

LEGISLATIVE COUNCIL.

Tuesday, November 15, 1960.

The **PRESIDENT (Sir Gordon McArthur)** took the chair at 4.58 p.m., and read the prayer.

**LOCAL GOVERNMENT (KEILOR
WAVERLEY AND SPRINGVALE)
BILL.**

The **Hon. G. L. CHANDLER** (Minister of Agriculture), by leave, moved for leave to bring in a Bill to enable the Governor in Council to declare the Shire of Keilor the Shire of Mulgrave and the Shire of Springvale and Noble Park respectively to be cities.

The motion was agreed to.

The Bill was brought in and read a first time.

**SUBORDINATE LEGISLATION
COMMITTEE.**

**REGULATION XXI: SCHOLARSHIPS UNDER
EDUCATION ACT AND UNIVERSITY ACT.**

The **Hon. I. A. SWINBURNE** (North-Eastern Province) presented a report from the Subordinate Legislation Committee on Regulation XXI.—Scholarships made under the Education Act 1958 and the University Act 1958.

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

**MOTOR CAR (ABOLITION OF
OWNERS' CERTIFICATES) BILL.**

The **Hon. L. H. S. THOMPSON** (Minister without Portfolio), by leave, moved for leave to bring in a Bill to amend sections 6 and 93 of the Motor Car Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

SURPLUS REVENUE BILL.

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

That this Bill be now read a second time.

I have pleasure in presenting this Bill. As honorable members are aware, owing to the marked growth and boom in the State of Victoria, the Government was very hard-pressed for a number of years during which period it incurred a deficit annually. It feels, however, that the great success of Victoria in leading all other States in Australia has justified the expenditure that has been undertaken; it is, therefore, with great pleasure that after a period of five years the Treasurer is in a position to announce not only that the Government has been successful in making Victoria the leading State of the Commonwealth but also that it has balanced its budget.

It is pleasant to think that the Government has achieved all these successes in the period of the greatest growth of the State since its inception, and that it has satisfied a great number of urgent needs, although not all of them. In submitting this Bill, I am pleased to be able to inform the House that for the last financial year there was an excess of receipts over expenditure from the Consolidated Revenue amounting to £313,537.

The **Hon. P. T. BYRNES**.—11s. 4d.!

Sir ARTHUR WARNER.—I thought I should not mention the 11s. 4d., but I can understand the attitude of the Leader of the Country party. In accordance with the statutory requirements of the Public Account Act, the Auditor-General has certified that the excess of receipts over expenditure from the Consolidated Revenue in the financial year 1959-60 was £313,537 11s. 4d. and, as I have stated, this is the amount covered by the Bill. The principle embodied in this measure of transferring the surplus from last financial year to the Revenue Account of the current financial year is exactly the same as was followed in 1955-56.

The Budget for the year 1960-61 has been prepared on the basis of this surplus from 1959-60 being carried forward

to the Revenue Account of the current financial year, and the appropriation of this sum will, in effect, be contained in the Consolidated Revenue Bill which will apply the Consolidated Revenue for the supplies of 1960-61. I commend the Bill to the House.

The Hon. SAMUEL MERRIFIELD (Doutta Galla Province).—As this is an unusual Bill emanating from this Government, I ask for an adjournment of a week before it is further considered. I move—

That the debate be now adjourned.

The motion for the adjournment of the debate was agreed to, and the debate was adjourned until Tuesday, November 22.

EXPLOSIVES BILL.

The Hon. L. H. S. THOMPSON (Minister without Portfolio).—I move—

That this Bill be now read a second time.

The purpose of this measure is to re-enact and amend the Explosives Act, and at the same time to make a number of important amendments to that legislation. The first legislation relating to explosives was passed in the year 1864 and related to the importation and custody of gunpowder. Some nine years later Alfred Nobel discovered dynamite, and that led to the passing, in 1877, of another Act dealing with that particular type of explosive as distinct from gunpowder. In 1890 those two Acts were consolidated, and from that time until the present day the legislation has hardly been amended at all. The consolidated Act of 1890 is substantially the present law on explosives, which is now being re-enacted and amended.

The Bill makes six main changes in the legislation. First, it enables the Minister, who in this case is the Chief Secretary, to delegate his power relating to the issue and revoking of licences and permits to the Chief Inspector of Explosives. Successive Chief Secretaries have, over the years, adopted the practice of authorizing the Chief Inspector of Explosives to use a facsimile of his signature in stamp form for the issue of permits and licences.

The number of such permits and licences issued annually amounts to some thousands, and it was therefore found to be impracticable for the Minister himself to sign them all. However, the Crown Solicitor has drawn attention to the possible irregularity of the practice, and this amending Bill will enable the Chief Secretary to act quite legally when delegating this power in the future. That power of delegation is contained in clause 10.

The second main change in the law relates to the provision of power to control the blending of explosives from components which in themselves are not explosives. For example, there is a growing practice in industry to blend such products as diesel oil and ammonium nitrate at the place where the explosives are to be used. In certain cases molasses is also used for this purpose. The individual ingredients or elements are not regarded as explosives in themselves, but when combined they make an explosive substance. It is considered desirable that the use of these products and this practice of blending generally should be brought under the control of the Explosives Branch of the Chief Secretary's Department. Provisions relating to the manufacture of explosives are contained in clauses 15 to 21 of the Bill.

The third major alteration is contained in clauses 28 to 37 inclusive. The provision contained in clause 28 makes it an offence for anybody to load explosives on to a defective vehicle or boat. There has been a tendency for people to carry explosives on vehicles which are really not suitable for the purpose. For the first time it is proposed that such a practice shall be made a statutory offence. In recent months particularly, a number of unfortunate accidents have occurred in which children have found detonators on vacant allotments and have suffered severe injuries from exploding them. Most of these cases have resulted from violations of the explosives regulations. In some cases it has been difficult to pin the explosion down to a clear-cut violation of the regulations. Under the provisions of clause 37, it will in future

be a statutory offence to abandon, discard or otherwise neglect to dispose safely of any explosives. Furthermore, clause 37 provides, *inter alia*—

Every person having or keeping any explosive shall take all due precautions in respect of such explosive for the prevention of theft or of accident by fire or explosion . . .

It is believed that this requirement will play some part in inducing people who use explosives to take greater care when they have completed the particular job they set out to do. Usually, when accidents have occurred, it has been obvious that surplus explosives which have not been wanted for the job have been carelessly discarded and have been found by children.

The next major change relates to the power of the Chief Inspector of Explosives and his staff to make examinations when accidents have occurred. The principal Act contains a limited power that upon receiving a warrant from a justice of the peace or permission from a certain number of certified people entry may be made to examine premises where an accident has occurred. Difficulties have been experienced in the past by the Explosives Branch in arriving at places where accidents have occurred and in making thorough and satisfactory examinations. There has been a tendency for important material evidence to be concealed. Under the terms of clauses 58 and 59 the power to make inspections is placed beyond all doubt, and it will not be necessary for the Chief Inspector to obtain permission from anybody before making an inspection.

Furthermore, for the first time, it will be mandatory for any owner of premises, magazine or factory where an explosion has occurred to report that occurrence to the Explosives Branch and not to move any material whatever in the area of the explosion. The Government believes that the provisions contained in clauses 58 and 59 will make it very much easier for the Explosives Branch of the Chief Secretary's Department to ascertain the real cause of accidents and explosions which have not been caused deliberately.

The Hon. L. H. S. Thompson.

Perhaps the most important change proposed in the law is the provision which will make it possible, for the first time, to exercise some control over people who are using explosives. Clause 72 will make it obligatory for people to exercise due care in the use of explosives, and it will be a statutory offence for anybody to prepare for use, or explode, or cause to be exploded any explosive whereby the life or property of any person is endangered.

Clause 73 of the Bill sets out the purposes for which the Governor in Council may make regulations to supervise the activities of people using explosives, and it provides generally for the issue of permits and the conditions thereof. I direct attention to this clause in particular because I believe it is the core of the Bill. For example, it states that regulations may be made with respect to—

- (1) The issue of permits to fit and proper persons to so use explosives;
- (2) Prescribing the conditions to be inserted in any such permits;
- (3) Regulating and controlling such use of explosives;
- (4) Prescribing the persons who may so use explosives; and
- (5) Prohibiting the use of explosives by any persons not so prescribed.

The aim of this clause is not to interfere with a farmer, for example, who uses a small quantity of explosives in an open space on his own property, but it is the Government's intention to ensure that persons who use explosives on an industrial basis in closely populated areas shall be qualified to do so. In recent years, two explosions have occurred in industrial undertakings when the persons using the explosives were not qualified to do so. Had they been qualified, there seems little doubt that the accidents would not have occurred. Under this provision it will be possible to insist that persons using these dangerous materials shall be qualified and trained in their use.

The only other major alteration is in relation to penalties. Approximately twelve changes have been made in this respect. Most of the penalties are derived from the Acts of 1864 and 1877, which were consolidated in the 1890

Act and which, therefore, are very much out of date in relation to present money values. For example, the provision contained in clause 16 of the Bill will increase the existing penalty for any breach of special rules from £2 to £20, and in clause 23 the existing penalty is to be raised from £10 a day to £100 a day. The latter provision relates to the use of explosives in factories, and it is felt that in this instance a ten-fold increase is justified. In some other cases the proposed new penalty is two and a half times the amount of the existing penalty. For example, in clause 36 the sum is to be increased from £2 to £5. The most severe penalty is that contained in clause 49 by which the existing penalty of £100 is to be increased to £500. This clause relates to the reporting on its arrival at a port of the carriage of explosives on a ship, and it is highly desirable that this provision be observed.

This legislation does not affect the Commonwealth, and State Government Departments and instrumentalities may be exempted by Order in Council. Generally speaking, the Bill is designed to ensure greater safeguards in the sale, transportation and use of explosives in the interests of the safety of the people of Victoria.

The Hon. BUCKLEY MACHIN.—Does the Minister realize that local authorities are some of the worst offenders in relation to the use of explosives—the Melbourne and Metropolitan Board of Works, for instance?

The Hon. L. H. S. THOMPSON.—The provisions contained in clause 73 will give the Governor in Council power to prescribe that persons using explosives must possess certain qualifications. I stress that there is no automatic exemption.

The Hon. BUCKLEY MACHIN.—Has any provision been made with respect to the use of matting and covering when explosives are used?

The Hon. L. H. S. THOMPSON.—Such matters would be covered by the regulations. The Bill is a detailed one, but it does not invade the sphere normally covered by regulations as to how explosions shall be carried out.

The Hon. BUCKLEY MACHIN.—I speak as one who has suffered from damage to the roof of my house by blasting carried out by the Melbourne and Metropolitan Board of Works.

The Hon. L. H. S. THOMPSON.—Clause 73 will, for the first time, ensure that persons using explosives in industrial undertakings must be competent to do so. In most cases in the past they have been well qualified to use explosives, but some bad accidents have occurred in which an exact knowledge of their use has been conspicuous by its absence.

On the motion of the Hon. J. M. WALTON (Melbourne North Province), the debate was adjourned until Tuesday, November 22.

WATTLE PARK LAND BILL.

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

That this Bill be now read a second time. The House will have no difficulty in passing this Bill rapidly. It has the approval of the Melbourne and Metropolitan Tramways Board, and of the mayor, councillors and citizens of Box Hill, all of whom are anxious to widen the roadway and establish a round-about in order to improve traffic conditions in the Wattle Park area.

The purpose of this Bill is to permit the tramways Board to sell for the sum of £2,000 three-quarters of an acre of land on the south-western corner of the intersection of Elgar-road and Riversdale-road, Box Hill. The councillors and all other persons concerned are happy to pay the price for the land, which they agree is a reasonable figure, and the tramways Board is quite happy to receive that sum for the land.

The Hon. P. V. FELTHAM.—Is the Board starting to go into liquidation?

Sir ARTHUR WARNER.—I think Mr. Feltham realizes that it is necessary for the tramways Board to keep fares as low as possible in order that the less fortunate people may travel to and from the city at a low cost. That being so, it is necessary that the Board should obtain as much money as possible. The Bill will enable this particular piece

of land to be sold. The second-reading notes which I have distributed indicate the manner in which the Box Hill City Council will obtain the rights to this property and why it is necessary for Parliament to make it legally possible for the land to be transferred. I do not think it is necessary to add anything further at this stage. I shall be happy to answer any questions in the Committee stage. I believe the Bill will receive the general acclamation of the House, and I commend it.

On the motion of the Hon. G. J. O'CONNELL (Melbourne Province), the debate was adjourned until Tuesday, November 22.

FISHERIES (CRAYFISH) BILL.

The Hon. L. H. S. THOMPSON (Minister without Portfolio).—I move—

That this Bill be now read a second time.

This is a small measure to give effect to certain aspects of an agreement made at a fisheries conference between the Commonwealth and the States of Victoria, New South Wales, Tasmania and South Australia. One pleasing aspect of fisheries management in recent years has been the marked degree of co-operation between the States located on the southern and south-eastern seaboard of the continent. This is desirable not only in the promotion of friendly relations between the States but also in an attempt to ensure the effective regulation and preservation of our fishing industries. Seasons vary from one set of waters to another, and unless there is some uniformity in policing regulations it is very difficult to implement them effectively.

This Bill will do two things. First, it will render it illegal to capture female crayfish while in berry—that is, whilst carrying eggs—and, secondly, it will also render it illegal to catch crayfish while they are in a soft-shelled condition. Over recent years, there has been, under Victorian regulations, a close season from 1st June to 31st November. As a result of the agreement reached at the recent conference, it is proposed to change the period of the close season so that it will be from 1st June to 31st season from 1st June to 30th November.

October; in other words, it will be made one month shorter in duration. The main hatching seasons vary slightly in different waters, so this measure serves to cover only the main hatching months—those months when hatching is most active, if we can put it that way. To be entirely effective, so as to prevent the taking of crayfish carrying eggs, it would be necessary to impose a ban for some ten months of the year. However, there will in the future be a close season of five months, and it will become illegal to take crayfish in berry at any other period during the year.

The Hon. BUCKLEY MACHIN.—Will the close season be interfered with at all?

The Hon. L. H. S. THOMPSON.—That matter is governed by regulation. The period of the close season will be shortened by one month as a result of the agreement reached at the recent conference. In other words, the close season will, in the future, end on 31st October instead of on 30th November, as was formerly the case. But, for the first time, there will be upon the statute-book legislation making it a statutory offence to catch crayfish carrying eggs.

The Hon. G. J. O'CONNELL.—It is no wonder there is a shortage of crayfish all the time.

The Hon. L. H. S. THOMPSON.—This is a crayfish preservation measure. Generally speaking, I think crayfish fishermen are interested in the preservation of the industry, but I am told there is a small percentage of fishermen who aim at getting rich quickly and who are prepared to do almost anything to achieve their ends, irrespective of whether their action results in the destruction of the industry.

The first object of the Bill is a biological one, but the second is an economic one. Apparently some crayfish fishermen indulge in the practice of catching soft-shelled crayfish and endeavouring to sell them to wholesalers, and one of the objects of this measure is to eliminate that practice. Members may ask, "What is wrong with that procedure, anyway?" In the first place, few people are prepared to buy dead

crayfish, and apparently soft-shelled crayfish die very shortly after being captured. However, some wholesalers are reluctant to "knock back" a fisherman who offers soft-shelled crayfish for sale as, by so doing, they may lose a potential source of supply which could be valuable when crayfish are difficult to obtain, particularly in an industry which is highly competitive. So, for economic reasons, we are for the first time making it a statutory offence to capture or to be in possession of soft-shelled crayfish. As I said previously, the Bill is aimed at the preservation of the crayfish industry. Moreover, it has the support of all people who have the interests of that industry at heart.

On the motion of the Hon. BUCKLEY MACHIN (Melbourne West Province), the debate was adjourned until Tuesday, November 22.

MILK AND DAIRY SUPERVISION (RESEARCH CONTRIBUTIONS) BILL.

The Hon. G. L. CHANDLER (Minister of Agriculture).—I move—

That this Bill be now read a second time. I understand that this small measure originated in the Treasury with the object of clearing up some anomalies that have for some time obtained in the Milk and Dairy Supervision Act, 1958. Part III. of that legislation deals with milk supplied to the metropolis, including proclaimed urban districts throughout the State and provides, in section 101, that the Governor in Council may appoint a Milk Supply Committee of professionally qualified and representative persons to draft regulations, give advice on the proper handling of milk for consumption in the metropolis, and carry out inquiries and investigations to ensure a high quality milk supply.

In sub-section (1) of section 104 of the Milk and Dairy Supervision Act provision is made for the establishment of a laboratory at which investigations required by the committee may be made. These investigations have largely to do with numerous periodical examinations of samples of milk taken from milk being supplied to the

metropolis. The laboratory has been for many years and is at present established within the Veterinary Research Institute of the University of Melbourne.

Sub-section (2) of section 104 of the Act provides that the cost of maintaining the laboratory shall be paid out of moneys to be provided by Parliament for the purpose and by contributions from the municipalities within the metropolis. The purpose of this Bill is to amend this sub-section so as to relieve the municipalities from making such contributions.

During the past several years the municipalities concerned have been called on to contribute in the aggregate the sum of £400 per annum. Their individual contributions range from a few pounds, for the most part, down to a few shillings per annum in several cases. The Government does not think it necessary to continue to collect these relatively small sums and proposes that, in future, the whole of the costs of the laboratory shall be met from the Government's grant to the Veterinary Research Institute of the University of Melbourne which this year totals £30,000.

On the motion of The Hon. ARCHIBALD TODD (Melbourne West Province), the debate was adjourned until the next day of meeting.

TOURIST (AMENDMENT) BILL.

The Hon. G. L. CHANDLER (Minister of Agriculture).—I move—

That this Bill be now read a second time. The purpose of this measure is to amend the Tourist Act 1958 by making it clear that the chairman as well as members of the Tourist Development Authority shall be eligible to receive such travelling expenses as are prescribed, and to clarify the amount of money that shall be paid into the Tourist Fund from the Country Roads Board Fund each year. The present Act provides for the appointed members of the Authority to receive travelling expenses, but no mention is made of the chairman, who is the nominee of the Minister. Consequently, doubt has arisen as to the manner in which the chairman's travelling expenses

are to be met, and the proposed amendment makes this clear. It is therefore proposed to amend sub-section (6) of section 5 of the Act to read as follows:—

The chairman and the appointed members shall receive such travelling expenses as are prescribed.

This is only a technical amendment, and it is felt that it needs no further amplification.

It is proposed also to amend section 9 of the Tourist Act 1958 by substituting in sub-sections (2) and (4) the word "amount" for the words "net total amount" and to delete sub-section (3) of section 9, thus doing away with the difficulty that has arisen in determining how the net total amount is to be assessed. The reason for this amendment is, in part, to meet views expressed by the Auditor-General and, perhaps what is more important, to make a larger sum of money available to the Tourist Fund each year. On present figures it is estimated that 2 per cent. of the total amount would make an additional £20,000 available to the Tourist Fund.

It will be remembered that, prior to the constitution of the Tourist Development Authority, the Tourist Fund was administered by the Tourist Resorts Committee and that the money paid into the fund was utilized solely for the purpose of assisting country municipalities in providing and improving tourist facilities. The same procedure has been adopted by the Tourist Development Authority, so that the moneys received from the Country Roads Board Fund are still being distributed amongst the numerous municipalities throughout Victoria.

I should point out that the Tourist Development Authority is also charged with the responsibility of tourist publicity, and in proper cases allocation is made to the Tourist Fund for this purpose. In general terms it could be said that these tourist facilities are provided for the benefit and convenience of tourists travelling by road, and it seems quite proper that a small portion of the amount paid by motorists in way of registration fees, and so on, should be utilized to provide tourist facilities.

The Hon. G. L. Chandler.

The value of the tourist industry in the State of Victoria cannot be emphasized too strongly. There are in this State tourist attractions of very high merit, and oversea visitors tell us they are equal to anything in any other part of the world. Not only is it necessary to provide facilities for travellers from other States and overseas, but we must also be mindful of the ever-increasing number of Victorians who are requiring these facilities.

Last year the Tourist Development Authority received from the Country Roads Board Fund a total of £152,000 and distributed amongst municipalities £140,000. Already this year applications for assistance amounting to £200,000 have been received. The grants to country municipalities are usually on the basis of £4 to £1, but the Authority has now decided, as a matter of policy, that, whilst the grants to country municipalities will continue on the present basis, the grants to the provincial cities of Ballarat, Bendigo and Geelong—except in exceptional circumstances—will be on a £2 for £1 basis. Applications are sometimes received from committees of management as well as municipal councils, but the policy adopted provides that all applications must be endorsed by the municipalities before being considered by the Authority.

Perhaps I should say that all plans for buildings and so on are submitted to the Public Works Department for approval, and wherever possible the works approved and for which grants are made available are carried out by municipalities. The Bill also provides for the deletion of paragraph (a) of section 10, thus relieving the Authority from having to recoup the Treasury for interest and sinking fund in respect of loan money made available to both the Authority and the former Tourist Resorts Committee, which this year will amount to approximately £14,000. I commend the Bill to the House.

On the motion of the Hon. BUCKLEY MACHIN (Melbourne West Province), the debate was adjourned until Tuesday, November 22.

The sitting was suspended at 5.52 p.m. until 9.56 p.m.

BUSINESS NAMES (PUBLIC BORROWINGS) BILL.

This Bill was received from the Assembly and, on the motion of Sir ARTHUR WARNER (Minister of Transport), was read a first time.

SALE OF ALLOTMENTS OF LAND (AMENDMENT) BILL.

This Bill was received from the Assembly and, on the motion of the Hon. E. P. CAMERON (Minister of Health), was read a first time.

NATIONAL FITNESS COUNCIL OF VICTORIA BILL.

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

Discussion was resumed of clause 5, providing, *inter alia*—

(1) The council shall consist of the Minister of Health who shall be the president and not more than thirty-six other members (including the chief executive officer to be appointed as hereinafter provided) to be appointed by the Governor in Council who may at any time remove any person so appointed and subject to this Act appoint another person in his stead.

and of the Hon. A. K. Bradbury's amendment—

That in sub-clause (1) the expression "thirty-six" be omitted with the view of inserting the word "eighteen."

The Hon. A. K. BRADBURY (North-Eastern Province).—As I stated in my second-reading speech, I believe the proposed council of 36 members would be cumbersome, unwieldy and unworkable. It would be incapable of getting the best possible result from this important work of national fitness amongst young people in Victoria. A perusal of the list of the 33 members comprising the present National Fitness Council indicates that four are direct representatives of the Youth Council of Victoria. The National Fitness Council is the parent body which brought together all the youth organizations. In addition to its four direct representatives, the Youth Council of Victoria has at present fourteen other members on the National Fitness Council who represent bodies closely connected with the youth

council. I am informed that the average attendance at meetings of the National Fitness Council is between fifteen and eighteen. Many of the people who are at present members of the council are rarely seen at meetings. This must be frustrating to the executive officers of that body. I believe that, by reducing the number to eighteen, as proposed in my amendment, a more workable organization will result.

A further amendment that I propose to submit will clarify the method of appointment of members to the council. I shall later move that the following new sub-clause be inserted after sub-clause (1):—

() The members so appointed shall be persons interested in promoting national fitness in Victoria or members of or associated with organizations or movements in the community promoting national fitness in Victoria and, in particular, of the members so appointed—

(a) four shall be persons representing the body known as the Youth Council of Victoria;

(b) three shall be persons interested in promoting national fitness in areas beyond a radius of forty miles from the General Post Office at Melbourne or representing organizations or movements promoting national fitness in such areas.

The majority of the camps that these young people attend are located in areas more than 40 miles from the General Post Office. I believe that, if those organizations so situated are given representation on the National Fitness Council, it will create a greater incentive to provide the necessary facilities at national fitness camps. I consider that a reduction in the size of the council and the addition of the proposed new sub-clause will lead to a more workable organization, which will have beneficial results for national fitness in Victoria.

The Hon. D. G. ELLIOT (Melbourne Province).—I think Mr. Bradbury has in mind the smoother working of the National Fitness Council, and I pay full tribute to him in that direction. I am sure that in his own way he has made a close study of the National Fitness Council and has made recommendations, with the concurrence of his party, that he thinks will contribute to the efficiency

of the National Fitness Council. However, my party cannot agree that the reduction of the membership of the council from 36 to eighteen will serve a useful purpose. Our main objection is that it is dangerous to detract from the interests of sporting bodies and youth organizations throughout the State. When I say "detract from the interest," I mean that their interest would be lessened if they were deprived of representation on the council.

Our party believes that the more representation given on the National Fitness Council, the better it will be for the youth of Victoria. That is something we must keep uppermost in our minds. If we were to reduce the membership of the council from 36 to eighteen, we would have to remove the representatives of a number of worthy bodies which deserve representation on the council. Therefore, we oppose the amendment. I reiterate that I think the uppermost thought in Mr. Bradbury's mind is that he is trying to seek a solution to the smoother working of the council in its efforts for the youth of Victoria. I propose to offer a solution to that problem later.

The Hon. E. P. CAMERON (Minister of Health).—I cannot accept the amendment moved by Mr. Bradbury, and I point out, as I did on a previous occasion, that I agree with the view put forward by Mr. Elliot in that it is interest that is desired. If this Bill is passed, the council will become a corporate body, and its members will be appointed by the Governor in Council. I assure Mr. Bradbury that resignations from the council have already been received by me and that the new appointments that will follow will be particularly representative and active. I regret that I cannot accept the amendment.

The amendment was negatived.

The Hon. A. K. BRADBURY (North-Eastern Province).—As my first amendment has been defeated, I do not propose to move my second amendment, because I think no good purpose would be served in pursuing it.

The Hon. P. V. FELTHAM.—I think you could still move it.

The CHAIRMAN (the Hon. R. W. Mack).—The honorable member has indicated that he does not propose to move the amendment.

The Hon. A. K. BRADBURY.—My idea was to spread the representation of the council and particularly to give representation to youth organizations outside a 40-mile radius of the General Post Office.

The Hon. P. V. FELTHAM.—You could still do that.

The Hon. A. K. BRADBURY.—In that case, I move—

That the following new sub-clause be inserted, to follow sub-clause (1):—

() The members so appointed shall be persons interested in promoting national fitness in Victoria or members of or associated with organizations or movements in the community promoting national fitness in Victoria and, in particular, of the members so appointed—

(a) four shall be persons representing the body known as the Youth Council of Victoria;

(b) three shall be persons interested in promoting national fitness in areas beyond a radius of 40 miles from the General Post Office at Melbourne or representing organizations or movements promoting national fitness in such areas.

The Hon. E. P. CAMERON (Minister of Health).—I know of no difficulty that would be encountered if the amendment is accepted, and therefore I have pleasure in accepting it.

The Hon. D. G. ELLIOT (Melbourne Province).—Our party concurs in that view.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 6 to 8.

