined by the Attorney-General this evening concerning room rackets. At the risk of boring the House with repetition, I again quote from a newspaper report of the remarks of the Leader of the Country party—

The public is sick of piecemeal attempts to fix the Landlord and Tenant Act, and a thorough investigation of sub-letting is essential.

The Leader of the Country party quoted the instance of a ghost tenant who was doing precisely what the Attorney-General mentioned to-night. That has been the subject of another case. He mentioned also persons who were racketeering in rooms, racketeering in sub-tenancies, and robbing owners, sub-tenants and lessees with impunity under the "nose" of the Government.

Mr. HOLDEN.—And of the previous Government also.

Mr. LOVEGROVE.—I submit that during the last two years and a half since the present Government took office there has been a consistent and persistent deterioration in the accommodation position in this State.

Mr. RYLAH (Attorney-General).—I rise to a point of order. I repeat what I said earlier that the honorable member of Carlton speaks entertainingly on subjects of this character, but I submit that this particular debate should be confined to the subject matter before the Chair, namely, whether the amendment made by the Council should be agreed to.

Mr. SHEPHERD (Leader of the Opposition).—I wish to speak to the point of order. Although only an amendment to this very important Bill, is being discussed, the honorable member for Carlton has considerable knowledge of what is happening in cases of this type. Accordingly, I submit that it would be somewhat harsh to prevent him from developing his argument within limits and to point out, perhaps, reasons why the Council's amendment should be dispensed with.

The DEPUTY SPEAKER (**Mr. Christie**).—The point of order raised by the Attorney-General is sustained, and the honorable member for Carlton should confine his remarks to the amendment made by the Council.

Mr. LOVEGROVE (Carlton).—I shall do so with pleasure. In passing, I might say that I admire the spirit of the Attorney-General in sacrificing the entertainment which he claims he has been afforded by my remarks. The substance of the amendment is to add a ground to those provided in the measure for recovery of possession.

Mr. RYLAH.—Nonsense! It limits an existing ground.

Mr. LOVEGROVE.—It adds a provision to those dealing with proceedings for recovery of possession. I suggest that, in substance, a ground is added to that provided for in paragraph (t) of sub-clause (6) of clause 42, on the basis that the existing ground under paragraph (t) has fallen down in law. That is not disputed, nor need it be disputed that the introduction of this amendment removes an injustice that exists between the owner of premises and the principal tenant who is abusing his tenancy by indulging in a bad form of sub-letting. However, it is completely wrong for the

Attorney-General to pretend that this addition to the Bill will in any way materially prevent the racketeering in sub-letting that exists in the metropolitan area today. Obviously the extension of the grounds for recovery of possession is gradually narrowing the scope of the Act, so that in a few short years a large number of premises will be free of rent and eviction controls. That is the avowed objective of the legislation. The Attorney-General has made out a reasonable case for the correction of one single situation based on paragraph (t) of sub-clause (6) of clause 42, which provides—

Where the premises are a dwelling-house (not including premises leased to the lessee as an apartment house) that the lessee by the sub-letting of the premises or parts of the premises is receiving from the sub-lessee or sub-lessees a rent of or rents aggregating an amount which exceeds the rent paid by the lessee to the lessor by more than One hundred per centum;

That deals with only one specific category. It will not have any effect on the general question of the exploitation of tenants which is growing throughout the community, in spite of the assurances given by the Premier, the Minister of Transport and the Minister of Housing a few short months ago.

Mr. CAMPBELL TURNBULL (Bruns-
wick West).—I should like to ask the Attorney-General whether the Council's amendment means that a defendant sub-
lessor cannot plead the loss of the fruits of his greed as a ground of his hardship.

Mr. RYLAH.— It does.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—
Amendment No. 6 made by the Council to clause 54 was to omit the term "Sub-
paragraph (1)" and insert the term
"Sub-paragraph (i)". It is purely
verbal, and requires no explanation. I
move—

That amendment No. 6 be agreed to.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—
The last amendment is in the same
category. It substitutes the word
"affect" for the word "effect" in clause
61. I move—

That amendment No. 7 be agreed to.

Mr. LOVEGROVE (Carlton).—I do not
think it would be proper to allow the
opportunity to pass of paying a small
tribute to the intelligence of another
place. The profundity of thought
brought to bear on the Bill there is
exemplified by some of the amendments,
altering in some instances single letters
only, and bears on the question of the
great political value to the community
of the other place.

The DEPUTY SPEAKER (**Mr.
Christie**).—Order! The honorable
member for Carlton may not make such
references to the other House.

Mr. LOVEGROVE.—I reiterate the
compliment that the House has every
reason to be grateful for the profundity
of thought and wisdom displayed by
another place as exemplified by the series
of amendments made in the Bill.

The motion was agreed to.

ADJOURNMENT.

BUSINESS OF THE HOUSE: ORDER OF
BUSINESS.

Mr. RYLAH (Chief Secretary).—
I move—

That the House, at its rising, adjourn
until Tuesday next at half-past Three
o'clock.

The motion was agreed to.

Mr. RYLAH (Chief Secretary).—
I move—

That the House do now adjourn.

Mr. SHEPHERD (Leader of the
Opposition).—I should like the Chief
Secretary to indicate what will be the
order of business next Tuesday.

Mr. RYLAH (Chief Secretary).—
The second reading of the Land
(Resumption) Bill will be followed by
the resumption of discussion in
Committee of the Local Govern-
ment Bill, the Marriage (Amendment)
Bill, the Judicial Proceedings (Regula-
tion of Reports) Bill, and the Exhibition
Bill.

The motion was agreed to.

*The House adjourned at 9.56 p.m. until
Tuesday, September 17.*