Clause 9, providing, *inter alia*—

(1) A meeting of the council which shall be called the annual meeting of the council shall be held in every year.

(2) At every annual meeting of the council—

(a) the council shall appoint such of the members of the committees as are then to be appointed by the council; and

(b) there shall be presented to the council—

- (i) by the executive committee—
a general report of the proceedings of that committee and of the affairs of the council; and

The Hon. A. K. BRADBURY (North-Eastern Province).—Although the Bill provides that an annual meeting of the council shall be held, there is no provision making it mandatory for a notice convening such meeting to be sent to each member. I move—

That in sub-clause (1) after the word “year” the words “Seven days’ notice in writing of every annual meeting of the council shall be given to each member of the council by the chief executive officer” be inserted.

If the amendment is agreed to, each member of the council will receive due notice of the holding of the annual meeting, and there will be no reasonable excuse for non-attendance. Provision is made in a later part of the Bill to the effect that if a member is absent from a certain number of council meetings his position shall automatically become vacant. Consequently, I consider that members are entitled to receive notice of the holding of the annual meeting.

The Hon. D. G. ELLIOT (Melbourne Province).—The Labour party concurs with the amendment.

The Hon. E. P. CAMERON (Minister of Health).—I see no harm in the amendment, and, on behalf of the Government, will accept it.

The amendment was agreed to.

The Hon. A. K. BRADBURY (North-Eastern Province).—I move—

That in sub-paragraph (i) of paragraph (b) of sub-clause (2) after the word “council” the words “together with a full account of the receipts and expenditure and of the funds investments and properties of the council and an audited balance-sheet thereof” be inserted.

A later clause directs that the chairman shall have prepared an annual report and audited balance-sheet of the affairs of the council, but there is no definite direction in clause 9, which covers the annual meeting, for such a balance-sheet to be presented at it.

The Hon. E. P. CAMERON (Minister of Health).—The Government has no objection to the amendment.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 10 to 12.

Clause 13, providing, *inter alia*—

(1) Subject to the general control of the council the executive committee—

- (a) may determine the measures to be taken to carry out the purpose of this Act;
(b) shall receive and consider all recommendations by other committees;
(c) may appoint control and remove such officers and employés of the council and of the several committees as the executive committee thinks fit and fix the salaries or remuneration of the chief executive officer and other officers and employés; and
(d) may exercise any other function delegated to the executive committee by the council.

The Hon. D. G. ELLIOT (Melbourne Province).—Upon investigation I have learned that often the executive committee of the National Fitness Council is somewhat hesitant to take matters into its own hands in connexion with the control of the council’s activities. The executive committee consists of members of the council, and it has been found that the executive does the lion’s share of the work 52 weeks of the year. It is a very worthy body deserving full support, and I consider that the Labour party, in proposing an amendment to the clause, should receive the support of the Country party as well as of the Government party. I move—

That in sub-clause (1) the words “Subject to the general control of the council” be omitted with the view of inserting the words “Subject to any general directions that may be given by the council at the time of the appointment of the executive committee or at any annual or special meeting of the council thereafter.”

If the council is amended as proposed, the executive committee will be virtually empowered to conduct the business of the National Fitness Council from year to year but, as stewards of the council, the members of that committee must report annually to the council. It is on that performance from year to year that they will be judged. The committee consists of a fine body of men who

work for the benefit of youth in this State, and if they can be given control of the activities of the National Fitness Council for a period of twelve months—they are still subject to review at a special meeting of the council if it seems fit to call one—they will have confidence in themselves to implement the necessary decisions that will result in the smooth working of the council. What I have said crystallizes the position. I could expound at length, but I think members will realize that if these men are elected by the council as the executive committee, the council should show enough confidence in them from year to year to enable them to control the activities of the council.

The Hon. E. P. CAMERON (Minister of Health).—The words proposed to be omitted were taken by the Parliamentary Draftsman from the rules of the organization. I consider that the amendment is satisfactory and will accept it.

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

Clause 14, providing, *inter alia*—

(1) Every committee except the executive committee shall consist of not more than nine members of whom—

(a) one shall be the chairman for the time being of the council;

(b) six shall be appointed by the council; and

(c) two may be co-opted by the committee concerned.

(2) A quorum of any committee except the executive committee shall consist of three members thereof.

The Hon. A. K. BRADBURY (North-Eastern Province).—I move—

That sub-clause (2) be omitted with the view of inserting the following sub-clause—

(2) A quorum of any such committee shall consist of five members thereof.

Provision has been made for a quorum of five members for a meeting of the executive committee and, if the amendment is accepted, any other committee shall be brought into line. Any other committee can consist of nine members and, if the quorum were set at three members, a very small minority could gain control. Members of the Country party believe that it would be beneficial to fix the quorum for all committees at five members.

The Hon. E. P. CAMERON (Minister of Health).—I have no objection to the proposed amendment.

The Hon. D. G. ELLIOT (Melbourne Province).—With respect, I should like to point out a danger in respect of the proposed amendment. I am sure that once again Mr. Bradbury has in mind the smooth operation of the National Fitness Council, its affiliated bodies and special committees. However, I assure honorable members that the executive committee is the body which does the majority of the work in connexion with this organization. Meetings of the other committees that are formed are somewhat sparsely attended. I realize that Mr. Bradbury has in mind the fact that co-opted members could easily on occasions control the committee.

From investigations, I have ascertained that frequently only one or two members, or at most three members, of these committees attend meetings. They are just as spasmodically attended as are some of the council meetings so far as certain members are concerned. Some members of the central council have not attended a meeting for up to three or four years. It would be dangerous to set the quorum in this instance at five members. It may be that the abolition of certain committees would be desirable, and that could be the subject of discussion. Under the circumstances, a few of the sub-committees would be embarrassed if the quorum were fixed at five members. I do not think the quorum would be achieved on many occasions. It would be better to leave the sub-clause as framed, because the vast majority of the work in connexion with the National Fitness Council is performed by the hard-working executive committee. The Labour party opposes the amendment.

The Hon. A. K. BRADBURY (North-Eastern Province).—It will not be mandatory for the executive committee or for the council to appoint any of the committees referred to, but, in the event of such committees being appointed, provision should be made for a proper quorum. The clause states that every committee except the executive committee shall consist of not more than nine

members, of whom seven are to be members of the council and two may be co-opted. If a committee of nine persons is to be appointed to carry out a job in the interests of the young people of the State, it is not too much to expect that five shall be sufficiently interested to attend meetings. I appreciate the point raised by Mr. Elliot. If it is found necessary to appoint such a committee, decisions should be made by at least half of the members, plus one person. I think my proposal will provide for better working. People will not be willing to accept nomination on a committee unless they know full well they are expected to attend its meetings. It has been my experience in connexion with organizations outside Parliament that, where small quorums are provided for, there is a tendency of committee members to say, "Bill Jones and Tom Brown will attend; there will be no need for me to leave my fireside." If in the present instance a quorum of five out of nine members is provided for, I feel greater interest will be created so far as attendance at meetings is concerned and that the special committees appointed to carry out specific work, as directed by the council or the executive, will function better.

The Hon. E. P. CAMERON (Minister of Health).—Strangely enough, there is merit in what has been said both for and against the amendment. I do agree that three members represents a low quorum provision, but I cannot agree that the matter is sufficiently important at this stage to worry very much about. If the provision proves to be detrimental to the work of committees, I have no doubt that at some future date a request will be made to Parliament for an amendment, and Mr. Elliot will then be able to say, "My party told you so." However, I think we should leave the matter as it is at the moment.

The Hon. D. G. ELLIOT (Melbourne Province).—There is one point I did not mention, and I apologize for this omission. Many of these committees do not comprise nine members. I should have pointed out that fact to Mr. Bradbury. In some cases, the number is as

low as six. Therefore, if the quorum is set at five, some embarrassment may result.

The Hon. P. V. FELTHAM.—I think the way the clause reads there must be a membership of seven.

The Hon. D. G. ELLIOT.—I am told that there may be a minimum of seven members, but the position may arise that, of a committee of seven, one member has not attended meetings for years. If the quorum provision is fixed at five, it would represent a high proportion of such a committee. I can assure honorable members that in regard to many of these committees three or four members at the most are the ones who really take an active interest in the projects in hand.

The amendment was negatived, and the clause was agreed to.

Clause 15, providing, *inter alia*—

(3) Every committee shall be subject to the general direction and control of the council.

The Hon. D. G. ELLIOT (Melbourne Province).—I move—

That in sub-clause (3) after the word "committee" the words "except the executive committee" be inserted.

This amendment is tied up with the amendment to clause 13. This will further clarify the position of the executive committee from one annual meeting to another.

The Hon. E. P. CAMERON.—Or a special meeting.

The Hon. D. G. ELLIOT.—That is correct.

The amendment was agreed to, and the clause, as amended, was adopted, as were clauses 16 to 26.

Clause 27, providing, *inter alia*—

(2) Any rule may (without prejudice to any other method of revocation) be revoked by Order of the Governor in Council published in the *Government Gazette*.

The Hon. A. K. BRADBURY (North-Eastern Province).—I move—

That sub-clause (2) be omitted with the view of inserting the following sub-clause:—

() Every rule made by the council pursuant to the provisions of the last preceding sub-section shall be published in the *Government Gazette* and may (without prejudice to any other method of revocation) be revoked by Order of the Governor in Council published in the *Government Gazette*.

As the Bill is framed, the Governor in Council will have power to revoke rules, but will not be called upon to approve of rules. I believe that creates an anomaly. If the Governor in Council is to be called upon to revoke rules, he should also be given the opportunity of approving of rules.

The Hon. E. P. CAMERON (Minister of Health).—There is merit and logic in Mr. Bradbury's proposal, and the Government is willing to accept it.

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

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

The House adjourned at 10.44 p.m.

LEGISLATIVE ASSEMBLY.

Tuesday, November 15, 1960.

The **SPEAKER (Sir William McDonald)** took the chair at 4.12 p.m., and read the prayer.

NATIONAL PARKS AUTHORITY.

WILSON'S PROMONTORY NATIONAL PARK: EXPENDITURE.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of State Development—

1. How much money has been spent in each of the last five financial years on the Wilson's Promontory National Park, other than on the Tidal River camping area, giving the items of expenditure for each year?

2. What is the programme of expenditure for the current financial year?

Mr. FRASER (Minister of State Development).—The answers are—

1. Some difficulty has been experienced in finding the answers to the honorable member's questions. The honorable member will know that the Wilson's Promontory National Park has been under the control of a committee of management for a long period of years, and it can be said that during this time the committee has given excellent service. The finance available has been derived largely from parking and camping fees, lodge rentals, &c., which at the present time amount to approximately £13,000 per annum. The

bulk of the expenditure over recent years has been incurred in the development of the Tidal River area. Expenditure on other work for the years in question is as follows:—

1955-56	..	..	£2,004.
1956-57	..	..	£3,341.
1957-58	..	..	£3,413.
1958-59	..	..	£10,181.
1959-60	..	..	£3,681.

This expenditure has been incurred under the following headings: Roads and fire protection, rangers' wages, patrol work, administrative costs, equipment, petrol and insurance. Full details, properly itemized, are in the course of preparation and I shall be glad to let the honorable member have this information in the form of a letter when available.

2. The programme of expenditure for the current financial year amounts to £25,500, which amount includes the sum of £12,500 made available by the National Parks Authority. Full details of the proposed expenditure are in the course of preparation and will be made available to the honorable member in the form of a letter as early as possible.

I shall be pleased to supply similar information to any other member interested.

FISHERIES AND WILDLIFE DEPARTMENT.

POLICING OF REGULATIONS: PROVISION OF OCEAN-GOING CRAFT.

For **Mr. COCHRANE** (Gippsland West), Mr. Cook asked the Chief Secretary—

Whether he has given consideration to the question of making available to the Fisheries and Wildlife Department an ocean-going craft for the purpose of policing various fishing regulations?

Mr. RYLAH (Chief Secretary).—The answer is—

As the State Development Committee recently conducted an inquiry into the fishing industry, the question of obtaining an ocean-going craft for the use of the Fisheries and Wildlife Department in policing various fishing regulations will receive consideration in the light of the report to be submitted by that committee.

EDUCATION DEPARTMENT.

THE GURDIES SCHOOL: LANG LANG SCHOOL BUS SERVICE.

For **Mr. COCHRANE** (Gippsland West), Mr. Cook asked the Minister of Education—

1. How much it would cost annually to restaff The Gurdies school, No. 2224?

2. How much it would cost to extend the existing Lang Lang primary school bus route to the St. Helier-road junction and whether he will approve of the extension as from February, 1961?

Mr. BLOOMFIELD (Minister of Education).—The answers are —

1. To restaff The Gurdies school would involve the transfer of a teacher from another school, and would not necessarily involve the employment of an additional teacher by the Department. The salary and allowances of such a teacher, and sanitary charges—£13—would together amount to £1194.

2. £160 per annum. This is a primary school bus service and the proposed extension would increase the length of the bus route to 27 miles. The District Inspector of Schools is to be asked to investigate the request for an extension and furnish a report and recommendation.

STATE ELECTIONS.

DEPUTY RETURNING OFFICERS AND POLL CLERKS: FEES AND TRAVELLING ALLOWANCES.

Mr. MUTTON (Coburg) asked the Chief Secretary—

1. What fees are paid to persons who act as deputy returning officers or poll clerks at State elections?

2. What travelling allowances (if any) are paid to these persons?

3. Whether in view of the recent increases in the cost of living he will consider reviewing these fees before the next general elections?

Mr. RYLAH (Chief Secretary).—The answers are fairly detailed and lengthy, and, with the leave of the House, I suggest that they be incorporated in *Hansard* without being read.

Leave was granted, and the answers were as follows:—

1. The fees payable to polling officials at State elections are prescribed by the Victorian Parliamentary Elections Regulations. In the fixing of such fees, it has been the departmental policy to adhere as closely as possible to the rates payable to Commonwealth election officials performing comparable duties. When the regulations were re-consolidated on the 1st June, 1960, the opportunity was taken to revise the State fees by raising them into line with the Commonwealth rates for comparable work. The fees now payable and those which were in operation at the State elections in 1958 are set forth hereunder:—

		At present		In 1958	
		£	s. d.	£	s. d.
Deputy Returning Officer ..	..	5	12 6	5	2 6
Poll Clerk ..	..	4	15 0	4	5 0

At present In 1958
£ s. d. £ s. d.

Relieving Deputy Returning Officer in charge of a polling place containing more than one polling booth, according to the number of such polling booths—

(a) Minimum fee ..	6	5	0	5	15	0
(b) Maximum fee ..	9	10	0	8	0	0

2. In normal circumstances, ordinary members of the polling staffs are not paid travelling expenses. Payment of these expenses is practically confined to officers-in-charge of polling places, whose duties require them to transport ballot materials to and from their polling places. Such payments are made in accordance with the regulations which provide for such expenses to be paid only where travelling is indispensably necessary, and then to the extent of the actual expense incurred, subject to the proviso that the cost of travelling shall not in any case exceed one shilling per mile each way.

3. As stated in paragraph 1 above, the fees were raised in June of this year in readiness for the State elections to be held in 1961. It is not considered that any further review of these fees would be warranted at the present time.

MENTAL HYGIENE AUTHORITY. INTELLECTUALLY HANDICAPPED CHILDREN.

Mr. DOUBE (Oakleigh) asked the Minister of Education, for the Minister of Health—

1. How many intellectually-handicapped children are recorded in Victoria?

2. How many of these children require—
(a) education in opportunity grades; (b) education in special schools; and (c) care and training by the Mental Hygiene Authority?

3. How many of the children requiring care and training by the Mental Hygiene Authority are in Government institutions?

4. How many of these children are in each institution?

5. What is the training programme in these institutions?

6. At what age the training ceases and what programme of activities then follows?

7. What is the maintenance cost per child or per person per week in these institutions and what is the capital cost per bed?

8. How many intellectually-handicapped children or persons attend day training centres?

9. What training programme is undertaken?

10. At what age the child is admitted to such centres?

11. Whether training ceases at any particular age; if so, what programme of work then follows?

12. What is the cost to the Government of maintaining a child or person per week in these centres, including the cost of transport to centres?

13. What is the cost per head in capital expenditure by the Government in regard to these centres?

14. What plans the Government has for the reception and training of day-training-centre children in the event of an emergency occurring which precludes their living at home?

15. What are the plans for the training of these children in the event of their permanent transfer to a Government institution?

16. What are the ratios of trained teachers and/or instructors to children in Government institutions and in day training centres, respectively?

17. Where is the nearest Government residential accommodation for children living in the south-eastern suburbs?

18. Whether any child or person is guaranteed accommodation at a Government institution reasonably close to his home?

19. What is the extent of overcrowding in existing Departmental institutions and when it is expected that this overcrowding will be overcome?

20. Whether there is any delay in obtaining admittance to Government institutions; if so, what is the delay and what is its cause?

21. What amount of loan funds has been received by the Mental Hygiene Authority in each of the years 1949-50 to 1959-60?

22. How much money per year has been received by Victoria from the Commonwealth for mental health activities under the scheme adopted some years ago?

23. How much money for capital works and maintenance, respectively, has been allocated to the Mental Hygiene Authority from Tattersall Consultations since its establishment in Victoria?

Mr. BLOOMFIELD (Minister of Education).—The answers furnished by the Minister of Health to the 23 questions cover four pages of foolscap, and I ask leave to have them incorporated in *Hansard* without being read.

Mr. STONEHAM (Leader of the Opposition).—Mr. Speaker, I raise a point of order. I seek your ruling in respect of the matter of having replies to questions on notice incorporated in *Hansard* without being read. I take it that the intention of the Standing Orders clearly is that questions should be answered in the House in the ordinary way. In cases where answers

include involved tables, statistics, or information of that nature, probably every member will agree that it is preferable to have them published in *Hansard* without being read in the Chamber. In this instance, however, the questions seem to be straightforward, and I consider that members generally desire to hear the answers.

The SPEAKER (Sir William McDonald).—Order! This is a question of leave. Does the Leader of the Opposition refuse leave?

Mr. STONEHAM.—The practice of incorporating answers in *Hansard* without their being read is growing, Mr. Speaker, and I seek your ruling. I do not wish to object until I have heard your ruling.

Mr. FLOYD (Williamstown).—We refuse leave. May I explain, Mr. Speaker?

The SPEAKER. — The honorable member for Williamstown has already refused leave. I think the Chief Secretary desires to address himself to the point of order.

Mr. RYLAH.—That is so.

The SPEAKER.—I will hear the Chief Secretary, but there seems to be no doubt as to the position.

Mr. RYLAH (Chief Secretary).—I agree. As to the point of order, from time to time when there has been a lengthy answer to a question, the Government has sought to save the time of the House by seeking leave for its incorporation in *Hansard* without being read, and leave has, of course, been granted. The answer to the question now under consideration is very lengthy and embraces information of the sort which the Government would normally suggest should be asked for in the form of a return, which would be duly supplied. However, to assist the House and the honorable member for Oakleigh, the Minister has not resorted to that procedure but has prepared a complete answer and, in the circumstances, it is ridiculous for the Opposition to refuse leave for its incorporation in *Hansard* without being read.

Mr. FLOYD (Williamstown). — On the question of leave, Mr. Speaker. First, I want to thank the Government for tolerating a lengthy question.

The **SPEAKER**.—Order! The honorable member may speak to the point of order but on no other subject.

Mr. FLOYD.—The answer to the question should be printed in *Hansard*, but it should also be read in the Chamber so that the press may have the information to-day instead of waiting until next Saturday for it.

The **SPEAKER**.—Order! I should like the honorable member for Williamstown to address himself to the point of order. So far he has not done so.

Mr. FLOYD.—The point of order concerns the question of the answer being incorporated in *Hansard* without its being read. I submit that the answer should be read. If the Minister of Electrical Undertakings could speak for two hours in the House the other night on a Bill concerning the State Electricity Commission, surely the Minister of Education could devote five or six minutes to answering this particular question, which is of interest to every member of this House.

The **SPEAKER**.—Order! The honorable member has not addressed himself to the point of order. Rather he has attempted to justify his action. The point raised by the Leader of the Opposition can be answered in this way: It is competent for any member to ask a question of the Government; it is equally competent for the Government to answer the question, to refuse to answer it, supply an answer in writing or, by leave of the House, to have the answer incorporated in *Hansard* without its being read. The answer to a question may not be incorporated in *Hansard* unless it has been read or, alternatively, by leave of the House without its having been read. In this case, the Leader of the Opposition raised the question of the answer being incorporated without being read, and the honorable member for Williamstown refused leave. In the present circumstances, the Minister may either submit the answer in writing to the honorable member for Oakleigh—in which case, it

will not be incorporated in *Hansard*—or, alternatively, he may read it and it will be incorporated in *Hansard*.

Mr. BLOOMFIELD (Minister of Education).—In view of the abnormal length of the honorable member's question, I am taking the unusual step of giving him an answer in writing.

Mr. DOUBE (Oakleigh).—I rise to a point of order. Is it the correct procedure for an answer which has been asked publicly in the House to be answered privately? My question was asked in public, and it seems that I shall receive a private answer. I seek a ruling, Mr. Speaker, whether that is the correct procedure, because it appears that the adoption of such a course destroys the whole value of question time.

The **SPEAKER**.—Order! I have already given my ruling on that question. The honorable member for Oakleigh is asking me to repeat the ruling which I previously gave. I said earlier, and I now repeat for the honorable member's benefit, that any member of the House is entitled to ask a question, and the Government is entitled to refuse to answer, to answer in writing, to answer in the way that questions are normally answered in this House, or to seek leave for the answer to be incorporated in *Hansard* without being read. The reason for this question not being publicly answered is that the Minister sought leave for the incorporation of the answer in *Hansard* without its being read, but the honorable member for Williamstown refused leave. Therefore, the honorable member will receive a reply in writing. It is the unquestioned right of a Minister to follow that course in accordance with the rules of the House.

SUBORDINATE LEGISLATION COMMITTEE.

REGULATION XXI: SCHOLARSHIPS UNDER EDUCATION ACT AND UNIVERSITY ACT.

Mr. RAFFERTY (Ormond), chairman, brought up a report from the Subordinate Legislation Committee on Regulation XXI.—Scholarships, made under the Education Act 1958 and the University Act 1958.

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

**BUILDING SOCIETIES
(AMENDMENT) BILL.**

Mr. RYLAH (Attorney-General), by leave, moved for leave to bring in a Bill to amend the Building Societies Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

**TRUSTEE COMPANIES
(AMALGAMATION) BILL.**

Mr. RYLAH (Attorney-General), by leave, moved for leave to bring in a Bill to facilitate the amalgamation of certain trustee companies and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

**NAVIGABLE WATERS (OIL
POLLUTION) BILL.**

Sir THOMAS MALTBY (Minister of Public Works), by leave, moved for leave to bring in a Bill relating to the prevention of the pollution of navigable waters by oil and for purposes connected therewith.

The motion was agreed to.

The Bill was brought in and read a first time.

WATER (AMENDMENT) BILL.

Mr. MIBUS (Minister of Water Supply), by leave, moved for leave to bring in a Bill to amend the Water Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

**SEWERAGE DISTRICTS
(AMENDMENT) BILL.**

Mr. MIBUS (Minister of Water Supply), by leave, moved for leave to bring in a Bill to amend the Sewerage Districts Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

**GEELONG AND COLAC RAILWAY
(DEVIATION) BILL.**

Mr. FRASER (Minister of Forests), by leave, moved for leave to bring in a Bill to authorize the construction of a deviation on the Geelong and Colac railway.

The motion was agreed to.

The Bill was brought in and read a first time.

COAL MINES (PENSIONS) BILL.

Mr. MIBUS (Minister of Mines) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to increase the rates of pensions payable under the Coal Mines Act 1958 and to make provision with respect to further variation thereof.

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

On the motion of **Mr. MIBUS** (Minister of Mines), the Bill was brought in and read a first time.

**CO-OPERATIVE HOUSING SOCIETIES
(GUARANTEES) BILL.**

Mr. PETTY (Minister of Housing) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to amend section 75 of the Co-operative Housing Societies Act 1958.

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

On the motion of **Mr. PETTY** (Minister of Housing), the Bill was brought in and read a first time.

**RAILWAY LOAN APPLICATION
BILL.**

Mr. FRASER (Minister of Forests) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to sanction the issue and

application of loan money for works and purposes relating to railways, and for other purposes.

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

On the motion of Mr. FRASER (Minister of Forests), the Bill was brought in and read a first time.

PUBLIC WORKS LOAN APPLICATION BILL.

Sir THOMAS MALTBY (Minister of Public Works) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to sanction the issue and application of loan money for public works, and for other purposes.

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

On the motion of Sir THOMAS MALTBY (Minister of Public Works), the Bill was brought in and read a first time.

UNIVERSITY COLLEGES LANDS BILL.

Mr. RYLAH (Chief Secretary) moved for leave to bring in a Bill relating to the lands occupied by Queen's College, Ormond College and Newman College respectively, being Colleges affiliated to the University of Melbourne.

The motion was agreed to.

The Bill was brought in and read a first time.

LAND TAX (RATES) BILL.

The House went into Committee of Ways and Means.

Mr. RYLAH (Chief Secretary).—I move—

That subject to the Land Tax Act 1958 and legislation proposed to be enacted there shall in the case of each owner of land be charged, levied, collected and paid for the use of Her Majesty in aid of the Consolidated Revenue for the year ending on the thirty-first day of December One thousand nine hundred and sixty-one a duty of land tax upon land as provided in the Table appended hereto:—

Provided that the minimum amount of tax payable for the said year by any taxpayer assessed under the Land Tax Act 1958 shall be Five shillings.

TABLE.

Where the Amount of the Unimproved Value of the Land as Assessed under the Principal Act—	The Duty of Land Tax shall be—
Does not exceed £8,750	1d. for each £1 of the unimproved value
Exceeds £8,750 but does not exceed £10,000 ..	£36 9s. 2d. plus 1½d. for each £1 of the unimproved value in excess of £8,750
Exceeds £10,000 but does not exceed £15,000 ..	£44 5s. 5d. plus 2d. for each £1 of the unimproved value in excess of £10,000
Exceeds £15,000 but does not exceed £20,000 ..	£85 18s. 9d. plus 2½d. for each £1 of the unimproved value in excess of £15,000
Exceeds £20,000 but does not exceed £25,000 ..	£132 16s. 3d. plus 2½d. for each £1 of the unimproved value in excess of £20,000
Exceeds £25,000 but does not exceed £30,000 ..	£184 17s. 11d. plus 3d. for each £1 of the unimproved value in excess of £25,000
Exceeds £30,000 but does not exceed £35,000 ..	£247 7s. 11d. plus 3½d. for each £1 of the unimproved value in excess of £30,000
Exceeds £35,000 but does not exceed £40,000 ..	£320 6s. 3d. plus 3½d. for each £1 of the unimproved value in excess of £35,000
Exceeds £40,000 but does not exceed £45,000 ..	£398 8s. 9d. plus 4d. for each £1 of the unimproved value in excess of £40,000
Exceeds £45,000 but does not exceed £50,000 ..	£481 15s. 5d. plus 4½d. for each £1 of the unimproved value in excess of £45,000
Exceeds £50,000 but does not exceed £55,000 ..	£575 10s. 5d. plus 4½d. for each £1 of the unimproved value in excess of £50,000
Exceeds £55,000 but does not exceed £60,000 ..	£674 9s. 7d. plus 5d. for each £1 of the unimproved value in excess of £55,000
Exceeds £60,000 but does not exceed £65,000 ..	£778 12s. 11d. plus 5½d. for each £1 of the unimproved value in excess of £60,000

TABLE—continued.

Where the Amount of the Unimproved Value of the Land as Assessed under the Principal Act—	The Duty of Land Tax shall be—
Exceeds £65,000 but does not exceed £70,000 ..	£893 4s. 7d. plus 6d. for each £1 of the unimproved value in excess of £65,000
Exceeds £70,000 but does not exceed £75,000 ..	£1,018 4s. 7d. plus 6½d. for each £1 of the unimproved value in excess of £70,000
Exceeds £75,000 but does not exceed £80,000 ..	£1,148 8s. 9d. plus 6½d. for each £1 of the unimproved value in excess of £75,000
Exceeds £80,000 but does not exceed £85,000 ..	£1,283 17s. 1d. plus 6½d. for each £1 of the unimproved value in excess of £80,000
Exceeds £85,000	£1,424 9s. 7d. plus 7d. for each £1 of the unimproved value in excess of £85,000

Provided that where the owner of land is an absentee the duty of land tax provided in the foregoing provisions of this Table shall be increased by 20 per centum; and for the purposes of this proviso—

(a) "Absentee" means a person who does not reside in Australia and includes a person who has been absent from Australia for at least twelve months immediately prior to the time when the ownership of his land for the purposes of the Land Tax Act 1958 is determined unless he satisfies the Commissioner that he resides in Australia; but does not include a public officer of the Commonwealth or the State who is absent in the performance of his duties;

(b) if at least three-fifths of the entire beneficial interest in any land is owned by absentees or if (where the land is owned by a body corporate) at least three-fifths of the issued share capital of that body corporate is held by absentees, that land shall be deemed to be wholly owned by absentees.

The motion was agreed to, and the resolution was reported to the House and adopted.

Leave was given to Mr. Bolte (Premier and Treasurer) and Mr. Rylah (Chief Secretary) to bring in a Bill to carry out the resolution.

Mr. RYLAH (Chief Secretary) brought in a Bill to declare the rates of land tax for the year ending the 31st day of December, 1961, and moved that it be read a first time.

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

BUSINESS NAMES (PUBLIC BORROWINGS) BILL.

The debate (adjourned from November 9) on the motion of Mr. Rylah (Attorney-General) for the second reading of this Bill was resumed.

Mr. LOVEGROVE (Fitzroy).—With certain reservations, the Opposition offers no objection to this Bill. Last Wednesday, the Attorney-General explained this measure—also the Sale of Allotments of Land (Amendment) Bill, which under the Standing Orders I am not permitted to refer to during this debate. The two measures were designed to deal with certain abuses of the commercial system which have arisen during the past few years and which have caused the Government a certain amount of concern. In fact, the Government rightly initiated an investigation concerning the subject-matter of this Bill. During the past five years, there has been a somewhat exhaustive examination of legislation as it affects companies. For example, on 19th October, 1955, following the Statute Law Revision Committee's report on company frauds, the Attorney-General gave his second-reading explanatory speech of the Companies Bill. Secondly, on 30th November, 1955, the Statute Law Revision Committee reported on clause 9 of the Companies Act. Thirdly, on 17th October, 1956, the committee reported on section 10 of the Companies Act. Fourthly, on the 9th September, 1958, the Attorney-General explained a Bill which made fairly extensive amendments to the Companies Act. During the debate on that Bill, I made certain

references concerning a company to which I shall allude during the debate on the Sale of Allotments of Land (Amendment) Bill. Following examinations made under various Acts by the Government, as a result of matters referred by the Government to the Statute Law Revision Committee and because of inquiries initiated by that committee, there have been other discussions of the companies legislation, both in this House and in another place.

The Opposition believes, with some propriety, that there have been adequate opportunities for the Government to examine the companies legislation, and it is not completely satisfied that remedial action was not possible under existing legislation. Furthermore, Opposition members contend that it would have been advisable to refer this Bill to the Statute Law Revision Committee before it was dealt with in this House. In any event, we consider that after the Bill has been passed by the House, it should be referred to the committee for further examination of the problems with which the measure deals.

I propose to mention some of the statutes that are either directly or obliquely connected with this measure and my remarks are equally applicable to the Sale of Allotments of Land (Amendment) Bill. The various Acts to which I refer are the Business Names Act No. 6212, the Business Investigations Act No. 6211, the Crimes Act No. 6231, the Companies Act No. 6455, the Estate Agents Act No. 6245, the Labour and Industry Act No. 6283, the Landlord and Tenant Act No. 6285, the Money Lenders Act No. 6324, the Partnership Act No. 6330, the Police Offences Act No. 6337, the Printers and Newspapers Act No. 6342, the Sale of Allotments of Land Act No. 6361, and the Goods Act No. 6265. No doubt honorable members who are also members of the legal profession could find many other enactments that are, to some extent, connected with this measure. According to the Attorney-General, this Bill deals with a situation that has resulted from an alleged weakness in the Crimes Act, and I propose to refer to the honorable gentleman's

second-reading speech as reported at page 1056 of *Hansard* on 9th November. He said, *inter alia*—

I sought the opinion of the Solicitor-General on this matter, and his view was that the circumstances gave rise to grave suspicion arising from the high rates of interest agreed to be paid, the refusal of the person concerned to disclose his methods of finance, and the large element of uncertainty left in the mind of at least one of the lenders concerning the circumstances under which he came to lend money. The Solicitor-General said that it may be that the money, or some of it, had been obtained under such circumstances as would infringe provisions of section 187 of the Crimes Act dealing with the offence of obtaining money by false pretences or by means of wilfully false promises.

Section 187 of the Crimes Act, which deals with obtaining money by false pretences or false promises provides—

1. Whosoever by any false pretence or wilfully false promise obtains from any other person any chattel money or valuable security with intent to defraud, shall be guilty of a misdemeanour, and shall be liable to imprisonment for a term of not more than five years.

2. Whosoever incurring any debt or liability obtains credit under false pretences or by means of a wilfully false promise or other fraud shall be guilty of a misdemeanour, and shall be liable to imprisonment for a term of not more than one year.

When explaining this short Bill, the Attorney-General referred to that provision of the Crimes Act which provides a gaol sentence for certain offences, but a somewhat different penalty is provided in clause 2 of this Bill, which amends section 8 of the principal Act. Clause 2 states, *inter alia*—

At the end of section 8 of the principal Act there shall be inserted the following section:—

8A. Any person who makes or publishes or authorizes the making or publication of any invitation to the public to deposit money with or to lend money to a firm or person required to be registered under this Part shall be guilty of an offence against this Act and liable to a penalty of not more than £500.

It appears that at the present stage in law making there is a line drawn between offences which merit imprisonment and offences for which only a monetary penalty is prescribed, and I

suggest that this Bill should be referred to the Statute Law Revision Committee to ascertain whether more suitable and appropriate penalties could be devised for certain crimes.

Having canvassed the case which was investigated by the Government, I propose now to refer to a man named O'Flaherty, who advertises under the name of Manufacturers (Vic.) Finance Company of 123 William-street, Melbourne, and who sought a target of £100,000 in loans from the Victorian public.

Sir THOMAS MALTY.—He has advertised since this Bill was introduced.

Mr. LOVEGROVE.—That is so, and I presume he proposes to continue to advertise despite the fact that the Attorney-General said that the Government has an excellent understanding with the newspapers on this matter. Having set a target of £100,000, which he proposed to borrow from persons so elegantly termed "suckers" by the Attorney-General—I concur with the description—Mr. O'Flaherty and one of his colleagues told the Government inspector that one form of investment which he had in mind was the financing, purchase and resale of run-down milk bars and small businesses. According to the second-reading speech of the Attorney-General, Mr. O'Flaherty told the inspector that he knew a man who has been most successful in this type of transaction. Another man associated with Mr. O'Flaherty is Mr. Wood—a man whose name appears, most peculiarly, in a recent transaction known by the Opposition to have affected another company well known in Victoria. Mr. Wood calculated that by about Christmas 1960 Mr. O'Flaherty's investments would be showing some profit above the interest he would be paying to lenders. Mr. O'Flaherty's secret is not difficult to find.

Mr. G. O. REID.—It sounds like the luck of the Irish.

Mr. LOVEGROVE.—It is something much more tangible and financially attractive than that. In pursuance of the suggestion by the Opposition that

this Bill, after it is passed, should be referred to the Statute Law Revision Committee, I direct the attention of the House to what Mr. O'Flaherty told the inspector was the projected source of his income. In the *Age* of Saturday, 12th November, under the heading "Businesses," appear several advertisements which could well receive the attention of the Crown Law authorities. I shall quote three examples because most of them are similar. The first is—

Milk Bar Straight—
Colossal.
Taking £1350 now weekly.
Profit £260 weekly.
Deposit £5,500.
Price £16,500.

Then follows a description of the business, and after the usual "spiel"—if I may use that term—which represents the average advertising technique in Australia to-day, there is the familiar invitation that no cash is required if the person owns or part-owns his house. Then follow four separate telephone numbers to ring for further information. The proposal is that a person can buy a business worth £16,500 on a deposit of £5,500 by borrowing from the vendor the sum of £11,000. Here is another example:—

Milk Bar—Colossal.
Booming South suburb.
Taking £800 now. £1,000 in summer.
Profit £150 to £200 weekly.

Then follows a description of the business and the proviso that the price is £12,500, the deposit £4,500 and that no cash is required if the intending purchaser owns or part-owns his house. The proposal is that, through the good offices of the vendor, the purchaser may borrow £8,000 on a business worth £12,500. I notice that all those Government supporters who have business connexions are looking either bored or annoyed. None of my comments are directed at their business activities. I am dealing with what appears to be normal commercial practice since the short-term money market has become the accepted method of finance in Australia.

Mr. RAFFERTY.—Are you supporting the Bill?

Mr. LOVEGROVE.—The Opposition is not objecting to it but is pointing out that many more things should be done by the Government. Another example reads—

Milk Bar—Magnificent.

Enormous sized ultra-modern shop, plus superlatively designed 27-square luxury residence.

Deposit £3,300. Price £8,995.

Then follows a most glamorous description of the business potential and the usual invitation that no cash is required if the intending purchaser owns or part-owns his house. Then are given the telephone numbers of people who will presumably put interested persons in touch with the person who provides the finance—he could be, I understand, Mr. O'Flaherty, the gentleman whose name has been made the fulcrum on which the Government has balanced this Bill. These advertisements represent an outrageous scandal and contain the form of fraudulent misrepresentation which should bring some of these practices within the provisions of the Companies Act, the Crimes Act or the Police Offences Act. It should certainly induce the Government particularly in view of the most idealistic, worth-while and admirable sentiments expressed by the Attorney-General, to do far more about the matter than is being done by this Bill.

The association which covers mixed businesses in Melbourne from time to time includes 75 per cent. of the proprietors of mixed businesses, retail confectioners, milk bars and so on. There is a continual flow of membership in and out as people go in and out of businesses. For that reason, the figures of the association can be taken as a reasonable test sample of what happens in regard to the types of businesses which presumably are to be the basis on which Mr. O'Flaherty is to rely. Last year this association had 2,536 members, 841 of whom had never been in business before and another 124 of whom had previously been in business but had sold out and were now re-entering business. That means that out of 2,536 persons owning small mixed businesses, 965 were going into new

shops. I suggest that that is a representative sample and gives some indication of the turnover of small businesses of the description named by the inspector who made the report on which this Bill is based. The big turnover in this type of business, according to the association and to members of the legal profession who are familiar with some of the difficulties of people who enter them, is brought about, first, by the fact that some of them are bad businesses; secondly, because some of them are ridiculously over-priced; and, thirdly, because of the deplorably low standards of commercial advertising people without business experience are gulled into mortgaging their life savings, and in some cases losing them, as a result of the unbridled buying and selling of money that is occurring in Melbourne to-day by all kinds of money speculators and crook financiers, many of whom have the support of Government members.

Mr. G. O. REMD.—You had better withdraw that.

Mr. LOVEGROVE.—During his second-reading speech the Attorney-General made slighting references to members of the Labour party, and I do not propose to follow a similar procedure unless I am forced to. However, if such references are made by a Minister I submit that members of the Opposition are entitled to adopt a similar approach.

Mr. FRASER.—When are you going to withdraw?

Mr. LOVEGROVE.—The "Minister of Tourism" did not ask me to withdraw. The agent's commission on this type of business transaction is roughly double the commission he would get on the sale of a house. I have here an example of the position of a person who wants to buy a milk bar like those advertised in the *Age* of Saturday, 12th November, by the firm named Tower Business Agency Pty. Limited, which is well known in the community. I have taken as an example a mixed business sold recently for £3,500 on a

deposit of £1,000 and a loan of £2,500. The advertisement claimed that the business had a turnover of £250 a week, and, on an expectation of a profit of 20 per cent. of the takings, this would give a gross profit of £50 a week. In this case a woman was induced to borrow £2,000 on her home to buy the business which was worth £3,500. I shall give an account of her outgoings. When it is claimed in advertisements that the takings are £250 a week, it must be realized that the claim is made to convince the purchaser that that is the average takings, when in fact in a large number of cases the takings advertised are summer takings and not winter takings. In many businesses the winter takings are much lower. This is an actual example of what the woman gets after mortgaging her house for £2,000 to buy the business. Nearly all of these businesses are on a ten-year lease basis. This woman paid £9 a week rent and £21 a week in respect of her loan of £2,500. She borrowed at a flat rate, and would pay £750 altogether in interest. Overhead expenses amounted to £8 a week. To amortize the investment over the ten-year period of the lease, a payment of £7 a week would be required, making total outgoings of £45 a week and leaving a net profit of £5 weekly.

Mr. SNIDER.—Are you sure the interest figure of £21 a week is correct?

Mr. LOVEGROVE.—That amount has actually been paid. Although the Opposition has been critical of the Bill, it commends the Government for the action taken to deal with O'Flaherty and other persons wrongly advertising under existing legislation with the object of raising money. I consider that the Government should push the matter further with the view of protecting people from themselves. I do not know a great deal about the small business industry, but probably the honorable member for Mentone, who has had much practical experience in these matters, and perhaps other members can corroborate my statements. I make these submissions in the hope that when the measure is

passed, the Government will refer this subject to the Statute Law Revision Committee with the object of ascertaining whether any other action can be taken to protect people. I intend to pursue this subject during the debate on another Bill on the Notice Paper.

Mr. CLAREY (Melbourne). — The ground has been so fully covered by the Deputy Leader of the Opposition—the honorable member for Fitzroy—that it is unnecessary for me to say much at this stage. The Bill is a simple one, and unfortunately it does not cover the many situations that might arise, some of which have been envisaged by my colleague. I fear that the Bill has been drafted so hastily that it will “rope in” a number of innocent persons while leaving the gate open for the unscrupulous operator. The only persons that the Bill will protect will be those required to register under the Business Names Act—individuals or partnerships carrying on business under names other than their own. If I carry on a business under my own name, it is unnecessary for me to register under the Business Names Act. If two or more persons carry on business under their full surnames and the initials of their first names, and do not use any fancy business name, they will not be covered by this Bill. There will be nothing to prevent a person from lavishly advertising himself, provided that he uses his own name—and his own name might be a very imposing one. He might be Earl somebody; he might even be Baron somebody. That is one avenue which should be explored more fully. Therefore, I endorse the suggestion of the Deputy Leader of the Opposition that the Statute Law Revision Committee or some other competent committee of Parliament should further investigate the subject.

As has already been pointed out, valuable work was carried out by the Statute Law Revision Committee a few years ago during its investigation of frauds connected with prospectuses of public companies. I am a little perturbed about the dragnet nature of clause 2, which is the substance of the Bill. This provides that at the end of section 8 of

the Business Names Act there shall be inserted a new section stating, *inter alia*—

8A. Any person who makes or publishes or authorizes the making or publication of any invitation to the public to deposit money with or to lend money to a firm or person required to be registered under this Part shall be guilty of an offence against this Act and liable to a penalty of not more than Five hundred pounds:

If I were carrying on business under a name other than my own and were registered under the Business Names Act, or were in partnership with someone else, the mere insertion by me of an advertisement in the press inviting someone to lend me money for the expansion of my business would, in my humble opinion as a bush lawyer, put me in danger under this provision. The financial columns of the daily newspapers carry advertisements inserted by business people inviting members of the public to lend them money for the extension of their businesses. The insertion in the principal Act of the proposed new section will not safeguard people even if the loan is given on ample security. Some safeguard of this nature should be incorporated in the legislation. Perhaps something along the lines of section 63 of the Companies Act, but related to reputable business firms, would meet situations such as this. Section 63 deals mainly with unit trusts, but the same principle could be applied in the case of firms or registered businesses advertising for loans. It may be that the appointment of a trustee approved by the Auditor-General or the Law Department would enable the interests of people to be protected.

As the Deputy Leader of the Opposition stated, we do not oppose the Bill, because we approve the purpose behind it and approve of the principle which the Government is endeavouring to enforce. But desirable as that may be, we do not want hastily incorporated in the law a provision which would jeopardize and severely hamper straight-forward people who are compelled under certain circumstances to search everywhere they possibly can for finance, and may even invite members of the public to help them to carry on their businesses.

Mr. GARRISSON (Hawthorn).—From time to time in this House I have suggested that the Business Names Act should be changed with the object of “scooping in” unscrupulous persons who, after Parliament has passed legislation amending the Companies Act and other Acts, stay up late at nights thinking of ways in which to defeat the various Acts and to raise money from the public. I have given evidence to the Attorney-General on this subject and have supplied information to the Companies Squad investigator. I have received many letters from the Parliamentary Draftsman and the Attorney-General stating that the matter was being attended to; therefore, it is pleasing for me to see that at long last the Business Names Act is to be changed to stop these undesirable practices. Doubtless, many lawyers and would-be financiers will now be staying up later still at night with the object of finding further ways around the legislation.

The honorable member for Melbourne stated that a private person with a high-sounding name could advertise. Inadvertently, he may have forgotten that a person who lends at an interest rate in excess of 8 per cent. must be registered under the Money Lenders Act. The legislation is quite extensive and exists to protect the public. I am sure that the Government has no intention of unduly restricting any person who gives the public a fair deal, and that it would propose amendments to the legislation if that was its effect.

The proposed amendment to the Business Names Act should have been suggested long ago. I understand that the delay in the introduction of this Bill has been occasioned by the visit overseas of the Attorney-General. Before the end of last session of Parliament, I furnished to the Government certain information on which it was prepared to act, but it was too late for a Bill to be brought in during that session. However, I trust that this measure will be effective in preventing unscrupulous persons from endeavouring to fleece the public. If new avenues are found for raising money

contrary to the spirit of the legislation, the Government should act swiftly to tighten the law.

I commend the Deputy Leader of the Opposition for the remarks he made regarding the advertising of small businesses. I point out that the businesses involved in Manufacturers (Vic.) Finance Company were businesses that the promoter of the company was acquiring or financing. The passing of this Bill will mean the prohibition of advertisements such as he has been publishing. It has been pointed out to me outside the House that Manufacturers (Vic.) Finance Company has no connexion with a company of a similar name which is registered in New South Wales. Legal action could be pending against the promoter of the Victorian company because he has jumped on the bandwagon, so to speak, and registered in this State a company with a name similar to that of one in New South Wales.

Mr. LOVEGROVE.—Without permission?

Mr. GARRISSON.—I do not know the whole story, but it would appear that his action has prevented the registration in Victoria of a company similar in name to the New South Wales company concerned. Either that company was too slow, or this person was too quick. I commend the Bill to the House. If it is revealed that any person is being harshly treated, a recommendation should be made to the Government immediately.

Mr. DUNSTAN.—I direct attention to the state of the House.

A quorum was formed.

Mr. CAMPBELL TURNBULL (Briswick West).—I feel that to some extent this measure has not been drawn with the care that ought to have been shown, and I support the suggestion of the Deputy Leader of the Opposition that it should be referred to the Statute Law Revision Committee for examination and report. If that were done, the committee would have the opportunity to call evidence from lawyers and other people associated with organizations carrying on businesses which from time to time borrow money. I have no doubt that the amendment contained in this Bill is

directed towards fraud and deceit by individuals and by people carrying on partnerships or trading under a firm name. Members of the Opposition abhor deceit and fraud more than anything else, and any attempt to prevent members of the public from being "taken down" has our support. We are aware that the proposal in the Bill is really an attempt to bring individuals trading under a firm name or more than one individual trading perhaps as a partnership into line with the requirements of the law relating to proprietary companies. In the case of a proprietary company there is provision prohibiting invitations to the public to subscribe for shares or debentures in the company and against members of the public being invited to deposit money, whether bearing or not bearing interest, for fixed periods or repayable at call. This Bill appears to go a little further than the prohibitions directed at proprietary companies and it may be that in some cases its provisions will prove a little harsh. On the other hand, an individual carrying on business under a very attractive name may be able to invite the public to make deposits or loans in a manner which is prohibited in the proposal.

Mr. GARRISSON.—Would he not then come under the Money Lenders Act?

Mr. CAMPBELL TURNBULL.—I was referring to the borrower. It may well be that people who lend money in this way at high rates of interest bring themselves under the Money Lenders Act, with the result that the contracts made may be illegal and the lenders may not be able to recover their money. However, the matters dealt with in this Bill are of such importance that the measure should be referred to the Statute Law Revision Committee so that it may hear evidence from people representing those who may be brought under its provisions. What we propose will not in any way imperil the Bill. I feel sure that only good could come out of such action.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2 (Invitation to the public to make deposits or loans with certain firms and persons to be prohibited.

Mr. PORTER (Minister for Local Government).—When the Attorney-General explained this Bill, he gave the reasons why the Government considered the legislation was urgent. The Deputy Leader of the Opposition has posed an additional number of problems which may or may not arise out of a similar set of circumstances. He has suggested that the whole broad question should be referred to the Statute Law Revision Committee. I understand that if that committee has any further business referred to it, it will not be in a position to deal with the additional matters until early next year. In these circumstances, I assure the Deputy Leader of the Opposition that the Government will be happy, after this Bill has been passed, to refer the whole broad matter to the Statute Law Revision Committee.

Mr. MUTTON (Coburg).—I consider that the suggestion to refer this question to the Statute Law Revision Committee is a good one. It seems that some explanation should be given of the difference between a company and a firm. Persons with names such as Somerville-Smith, for example, can trade under two names—Somerville and Smith. I hope that when the question is referred to the Statute Law Revision Committee it will give consideration to the point I am making.

The clause was agreed to.

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

SALE OF ALLOTMENTS OF LAND (AMENDMENT) BILL.

The debate (adjourned from November 9) on the motion of Mr. Rylah (Chief Secretary) for the second reading of this Bill was resumed.

Mr. LOVEGROVE (Fitzroy).—As I indicated when speaking to the Business Names (Public Borrowings) Bill, the Opposition offers no objection to the passage of legislation of this type. I re-

peat the reservation I made previously, namely, that Opposition members consider that some of the matters mentioned by the Chief Secretary in his second-reading speech should have been tested under the existing law or, alternatively, referred to the Statute Law Revision Committee. Following the assurance given by the Minister for Local Government concerning the Business Names (Public Borrowings) Bill, perhaps this measure also, after it has been passed, could be referred to the committee, I am conscious of the fact that the Statute Law Revision Committee has a number of matters before it at the moment, but I understand that they are not unconnected with the commercial side of life. I was hoping that before the House met next year the questions raised by this legislation could be given the careful attention of that committee.

I refer the House again to the list of Acts I enumerated in my second-reading speech on the Business Names (Public Borrowings) Bill. To avoid repetition, I shall refer now to only three of them. First, I direct attention to the fact that the purpose of this Bill is to amend section 4 of the Sale of Allotments of Land Act No. 6361. That provision, when compared with the Bill, obviously gives rise to a belief that action of some description could have been taken under the existing Act. It provides—

Any person who, with the intention of inducing a prospective purchaser to buy an allotment of land or any interest in such an allotment—

- (a) knowingly makes any false representation; or
- (b) states that he or some other person named by him will buy, at a profit to be received in the future by such prospective purchaser, the said allotment or any part thereof or any interest therein or any other land or chattel owned by the prospective purchaser; or
- (c) states that he or some other person named by him will at some future time obtain for the prospective purchaser a profit on the sale of such allotment or any part thereof or any interest therein—

shall be guilty of an offence and shall for every such offence be liable to a penalty of not more than One hundred pounds or to imprisonment for a term of not more than twelve months.

It would seem that, having regard to the nature of some of the cases referred to by the Chief Secretary in his second-reading speech on this Bill, unless the Government can show otherwise in this debate, a calculated risk could have been taken if the Government really desired to prosecute some of the offences which it claims have been committed against the intention of the legislation that this measure seeks to amend. After all, that is the basic claim of the Government for the introduction of this measure. I make that suggestion, first, because I have had some experience as chairman of the Hairdressers Registration Board when, from time to time, questions of interpretation of the legislation came up for consideration by the Board's lawyers. Acting as most lawyers do in regard to public or semi-public utilities, the advice always—I shall not say erred—was directed on the side of caution. In all cases, the benefit of the doubt was given to the person who committed what was claimed by the Board to be an offence against the Act and the intention of the legislature. It sometimes serves the purpose of a Government or a governmental utility better, when directing attention to a public evil, to do so by means of prosecution. In those cases it is often entitled to take what I have described as a calculated risk. I know it will be argued that such an approach is against the best legal practice. However, I should like, if it is possible, to be told why it has not been considered desirable to deal with some of the offences outlined by the Chief Secretary under the provisions of section 4 of the existing Act.

Section 187 of the Crimes Act contains provisions under which persons can be prosecuted for obtaining money by false pretences or false promises.

It would have been better if the whole question had been referred to the Statute Law Revision Committee for examination before being brought before the House. In litigation dealt with by the State Full Court within the past couple of years, the latest amendment made to the Crimes Act was critically commented on by one Judge,

Mr. Lovegrove.

Mr. Justice Lowe, on a report prepared by another prominent member of the judiciary in Australia dealing with section 148 of the Crimes Act. That section relates to the illegal use or possession of cars. I have no doubt that when the Government is dealing with a problem as broad as the one under consideration is becoming here, when wide commercial abuses of every description are rampant throughout the community, it is necessary that not only the principal legislation that is now being amended, but also other legislation of a similar nature should be made the subject of investigation by an all-party committee of Parliament.

I now refer the House to section 57 of the Police Offences Act, which relates to false advertisements. The section provides, *inter alia*—

(1) Any person who publishes or causes to be published any statement which—

(a) is intended or apparently intended by such person or any other person to promote the sale or disposal of any real property or any personal property (including chattels real or stocks, shares, bonds or other securities) or any services or to increase the consumption or use of any such personal property or to induce any person or persons to enter into any obligations relating to any such real property or personal property or services or any interest in any such real or personal property; and

(b) is to his knowledge false in any material particular—
shall be liable to a penalty of not more than One hundred pounds.

(2) A statement shall be deemed to be published within the meaning of this section if it is—

(a) inserted in any newspaper or other publication printed and published in Victoria; or

(b) publicly exhibited—

(i) in or on over or under any building vehicle or place (whether or not a public place within the meaning of section twenty-nine of this Act and whether on land or water); or

(ii) in the air—

in view of persons being or passing in or on any public place within the meaning of the said section twenty-nine; or

- (c) contained in any document gratuitously sent or delivered to any person or thrown or left upon premises in the occupation of any person.

The section proceeds in sub-sections (3) to (11), to deal further with printers and publishers. Having regard to the admirable display of ingenuity by the legal profession implicit in section 57, it seems incredible that the advertisements that were discussed by the Chief Secretary in his second-reading speech should not have been considered with reference to some other legislation. When a layman like myself, who is deplorably ignorant of the law and its "gobbledygook," receives a Bill of this description and compares it with the much more stringent provisions of other Acts, to which we have been informed by the Chief Secretary the Law Department has given most mature consideration, one naturally asks: "What is in this Bill that is not in the existing Act, the Police Offences Act, the Crimes Act or other legislation relating to company law, estate agents, money lenders and so on?"

An examination of the Bill discloses only one element of novelty—it resides in paragraph (e) of proposed new section 4. The other provisions deal in a somewhat better way with the offences contained in section 4 than does section 57 of the Police Offences Act, which I have just read. Up to paragraph (e) the proposed new section deals broadly with those legislative enactments that I have read to the House. The element of novelty is in paragraph (e) which states that any person who—

- (4) makes any statement promise or forecast concerning the provision of amenities or services which are normally provided by the State or by any statutory authority unless he has been advised in writing by the State or by the authority in question that such amenities or services will be so provided—

shall be guilty of an offence and shall for every such offence be liable to a penalty of not more than £250 or to imprisonment for a term of not more than twelve months.

It will be seen that paragraph (e) lifts the penalty from £100 or imprisonment for not more than twelve months to

£250 or imprisonment for not more than twelve months. I suggest that the real reason for this Bill resides not in the great bulk of the material submitted by the Chief Secretary in his second-reading speech, but in a portion of his speech that amounted to only about one-eighth of the whole.

The sitting was suspended at 5.52 p.m. until 7.32 p.m.

Mr. LOVEGROVE.—Prior to the suspension of sitting, to make the point that the only portion of the Bill with any ingredient of novelty is paragraph (e) of proposed new section 4, I had made a survey of existing legislation on this subject, including the Sale of Allotments of Land Act, the Crimes Act and the Police Offences Act. I read this paragraph to point out that it dealt specifically with a certain type of misrepresentation, which was of a most grave and serious nature in so far as it not only misrepresented the nature of the property or the allotment that was being sold but also misrepresented in some cases the Government of the day and in other cases public Departments under the control of the Government. I emphasize that point for two reasons, first, because in the view of the Opposition paragraph (e) of proposed new section 4 is the real meat of the Bill, and, secondly, because the Opposition is responsible for initiating the train of thought which arose in the mind of the Government and induced the Chief Secretary to present this Bill to the House.

It is a matter of some regret to the Opposition that, whereas the Chief Secretary is endeavouring to take some steps towards cleaning up the rackets and the fraudulent misrepresentation that have been referred to by him, the Premier seems to be encouraging some of the practices that the Chief Secretary deprecates. It is a cause for some regret that the Government cannot find some way of getting unity in its ranks and agreement in the Ministry whereby not only measures of this nature shall be presented by the Government but also members of the Government will refrain from encouraging racketeers in using the names of public Departments and of the Government.

In tracing the genesis of the Bill, I refer to the occasion on which the Statute Law Revision Committee, on 3rd September, 1958, submitted a report to Parliament dealing with the law relating to invitations to the public to deposit money with companies. During the committee's deliberations—I was then a member of the committee—representatives of two companies—Peter Kaye and The Testro Group—were invited to attend. The representatives of Peter Kaye attended the committee in regard to the issue of unsecured notes, upon which the committee eventually made a recommendation to this House. The representatives of The Testro Group were unable to avail themselves of the invitation at the time. Paragraph 6 of the committee's report reads—

In the course of examining a brochure issued by "The Testro Group," with which it appears Testro Bros. Consolidated Limited is associated, the committee's attention was drawn to the following passage which it considers should be brought to the notice of honorable members:—

"More than half the present members of Federal and State Parliaments are known to us either professionally or personally and are valuable contacts we have built up over the years. On the basis of inside information, we are able to forecast political trade trends often before the general public is aware of them.

If one of our clients should desire to 'push' a line of campaign we could arrange for a Parliamentarian to 'put' the question to the House or speak on it at adjournment time. The matter would then be ventilated to the public by the press. We could also arrange for specific items to be discussed and considered at Ministerial level. Likewise we have wide contacts in all Government Departments."

(*vide*. An undated brochure entitled "The Testro Group" purporting to be printed by Testro Bros., at their Balwyn Production Unit, 307 Whitehorse-road, Balwyn, Victoria.)

In the first instance this report brought to the attention of the House the fact that a Victorian company, which claimed to have agencies throughout the world, endeavoured to make a profit by deliberately asserting that it was able to influence the legislature of this State and of the Commonwealth.

I refer honorable members to the debate on the Companies Bill introduced by the Attorney-General in September,

Mr. Lovegrove.

1958. In volume 255 of *Hansard* at page 620 on the 30th September, 1958, I am reported as having pointed out that "The Testro Group World Wide Public Relations Consultants"—which is how the organization then described itself—had issued literature claiming that the company had extensive interests. I went on to say—

It claims that the Testro Group is the only public relations firm in Australia with overseas offices, and that it is in association with—

America: Los Angeles — Testro Bros. (U.S.A.) Inc., Gibson, Dunn and Crutcher Building.

England: London—Testro Bros. (U.K.) Limited.

France: Paris—Testro Bros. S.A.

China: Hong Kong—Testro Bros. (China) Limited.

Japan: Tokyo—Testro Bros. (Japan) Limited.

Malaya: Singapore—Testro Bros. (Far East) Limited.

New Zealand: Wellington — Testro Bros. (N.Z.) Limited.

After setting out briefly the services which this organization claimed to provide to its clients, I quoted from its brochure as follows:—

Under the heading "Political," there appears the statement—

More than half the present members of Federal and State Parliaments are known to us either professionally or personally and are valuable contacts we have built up over the years. On the basis of inside information, we are able to forecast political trade trends often before the general public is aware of them.

Then follows the statement which I have already quoted from the report of the Statute Law Revision Committee. At page 621, the *Hansard* report of my speech continues—

The organization also claims specific advantages over its rivals, including advantages of information from the Public Service which is sworn to the strictest confidence in the conduct of public business. I should like to know what action the Government is prepared to take in the matter. Is it prepared to allow statements of this type to be made about the Victorian Parliament in particular, although it embraces all Parliaments? Is this organization to be allowed to advertise in England, America, Asia, Europe and wherever its agents are sent? Is it to be allowed to claim that it can, with impunity and under the nose of the Government, as it were, corrupt both the political life of Victoria and the Public Service?

Mr. TAYLOR.—Was not a friend of Mr. Rex Testro sent to gaol for a month last year by Judge Read because he was impersonating voters and trying to get Mr. Rex Testro elected?

Mr. LOVEGROVE.—I cannot answer the honorable member's interjection. This matter was brought before the House in September, 1958, and the advertising methods of this company were disowned by the official advertising agencies throughout Australia, which would not take any responsibility for the company's most deplorable lack of ethics.

Having established what the Opposition claims to be the first occasion on which the necessity for this type of legislation arose, it is regrettable, as I said earlier, that the Premier placed his imprimatur on activities of this description. This year, Testro Brothers issued a brochure entitled *The Testro Story* in connexion with the official opening of the firm's new building in Queen-street. At the back of the brochure appears a tribute from the Premier of Victoria in these terms—

Premier's Department, Melbourne, April 28th—

There appears a picture of the Premier looking his suave best.

Mr. RYLAH.—What has this to do with the Bill?

Mr. LOVEGROVE.—The Premier states—

Please accept my congratulations on the tenth . . .

Mr. RYLAH (Chief Secretary).—On a point of order, what has this to do with the Bill? The Bill deals with the sale of land.

Mr. FENNESSY.—Are not Testro Brothers interested in the sale of land?

Mr. RYLAH.—Not in Victoria.

The SPEAKER (Sir William McDonald).—I am finding it a little difficult to relate this subject-matter to the Bill. I should be glad if the honorable member for Fitzroy would so relate it.

Mr. LOVEGROVE (Fitzroy).—I remind the Chief Secretary that in his explanatory speech on this measure,

after devoting the great bulk of his speech to matters which could properly have been the subject of other legislation, he is reported at page 1060 of the current *Hansard* as having said—

One particular evil is especially dealt with, and that relates to the dishonest practice of stating that certain services and amenities, usually provided by statutory authorities, will be available in a specified time. Unfortunately it is all too common for land salesmen to assure prospective purchasers that roads will be available in the near future, that water, gas, electricity and other amenities will be provided within a short specified time, that the Education Department will be building a school on certain specified land, and so on. Under this Bill, any such statement will be an offence unless the salesman holds written advice from the Department or statutory authority concerned to that effect.

I submit that Testro Brothers promised, in the name of members of Parliament and public utilities, that it could perform services for its shareholders not only in regard to the sale of land but also in relation to a multiplicity of other profitable arrangements. Although this matter had been brought to the attention of Parliament, the Premier said on the occasion of the opening of Testro Brothers' new building in Queen-street—

Please accept my congratulations on the tenth anniversary of the Testro organization. If there is anyone in Victoria who has not faith in this State—which I very much doubt—the growth of this company over the last ten years must provide a convincing answer.

Mr. RYLAH (Chief Secretary).—Mr Speaker, I raise a point of order. I do not wish to criticize the Premier's confidence in this State, which I share, but I still ask, "What has this to do with the Bill?" This measure relates to offences in connexion with advertisements relating to the sale of allotments of land. I have certain views on the Testro organization, and so has the honorable member for Fitzroy, but I have not yet seen any documents which indicate that Testro Brothers have sold or have been advertising for sale land in Victoria. They may have a lot of other sins, but so far as I know none of those is related to this Bill.

Mr. LOVEGROVE (Fitzroy).—Speaking to the point of order, I sympathize with the Chief Secretary because

it is unimaginable that he is so innocent. The pages of the brochure are not numbered, but about in the centre appears a magnificent picture of Hotel Mirra-booka.

Mr. RYLAH.—Where—in Queensland?

Mr. LOVEGROVE.—No, in Albert Park. The picture shows a magnificent multi-storied building. I suggest that here is the real estate programme with which this Bill deals and on which this company claims it can influence every member of Parliament up to the Ministerial level.

Mr. RAFFERTY.—What was the date of the letter?

Mr. LOVEGROVE.—28th April, 1958.

Mr. RYLAH.—You told the House that this was written after the Statute Law Revision Committee had presented its report.

Mr. LOVEGROVE.—No.

Mr. RYLAH.—It is all recorded in *Hansard*.

Mr. LOVEGROVE.—I do not care what is recorded in *Hansard*. I do not wish to misrepresent the Premier.

Mr. TAYLOR.—That letter was written before the first brochure was issued.

Mr. LOVEGROVE.—That is correct.

Mr. RYLAH.—You said it was written after the report of the Statute Law Revision Committee was made.

Mr. LOVEGROVE.—I am sorry if I did so; I did not intend to. I do not wish to misrepresent the Premier as regards time, but the honorable gentleman has given his blessing to this organization. He stated—

As Premier of this State and one very interested in all phases of its development, I wish Testro Brothers continued success.

I have great admiration for the versatility of the Premier, but I am very doubtful about the merits and the virtues of some of the organizations with which he associates himself. It is becoming notorious that any organization that enters business in Victoria can get the Premier to open its premises.

Mr. RYLAH.—That is untrue.

Mr. LOVEGROVE.—I amend my statement to “practically any organization.” A wide diversity of commercial and manufacturing organizations have been able to ring the Premier’s Office and get the Premier to go along and give them a pat on the back.

The SPEAKER (Sir William McDonald).—Order! The honorable member should return to a discussion of the Bill.

Mr. RYLAH.—He should make a rough reference to it occasionally.

Mr. LOVEGROVE.—As this is so annoying to the Chief Secretary, I shall conclude by saying that the Opposition regrets that in April, 1958, the organization to which I have referred should have received the best wishes of the Premier of the State. By September, 1958, this organization claimed throughout the world that it had the Premier “in its pocket,” that it could corrupt the Parliament of this State at the Ministerial level and that it could, by its influences, corrupt public Departments. It took advantage of the stupidity and misjudgment of the Premier and endeavoured to profit by his gullibility at the expense of large numbers of allegedly innocent investors. The Opposition is not attacking the honorable gentleman’s integrity. It is attacking the arrant stupidity of the Premier for his behaviour in the manner indicated while his Chief Secretary introduces Bills of the description of that now before the House.

I should like to say one last word about the Testro organization—this love-child of the Premier’s, if I may use the euphemism. The sequel to the Premier’s blessing in 1958 to this company to go forth and develop the State, and so on, was a statement published by the New Zealand *Truth* on the 1st March, 1960, concerning the activities of the company in New Zealand. As I do not wish to be unfair to the company on the basis of a newspaper article, I shall not quote it, but I will say that after it was published the Testro organization sued the *Truth* for libel, but did not proceed with the case. On 14th June, 1960, after the

case had been dropped, another detailed financial examination of the Testro company's land affairs was made by the same newspaper.

It is not my purpose to make a purely personal criticism of the Testro company—I do not know anything about its principals—but I wish to point out that it is most unwise for either the Premier or any of his Ministers to be associated with these various money-making, usurious and racketeering concerns in the commercial life of Victoria.

Mr. GARRISSON (Hawthorn).—I rise to a point of order. The honorable member for Fitzroy seems to be accusing Ministers and other members of this House of being in close association with Testro Brothers.

The SPEAKER (Sir William McDonald).—Will the honorable member explain the substance of his point of order?

Mr. GARRISSON.—Yes. One of the members of the Labour party is actually—

The SPEAKER.—The honorable member will resume his seat. There is no point of order.

Mr. LOVEGROVE (Fitzroy).—Judge Read gave judgment on the 25th May, 1960, in a case involving the Testro organization. His Honour said—

I am sorry to note that Mr. Rex Testro left the court a few minutes ago. I hoped he would be here to hear what I have to say about him. Mr. Rex Testro, the managing director of the defendant company, thoroughly enjoyed every moment of this contest. He is a very voluble man of many words—doubtless an excellent salesman—but I consider many parts of his evidence very exaggerated and in complete conflict with the probabilities and, at times, in complete conflict with the documents.

The Chief Secretary has had enough and is leaving the Chamber. I invite him to send the Premier in, as we should like to hear from him. His Honour continued—

The kindest way I can deal with Mr. Testro's evidence is to say I prefer the evidence of Mr. Giles to that of Mr. Testro. Of Mr. Keith Testro I can say his evidence was not of much importance. I was most unhappy about two or three parts of his evidence. He said, "It was after my

brother asked for 90 days trial and 90 days credit." That is so improbable it cannot be accurate. I prefer the evidence of Mr. Giles and Mr. Dennison.

The other reference is to a woman, and I do not propose to make it.

The SPEAKER (Sir William McDonald).—I am inclined to think that a number of the honorable member's references are irrelevant.

Mr. LOVEGROVE.—If I had dreamed that you had come to that conclusion, Mr. Speaker, I would not have made them.

Mr. RYLAH.—Who was the plaintiff in this case?

Mr. LOVEGROVE.—I do not know. Perhaps the Chief Secretary can inform the House.

The SPEAKER (Sir William McDonald).—Order! I believe the House would be interested in any further remarks concerning Testro Brothers if they had reference to sales of blocks of land.

Mr. LOVEGROVE.—Let me anticipate your suggestion, Mr. Speaker, by saying that I have completed my references to Testro Brothers. One would have thought that, after the Premier's lack of judgment in the case of Testro Brothers had been demonstrated not only to the honorable gentleman himself but also to the public at large and, in particular, to his colleagues, he would have been more careful in other cases, but most regrettably—I hope the Chief Secretary will not deny this—paragraph (e) of proposed new section 4 of the principal Act, as contained in clause 2 of the Bill, refers directly to Payne's Properties Proprietary Limited. Here is an instance where the Chief Secretary got through a second-reading speech dealing with one of the most infamous abuses of the Premier's position by any firm in Victoria without once mentioning the offenders concerned, despite the fact that since early this year the matter has been repeatedly raised in the House by the honorable member for Brunswick East. Therefore, this measure owes its genesis not to the other cases brought to the notice of the House by the Chief

Secretary, but, in the main, to the case of Payne's Properties Sunbury satellite estate, which matter was brought to the attention of the House by the honorable member for Brunswick East.

Mr. RYLAH.—Where the Premier and the Leader of the Opposition shared in the inauguration ceremony.

Mr. LOVEGROVE.—Let us stick to the facts.

Mr. RYLAH.—What I have stated is a fact, and you know it.

Mr. LOVEGROVE.—Here again we have a case where the Opposition finds the Premier in the regrettable position of giving solace and consolation to an organization which is doing its best to exploit those persons who constitute one of the most needy sections of the community.

Mr. RYLAH.—In company with the Leader of the Opposition.

Mr. LOVEGROVE.—No.

Mr. RYLAH.—The Leader of the Opposition and the Premier were there together.

Mr. LOVEGROVE.—Let us stick to the Premier.

Mr. RYLAH.—No, let us stick to the facts.

Mr. LOVEGROVE.—We find in the *Age*—

Mr. RYLAH.—Are you disowning your Leader?

Mr. LOVEGROVE.—No. We will deal with him later. We find in the *Age* of Friday, 3rd April of this year, an account of a buffet dinner at Menzies Hotel.

The SPEAKER (Sir William McDonald).—Order! Would the Deputy Leader of the Opposition advise me which clause I should refer to in directing my thoughts to his speech?

Mr. LOVEGROVE.—My remarks are relevant to paragraph (e) of proposed new section 4 of the principal Act, as contained in clause 2 of the Bill, which has reference to the making of any statement, promise or forecast concerning the provision of amenities or services which are normally provided by the State or by any statutory authority.

The SPEAKER.—I still find it difficult to determine the relevance of the honorable member's remarks.

Mr. LOVEGROVE.—I wish to state that Payne's Properties used the name of this Government improperly to induce people to buy houses at Sunbury. In reply to the honorable member for Brunswick East, the Premier promised the House that he would do something about the matter and, in the absence of contradiction, I assume that this Bill represents the honouring of the Premier's promise.

Mr. RYLAH.—Hear, hear!

Mr. LOVEGROVE.—In the *Age* of 3rd April, this year, there is an article which states—

£37,000,000 SATELLITE TOWN FOR SUNBURY
WELCOMED BY PREMIER.

The £37,000,000 Satellite town to be built on the outskirts of Sunbury, 21 miles from Melbourne, was described by the Premier (Mr. Bolte) last night as "wonderful, bold and visionary."

Mr. BLOOMFIELD.—Surely, you would not disagree with the statement that the scheme was visionary.

Mr. LOVEGROVE.—I believe that the members of the firm concerned, apparently having heard of the Premier's experience with Testro Brothers, "took out an insurance policy," they put him on a tape, without his knowing it. After this most eulogistic account of the venture by Payne's Properties Proprietary Limited, which is a subsidiary of Reid Murray Holdings Proprietary Limited—that is the company against which this Bill is, in fact, directed—Reid Murray Holdings Proprietary Limited entered the market for registered 8 per cent. first mortgage debenture stock. According to advertisements, the Reid Murray interests throughout Australia include 168 retail stores, seven wholesale warehouses, real estate companies in five States, and the finance company for the group—Reid Murray Acceptance Limited. The company which controls Payne's Properties and which took over Payne's Bon Marche and a number of other organizations some time ago persuaded the Premier, without difficulty I believe, to attend the buffet dinner at Menzies Hotel.

Mr. RYLAH.—At which the Leader of the Opposition also was present.

Mr. LOVEGROVE.—Everything will be dealt with in good time. In that rosy glow of confidence that descends upon the Premier on occasions such as buffet dinners at Menzies Hotel, the honorable gentleman described the Sunbury scheme as wonderful, bold and visionary.

Mr. RYLAH.—Wait for Sunset Motels!

Mr. LOVEGROVE.—We are waiting. When the directors of the company I have referred to listened to the Premier in that rosy glow of confidence that he exudes at such gatherings, they got out a brochure in which many things were advertised, including Payne's package deal. It stated—

PACKAGE DEAL.

PAYNE'S OFFER FOR YOUR £150 DEPOSIT.

The land; the house; fully furnished; the roads; drainage on most blocks; electricity and water.

Of course, there was no water there. The firm concerned sold tanks to persons who settled on that land. The organization offered to sell the land or the house separately, the land and the house together, or the land, house and furniture together. Having induced people, following the Premier's tribute to their activities, to go to Sunbury and purchase from them, these people issued a brochure in which it was stated—

The State Government has given its assurance that it will encourage the development of Sunbury.

It went on to say—

Water and light are already available throughout Payne's new Sunbury properties, and a lot of other things. When a large number of people had read reports relating to Payne's Properties and to the Premier's adulation of that organization, and had gone to Sunbury and purchased blocks of land, they found that things were not as they had been represented by the company. So, to protect this Parliament and the integrity of the Government, the matter was raised in the House by the honorable member for Brunswick East, who was thanked by the Premier for his action. On 26th April, this year, the Premier repudiated Payne's Properties

and, after the honorable member for Brunswick East had drawn a vivid comparison between the promises in Payne's Properties brochure and the actual living conditions on the properties concerned, the honorable gentleman said—

In reply to the honorable member for Brunswick East I first wish to thank him for raising this matter in the Supply debate because, following his remarks, the Attorney-General is investigating the brochure to which he refers and which has been circulated by the company.

That is the underlying reason for the introduction of this measure.

Mr. PETTY.—Are you opposing the Bill?

Mr. LOVEGROVE.—No. I do not think the Minister of Housing heard my earlier remarks, but I shall repeat them later for his benefit. We are pointing out these things because, in his second-reading speech, the Chief Secretary glossed over the real reason for this Bill. If Government members want to make the going rough, let them do so and see how they fare. The Premier continued—

... This action is being taken because my name and the Government's name were used by the company in the brochure. I say quite emphatically that never at any time has this company in its activities at Sunbury had the support of the Government in a financial way, or in a vocal manner for that matter. The Minister of Housing can support me when I say that when the company was preparing tentative plans of its Sunbury development, rather than encouraging it to go there it is fair to say that we endeavoured to discourage the company because of the apparent disabilities involved.

Mr. FRASER.—What is the date of that statement?

Mr. LOVEGROVE.—It was made in this House on the 26th April of this year. The "Minister for Tourism," as he describes himself, is always trying to break the train of thought of Opposition speakers. I find his efforts most amusing. I shall continue the Premier's remarks from the point at which he interrupted me—

It was generally known that rock was very near the surface of the land and that any sewerage scheme would be difficult to

implement. It was also known that there is an inadequate water supply, and that the provision of power and other amenities is problematical. I wish to make it public that never at any time did we encourage this company.

The Leader of the Opposition then interjected—

But did you discourage it that night at Menzies just before you went abroad?

The Premier replied—

The Leader of the Opposition always attempts to twist my remarks. I am making a frank and honest statement to this House. The function at Menzies Hotel was not a dinner, but a cocktail party or something of that nature. Even on that occasion, rather than encourage the enterprise I then said that the company would not have Government support and that I thought the promoters were very game.

The Premier said a great deal more, but I shall content myself by quoting his concluding remarks. I give him full credit for them. He stated—

I shall conclude by again thanking the honorable member for Brunswick East. In this and in all other cases when any matters are drawn to the attention of Parliament, it is the duty of the Government to see that they are handled in a proper manner. I can assure him that his representations will be taken into account, and, I hope, will be acted upon.

Therefore, I repeat that this Bill represents, I assume, an honouring by the Government of an undertaking given to the honorable member for Brunswick East by the Premier on the 26th April of this year. The Chief Secretary followed up the Premier's statement by a letter to the honorable member for Brunswick East. I shall not quote all of the letter, but the file is here if the Chief Secretary desires to see it. He stated, *inter alia*—

While investigations relating to the activities of this company at Sunbury are still the subject of further inquiry by Crown Law authorities, I thought I should let you know the present position. The statement which you referred to in the brochure is, I am advised, in a strict legal sense not the subject to any action.

The Chief Secretary went on to say that he thanked the honorable member for Brunswick East for his interest in the matter and told him that something was going to be done about it.

On 2nd November, the honorable member for Brunswick East again referred to Payne's Properties because,

since the statement made by the Premier on 26th April last and the letter sent to the honorable member for Brunswick East by the Chief Secretary on 19th May, the firm issued another pamphlet. I obtained a copy of it at the Homes Exhibition in September last. In this pamphlet it was stated that water supply was now being handled satisfactorily, roads and drainage were proceeding, electricity was completed, and so on. It was suggested that, despite earlier setbacks, the Sunbury satellite estate was now proceeding more or less satisfactorily. To bring the Sunbury story up to date, I point out that Payne's Properties advertised in the *Sun News-Pictorial* last Saturday that there was still some land available on what was described as the "fabulous Sunbury satellite town."

Mr. BLOOMFIELD.—You would not disagree with the use of that word, would you?

Mr. LOVEGROVE.—I intend to go into the use of the word "fabulous" because it is commonly used in advertising to-day. It appears that the story narrated in this House by the honorable member for Brunswick East concerning Payne's Properties is not the only tale to tell. Although a claim of a most damaging character to the Government, which was repudiated by the Premier on behalf of the Government, was made by that company, apparently the incident has not satisfied the company that the Government is serious in its intentions. We find that this company which was originally greeted by the Premier with the words "wonderful, bold and visionary" has now migrated to Wagga Wagga. It was selling land, houses and furniture at Sunbury, and I now find that in October of this year it was selling furniture in Wagga Wagga. The *Riverina Express* of 28th October, under the heading, "Victorian firm is fined £100 here," states, *inter alia*—

Paynes Bon Marche Proprietary Limited, a Victorian home-furnishing firm, was fined £100 in the Industrial Magistrate's Court, Wagga Wagga, this week for fraudulent sales promotion and failure to properly label merchandise displayed for sale.

The SPEAKER (Sir William McDonald).—Order! I again remind the honorable member for Fitzroy that the material he is using is irrelevant to the Bill. It may perhaps have some minor relevance to be used in passing.

Mr. LOVEGROVE.—In defence of my story and in an endeavour to establish relevance, I may explain that on behalf of the company this was said in court:—

There was nothing wilful in this at all. The firm has been co-operative with inspectors. Paynes Bon Marche Proprietary Limited is a large organization operating in Victoria. It has grown up there, and its goods conform with Victorian standards. They were inclined to follow in their own footsteps when they came to New South Wales.

Here is an example of a company fined for selling bad furniture at Wagga Wagga in New South Wales.

Mr. RYLAH (Chief Secretary).—On a point of order, I submit that you, Mr. Speaker, have given a correct ruling that the material being used by the honorable member for Fitzroy has nothing to do with a Bill concerned with the sale of land. Incidentally, there is nothing in the newspaper article which the honorable member has quoted that refers to bad furniture. Anybody who knows the problems of interstate law is aware that rules different from Victoria's apply to the marketing and labelling of furniture in New South Wales. This is one of the problems of lack of uniformity that we have to iron out. The fact that a firm is fined, according to the article quoted, because it did not comply with the New South Wales law, leads the honorable member for Fitzroy to assume that it has sold bad furniture. I can only suggest that the remarks of the honorable member have nothing to do with the Bill and are merely a lot of bilge.

Mr. FENNESSY (Brunswick East).—The matter has relevance to the Bill because at Sunbury, Payne's Properties are selling houses in what they call a "package deal." The honorable member for Broadmeadows and I have inspected the houses, which are fully carpeted and complete with furniture. The Deputy Leader of the Opposition is

asserting that in this instance the firm could quite easily sell furniture in a package deal on the same basis as it is selling furniture at Wagga Wagga.

The SPEAKER (Sir William McDonald).—I invite the Deputy Leader of the Opposition to return to the Bill. The subject of sales of furniture at Wagga Wagga by Paynes is deemed to be irrelevant.

Mr. LOVEGROVE (Fitzroy).—Will you permit me to make an explanation?

The SPEAKER.—Yes, if the honorable member can confirm in my mind that it has any relevance.

Mr. LOVEGROVE.—First, the Chief Secretary, who is an admirable incumbent of that position, appears to be a poor lawyer. He does not know that in Victoria there are under the Goods Act regulations which provide certain standards.

Mr. RYLAH.—I know, but they are different from those of New South Wales.

Mr. LOVEGROVE.—I direct your attention, Mr. Speaker, to section 4 of the Sale of Allotments of Land Act. It provides, *inter alia*—

Any person who, with the intention of inducing a prospective purchaser to buy an allotment of land or any interest in such an allotment—

- (a) knowingly makes any false representation; or
- (b) states that he or some other person named by him will buy, at a profit to be received in the future by such prospective purchaser, the said allotment or any part thereof or any interest therein or any other land or chattel owned by the prospective purchaser.

The word "chattel" covers the category of furniture to which I have referred, and raises a question: Why is it that this firm has been made the subject of a searching examination by the Department of the Chief Secretary who introduced this Bill and the measure that preceded it? I said to the Chief Secretary, "Have you had this examined by the Solicitor-General, Sir Henry Winneke?" The honorable gentleman said, "Everyone in the Law Department has had a go at it." He invited me to

go there and obtain legal advice on the matter. The Opposition wants to know why the Government, in conformity with the regulations under the Goods Act, has not sent its inspectors to Sunbury to examine the class of furniture that is being sold to purchasers of some of these properties there; many of them cannot speak English and do not know what they are buying. I do not think the Minister of Housing was present when I prefaced my remarks with the reservation that, whilst it did not oppose the Bill, the Opposition considered that it should have been referred to the Statute Law Revision Committee.

Mr. PETTY.—I was present when you said that.

Mr. RYLAH.—That will delay the measure.

Mr. LOVEGROVE.—It will not. The Chief Secretary is lost for an argument. When that is the case the honorable gentleman always resorts to silly interjections. He has said that if the Opposition does not vote against the Bill, when it has been passed and has joined the multiplicity of laws—the Crimes Act, the Police Offences Act, and legislation dealing with estate agents and money-lenders—which could be used in regard to fraudulent misrepresentation, it can be sent to the Statute Law Revision Committee. For the information of the Chief Secretary, his distinguished colleague, the Minister for Local Government, has already given an undertaking that the first Bill he introduced will be forwarded to the Statute Law Revision Committee because, like the Opposition, the honorable gentleman is convinced that the Chief Secretary is a poor lawyer. I pay a compliment to the Minister for Local Government, both for his erudition and his honesty.

In regard to the Payne's Properties argument, what the Chief Secretary has been so delicately hinting is that he does not want to hear any more about that firm. In fairness to the Chief Secretary, I must say that generally the honorable gentleman is most restrained and guarded in his statements and most conservative in dealing with matters of this description. It is unusual for the

Chief Secretary to do this sort of thing—I pay him that tribute—but during his second-reading speech he was unkind enough to make a reference to a certain firm, a member of which was politically connected with the Opposition, because he wanted to play politics. The honorable gentleman did not have enough honesty of purpose when he presented the Bill to come out and say, "This is a Bill to stop Payne's Properties."

Mr. RYLAH (Chief Secretary).—On a personal explanation, and nothing else, I was not—

Mr. SUTTON.—You cannot make a personal explanation at this stage.

Mr. RYLAH.—I still have some rights in this House.

Mr. SUTTON (Albert Park).—On a point of order, Mr. Speaker, I submit that the Minister cannot interrupt a speech in this way. He ought to take the first opportunity after the speech is made to make his personal explanation.

The SPEAKER (Sir William McDonald).—In reply to the honorable member for Albert Park, there is no point of order. The Chief Secretary may make a personal explanation at any time when the Opposition yields.

Mr. SUTTON.—I think that is wrong, and have no hesitation in saying so.

Mr. RYLAH (Chief Secretary).—By way of a personal explanation, I was not aware of any political affiliations of the firm referred to until it was raised during the debate.

Mr. LOVEGROVE.—I must have misheard the Chief Secretary.

Mr. RYLAH.—The Deputy Leader of the Opposition should read the report.

Mr. LOVEGROVE.—I have read it, but of course it does not reflect what was said in the House.

Mr. RYLAH.—Is the honorable member saying I am a liar?

Mr. LOVEGROVE.—No. I am going to say that, within the hearing of my colleagues and myself, the firm and the principal of the firm were named in the House.

Mr. RYLAH.—I said I was not aware until the firm was named in the House. It was not named by me.

The SPEAKER (Sir William McDonald).—I will not tolerate this crossfire of interjections. The Deputy Leader of the Opposition may proceed on the Bill, and I ask him to ignore interjections.

Mr. LOVEGROVE (Fitzroy).—I shall endeavour to do so, Mr. Speaker, but members opposite are trying to provoke me. I wish to advance two points. First, it was the duty of the Opposition to bring the facts before the House. Secondly, the Opposition considers that the example cited by the Chief Secretary, like some of the other examples that he uses, was unnecessary and redundant. We believe that the existing laws could have been used to deal with fraudulent misrepresentation of the type envisaged, if it occurred.

The Chief Secretary was good enough to offer the Opposition whatever legal advice he had at his disposal, and we took advantage of his offer. I have seen a number of advertisements, besides those to which the honorable gentleman referred.

Mr. WILCOX.—Is the one now in your hand connected with Sir George Jones?

Mr. LOVEGROVE.—If names are going to be used, they will be used on both sides—Government members have some “beauts” on their side. The advertisements displayed by the Chief Secretary concerning one of the companies named by him—his submissions in this connexion were obviously psychic—depicts three abuses of ethical advertising, if such a thing remains in Australia to-day. I took the advertisements to the Law Department and I asked three questions of one of the officers there who has been most helpful to everybody. I asked, “What happens with the advertisements depicting fore-shortened blocks?” As honorable members know, many advertisements offend in this way.

In last Friday's *Herald*, there is an advertisement of an estate at Torquay and, from an examination of the advertisement, it would appear that the land is practically within stepping distance of Geelong. In an advertisement in

last Saturday's *Herald*, an area of land at Ocean Grove is depicted as being within 90 minutes easy driving distance from Melbourne. I stress this particularly for the benefit of the Chief Secretary in his capacity as “director of traffic.” Advertising of this type is prevalent throughout Australia to-day. I have in my possession an elaborate and glamorous brochure published by the persons who are running Paradise City on the Gold Coast. It was issued by Mr. Small and Mr. Opperman, and all honorable members have received a copy of it. I was informed by the Crown Law authorities who, apparently, have been deputed by the Chief Secretary to “put an end” to advertisements of this type, that the only way of preventing the publication of inaccurate pictures of the location of a land development estate is to insist on the publication of a scale map. In referring this matter to the Statute Law Revision Committee, the Chief Secretary should emphasize the fact that it is almost impossible to control misrepresentation in advertisements unless the display of fore-shortened blocks is prohibited and only scale maps of the areas in question are published. This method of advertising is already being adopted by certain advertising and public relations companies.

In his second-reading speech, the Chief Secretary referred to an advertisement which showed the Chadstone shopping centre within 3 miles, and the Monash University within 2 miles of an estate. Any lawyer could overcome that difficulty. I have had an unfortunate experience over a long time of meeting certain members of the legal fraternity who are devoted to protecting those who offend against the law and, with many other people, I realize that the difficulty can be overcome by the use of the words “as the crow flies.”

Mr. RYLAH.—It still is not true.

Mr. LOVEGROVE.—I say that this Bill is a bad one.

Mr. RYLAH.—I suggest that you vote against it.

Mr. LOVEGROVE.—I do not know that it is the duty of the Opposition to educate the Chief Secretary concerning these matters. However, if the honorable gentleman is not impressed with my arguments, perhaps some of his back-bench colleagues will induce him to study the question further. I challenge any legally qualified member on the Government side to explain how this Bill will assist in controlling advertisements better than can be done under existing legislation such as the Crimes Act, the Police Offences Act and, possibly, the Sale of Allotments of Land Act. When it is claimed that one point is a certain number of miles from some other points, we all know, particularly those who are associated with the Licensing Court, that a lawyer can frequently prove that there has been no misrepresentation, and that two points which are 15 miles apart by road, are only 10 miles apart as the crow flies. If this Bill is designed to prevent misrepresentation in advertisements, it will fall to the ground.

In dealing with what might be termed "the third leg of the Chief Secretary's treble," I propose to refer to an advertisement displaying the Sophisticate—16½ squares of luxury living. The advertisement contains a plan showing 16½ squares of a semi-contemporary type of domestic construction, planned around an internal patio which, together with the carport, subtracts four squares from the total living area. The actual enclosed living area is 12 squares, although the total living area with the carport and the internal patio is 16½ squares. The Bill will not assist in the control of advertisements of this type—it will still be a matter for the court to decide whether such advertisements contain misrepresentation. Therefore, we seriously suggest that far more time should have been spent by the Chief Secretary in the course of his second-reading speech upon the gross abuses on the part of Payne's Properties. The goodwill expressed by the Premier in this case has turned out to have been misplaced. It was taken advantage of by the company in question, and all the other things about which we have heard have flowed from that.

Whereas the Opposition joins with the Chief Secretary in hoping that the kind of advertising to which I have been referring can be curtailed, much further and more extensive legislative measures must be taken to get some honesty into the advertising fields to-day. As in America, where the public relations business has been at its lowest level for years past, so in Australia, unfortunately, we are in the same state. This comes about as a result of a philosophy and a morality which are encouraged by this Government, that the progress and development of Australia come from material advancement and money-making.

Mr. CHRISTIE.—That is very unfair.

Mr. LOVEGROVE.—The honorable member can defend it. If the Government wants to do something about it all, it should remember at the same time that there are thousands of reputable and well-established businesses that would not resort to this kind of practice. They can make a living properly by efficiency and the establishment of a standing in the community; this type of legislation is not required for them. But other men seek to live without producing a bale of wool, a bushel of wheat or one manufactured article. They make fortunes by the buying and selling of money, and I can only add that the Government is encouraging the type of activity that is reflected in this proposed legislation.

The director of one company, Mr. Bruce Small, has set out a very good case respecting the cost of land development. But the fact is that throughout Australia, and particularly in Victoria, the greatest racketeers, the greatest profiteers, the most unscrupulous, conscienceless and least deserving of the exploiters of the Australian economy are those who are taking advantage of the needs of those relatively poor persons who are battling to make a home for themselves and their families. The Government cannot prevent this type of exploitation by this measure. That could be done, as a Commonwealth measure, by a system of taxation to which the Victorian Government and its supporters are opposed;

they will have nothing to do with the taxing of capital gains but will allow people of the type I have described to prosper at the expense of the community.

I am quite prepared to accept the harshest criticism by Government speakers against our attitude, but the Opposition concludes with the hope that when this Bill is passed it will be referred to the Statute Law Revision Committee. I trust that the Government will give some consideration to the type of thing that has been exposed by the Chief Secretary in regard to Payne's Properties and that, whatever remains of this debate, it will be conducted without resort to personalities, because if there is such resort the Opposition will be compelled to reply in kind.

Mr. WILCOX (Camberwell).—This is an interesting, short Bill and one which I think might have provoked quite a deal of debate. I was not anxious to enter into the discussion at this stage, but I think the honorable member for Fitzroy would be disappointed if he did not provoke somebody on the Government side; after all, he has been trying hard and long enough to do so. I consider that this is a reasonable Bill. It is an attempt to make it more difficult for some people to take other people down. I am not very keen on such legislation myself because I think most persons whom I have met are pretty good at looking after their own interests when their pockets are involved. Still, the intention is good and the Bill makes it more difficult for people who conduct their affairs as some of the land agents do—with no thought for the ethics of their business but simply to sell as much as they can.

As has been pointed out, the Bill repeats something that is already contained in the Police Offences and Crimes Acts. It may use different language but it does at least set up an additional offence regarding the use of statements made by the respective services normally provided by the State. I agree with the honorable member for Fitzroy that there is not a lot in the Bill, but its intention is good. He did not argue with the

intention of the Bill but took the opportunity to carry on at great length about a lot of things that had little relevance, so far as I could see. He got a good deal off his chest in regard to some companies that he did not like. I do not say that I like them; indeed, I might have somewhat the same views about them. I mentioned, by interjection, Sir George Jones, a Labour candidate endorsed for some constituency or other.

Mr. MEAGHER.—The chairman of Sunhill!

Mr. WILCOX.—He has been engaged in the very sort of thing that we have heard about. I do not blame him. There are all shades in the Labour party and, as I have said by interjection, there are even some who are most conservative. They are living in the past. One day they will wake up and realize that they have no hope at all of getting into office again. They should cut adrift from their old-time thinking. There is no reason why we should be concerned to remind them that where they are wrong is in their thinking in the past. As it is, they have no hope. However, they do not believe what we on the Government side say.

We are concerned, to the extent of the introducing of this Bill, in endeavouring to control the economic life of the community in the matter of sales of land, but we do not think we can do that entirely by legislation. The honorable member for Fitzroy has taken the opportunity of criticizing the Premier for having played some part in respect of one of the companies. The honorable member also mentioned lawyers as playing the same part, and he said that we on the Government side judged everything by the progress and development so far as the monetary side of life is concerned. I remind him of two things. First, this Bill deals with the sale of allotments of land. So long as people live they will be concerned with selling and buying land because when a person buys a block of land the chances are that he will build a home on it; that is a good thing. I am not in any way fearful that people will continue to buy land and build homes for

there must be plenty of buying and selling land in a progressive community. If there were not, there would be cause for alarm. I do not know whether it is that which is worrying the Opposition, but I refer to an article in the *Herald* of Friday last by Mr. W. S. Robinson, a gentleman described in the article as the doyen of Australian industrialists. He is a man who, I think, has a high reputation in the community. I remind members of the Opposition that if there is not buying and selling of land in fairly large quantities the community will not develop. In his article Mr. Robinson said—

Confidence and the spirit of venture—and these are essentials to the continued progress of Australia—are tender growths.

If we are to sell land we must have a little confidence and a little spirit of venture. It is a very good thing that there are people with these qualities. I remind members of the Opposition of this passage in the article which strikes at the very heart of their policies and thinking, which I have already said are out of date—

Our controllers—

I do not mind whether the controllers are in Victoria or in Canberra, and I hope that in a democracy our Parliaments are considered to be controllers—should never forget the words of Shakespeare: "Security is mortals' chiefest enemy."

Then Mr. Robinson says—

And so it is. And so is all this search for security and stability where neither security nor stability in its complete form is possible.

I do not want anyone to get the idea that I am not interested in a good deal of security and stability. So much of what is said in this House from the Opposition benches is based on the idea that if we could legislate and control every form of economic activity and human endeavour we would get that complete security and complete stability.

I commend the Government for introducing this Bill, which is designed to make it more difficult for some people to take other people down. No

Mr. Wilcox.

doubt some persons will always try to do that, but that is one of the risks we have to be prepared to take if we are to develop this country. So far we have scratched only the surface, and if we are to control everything and worry about "the few bob" that somebody might make out of buying land and selling it again rather than building a home on it, then we are going to bog down. The case put forward by the Deputy Leader of the Opposition is based so much on the security-stability idea that his mind is clouded in so many respects. I commend to him the words of W. S. Robinson, that complete security and stability are not possible. Whilst we on the Government side of the Chamber look for a reasonable degree of security and stability, we are not going to let our thinking bog down by believing that we must have complete security and stability.

Mr. FENNESSY (Brunswick East).—I support the remarks of the Deputy Leader of the Opposition in relation to this Bill. The honorable member made it quite clear from the outset that the Labour party has no opposition to the measure. By the same token, instead of listening to the honorable member for Camberwell quoting the words of W. S. Robinson, it would be better for us to read what the Federal Treasurer had to say in Parliament this afternoon. I prefer to believe what the Federal Treasurer has to say in relation to the economic position in Australia than what Mr. Robinson has to say in his endeavours to bolster up the stock market in Melbourne.

The honorable member for Camberwell said that what has been happening in the past in relation to the sale of land is a risk that we must be prepared to take. Members of the Opposition have repeatedly endeavoured to convince Government supporters that something should be done to curb land speculation. On many occasions we have charged this Government with not doing anything about the matter, particularly in relation to the high promotion salesmanship of certain land salesmen. This matter has given concern not only to members of the Opposition

but also to the Real Estate and Stock Institute, which has at all times deplored the attitude of certain individuals in relation to land speculation in this State. We have no complaints against anybody who obtains only a reasonable return from subdividing land and selling it, as has been done by some respected members in the community.

Mr. J. D. MACDONALD.—What is a reasonable return?

Mr. FENNESSY.—The honorable member for Burwood should know that. In the past some land speculators have obtained far more than a reasonable return on their investment. They have employed at week-ends persons whom the Real Estate and Stock Institute has condemned. These persons do not belong to the fraternity which is respected in regard to land sales. They are week-end salesmen who have other jobs during the week. By following the flags on a Saturday or Sunday afternoon one can come to estates where these men are standing alongside their cars waiting to show people land that is for sale.

Mr. WILTSHIRE.—Would you stop them from selling land?

Mr. FENNESSY.—Yes, I would. Although the Bill is welcome, I agree with the Deputy Leader of the Opposition that it does not go far enough. The Deputy Leader of the Opposition has suggested that the Bill should be referred to the Statute Law Revision Committee. In his second-reading speech the Chief Secretary stated, quite fairly, that if the Opposition considered that the measure did not provide people generally with sufficient protection from land "sharks," he was prepared to listen to any suggestions. Members of the Opposition do not intend to oppose the measure, but we propose that, after it has been passed, it should be referred to the Statute Law Revision Committee which, I am certain, could suggest amendments.

As the Deputy Leader of the Opposition pointed out, this Bill has resulted from the fact that earlier this year I directed attention to the sale of land by Payne's Properties Proprietary Limited

in the supposedly satellite town of Sunbury. I think everyone will agree that my complaint was justified and that the actions of this firm in its endeavours to sell the land were deplorable. In one brochure the firm claimed that water had been supplied to the area, but investigations disclosed that this was not the case. Realizing that there could be serious repercussions from its having made such a claim, the firm tried to smooth over the position by selling 1,000-gallon tanks to persons who had bought homes. I visited the area recently and was assured by some of the tenants that conditions now are no better than when they first went there to live. They informed me that a total of 82 homes had been erected on the estate, despite the fact that previously it had been stated in brochures that by June, 1960, Payne's Properties Proprietary Limited anticipated that 1,000 homes would be erected and approximately 4,000 people would be living on the estate. I consider that the firm's claim amounted to gross misrepresentation.

Mr. STONEHAM.—How is the water supply?

Mr. FENNESSY.—It appears that a water supply will not be installed until some time next year. The supply of water depends on the Sunbury Waterworks Trust, which intends to reticulate supplies to approximately 500 blocks, although that represents only a portion of the whole estate. I believe that the activities of this firm have been an imposition on the public, and it is such actions that justify the introduction of this measure.

I am pleased that the Government has brought down this measure. Recently when I suggested that the Government might emulate the Labour Government in New South Wales and venture into the field of land sales, the honorable member for Ivanhoe said that it was rather late to take such action. To some extent, I agree with him. It is to be regretted that the Government did not heed suggestions put forward by members of the Opposition on many occasions over the past three or four

years. The situation should not have been allowed to develop to the extent that the introduction of legislation was necessary. I believe that the Government should be the custodian of the welfare of the people of Victoria, and I consider that, although it has introduced this measure at this late stage, it has to a degree let the people down. In conclusion, I suggest that the Government should heed the suggestion of the Deputy Leader of the Opposition and allow the Statute Law Revision Committee to examine the Bill.

Mr. WILTSHIRE (Mulgrave).—The intention of this measure is a good one, and it will be commended by every legitimate salesman of land who deals with the public on an honest basis. I believe 99 per cent. of land salesmen fall within this category. The honorable member for Brunswick East mentioned the Real Estate and Stock Institute, of which I am a member. I am sure that all members of that organization will commend the Government's action in this respect. They sell all types of real estate, but for a considerable period they have been worried about persons who call themselves land developers but who are outside the ambit of the Real Estate and Stock Institute and in some cases outside the provisions of the Real Estate Agents Act because they sell their own land. In those circumstances they need not be registered as real estate salesmen, and therefore they avoid all the provisions and penalties of the Act.

I reiterate that all legitimate land salesmen will welcome this legislation, because people can invest their money in land, which never deteriorates or can never be taken away. The owner of land or property is in a sound position when he has to deal with banks and other institutions. The misrepresentation, distortion and exaggeration taking place in regard to land development is undermining the good intentions of honest land salesmen who are feeling the repercussions because people are inclined to say that land salesmen are all "tarred with the one brush." Of course, that is not true.

Anybody who intends to buy real estate is well advised to consult a solicitor before signing any documents. Solicitors have a duty to inform prospective purchasers of real estate with respect to the pitfalls which they may encounter. They take long enough to do the job and are paid sufficiently to ensure that purchasers of land, particularly, are protected.

The value of land is determined by supply and demand, and the prices are set by the purchasers. If a prospective buyer considers that the figure placed on a block of land is too high, and will not pay it, the tendency is for the price to be reduced, but that has not happened generally. Many persons buy land not with the object of building on it but in order to become little speculators. In my electorate, there is an unprecedented growth of subdivisions.

Mr. CAMPBELL TURNBULL.—Are they sewered?

Mr. WILTSHIRE.—In my constituency, there are some 41,000 electors and probably there are more sewered houses there than in Brunswick West. When people buy land hoping to reap a profit within twelve months, they are not greatly interested in the price but only in the amount of the deposit. If land was bought by people who intended to build houses rather than to speculate, values would drop. In certain estates of up to 450 blocks of land, hardly a house has been erected, because the purchasers have bought the land with the object of reselling it and making a profit.

Mr. LOVEGROVE.—What is the rating system in the district you describe?

Mr. WILTSHIRE.—Unimproved capital value. The persons to whom I refer are making profits. In one instance, land sold at auction for £1,300 a block was resold six months later for £1,950, which represents a handsome profit. People of this type are keeping land values high. If the only people who bought land were those who intended to build homes, values would fall overnight. It is of no use pointing to estate

agents and land subdividers. The price of land is being kept up by the purchasers. The subdividers—

Mr. FENNESSY.—They are hungry for land.

Mr. WILTSHIRE.—They are not. In the Mulgrave electorate, I conservatively estimate that there are 5,000 vacant blocks. Probably only 2,000 of the owners intend to build and the other 3,000 hope to make a profit. I do not know that I can condemn anybody who invests in land hoping to gain a profit. I do not resent profits, but apparently Opposition members do.

Mr. FENNESSY.—We condemn the subdivider who misrepresents the facts.

Mr. WILTSHIRE.—The subdivider buys land because he knows he can make a profit. Four-fifths of the blocks offered for sale are purchased by persons who do not intend to build homes but hope to resell at a profit. Who is to be condemned—the subdivider or the person who purchases from him? I realize that there is much distorted advertising. Pictorial advertising is expensive and only persons who operate in a fairly big way can afford it. Various persons have been referred to, many being known in my electorate, and although they are not my supporters I shall not mention names in the House.

Reference has been made to a building firm which advertised houses of 16½ squares, and it was stated that when patios, car-ports and other features were excluded the size was only about 12 squares. When building restrictions were in force, and permits were issued, the area for a garage and areas for other purposes were included in the total area of the house when the question of squareage was being determined. If the matter was put to a court, it would probably agree that a garage or a patio was not included in the squareage of a house. That was the basis upon which the building industry operated during the period of restrictions.

I was interested to hear a member of the Opposition say he agreed that Sunday selling should be prohibited. In my opinion, this practice has

contributed largely to the state of affairs that this amending legislation seeks to cure. Much Sunday selling is done by persons who have other jobs during the week. They obtain sub-agents' licences, which enable them to operate on Sundays, and they have no loyalty to the agents for whom they work. The agent is responsible for the business dealings, but they are not. These persons are not paid a retainer or a motor car allowance, but receive a proportion of the commission on sales. If Sunday selling were stopped, a big step would be taken towards eliminating misrepresentation by salesmen.

Mr. CRICK.—Does this Bill deal with them?

Mr. WILTSHIRE.—I do not think the measure deals with the question of Sunday sales. In many cases, agents do not know about untrue verbal statements made by salesmen until a long time after the event. The full-time land salesman who makes his living out of real estate realizes that if he distorts the facts he only undermines himself and his employers. He will make fewer sales if he is not completely truthful, so he keeps to the facts. Under the Estate Agents Act, a person employed for a number of years as a real estate salesman, if only for one day a week, becomes eligible for a real estate agent's licence, and many persons undertake Sunday work with this end in view.

Mr. FENNESSY.—You ought to suggest to the Government that it bring down amending legislation to deal with this matter.

Mr. WILTSHIRE.—A Bill may be introduced for that purpose, and the sooner that is done the better.

The DEPUTY SPEAKER (Mr. Christie).—Order! The honorable member is straying from the Bill.

Mr. WILTSHIRE.—I realize that, Mr. Deputy Speaker. I have been provoked by the Opposition. What I mainly want to say is that the Bill that has been presented to the House is one which the Real Estate and Stock Institute of Victoria and every real estate agent who is dealing legitimately with the public will commend. In the

long run, this measure will clean up the profession, and the reflection now being cast upon the legitimate agent by the few shady crooks in the real estate business will disappear.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2 (Offences in relation to the sale of land).

Mr. LOVEGROVE (Fitzroy).—I wish to ask the Minister of Education, who is now at the table, whether the Government will consider referring this measure, after it is passed, to the Statute Law Revision Committee.

Mr. BLOOMFIELD (Minister of Education).—Through you, Mr. Acting Chairman, I request the honorable member for Fitzroy to allow the reply to his inquiry to be made at the third-reading stage. I have not discussed that aspect with the Minister in charge of the Bill, who will be in the House in a moment or two.

Mr. MUTTON (Coburg).—I submit that many undesirable persons who sell land have access to municipal records, from which they ascertain where vacant blocks of land are located. They then send circular letters to the owners of those blocks stating that they have buyers waiting to purchase them. I hope that, if this measure is referred to the Statute Law Revision Committee for consideration, that aspect will be taken into account. I know what I am talking about in this regard, because I have a vacant allotment and I am continually being pestered by certain agents who want to know whether my land is available for sale. I understood that this legislation was designed to deal with such unscrupulous people. I suppose the honorable member for Mulgrave, who participated in the second-reading debate on this Bill, is well aware of what happens in municipal offices. The persons to whom I have referred have access to shire secretaries and town clerks, and from them they ascertain the names and addresses of owners of vacant allotments. That is not right. I trust that the Chief

Secretary will take steps to ensure that that state of affairs is not allowed to continue. The practice is wrong, and it should be stopped.

Mr. WILTSHIRE (Mulgrave).—In answer to the honorable member for Coburg, who said he has a vacant block of land and that estate agents approach him stating that they have a purchaser who is willing to buy it, I wish to say that that is the normal type of business procedure, to which the honorable member should not object.

Mr. MUTTON.—It should be stopped.

Mr. WILTSHIRE.—If a prospective purchaser says to an agent, "I want to buy land in First-street," and the agent discovers that block 99 is vacant, he has every right to say to the owner, "Do you want to sell your land?"

Mr. MUTTON.—How does he ascertain where the owner lives, unless he obtains the information from a municipal officer?

Mr. WILTSHIRE.—The person making the inquiry goes to the municipal office and, under the Local Government Act, the municipality is compelled to furnish the inquirer with the information.

Mr. MUTTON.—The municipality should not be compelled to give it.

Mr. WILTSHIRE.—If the municipality were a little hesitant about giving the desired details, the inquirer could, with a little diligence, discover what he wanted to know from the rate roll. I can see nothing wrong with the procedure. If a person owns land that is not for sale and someone asks him whether he wants to sell it, he fixes a price equivalent to twice the value that he places upon the land, and if someone is willing to buy at that price, I say good luck to him. But, from the point of view of a prospective purchaser who wants to buy in a particular area, I do not think there should be any objection to the making of an approach to the owner of a vacant block of land.

Mr. RYLAH (Chief Secretary).—I do not propose to reply in detail to-night to some of the accusations that were made by the Deputy Leader of

the Opposition in the course of the second-reading debate, but I shall attempt to make one or two points. At the second-reading stage, I deliberately refrained from naming the proprietors of the Clayton Timber and Trading Company because, as I explained, this matter had been brought to my attention by the Estate Agents Committee and, subsequently, the advertisement was withdrawn. In reply to the allegation by the Deputy Leader of the Opposition that the distance of the estate from the Chadstone shopping centre shown in the advertisement would have been right if it had been shown as the distance as the crow flies—

Mr. LOVEGROVE.—I did not say that.

Mr. RYLAH.—It would have been quite wrong. The publicity people who are responsible for the advertisement wrote to me admitting it was wrong. At the same time, they took some objection to the complaint about the skyline of Melbourne being shown in the advertisement and pointed out that at some point quite near to the estate it is possible to see the skyline of Melbourne. I think there might be some merit in the suggestion put forward by the Deputy Leader of the Opposition that consideration should be given to the question of insisting on scale size advertisements and, if there is a gap in the scale, to show the background. There would be considerable drafting difficulties in preparing a provision of that sort, and what is needed at the moment is to reinforce section 4 of the Sale of Allotments of Land Act so that it can be used, in conjunction with section 57 of the Police Offences Act, to attack some of the problems.

I agree with the suggestion of the Deputy Leader of the Opposition that the Statute Law Revision Committee should review this problem, provided that the legislation is passed quickly. I do not want it to be delayed, and I do not think the honorable member does, either. I have one case under investigation at the moment in which the sale of an allotment of land and the matter I referred to under the Business Names (Public Borrowings) Bill are correlated. This is a bad one.

Mr. LOVEGROVE.—Is that the case you mentioned previously?

Mr. RYLAH.—I did not mention it in detail. When I was explaining the Business Names (Public Borrowings) Bill, I stated that the Acceptance Investment Company was involved in the raising of money under a firm's name and that the previous legislation was designed to meet that case, but this has now gone further and extended into the sale of land, too. When Inspector Garvie's investigations are complete, I hope this matter can be placed before the Statute Law Revision Committee, which will perhaps make some recommendations for the bringing forward of further legislation.

I wish to make the Government's position in this matter quite clear. We are faced with this sort of thing almost daily, and since we have been in office we have taken a number of steps to meet the situation. We have been accused by the Deputy Leader of the Opposition of perhaps being slow in doing so. However, I can assure him that so far as Australia is concerned we are ahead of the field, and most of the other States are following our lead. Nevertheless, I say quite freely that if the Statute Law Revision Committee can make any further recommendations, we shall be only too happy to consider them. Therefore, I thank the Deputy Leader of the Opposition for his suggestion that the over-all problem should be placed before the committee, and I shall see that it is done as soon as the necessary information can be collected. In the meantime, I hope the Bill will be passed through all stages without delay.

Mr. LOVEGROVE (Fitzroy).—I thank the Chief Secretary for his indulgence, and wish to make one explanation. What he said concerning the letter received by him from the Clayton Timber and Trading Company is true. An error is admitted in regard to the distance of this estate from the Chadstone shopping centre. What I said was that I was aware of cases within my own experience where, for instance, payment was required to be made to employees for travelling a certain distance, and it was argued that,

as the crow flies, the employee did not travel the required distance, although in fact by road the distance travelled was in excess of the requirement. The point I make in connexion with the advertisement referred to is that on this past experience and also on experience in connexion with licensing law it could well be that, if action was taken under existing statutes, fruitful results would accrue.

Mr. WILTSHIRE.—How far is the estate from the Monash University?

Mr. LOVEGROVE.—I do not know.

Mr. WILTSHIRE.—It is further away than the advertisement states.

Mr. LOVEGROVE.—That is admitted. The Chief Secretary quoted the letter. I spoke to the principal of the Clayton Timber and Trading Company and I shall not repeat in this Chamber everything he told me. However, he did say—I think his view is shared by the honorable member for Mulgrave—that any action the Government could take to place advertising on a better and equal basis would be appreciated by him and no doubt by many other people who are in the same line of business. The Opposition thanks the Chief Secretary for his indulgence. It will not oppose the Bill.

The clause was agreed to.

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

UNIVERSITY COLLEGES LANDS BILL.

Mr. BLOOMFIELD (Minister of Education).—I move—

That this Bill be now read a second time. The Bill, as its title implies, relates to the lands occupied by Queen's College, Ormond College and Newman College respectively at the University of Melbourne. As honorable members know, there are four men's residential colleges which are affiliated with the University of Melbourne. They are the three colleges mentioned in the title to this Bill, and Trinity College. Trinity College land was the subject of a Crown grant made on the 13th November,

1871, to trustees of the Church of England. Since that time that land has been the subject of two Acts, one in 1927 and one in 1957, for purposes analogous to those contained in the present Bill. The title and legislative history of Trinity College are therefore separate from those of the other colleges and outside the scope of this Bill. In the case of each of the other three affiliated colleges, Queen's, Ormond and Newman, the title position is similar, and similar doubts and difficulties have arisen in each case. For that reason they are dealt with jointly in this Bill, which aims at resolving the doubts which have arisen.

The Bill results from representations made to the Government by a sub-committee representing each of the three colleges, consisting of Professor David Derham, for Ormond College; J. X. O'Driscoll, Esq., Q.C., for Newman College; and C. W. Webster, Esq., for Queen's College. As far back as 1853 the Government decided to grant 25 acres and to reserve a further 75 acres "for ultimate educational use in subordination to the University." It was out of these 75 acres that the land for all four colleges was subsequently to be allocated. In December, 1861, an Order in Council was made approving a subdivisional plan showing four equal areas as allocated to the Church of England, the Roman Catholic Church, the Wesleyan Methodist Church and the Presbyterian Church respectively near the university. As has already been said, the Church of England area was granted to trustees in 1871, but no other grants were made at that time.

In 1870 the Parliament of Victoria passed an Act which was reserved for the Royal Assent, and that Royal Assent was proclaimed on the 6th January, 1871. That Act is entitled "An Act to Provide for the Abolition of State Aid to Religion." Prior to that time the constitution of Victoria, as originally in force, made special provision for State assistance to religion out of public funds according to the relative proportion of the members of each denomination in the colony. The

provision for this assistance was repealed by the Act assented to in 1871, which is now generally known by the name of the "Act No. 391."

In view of the cessation of State aid, the Act made provision for the issue to trustees on behalf of the several denominations of certificates of title to all lands which, at the time of the passing of the Act, had been granted by the Crown without receiving any purchase money, or promised or reserved by the Crown or by the Governor, either permanently or temporarily, for church purposes or church and school purposes or dwelling-houses for the ministers of any denomination. In the course of time, certificates of title under that Act were issued on the respective dates recited in the Bill to trustees for the Methodist Church, the Presbyterian Church and the Roman Catholic Church for the lands which had been respectively set apart for them at the University of Melbourne. Prior to the issue of the title to the Newman College land, a Crown grant of the land had been made to trustees for the Roman Catholic Church in 1882, but this grant was subsequently surrendered and the certificate of title issued under the Act (No. 391) on the 10th September, 1900.

From that time until the present, the title position in respect of the lands of the three colleges has not altered except that, in place of the bodies of trustees which formerly represented the Presbyterian and the Roman Catholic churches, there have now been substituted as proprietors of the respective lands the Presbyterian Church of Victoria Trusts Corporation and the Roman Catholic Trusts Corporation for the Dioceses of Melbourne. The Methodist Church, however, is still represented by a body of trustees whose names appear in the preamble to the Bill.

Doubts have arisen as to the validity of the titles, as to the purposes for which the lands may be used, and as to the precise powers of the present proprietors. First, under the Act (No. 391) the issue of Crown grants was restricted to lands which had been reserved, &c., "for church purposes or

church and school purposes or dwelling-houses for ministers." It has long been doubted whether the purpose of an affiliated college at the university, even when established by a religious denomination and intended primarily for the education of young men of that denomination, came within the permissible purposes. In the case of *Queen's College v. The City of Melbourne*, reported in 1905 V.L.R., at page 247, considerable doubt was expressed whether the title issued in that case was within the ambit of the Act (No. 391) and consequently whether the title was validly issued.

Secondly, some of the old reservations of the lands in question and, in the case of Newman College, some of the provisions of the earlier grant since cancelled, were so worded as to imply restrictions on the user of the lands—for example, there were references to the use of the land for the education of young men of the religious belief in question. It has never been the practice of any of the colleges to refuse admission to students of another faith, but it has been felt by some of the trustees that in opening their doors to receive persons of all faiths the colleges may have committed technical breaches of trust in this regard.

Thirdly, all of the colleges have progressive proposals which will require the expenditure of large sums of money, and it is desired to ensure that the present trustees and trust corporations, whatever trust deeds may bind them in the carrying on of the colleges as such, will have the utmost freedom to mortgage, charge, sell or otherwise deal with the lands, with an assurance that the persons with whom they deal will not be affected by any trusts, restrictions or limitations. It is felt that without this assurance the trustees or trust corporations would not be in a favourable position to borrow the moneys or enter into the other transactions necessary for the betterment of the respective colleges.

The Bill deals with these specific matters in its several clauses and I shall shortly describe their effects. Clause 1 is the usual citation clause. Clause 2 overcomes the difficulties arising from

the terms of the Act (No. 391) by ensuring that the respective certificates of title will be deemed to have been validly issued, and at all times to have conferred a valid and effectual freehold title. All the old reservations of the lands and the abolishing of all restrictions, limitations or trusts which may have been supposed to arise from those reservations or from the terms of any former Crown grant are revoked by clause 3. It is provided in clause 4 that the trustees shall have the utmost freedom to sell or mortgage or otherwise deal with the land free of any trusts and restrictions.

Clause 5 ensures that, pending the sale or mortgage of or other dealing with any of the lands, and likewise in the application of the moneys arising from any such dealing, the lands shall be used and the colleges carried on in accordance with the appropriate Acts and trust deeds. In this regard, in particular, the Queen's College land is subject to the Methodist Church Acts and Methodist Model Deed thereunder.

The Bill has the approval of the several bodies concerned and of the Education Department and the Lands Department, and I commend it to the House.

On the motion of Mr. CAMPBELL TURNBULL (Brunswick West), the debate was adjourned until next day.

LADY NORTHCOTE EMIGRATION TRUST BILL.

The SPEAKER (Sir William McDonald).—I have examined this Bill, and I am of opinion that it is a private Bill.

Mr. RYLAH (Chief Secretary) (*By leave*).—I move—

That all the private Bill Standing Orders be dispensed with, and that this Bill be treated as a public Bill.

The motion was agreed to.

Mr. RYLAH (Chief Secretary).—I move—

That this Bill be now read a second time. This is a short Bill, introduced at the request of the English and Australian trustees of the Lady Northcote Emigration Trust to facilitate the work of the

Trust. Honorable members probably know something of the wonderful work being done by this trust, a short history of which is set out in the preamble of the Bill. Lady Northcote, who was the wife of a Governor-General of Australia, came to love Australia greatly, and believed that the orphan children of Great Britain could be given a much better chance of living a happy and successful life if they were reared in Australia and educated in a way which would fit them to be a part of the Australian community. Accordingly, by her will she established a trust of some £200,000 for the purpose of bringing orphans from Great Britain to Australia, and for rearing and educating them here.

The late Sir William Angliss, who was a great believer in the soundness of this scheme, in 1939 gave to trustees certain land near Bacchus Marsh, upon which has been established a farm and cottages for the children. These cottages have accommodation for about 100 children. Unfortunately, since the war, owing to changes in the law and practice relating to the custody of orphan children in Great Britain, there have been very few children available to take advantage of the scheme. To-day, there are only twenty children in residence at the cottages. Naturally the cost of running the homes for such a small number is very high, and the trustees have felt that they would have to close these homes unless a better and more economical use could be made of them.

There is a great need for suitable accommodation for Australian children who are orphans or who cannot be cared for by their parents. The trustees and the Victorian Government have come to an agreement which will permit the excess capacity of the homes to be used for the care and upbringing of Australian children. This eminently sensible arrangement will help to preserve the trust asset, will facilitate the execution of the trust, and will greatly assist the Victorian Government in overcoming the present crisis in relation to the care and protection of

children. The Government believes this arrangement is of the utmost importance and will be of inestimable benefit to Victorian children who are in need of care.

Honorable members will see from a perusal of the Bill that the purpose of the trust is not interfered with in any way but is rather aided by the extended powers given to the trustees. The Bill has the full support of the Australian trustees and the English trustees. They have indicated their consent to the new arrangements provided that adequate safeguards are made to ensure that any orphan children coming from England will be catered for. Naturally, the Government is prepared to give that undertaking to the Australian trustees. I understand that the legal advisers to the English trustees may wish to submit some suggestions for technical amendments to the Bill. We have received two rather contradictory cables, one suggesting that the English trustees desire some amendments, but the second indicating that they probably will not require them. I am having that uncertainty removed immediately. There may have been some minor misunderstanding of the provisions of the Bill.

The Government has given an undertaking that this measure will not be passed through another place until the whole matter has been cleared up. Since it is essential that the Bill should be passed this session, I have introduced it so that honorable members may have time to study its provisions rather than wait upon any suggested amendments from England. As soon as these are received—if they do come to hand—I will have them brought to the notice of either this House or another place. Both Houses will have the full position placed before them. The grounds for urgency are in the fact that the Government desires to place children from Turana in the institution at Bacchus Marsh. Both the superintendent at Turana and the departmental authorities concerned consider the situation extremely urgent.

Mr. CAMPBELL TURNBULL (Briswick West).—I move—

That the debate be now adjourned.
I am agreeable that it should be resumed to-morrow.

Sir HERBERT HYLAND (Gippsland South).—The handling of this Bill for our party rests with the honorable member for Rodney but I take it that the House will be told of any amendments that may be proposed as an outcome of representations by the English trustees. It is not unlikely that the Bill will have been sent on to another place meanwhile.

Mr. RYLAH.—This House will be required to agree to any amendments that may be presented.

Sir HERBERT HYLAND.—I take it that the Chief Secretary is anxious to place some children from Turana at the Lady Northcote Home.

Mr. RYLAH.—That is so, and that is why the Government desires the prompt passage of the Bill.

The motion for the adjournment of the debate was agreed to, and the debate was adjourned until next day.

THE CONSTITUTION ACT AMENDMENT (TREATING) BILL.

The debate (adjourned from November 8) on the motion of Mr. Rylah (Attorney-General) for the second reading of this Bill was resumed.

Mr. LOVEGROVE (Fitzroy).—The Opposition offers no objection to this Bill, which proposes the insertion after section 245 of the Constitution Act Amendment Act of a further provision. Section 245 reads—

Every person who gives or causes to be given to any elector during any election on account of such elector having voted or being about to vote any meat drink or entertainment by way of refreshment or any money or ticket to enable such elector to obtain refreshment shall be guilty of a misdemeanour; and shall also be incapable of voting at such election.

The Act, in that section and in a number of other provisions, deals properly with the prevention of the use of money to corrupt the elector; the Bill will protect the situation of persons who without any such intention and in the

ordinary course of common hospitality or current social intercourse, provide light refreshments. Clause 2 proposes a new section as follows—

245A. No candidate or other person shall be guilty of an offence against either of the last two preceding sections by reason of or in any manner arising out of the provision by any political party branch or committee or similar body of light refreshments by way of afternoon tea or supper following a public political meeting to any persons who have attended or are believed to have attended that meeting.

It has been indicated at the caucus of the Opposition that the word "refreshments" is qualified by the word "light." In view of this commendable protection of the position, the Opposition supports the measure.

Sir HERBERT HYLAND (Gippsland South).—A vote of thanks is due to the Minister of Public Works for the introduction of this Bill, because he drew my attention to this subject some time ago following his own experience. It is as well he did so—otherwise some of us might have "landed in the soup." The Law Department ruled that, if a candidate held a political meeting and the party committee decided to provide supper for those present, the provisions of the Act would be contravened, and that, if that particular candidate was elected, not only could he be disqualified but he could not stand again for the election following his disqualification. I have mentioned this subject on numerous occasions because I wanted all members to have protection in this regard. Anyone might make the mistake of taking those present at a meeting to supper.

Sir THOMAS MALTBY.—A person hostile to one could do it with malice aforethought.

Sir HERBERT HYLAND.—That is so. The Law Department pointed out that, provided a charge was made for the supper—the money could go to some local charity—the provisions of the Act could be avoided. However, I am glad the Government has seen fit to introduce this measure, which will have the effect of protecting all honorable members. We never know when someone who desires to be a "nark" will take some

action which will make a candidate guilty of an offence. An officer of the Law Department indicated that it would be assumed that the candidate knew of any arrangement, because he would be in the hall where refreshments were to be provided and would therefore be a party to it. This measure definitely clears up the position and will protect members from any person who may wish to be a "nark" and take certain action, such as was done in the case which concerned the Minister of Public Works. Members of the Country party support the Bill.

The motion was agreed to.

The Bill was read a second time, and passed through its remaining stages.

FRUIT AND VEGETABLES (ROAD BARRIERS) BILL.

The debate (adjourned from October 26) on the motion of Mr. K. H. Turnbull (Minister of Lands) for the second reading of this Bill was resumed.

Mr. STONEHAM (Leader of the Opposition).—The purpose of this Bill is to give power to the Minister of Agriculture to erect gates or booms on roadways in Victoria and to make more effective and safer the work of inspectors charged with the responsibility of preventing fruit-fly infection from entering Victoria in motor vehicles. An existing provision enables inspectors of the Department of Agriculture to stop approaching vehicles by a hand signal. Some months ago we learned with deep regret that an officer had lost his life carrying out such duties. It is agreed on all sides that the proposal for these road barriers or booms to obviate in future the necessity for officers to stand on the roadway provides them with the minimum safe working conditions to which they are entitled. All honorable members fully appreciate the importance to this State, and for that matter to the entire nation, of taking all the effective action within our power to combat the dreaded fruit fly. If it came to Victoria in epidemic proportions and on a more or less permanent basis, it would mean the virtual ruination of a great deal of our fruit trade and the loss would amount to millions of pounds

every year. Successive Governments have had to deal with this problem. When I was Minister of Agriculture in 1952, fruit fly was discovered in some private gardens in the metropolitan area. At that time the Government had to take drastic action, which was taken from the copy book, as it were, so far as measures necessary to combat fruit fly were concerned. Within a radius, first, of half a mile of the points where the fruit fly had been discovered, it meant the virtual destruction of all vegetable gardens and the stripping of all fruit trees in private gardens. I must say that the public co-operation with the Department of Agriculture at that time was a wonderful manifestation of the people's realization that all possible steps must be taken to combat fruit fly.

The additional powers which this Bill will give to inspectors is not a 100 per cent. guarantee against the entry of fruit fly from northern States, because, so far as I am aware, only two of the main check points are manned on a 24-hour-a-day basis. With the multiplicity of entry points from New South Wales, the remaining points of entry have to be covered by mobile teams which will at various periods make checks of the traffic coming through those routes. It is estimated that 90 per cent. of the whole interstate traffic between New South Wales and Victoria will be met by the existing staff arrangements together with the additional powers provided for in this Bill. The fact that there is a remaining 10 per cent., which could be intercepted at any time by the mobile teams, underlines the necessity for the intensification of the educational campaign in order to obtain the public's whole-hearted support not to attempt to bring into Victoria fruit from any other State.

In Queensland the infestation of fruit fly is of such proportions that the authorities have abandoned the concept which the Victorian Department of Agriculture still firmly adheres to, in combating fruit fly. To a certain extent the same applies to northern New South Wales. It is generally thought that the Government of New South Wales, by virtue of its alleged apathy towards this

problem, is partly to blame, for the fact that Victoria has to maintain constant vigilance against the entry of fruit fly. However, some months ago the States of New South Wales, Victoria, and South Australia proposed to the Commonwealth a scheme that would halt the sudden spread of fruit fly, not on the boundary of the River Murray but on a line extending roughly from Eden to Gundagai, from there to the Murrumbidgee river, across northern South Australia, and south to the Southern Ocean somewhere near the border of South Australia and Western Australia. That scheme necessitated Commonwealth participation, especially in the financing of it, but due to the refusal of the Commonwealth to come into the scheme it has not been proceeded with.

Mr. CHRISTIE.—Would you put up a fence?

Mr. STONEHAM.—I do not know why the honorable member should find it a matter for amusement. In view of the national interest involved, it would be reasonable to expect the Commonwealth to contribute to such a scheme, the Commonwealth to meet half the cost, the remainder being divided equally amongst the States. The fact remains that it is not the fault of the Government of New South Wales that the scheme is not in operation today. If it were, a much larger area than Victoria would be protected. I make those remarks because I have frequently heard ill-informed criticism of the authorities in New South Wales in relation to this particular problem.

The Commonwealth Scientific and Industrial Research Organization is attempting biological control of fruit fly in northern areas of New South Wales and Queensland by the liberation of parasites. If that form of control were effective, it would perhaps remove Victoria's problem, but so far, to the best of my knowledge, the control which was hoped for from that scheme has not been forthcoming. Various other ideas have been put forward for the eradication of fruit fly, but so far all have proved ineffective and, in these particular circumstances, it is essential, for the protection of the valuable

fruit industry of this State, that the Government of Victoria shall continue to maintain this very costly vigilance against the entry of fruit fly from other States. We give the Bill our blessing in the full knowledge that it does not guarantee 100 per cent. effective control, and we trust that the Government will continue to persevere most energetically, in co-operation with other States, in the request to the Commonwealth Government for the implementation of the scheme which I briefly outlined and which would largely increase the area of effective control of the fruit fly menace.

Mr. CHRISTIE (Ivanhoe).—I wish to make a few suggestions to the Ministry concerning this Bill. First, I suggest that, where there are road barriers, the Minister might give consideration to their location. It was recently reported to me that some people returning to Victoria from New South Wales, through Bairnsdale, were forced on the Melbourne side of Bairnsdale to part with some fruit they had bought in Bairnsdale. If that report is true, it seems a little odd that there should be a barrier to the importation of fruit as far into this State as five or six miles on the Melbourne side of Bairnsdale. Conversely, the road barriers are inadequate to prevent infected fruit from being brought into this State, because there is no barrier on the Snowy Mountains roads through Geehi and Khancoban. Further, there is no barrier on the new road through Yellowboy and down into the Corryong side of Khancoban creek. Again, so far as I know, there is no barrier at Jingellic on the Murray—the barriers are located only on the main highways. Furthermore, there is no effective search; there is only a question asked, "Have you any fruit?" The departmental officers rely upon the honesty of the person driving the motor car passing through. Anyone coming into Victoria by aeroplane could have a bagful of infected fruit without its being detected. All he has placed before him is a notice exhorting him to be honest and reminding him that he may have some fruit with him. I believe

a similar procedure is adopted on the Spirit of Progress and other trains coming from Albury. I am speaking only of the movement of people from New South Wales where, I believe, the menace is greatest. I should be interested to learn whether there is any barrier on the River Murray at places such as Tocumwal, Echuca, Barham, Koondrook, Swan Hill, Euston or Robinvale.

Mr. STONEHAM.—There is a 24-hour a day inspection at Euston and at Wodonga.

Mr. CHRISTIE.—It would appear that the barriers now in operation are only about 40 per cent. effective. If we are spending money at the rate of £80,000 annually on the policing of barriers that are only 40 per cent. effective, it would be infinitely better to spend £150,000 annually with the object of making the policing 100 per cent. effective. In other words, the job should either be done properly or left alone. At the present time, there are too many loopholes in the barrier check. I recently suggested to the Minister of Agriculture that his Department should look into these loopholes, which constitute part of the misgivings I have, with the object of determining whether it is possible for the State to have the benefit of 100 per cent. protection which, in point of fact, the fruit-growing industry of this State really deserves.

Mr. BARCLAY (Mildura).—I support the Bill, which I regard as a step in the right direction. I am certain that the Country party is particularly keen to have the measure implemented. The dried-fruit and stone-fruit industries are worth over £12,000,000 annually to the State of Victoria. Moreover, they provide a tremendous amount of work for fruit pickers and for those who are employed in packing sheds, in the railways, in ships and elsewhere. One aspect that has not been mentioned in the course of the debate is the provision of proper accommodation for the men who look after the road barriers. I have often seen them on the roads around Yatpool, near the Abbotsford bridge, and on the Mildura bridge, with a water bag hanging on a fence and no protection from the weather. I have already

mentioned this matter to the Minister of Agriculture. On the South Australian side of the border, proper accommodation is provided for departmental officers, and a policeman is in attendance all the time. Moreover, a telephone is provided so that if anyone tries to break through the barrier he may be intercepted farther along the road. Most of the outbreaks of fruit fly around Mildura have been brought about by travellers from interstate bringing infected fruit into the district and throwing it away when it had gone bad. Last year there was an outbreak of fruit fly at Dareton, in New South Wales, and, as a result, the export of citrus fruits from the Mildura district to New Zealand was banned. This could have serious repercussions, because the embargo could be extended to dried fruits from the Mildura district and to stone fruits from the Shepparton district. I have much pleasure in supporting the measure.

Mr. MITCHELL (Benambra).—As my colleague, the honorable member for Mildura, has just stated, the Country party supports this measure because fruit fly is regarded as the world's worst pest. In some respects, the word "fruit" is misleading because the pest attacks vegetables as well as fruit, and, if it were to get a real grip in this State as it has done to the north of us, not only would the people's fruit trees be destroyed but all of their vegetable gardens would have to be compulsorily eradicated as well. This measure is like so much of the Bolte Government's legislation—a hollow, face-saving sham. It does not go far enough. It is an attempt at window dressing and a continuation of the process of hoodwinking the public in which the Bolte Government has been indulging throughout its term of sheer lucky occupancy of the Treasury bench.

Sir THOMAS MALTBY.—The people of Ballaarat North did not think so.

Mr. MITCHELL.—I do not think that aspect has anything to do with the Bill, and I thought the Minister of Public Works was sufficiently conversant with

the rules of the House to know that. But, as a typical sham, all that the Government party could produce at Ballaarat North was a wicked lie that the Country party had an arrangement with Labour.

The DEPUTY SPEAKER (Mr. Christie).—Order? The honorable member will address the Chair on the Bill.

Mr. MITCHELL.—I was speaking to the Bill, Sir. It is because of this shoddy, cheap, *ersatz* legislation that the Premier has had to drag in falsehoods and red herrings, as he did at Ballaarat North. The Country party rigorously condemns the whole tissue and farrago of untruths by which the Bolte Government deludes the people of this State, and our party wishes, as usual, to be constructive. I, like the Leader of the Opposition, am not happy on the question of zones that the Chief Secretary raised when I castigated him over the matter of searching for fruit fly on the Albury railway station platforms. The honorable gentleman then told me there was a question of zones further back in the States. We should like to know exactly what has been done in that regard because, if anything has been done, we perhaps do not need this legislation; it may be even more redundant than we think it is. The Government should have clarified that position, because it is now some six months or so since the matter was raised with the Chief Secretary, and the people of Victoria are entitled to some information.

The next point is the patrolling of weirs and waters. It is all very well to say that wonderful things have been achieved and that booms are to be erected on roads, but at the moment there is nothing to stop anyone in a launch from running a contraband service of fruit-fly infected fruit across the Hume weir or the Yarrawonga weir. If the Government is going to have booms in the roads, it should also have boats on the waters. There was a time when we could have revived the Victorian Navy, long since deceased. All

we see of the Navy these days is some heroic action on the seas of Port Phillip in the first week of November.

From what I know of fruit-fly habits, I do not imagine the flies would mind flying across rivers. There is also the question of the paddle steamers which carry a certain amount of freight and also tourists and other passengers along rivers. I am not aware of any precautions being taken to prevent people from disembarking at a Victorian river port with fruit that they have bought at a New South Wales port. The fruit fly is the world's worst pest, and this matter should be thoroughly investigated. It is no good erecting booms across roads and forgetting about river boats. In regard to the Spirit of Progress, all that happens is that, quite illegally, Victorian fruit-fly inspectors ask people on the platform at Albury whether by any chance they have any fruit with them. No serious inspection is undertaken on the train. In this instance the wretched motorist suffers.

As the honorable member for Ivanhoe mentioned, a number of bridges are not patrolled. There is no inspection on the bridges at Indi, Bringenbrong, Towong, Tintaldra, and Jingellic. Inspection on the Bethanga bridge is only spasmodic, as is the case with the bridge underneath the Hume weir. The money that is to be spent on a number of these barriers would be better spent in providing additional inspection at those other points.

Both this House and the people of Victoria would like to know exactly what the proposals will cost. The honorable member for Mildura raised the question of accommodation. It is all right on the Lincoln Causeway between Albury and Wodonga, where the inspectors have a house, telephone and inspection shed. However, at other places where the inspection is only spasmodic the inspector has to shelter in his car or under a tree. The inspectors should be given proper accommodation. As far as it goes, this Bill is supported by the Country party.

The motion was agreed to.

The Bill was read a second time, and passed through its remaining stages.

Mr. Mitchell.

TRANSPORT REGULATION (QUALIFICATIONS OF CHAIRMAN) BILL.

The debate (adjourned from October 25) on the motion of Mr. Fraser (Minister of Forests) for the second reading of this Bill was resumed.

Mr. STONEHAM (Leader of the Opposition).—This is a Bill which gives the Government power to appoint as chairman of the Transport Regulation Board a Departmental officer. At present sub-section (2) of section 5 of the principal Act provides, *inter alia*—

No person shall be capable of being appointed or continuing as a member of the Board who—

- (a) is an officer or employee in any Government Department;
- (b) is a member or an officer or employee of any body of persons acting for or on behalf of the Crown.

There are also certain other persons who cannot be appointed. It will be noted that there is a specific prohibition of appointing any member of the Public Service—using the term in its widest sense—to membership of the Transport Regulation Board. The desire of the Government is being achieved by inserting in the sub-section I cited the words, “other than the chairman” so that the provision will then read—

No person shall be capable of being appointed or continuing as a member of the Board other than the chairman who—

In view of the approaching retirement of Mr. Mountjoy as chairman of the Board, it would appear that the Government has in view someone in the service of the Board for appointment to this very onerous and responsible position. I am sure anyone who has had experience of the very efficient operation of the Transport Regulation Board—despite what criticism we may make of the transport services in certain respects in Victoria—will concede that the administration of the Board has been conducted very efficiently. The present secretary, Mr. E. V. Field, has been a member of the administrative staff of the Board since its inception. Gentlemen of his type have contributed very

largely to establishing the reputation for efficiency that the Board enjoys to-day.

It reflects creditably on Mr. Mountjoy's management that the Government is going to see fit to appoint someone from within the Board to that very high office. The Opposition considers the proposal to be eminently sensible. I should like to take this opportunity of paying a brief tribute to the work of Mr. Mountjoy, who has been very closely associated with transport administration in this State over the past 30 years. Mr. Mountjoy was secretary of the original inquiry board in the early 1930's as a result of whose report the original Transport Regulation Act was introduced into this Parliament by the now Right Honorable R. G. Menzies, Prime Minister of the Commonwealth. At that time Mr. Menzies was Victorian Minister of Transport. Mr. Mountjoy became the first secretary of the Board when it was established in 1934. Much of the responsibility of setting up the machinery that has functioned so effectively since then was that of Mr. Mountjoy. During the second world war for a short period Mr. Mountjoy was secretary of the State Liquid Fuel Control Board, after which he was seconded to the Commonwealth Service as Commonwealth Director of War Road Transport. He remained there until 1946, when he was appointed chairman of the Victorian Transport Regulation Board. Mr. Mountjoy has had a most difficult task to discharge over the years, and he has performed it with great credit to himself. His integrity has always been of the highest order and his ability outstanding. He has definitely established a most laudable standard of public service. It is fitting that some reference should be made at this stage to the yeoman service he has rendered to the State.

Sir HERBERT HYLAND (Gippsland South).—I should like to know what is behind this proposed legislation, if there is anything. When does the term of office of members of the Transport Regulation Board expire? We realize that that time must be close. I believe, with the Leader of the Opposition, that

the Board is doing an excellent job, sometimes under most difficult circumstances. Often there is something in Bills such as this that we do not altogether understand. I do not know whether any move is being made to make way for someone to be appointed to the Board. I should like to know when Mr. Mountjoy, Mr. Binger and Mr. Garlick are due to retire.

Mr. FRASER.—In April next.

Sir HERBERT HYLAND.—I know that their time was extended, on the last occasion, for three years. Does this Bill mean that the ground is being cleared for someone to be appointed to the Board when they retire? The House should be provided with full information on this question. We believe that road transport should definitely go on. At times in the past, the Board has been at variance with the Minister. I was Minister of Transport for a record period and, in the early stages of the Board's history, we amended the Act so that Cabinet could do whatever the Board could do. The first chairman of the Board, Mr. P. D. Phillips, now Queen's Counsel, who was a real expert in transport matters, was endeavouring to get rid of road transport. The Government of which I was a member made certain changes—it did not reappoint Mr. Phillips, and the present Minister of Forests became the new chairman. He carried on in that capacity for many years but, when his term of appointment expired, the Labour party Government did not reappoint him, and the present members of the Board were appointed to office. Because of the splendid work they have performed, successive Governments of varying political affiliations have reappointed them to office. In April of next year, the terms of appointment of the existing members of the Board will expire. I can only assume that they will not be reappointed to office although I would not object if an extension of time was granted to them. This principle has been adopted in connexion with the members of the Country Roads Board and a former Director of Finance.

When Bills of this type are brought forward, the Government should inform the House what is behind them. When

the House is not furnished with the facts, honorable members are inclined to be suspicious. The Government should say now whether it intends to reappoint Messrs. Mountjoy, Binger and Garlick to the Transport Regulation Board in April of next year, or whether this Bill was introduced with a view to appointing other persons to the vacant positions. If the services of the three gentlemen to whom I refer are to terminate in April, early action will have to be taken to obtain suitable replacements for them. The Christmas and New Year holiday period is near and, if it is intended to appoint new persons to the Board, they will require time in which to give notice to their respective firms or Departments so that suitable personnel can be trained to take over their positions. No doubt, the Government has informed the members of the Board what is proposed, but Parliament, which is supreme, should be furnished with the facts. If this information is not supplied, we have every right to be suspicious concerning the motive behind this Bill.

The Minister of Forests is well versed in the activities of the Transport Regulation Board. When he was in charge of the Board during the difficult war period, he did an outstanding job. As I have stated previously in this House, the honorable gentleman successfully carried out the work associated with petrol rationing, for which he refused to accept any remuneration from the Commonwealth Government. Furthermore, he undertook the task of looking after the issue of permits for vehicles and, although the officers holding this position in other States were paid for their work, the Minister of Forests, as chairman of the Board, refused to accept payment. As honorable members know, the honorable gentleman was badly wounded in the first world war and he said, "Seeing that I cannot go to the second world war, I am doing this work as my war effort." I ask the Minister of Forests to explain what is behind the Bill.

Mr. FRASER (Minister of Forests) (*By leave*).—In reply to the honorable member for Gippsland South, I explain that the present Transport Regulation

Board members will retire on the 30th April of next year. The present chairman has indicated that he is not seeking a further term of office, which makes it necessary for the Government to consider the question of appointing to the Board a person with suitable qualifications. Having regard to the excellent service given in his capacity as secretary, Mr. Field has been approached on this matter. Mr. Field indicated that if he was to be an applicant for the position of chairman, it would be necessary to take action to ensure that his rights in the Public Service were preserved in the event of his application being successful. There is no indication yet who will be the successful applicant for the chairman's position, and the Government has not yet discussed the matter of the constitution of the Board. It could be said that the Minister of Transport has already indicated in a public statement that Mr. Field may be appointed as the next chairman of the Board and, if I were to gamble on it at this stage, I would select him as the likely appointee. However, the matter has not yet been seriously considered. The Government has introduced this Bill so that, should Mr. Field be appointed to the Board, he will not lose his Public Service rights, nor would any other Public Servant who might be appointed to the Board at any future date.

The motion was agreed to.

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

ADJOURNMENT.

CONCILIATION AND ARBITRATION COMMISSION: GOVERNMENT INTERVENTION—LANDS DEPARTMENT: PRESS STATEMENT—BUSINESS OF THE HOUSE: DAYS AND HOURS OF MEETING.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

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

The motion was agreed to.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

That the House do now adjourn.

Mr. LOVEGROVE (Fitzroy).—I desire to raise a question as to the propriety or otherwise of the Government intervening in cases before the Conciliation and Arbitration Commission. I ask the Premier whether in fact the Government has intervened for the second time this year in a case now before the Commission concerning applications by the Australian Council of Trade Unions and unions.

Mr. MITCHELL (Benambra).—I direct the attention of the Government to a statement that appeared in the *Federal Standard* of Chiltern and ask the Minister of Lands are the facts as stated correct, and, if so, will he take the proper remedial action? The article is headed "Miserable Lands Department" and reads—

The attention of the Victorian Wheat and Wool Growers' Association and kindred bodies is drawn to the present-day parsimonious attitude of the Lands Department.

We refer to the necessity of lands inspectors to have to come cap in hand to country newspapers for free advertisement notifying landholders of inoculation dates and times in connexion with the suppression of the rabbit menace.

In view of the statements that the reduction of rabbits in the country has saved Australia millions of pounds, it is difficult to understand why it is that the Lands Department is restricting its officers to such an inadequate budget.

Realizing the national effort involved, we never hesitate to assist the lands inspectors, and feel sorry for them when they come along, as one officer says, "on the bot."

The Government is pretty parsimonious when it comes to giving financial assistance for the country, but I cannot imagine it is so parsimonious as to force land inspectors to go around, as the newspaper article said, "on the bot," and I ask the Minister of Lands to examine the matter and rectify it if necessary.

Mr. RYLAH (Chief Secretary).—With regard to the matter raised by the honorable member for Benambra, I refute the allegation that the Government is parsimonious about matters in the country and refer the honorable member to what the electors of Ballaarat

North thought about that question last Saturday. In fact, this Government has been extremely generous to people in the country and is constantly under criticism from its supporters in the metropolitan area because it is looking after the country too well. I will have the matter raised by the honorable member examined by the Minister of Lands.

I am not sure to which particular case the Deputy Leader of the Opposition is referring. The usual practice is for this Government not to intervene in hearings before the Commonwealth Conciliation and Arbitration Commission but to make available to the Commission any information that will assist it in its deliberations. If the honorable member will give me some guidance as to the particular matter he raised, I will have it further examined.

Mr. FLOYD (Williamstown).—I should like to raise a question of hours of sittings. Having regard to the excellent way in which the business of the House has been conducted this sessional period, particularly in regard to hours of sitting, I was wondering whether it would be possible for the Government, in the concluding stages of the sessional period, to let individual members know when the sessional period is likely to finish and the hours we are likely to sit. The other day we did not all know that the Lord Mayor of Melbourne was giving a dinner and that this House was altering its arrangements accordingly. On the 24th of this month the Mayor of Williamstown will be giving a dinner, and I am wondering whether the business of this House will be disrupted on that occasion and on occasions when other mayors of municipalities give dinners. I ask the Government to let ordinary members know what will happen in the future because we have various functions to attend and occasionally we have visitors for dinner at the House. Recently some members were "left out in the cold" because the Lord Mayor of Melbourne decided to give a dinner. In view of the fact that the House has been working smoothly, why should we

not reach the stage of perfection and be told what will happen between now and Christmas?

Sir THOMAS MALTBY (Minister of Public Works).—I was about to give that information. I thank all honorable members for the co-operation they are affording me, and each other, in the orderly conduct of the business of the House. For this week, and indeed until the end of the sessional period, the House will rise at approximately 11 p.m. I invite honorable members to so arrange their engagements next week as to make provision for a possible sitting on Wednesday at 2 p.m. It may be necessary to sit on one or two Thursdays, depending on the state of the Notice Paper. The objective is to finish on 30th November. With the co-operation of honorable members generally we can avoid all the unpleasantries that usually occur at the end of a sessional period, and I believe we are doing our work far better in this manner than by wearying ourselves by sitting late.

The motion was agreed to.

The House adjourned at 11.5 p.m.

LEGISLATIVE COUNCIL.

Wednesday, November 16, 1960.

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

THE CONSTITUTION ACT AMENDMENT (TREATING) BILL.

This Bill was received from the Assembly and, on the motion of **Sir ARTHUR WARNER** (Minister of Transport), was read a first time.

COMMERCIAL GOODS VEHICLES (AMENDMENT) BILL (No. 1).

The debate (adjourned from November 9) on the motion of the Hon. P. V. Feltham (Northern Province) for the second reading of this Bill was resumed.

The Hon. D. J. WALTERS (Northern Province).—This Bill is one of the smallest that has ever come before the Council. It really seeks to alter only one word in the principal Act, although in two places. However, it is a Bill which, if passed, will possibly have very far-reaching consequences. Although the Minister in charge of the House knows full well that, even if the measure were passed by this House, it would not succeed in getting through another place, nevertheless he made a speech that was completely out of character.

I have had the privilege of serving in this House for nearly fifteen years with the Minister of Transport and I, with the other members of my party, have always admired and respected him for his factual speaking. We have admired the way in which he can take attacks and defend himself, and the way in which he has shown that he can hold his temper when sometimes I would not have blamed him if he had lost it. But in the debate on this measure it was a pity to see the Minister becoming heated and making very emphatic, dogmatic and exaggerated statements, accusing another political party of dishonesty and political propaganda. I have before me the issues of *Hansard* for the current sessional period, and I propose to quote from page 778. It is there recorded that, while the Minister of Transport was speaking, Mr. Feltham, the initiator of this Bill interjected, "You seem to be very heated," and the Minister replied—

I am heated because I realize that the propaganda behind this is—I was going to say dishonest—verging on it.

that remark is very close to offending against the Standing Orders as you, Mr. President, are fully aware. It is not very nice for a Minister of the standing of Sir Arthur Warner to accuse a political party of dishonesty, and to say, in effect, that this Bill has been brought down purely for the purpose of political propaganda. Our party has a committee of transport, as has the Liberal party, and it has had such a committee for a considerable time. It is the duty of its members to consider all matters

coming before Parliament regarding transport and to endeavour, if possible, to bring before the party and ultimately before Parliament anything that in their opinion will improve the transport of the State.

Although this Bill was brought forward just before a State by-election, it was introduced, not because of that by-election, but because of steps that had been taken by the transport committee of our party. It is entirely wrong that the Country party should be accused in such a way, when its whole aim and purpose is to do the best possible for country people and the State as a whole. I emphatically refute any idea that this Bill has been brought forward for political propaganda purposes. The Minister of Transport, or his party, or its public relations officer, makes full use of his own speech as political propaganda. I am very sorry that a matter of such far-reaching importance as the transport policy of the State should have been brought down to the level of purely party politics.

Sir ARTHUR WARNER.—That is what we think you did.

The Hon. D. J. WALTERS.—I know the Minister thought so; I quite agree that he did. But I assure him that we did not.

Sir ARTHUR WARNER.—How did your party propose to get over the obvious loss of £5,000,000? Why did you not offer a contribution as to what might be done about that?

The Hon. D. J. WALTERS.—I listened with a good deal of pleasure to the very long speech of the Minister of Transport, although it was not expressed in our favour. I propose now to make a speech in rebuttal even though it should be as long as that of the Minister, and I refuse to be drawn by any red-herring. This amending measure, although so small, affects the whole transport policy of the State and is in line with modern thinking not only in Victoria and Australia but also throughout the world regarding the tremendous problems facing railways in competition with road transport.

The introduction of the Bill and the heated manner displayed by the Minister of Transport proved conclusively, in my opinion, his fear of the proposal being brought into Parliament. To draw upon recent words of the British Prime Minister, Mr. Macmillan, the winds of change are blowing through the whole transport system. I propose to read from reports of the Transport Regulation Board, giving one or two of its comments to prove our contention that this matter is a burning one, and one that must be solved within a few years, one way or another. In the report of the Board, issued only this week, and covering the year ended, 30th June, 1960, this statement is made, in paragraph 13—

The Board, for its part, adheres to the broad conclusions reached in its previous survey as recorded in Appendix VIII hereto, particularly the end point reached in paragraph 50 thereof.

That reference is to its previous report—for 1959. I propose to read certain statements of the 1959 report of the Transport Regulation Board, the body which is entrusted by the Government with the duty of regulating the transport of Victoria. Paragraph 2 reads—

In Victoria, therefore, this Board is still constantly arbitrating between the extreme arguments presented by the railway representative, based on the contention that all traffic which rail can conceivably carry should be conserved to the railway as a matter of community interest, and the alternative arguments advanced by road interests and by transport users for freedom of choice between the two land transport systems.

The word “extreme” is rather strong, coming as it does from one Government body and being directed to another.

Sir ARTHUR WARNER.—The “extreme” applied to both of those parties.

The Hon. D. J. WALTERS.—I repeat the words—

the extreme arguments presented by the railway representative,

That reference has nothing to do with the road transport people. It is very clear, and there can be no argument about it. Paragraph 31 states, *inter alia*—

Our concept always has been that regulation sought a controlled evolution rather than to impose arbitrary restrictions of a permanent nature.

I do not want it to be said that I am presenting statements out of context. If I am queried by any member, he may read the whole of the text as set out in paragraph 31.

Paragraph 39 states—

As already recorded, the Railways Commissioners, through their representative, are constantly advocating more restrictive policies generally as affecting road transport of goods; this applies not only to new applications, but to objections pressed against road operations authorized either by licence or by permit in earlier times. The case made in objection in this way is frequently based, at least inferentially, on the fact of the railway deficit and, in any event, on the increased efficiencies in railway service gained by modernisation and technical improvements generally, which have been obtained by new public capital investment of considerable proportions.

I do not propose to read the whole of this section of the report, but I shall give more details if any member wishes me to do so. Paragraph 41 states, *inter alia*—

There must, nevertheless, be a preparedness to acknowledge that the inherent advantages of road transport become so demonstrable for particular purposes that there is a net gain to the community . . . by taking advantage of the efficiencies and economies of the road transport alternative in such circumstances.

Professor Sir Douglas Copland, in 1930, said this—

Motor services should be permitted for the carriage of specified goods and passengers in competition with or supplementary to present railway services provided—

This is a most important point, which goes to the root of the argument—

that net economic benefit to the community accrues from such services.

In bringing in this Bill, Mr. Feltham made it clear that the Country party was not asking that there should be complete freedom of the road. All we ask is that road transport should be considered.

Sir ARTHUR WARNER.—That road transport only should be considered.

The Hon. D. J. WALTERS.—It is contended that road transport should be considered and that the Railway Department should not have the right to exercise what amounts to practically a

veto against all other forms of transport irrespective of whether they are to the advantage of people individually or the State as a whole.

Sir ARTHUR WARNER.—That was not quite a truthful statement, was it?

The Hon. D. J. WALTERS.—Is the Minister of Transport accusing me of making an untruthful statement?

Sir ARTHUR WARNER. — You should have said the contention was that road transport only should be considered.

The Hon. D. J. WALTERS.—I shall deal with that point, but I will not argue with the Minister of Transport across the Chamber. The Transport Regulation Board has stated in its latest report that it has adhered to its policy after twelve months' thought, so no hasty decision has been made. Sir Douglas Copland went on to say—

In estimating the net economic benefit it is impossible to obtain an exact financial measure of all of the forces to be considered. The estimate must be largely a matter of judgment after proper inquiry, but sound judgment requires that adequate weight be given not so much to the private or public transport interests involved as to the general economic interest of the State as a whole.

It is for that reason that this Bill has been brought forward.

Sir ARTHUR WARNER.—But you have excluded the public interest.

The Hon. P. V. FELTHAM (to Sir Arthur Warner).—Please do not go on repeating that absurdity.

Sir ARTHUR WARNER.—Every lawyer says so.

The Hon. P. V. FELTHAM.—The Minister knows that the lawyers do not say so.

The Hon. D. J. WALTERS.—I am pleased to have a rest occasionally!

Paragraph 45 of the Board's 1959 report states, *inter alia*—

In short, there must be a point where the community interest is best served by admitting road transport, i.e., in cases where its inherent efficiency for particular purposes turns the scale. Where this occurs road transport should be authorized, notwithstanding the fundamental necessity

still to retain to the railways as much traffic as possible to enable them to perform their essential services at the best possible standards, at the same time minimizing as far as possible railway losses which become a charge on the public generally.

Sir ARTHUR WARNER.—I thoroughly agree with that statement.

The Hon. D. J. WALTERS.—The crux of the whole question is really whether country people are to subsidize the railways. Paragraph 46 reads—

On this aspect of railway finances which, from both the point of view of capital expenditure as well as revenue deficit funding from loan moneys, dominate the fiscal policy of this and other Australian States, it is relevant to note that railway earnings on the goods side are reasonably buoyant, and that what could be held to be the quite separate losses on passenger services are primarily responsible for these over-all railway deficits.

Paragraph 48 is in these terms—

Broadly speaking, the Board would regard as unreal any idea that a substantial proportion of traffics now moving on road could now revert to rail. Rather the reverse is likely to occur, viz., as already suggested, a gradual broadening of the road function must be expected in line with the dynamic economic expansion which is occurring.

It seems to have been dampened down a little lately.

As the latter develops and an increasing volume of goods is demanding transport service, it should be possible, as a matter of transport economics, to admit greater freedom of choice. The need for an artificial gradualising influence through the Transport Regulation Acts or similar public control will, however, be necessary for some time to come.

I have quoted opinions of the Transport Regulation Board, which ought to understand this problem, possibly better than anybody else.

The Hon. W. O. FULTON.—The Board has given considered opinions.

Sir ARTHUR WARNER.—I thoroughly agree with it.

The Hon. D. J. WALTERS.—At the instance of the Country party, Parliament appointed the Distribution of Population Committee, which has been taking evidence throughout Victoria. I propose to quote a few extracts from

the evidence submitted to that committee to show that the people are beginning to realize the importance that road and rail transport plays in the everyday affairs of the State and in the personal lives of country dwellers. On the 9th February, 1960, a representative of the Ballarat branch of the Victorian Chamber of Manufactures told the committee that freedom of choice of transport was the key to decentralization. He said—

We strongly contend that "freedom of choice" is our basic democratic right, and essential to the economic operation of any industry.

That was a reasoned statement. The witness went on to refer to the ridiculous manner in which freight rates are fixed by the Railway Department. He stated that goods could be transported 650 miles to Melbourne from Sydney at the rate of 3d. a ton-mile, 499 miles from Adelaide to Melbourne for 2½d. a ton-mile, and 197 miles from Albury to Melbourne for 6d. a ton-mile. But the rate for the carriage of goods from Ballarat to Melbourne, a distance of 73 miles, was quoted as 1s. a ton-mile; from Bendigo to Melbourne, 70 miles, 1s. a ton-mile; and from Sale to Melbourne, 127 miles, 1s. 3d. a ton-mile. Country people are beginning to resent anomalies of this sort.

Sir ARTHUR WARNER.—Who made those statements?

The Hon. D. J. WALTERS.—I have been quoting evidence given to the Distribution of Population Committee, of which Mr. Mack is chairman. The section is headed, "There is something wrong here," and I agree. Mr. A. H. Lawrence, managing director of Myers (Bendigo) Proprietary Limited, was another witness, and I quote the following questions and answers from his evidence—

You refer to the fact that the Transport Regulation Board does not take economics into consideration in dealing with what are the relevant factors?—Instructions by the Government are to the effect that anything that can be carried by the railways must be transported by rail, regardless of cost.

Where did you get that information?—From the Board itself. They have said it. I have read it and heard it in evidence.

Is that an instruction from the Government, or is it provided for under a section of an Act of Parliament?—I cannot answer that question, but I have heard the chairman of the Transport Regulation Board make that statement in court.

You have been present when he said it?—Yes.

A definite statement has been made that the hands of the Transport Regulation Board are completely tied, yet that body was appointed solely to co-ordinate rail and road transport. Some years ago I heard Sir Arthur Warner discuss the transport of refrigerators by road, and I think he made the statement that he would sooner pay railway freight and be permitted to transport them by road than have to put them on the railways. Of course, at that time he did not occupy a seat on the Government side of the Chamber.

Mr. Lawrence, of Myers (Bendigo) Pty. Ltd., informed the Distribution of Population Committee that a ruling was given—I suppose by the Transport Regulation Board under instructions from somebody—that mattresses were no longer classified as furniture and so could not be transported by road, but must be carried by rail. Mr. Lawrence stated that his company would prefer to give the Railway Department the freight charge of 3s. 10d. per mattress simply for the privilege of being able to transport those goods by road. That is practically the same statement as was made some years ago by Sir Arthur Warner regarding refrigerators.

Mr. G. C. Purvis, of Moe, in evidence before the Distribution of Population Committee, stated—

The Railways Commissioners, in their wisdom, consider that it is far more important to get beer to the country cheaper than food. We pay £3 9s. 4d. per ton for beer but £4 19s. 10d. for food.

A certain industry was induced, by the grant of freight concessions, to set up business at Kerang. The first year that it made a profit—it was the only year in which it did so—the concession was withdrawn. It was said on behalf of the Railway Department, in effect, "If you can make a profit, you do not need any concessions." The firm had declared a dividend of 8 per cent.

The Hon. D. J. Walters.

Bruck Mills (Australia) Limited of Wangaratta, was given a concessional freight rate of 30s. for transport by rail between Melbourne and Wangaratta, because it was a decentralized industry, but after the mill had become established and had shown a small net profit, the concession was withdrawn and the rate raised to £8 11s. 11d. a ton. It is no wonder that people do not want to go to the country. How can they compete with city businesses when they have to pay such high freights?

Dr. Gottlieb, of the Gippsland Cement and Lime Company Proprietary Limited, informed the Distribution of Population Committee that his company transported cement to Melbourne by road, and desired to back-load coke breeze, a suitable fuel for the company's plant, but the Transport Regulation Board forbade this back-loading. Dr. Gottlieb said—

The argument used by the railways representative was that it is not the Government's intention to make our road transport of cement to Melbourne more economical by permitting back-loading.

That is sworn evidence. I shall now quote the words of Mr. Snell, the Mayor of Bendigo, who hopes to be in Parliament shortly. In giving evidence before the Distribution of Population Committee, he stated, *inter alia*—

I cite the following examples of freight rates between Melbourne and Bendigo on some commodities. These discrepancies may have been all right some years ago, but are they right to-day? Bitumen, 91s. 7d. per ton; tar 69s. 11d. per ton. Why the difference? Cement, 49s. per ton; sugar, 82s. 2d. Both are carried in bags of about the same size. Tomato sauce in bottles, £5 2s. 3d. per ton; beer in bottles, £3 12s. 4d. per ton. Both are supplied in bottles of about the same size.

The Ballarat branch of the Chamber of Manufactures said that freedom of choice of transport was the key to decentralization. After reading these extracts from evidence given before the committee, I do not think there is any doubt that the question of the role of road transport in the community is causing concern to a great many people. Therefore, it is difficult to understand why, when we

have brought in a Bill to amend the law in such a way as would release the shackles which the Railway Department places on road transport, the Minister is so determined that the proposal should be drastically squashed.

I wish to direct attention to a matter that has given the Country party a great deal of concern for some considerable time. I refer to the absolutely misleading statements and misrepresentation over the past five years by the Minister of Transport and other members of the Government. They have stated that the Country party stopped the Government from giving freedom of the road.

Sir ARTHUR WARNER.—So it did. Proof of that is printed in *Hansard*.

The Hon. D. J. WALTERS.—I am not in the habit of speaking at length in this House, but I propose to do so tonight, if necessary, in order to make our position clear. As a party, we feel that the statements that have been made have been unjust. The policy of the Minister of Transport, the Railway Department, and the Government has affected country people drastically. Irrespective of whether this Bill gets any further, at least we will have endeavoured to place our case on record. One of the things we wish to do is to nail the lie that the Country party stopped the Liberal party from granting freedom of the road. Last week Mr. Bradbury produced a pamphlet issued by the Liberal party during the election campaign in 1955 in which it was stated that the Liberal party intended to grant freedom of the road. That was set out as Government policy in the Governor's Speech subsequent to that election. Along with our sometime friends and sometime opponents, members of the Labour party, we endeavoured to add to the Address-in-Reply to the Governor's Speech an addendum protesting against the granting of freedom of the road on the lines outlined by the Government.

Sir ARTHUR WARNER.—But you did not put up any alternative proposal; you just blocked legislation.

The Hon. D. J. WALTERS.—It is not our duty to put forward alternative proposals. The Government came out

very strongly on this, and that is why the Minister of Transport displays heat and makes wild and exaggerated statements concerning what must have been his policy. What is more, he must have realized, after the policy was outlined to the public in an election campaign, that what was being suggested was impossible of achievement. It became evident that the Government could not grant freedom of the road on the lines envisaged by the Minister of Transport. In August, 1955, the Minister of Transport wished to address members of the Country party and give his opinion on what freedom of the road should amount to. We replied that we did not wish to hear the Minister, but that we would form a committee which would be prepared to meet a Government committee on this question. I was one of the members of the Country party committee, as were Mr. Byrnes, Mr. Feltham, Mr. Swinburne, Sir Herbert Hyland and Mr. Moss. The Liberal party committee consisted of the Premier, the Deputy Premier, the Minister of Transport, the Minister of Education and the Minister of Public Works.

As can be seen from the composition of both those committees, it was an important conference. We met in the Minister's room on the Legislative Assembly side of the House. At the time, the Minister of Transport and the Government were beginning to have second thoughts on this question of freedom of the road. In our discussions, Mr. Feltham suggested that a loophole was revealed in the judgment of the High Court on the Cain Bill. Mr. Feltham stated that if the Government imposed a road charge on all transport operators—both local and interstate—that was fair and reasonable and covered road maintenance and wear and tear, the problem that was worrying the Minister and the Government of how to charge interstate traffic would be solved. The original suggestion was to charge 1d. a ton-mile on the loaded truck capacity, empty or full.

Sir ARTHUR WARNER.—Without the tare.

The Hon. D. J. WALTERS.—That is so. However, the Government did not think it could charge interstate transport and considered the position was getting hopeless.

Sir ARTHUR WARNER.—I deny that what you have outlined was Mr. Feltham's idea.

The Hon. D. J. WALTERS.—I sat next to him at the conference and heard him outline it.

Sir ARTHUR WARNER.—He might have done so, but we had had the idea in mind for a long time before then.

The Hon. D. J. WALTERS.—The Minister of Transport can claim anything.

Sir ARTHUR WARNER.—I am not claiming it; I can prove it.

The Hon. D. J. WALTERS.—This is one of the silliest statements a Minister could possibly make. He cannot prove anything that took place at the conference as no notes were taken of the discussions.

Sir ARTHUR WARNER.—I can prove that well before the conference to which you have referred took place, there was in existence a draft which covered this idea you claim for Mr. Feltham.

The Hon. D. J. WALTERS.—At the time Mr. Feltham put forward his suggestion, the Government had not intended to worry about interstate traffic so long as it could collect a charge of 1d. a ton-mile from Victorian road transport operators. In addition to that proposal, the Government intended to increase low-grade rail freights and reduce high-grade freights. That would have meant that grain, manure and other supplies which farmers transport by rail would have cost more in freight, but that transport costs for commodities like beer would have been reduced. When Mr. Feltham made his suggestion, all persons considered that it was a good idea. Sir Henry Winneke was contacted and called to the meeting. When Mr. Feltham's suggestion was put to him, he was a little doubtful about its value and would not express a

definite opinion. At another meeting—I do not know whether it was held on the next day or the next week—Sir Henry Winneke said that, provided that the Government applied the charge to all transport equally and provided that it was only a reasonable cover for wear and tear on the road, it would stand up to test in court. The Minister of Transport then commenced to formulate a scheme.

Sir ARTHUR WARNER.—Not then; the scheme was formulated previously. These statements of yours are not true.

The Hon. D. J. WALTERS. — Of course, I am not aware of what takes place at secret meetings of Cabinet; I am telling honorable members exactly what happened at a conference attended by a committee of the Country party and a committee of the Liberal party. All of those present would agree with me in substance in what I have outlined. However, one cannot be absolutely exact when speaking from memory.

Sir ARTHUR WARNER.—I do not think Mr. Feltham would claim that the idea was his.

The Hon. D. J. WALTERS.—I suggest that the Minister of Transport should refrain from interjecting. He realized that any charge would have to stand up in court and so he would need to be fair about it. He could not just ruthlessly wipe out road transport as Mr. (later Sir) Harold Clapp did in 1932. Then, rail freights were cut to the bone in order to defeat road transport. However, if a person lived in a district in which road transport carriers did not operate, he was called upon to pay up to the limit. I interviewed Mr. Clapp at the time and asked why the rail freights to my area could not be reduced to the same level as applied to Kerang sixteen miles away. His reply was that he would reduce our rail freights when road transport was available in the area. We eventually got road transport, and down came our rail freights. As there was no Transport Regulation Board at the time to exercise any control, road transport operators went broke. I do not know whether

the railways made a profit or not. In the policy speech of the Liberal party the statement was made that the Government would impose a charge according to what the traffic would bear.

Sir ARTHUR WARNER.—You will not find that in the policy speech.

The Hon. D. J. WALTERS.—I am sorry if I said that was in the policy speech. Such a statement was made in this House and outside of Parliament by the Minister of Transport. The Minister has stated that it was the policy of the Railway Department to compete with road transport and charge whatever the traffic would bear. What happened? The Minister of Transport found that there was this chance, so he set his experts to work. They evolved the formula, and the Country party had nothing to do with it, so it is ridiculous to say that the Country party stopped freedom of the road. It would be just as ridiculous to say that the Labour party stopped it. The Country party cannot stop this Government from doing anything unless it has the support of the Labour party, and the Labour party is in the same position. The Minister of Transport has never said on the hustings that the Labour party stopped freedom of the road. All that he has said is that the Country party did, and that is most unfair and unjust. Admittedly, it is good propaganda, but it is just as unfair as the Minister's statement that this Bill was introduced for political propaganda. The honorable gentleman accused Mr. Feltham of using snide tactics.

He was proud of his formula and claimed a great deal of credit for it. We did not ask that the rate be increased or reduced; the only thing our party fought for was that the Fourth Schedule, relating to perishable products, should be retained in the Act. That schedule has been in the Act since 1932, and the Minister wanted to take it out. One of his arguments was that the legislation would fail unless the Fourth Schedule was omitted. We said—and we were proved right—that provided interstate Fourth Schedule goods were not taxed the Act would stand, and it

has. The only thing on which we fought the Government was the Fourth Schedule.

Sir ARTHUR WARNER.—And the freedom of the road.

The Hon. D. J. WALTERS.—The Minister is like Uncle Dick in *David Copperfield*; he always drags in freedom of the road. The Country party could not stop this Government from giving that freedom. However, there has not been a Bill introduced to give freedom of the road; and, moreover if the Government had approached the Labour party, that party may have supported such a proposal. In that case a Bill could have been passed. The only thing the Country party objected to was an excessive charge and a rise in freights. We were fully justified in that attitude because the Minister found, when he examined the proposal, that the figures and facts he had been given were wrong. I propose to quote the Minister's words. I well remember that the honorable gentleman was pleased with the Country party on this matter and we were co-operative. However, we are "dirty dogs" if we dare to oppose any legislation which the Government brings forward. We opposed the original idea because it was not in the interests of the State or of the country people. The Minister knew when he examined the proposal that it was not workable. This is his statement.

The Hon. ARCHIBALD TODD.—Is it in *Truth*?

The Hon. D. J. WALTERS.—No, but it is the truth because it is in *Hansard*. I refer to volume 247 of *Hansard*, page 2216, where the Minister is reported as having said—

With a view to assessing a reasonable contribution for various types of road users, expert officers of the Country Roads Board have conducted detailed analytical studies of relevant factors, as a result of which an appropriate charge has been assessed.

They began to get down to the facts and they had no idea of what the 1d. a ton-mile really involved. The next

statement by the Minister is in direct contradiction to what he said the other night. It is—

Taking into account contributions being made by way of registration and licence fees and petrol tax, it has been concluded that vehicles up to and including 4-tons capacity make a not unreasonable contribution towards road maintenance, but that vehicles of larger capacity are not contributing their share.

The additional amount of charge which should be contributed has been assessed at one-third of 1d. per ton-mile based on the tare weight of the vehicle, plus 40 per cent. of the load capacity of the vehicle, for all journeys.

The Minister after giving an example then said—

The figure adopted as the average is well within the maximum charge that could be assessed and is considered a fair average assessment.

We did not beat him down. His experts settled on that charge, and we agreed.

Sir ARTHUR WARNER.—Who said that you did not beat me down?

The Hon. D. J. WALTERS.—We agreed with the Minister's scheme once it became reasonable and workable. At page 2323 of the same volume of *Hansard*, the Minister is reported as having said—

Despite the fact that the number of road that I have sufficient support to pass this legislation, I do not wish to be discourteous. That proves that the Country party might have supported the Government because the Labour party had fifteen members in this Chamber on that occasion. The Minister then said—

First of all, let me explain that this measure has not been prepared in a matter of a fortnight. As early as last July I started to obtain figures illustrating the wear and tear taking place on the roads. The people who assisted were engineers of the Country Roads Board, who prepared a mathematical formula covering the wear and tear on the roads, and Transport Regulation Board officials who made available the information covering the number of licences issued, the number of registrations, the average mileages on the roads and so on.

When I am asked on what kind of formula the Government bases its figures I can say—without attempting to be rude—that it is not a mere stab at 3d., 3½d. or 1d., as was Mr. Coleman's, but is based on what we believe is an absolute certain and safe charge that we can impose.

The Minister said also that when he first considered this tax he based it on an average carrying capacity of 75 per cent. of the loaded capacity of the vehicle. To his astonishment he found that the average was only 40 per cent. For a start he based his ideas on a wrong loaded capacity and took an entirely incorrect figure of what was fair wear and tear for maintenance of roads.

The Hon. P. V. FELTHAM.—That is the only Bill that the Liberal party has ever brought into this House on this subject?

The Hon. D. J. WALTERS.—That is the only measure giving any sort of differentiation between rail and road transport that, to my knowledge, the Liberal party has brought into this House.

Sir ARTHUR WARNER.—Because you signified that you would not accept any other.

The Hon. D. J. WALTERS.—I cannot understand a man of the Minister's intelligence, ability and experience harping on such a thing. Because we—one small party—would not accept a formula that the Minister now knows—he did not know then, but we did—was not correct, we are blamed for refusing freedom of the road. Because we opposed it, the Minister says that we stopped him from bringing in his scheme.

Sir ARTHUR WARNER.—Mr. Swinburne admitted, by interjection, that the Country party formed a committee for the purpose of stopping the Bill.

The Hon. I. A. SWINBURNE (to Sir Arthur Warner).—You are taking the statement out of its context like you always do. If you can produce the evidence, I will agree with you.

The Hon. D. J. WALTERS.—For the past five years, the Minister has been relying on a statement made by Mr. Byrnes to the effect that we claim some credit for stopping the Minister from imposing a charge of 1d. a ton-mile and raising freights on primary producers. I think we can justifiably claim that. This Government claims to be strong and progressive, yet at the first little

breath of opposition from the smallest party in the House, it crumbles at the knees and says that it cannot bring in a Bill. A poor Government! The Labour party might have supported the Bill. Over the years, the Minister has used every occasion to bolster up a proposal he made on the hustings that he knows, and his Government knows, was not workable and could not be put into force. To get out of it the Minister is now blaming the Country party. We did form a committee, but we never objected to the formula. We supported the Government in the House, but we certainly did not support the idea—which was thrown in to get votes—that there should be freedom of the road, the cost of which was estimated by the Minister at £10,000,000 in road tax and it is anyone's guess how much from freight.

In his second-reading speech on this Bill, the Minister said that the amendment—brought forward by a body of responsible men—would wreck the railways. The honorable gentleman stated that the railways would lose business. Do honorable members consider that any body of men, whether members of the Liberal party, the Labour party, or the Country party, would introduce or support any measure designed to wreck a service such as the railways? The Railways Service is a large industry and is a credit to the State so far as the running of trains and freedom from accidents are concerned. To suggest that members of the Country party, who are elected by country people, would take some action to wreck the railways is purely political propaganda.

Sir ARTHUR WARNER.—We will test you on that point a little later.

The Hon. D. J. WALTERS.—The Minister stated that if the amendment was accepted certain railway lines would be closed.

Sir ARTHUR WARNER.—I mentioned lines that would need to be closed if the Country party proposal was accepted.

The Hon. D. J. WALTERS.—That is so, but that was a wild statement.

Sir ARTHUR WARNER.—Apparently Mr. Walters considers that officers of the Law Department, the Railways Commissioners, and the Minister of Transport make wild statements simply because the Country party cannot put over its propaganda.

The Hon. D. J. WALTERS.—The Railways Commissioners claimed that if this amendment was accepted the railways would lose approximately £8,500,000. The Minister stated that he did not believe the Railways Commissioners, that they did not know what they were talking about, and he estimated that the loss would be £6,000,000.

Sir ARTHUR WARNER.—I did not say that. I said, "Let us call it £6,000,000."

The Hon. D. J. WALTERS.—Some of the railway lines that the Minister claimed would have to be closed bring in a revenue of well over £100,000 a year. If the Minister doubts me, he will find the figures in the report of the Railways Commissioners. In making that statement, I do not refer to lines in the Mallee. I agree with the Minister that some spur lines do not pay, and it is evident that they never will. The Minister claimed that if the Country party amendment was accepted it would mean that in future, when an application for a road licence was made, the Transport Regulation Board would not consider the interests of the railways at all.

Sir ARTHUR WARNER.—I said that only the particular interest in the territory would be considered.

The Hon. D. J. WALTERS.—The Minister stated that the particular interest of the railways would not be considered. However, in the High Court judgment which Mr. Feltham quoted—in the case of *McCartney v. Victorian Railways Commissioners*—it was laid down that the interests of the railways were paramount. The Minister also said that if the amendment proposed by this Bill was accepted, the railways would have no power to stop road transport competing with them.

Sir ARTHUR WARNER.—That is what the Crown Solicitor has said. Only one lawyer does not agree with that opinion.

The Hon. D. J. WALTERS.—Quite a number of members of this Chamber are lawyers, and all of us know a little about the law. It is a fact that in many cases differences of opinion occur between lawyers.

Sir ARTHUR WARNER.—The position could be made certain by including a further amendment in order to obviate any misunderstanding. Then we would be able to test whether Mr. Walters is sincere.

The Hon. P. V. FELTHAM.—We can see the Minister's "trick" amendment coming up—to get straight back to McCartney's case.

The Hon. D. J. WALTERS.—The Commercial Goods Vehicles Act was originally drafted by legal men and was approved by Parliament. However, the Minister has mentioned that certain expressions in the Act are meaningless. The words which, according to the Minister, the Crown Solicitor found meaningless are—

Before granting or refusing to grant any licence the Board shall have regard primarily to the interests of the public generally.

So far as I can see, the meaning is quite clear. Although English is an extraordinary language, the exact word can be found to express the required meaning. What does the expression mean? The word "primarily" means "firstly." The word "interests" in this sense means "the good, benefit, profit, advantage", and the word "public" means "of or pertaining to the people as a whole." The word "generally" means, "so as to include all, as a whole, collectively, with respect to all or nearly all." Therefore, the literal meaning of the expression which the Minister said was meaningless is—

First, the Board must take into consideration the good of all the people of the State so that the advantages or disadvantages of granting a licence as it affects all or nearly all of the people is fully given effect to.

The Hon. R. J. HAMER.—How would the Board do that?

The Hon. D. J. WALTERS. — The general meaning of the expression, therefore, is that the Board must consider, first, not the interests of the

transport industry, or of the people who live in the district or of the Railways Commissioners, but the interests of the whole of the people and the economy of the State. Mr. Hamer quoted a legal opinion, and thanks to Mr. Feltham I have obtained a judgment which bears out my interpretation of the meaning of the expression I refer to. In the case of *The Liverpool Corn Trade Association, Limited v. The London and North Western Railway Company*—reported in 1891, 1 Queen's Bench Division, at page 120—in a dispute about charges between traders and the railway company, the court had to have regard to the interests of the public. The judgment of Wills, *J.* reads as follows:—

. . . I should be very slow, therefore, to adopt the view contended for by the Attorney-General that henceforth the commercial interests and necessities of the railway companies in fixing charges are to be absolutely disregarded if they conflict with the public interest. . . . The legitimate interests of the railway company are therefore not excluded from consideration . . . Whilst it may undoubtedly be a most difficult inquiry whether this or that be for the public good, I would point out that the question is not altogether foreign to many which have from time to time been freely entertained by the courts. Many a contract has been held invalid as contrary to public policy; and although . . . Judges have grown more cautious in laying down what is and what is not contrary to public policy, yet the jurisdiction remains and is constantly exercised . . .

Sir ARTHUR WARNER. — Were those railways owned by the public?

The Hon. D. J. WALTERS.—I take it that they were private railways. Apparently, the Minister of Transport missed the point. At that time the railways in England were all private railways, but to-day they are nationalized. In England the railways have been losing millions of pounds, and recently approval was given for loans of up to £1,600,000,000. The Chancellor of the Exchequer stated that, owing to the railway situation generally, these loans would not be repaid, that they were really gifts. Although I am not a legal man, I take it that if one were searching for precedents the case I have referred to would be one that would be examined.

The Hon. P. V. FELTHAM.—It is one of the leading cases on the subject of what is the meaning of public interest.

The Hon. D. J. WALTERS.—The relevant provision in the principal Act provides ample protection for the Railway Department. Many wild statements were made by the Minister of Transport, from whom we usually expect factual, down-to-earth statements. One of them was that he believed it would be a fair thing if road transport operators paid the interest on the amount of £500,000,000 which represents the cost of roads in Victoria.

Sir ARTHUR WARNER.—Mr. Walters will not find that statement in *Hansard*. It is absolutely untrue.

The Hon. D. J. WALTERS.—According to the *Hansard* report, the Minister stated that the capital cost of Victorian roads was approximately £500,000,000.

Sir ARTHUR WARNER.—That is correct.

The Hon. D. J. WALTERS.—The Minister also said that the transport operators should pay their share of that sum.

Sir ARTHUR WARNER.—Not of the amount of £500,000,000.

The Hon. D. J. WALTERS.—I stand to be corrected on that figure, because I am quoting from memory. However, I did not quote from memory the other figures I mentioned.

Sir ARTHUR WARNER.—You did quote some of them from memory.

The Hon. D. J. WALTERS.—I understood the Minister of Transport to say that, because the Railway Department paid its share of the cost of its tracks, the road hauliers should pay their share of the cost of the roads, the capital cost of which amounts to £500,000,000.

Sir ARTHUR WARNER.—That is substantially correct.

The Hon. D. J. WALTERS.—Where the Minister got the figure of £500,000,000 from, I do not know. It must have been an estimate of the value of the roads in Victoria. I do not dispute the figure mentioned by the honorable gentleman.

Sir ARTHUR WARNER.—I obtained it from the best authority—the Country Roads Board.

The Hon. D. J. WALTERS.—I do not deny that the total value of Victorian roads could amount to £500,000,000, but I wonder whether the Minister of Transport realizes that many of those roads were built over 100 years ago out of revenue and loan moneys, and that the majority of the loan moneys have been repaid.

Sir ARTHUR WARNER.—The Labour party will argue that the railways have already been paid for.

The Hon. D. J. WALTERS.—My contention is that the interest and sinking fund payments amounting to £500,000,000 have already been met out of the pockets of people now living and their ancestors. Nevertheless, the road transport operators are expected to pay a similar sum. At the present time the total loan liability of the Country Roads Board is £14,250,000, and the interest and sinking fund charges in respect of that liability are provided for each year out of the Board's revenue, which is derived from petrol tax, registration fees, and so forth. To expect road transport operators to pay for something that has already been paid for over a period exceeding 100 years is a form of accounting which I did not think the Minister of Transport would recommend. I concede that road hauliers should pay their fair share towards meeting the cost of wear and tear on the roads, and they are doing that now. But it would be wrong to expect them to meet expenditure on road construction back to the days of Batman.

In his second-reading speech, the Minister of Transport referred to the sum of £150,000,000 as representing the capital liability of the railways in respect of tracks, and I understood him to say that, because the Railway Department paid interest and sinking fund payments on that amount, the road transport people also should pay their share of the value of the roads which are valued at the sum of £500,000,000. Am I correct in my assertion?

Sir ARTHUR WARNER.—It would be as well if Mr. Walters read in *Hansard* a report of what I actually said. I have before me a copy of the *Hansard* report of my speech; perhaps Mr. Walters would like to read it.

The Hon. D. J. WALTERS.—Yes, I would. This is what the honorable gentleman said, as reported at page 782 of the current issue of *Hansard*—

In order to get some facts clear, I have spent some time going through odd documents. The total expenditure on roads in Victoria over the past five years was £124,000,000, an average of approximately £25,000,000 a year.

I should have thought it would be more than that, when the expenditure of municipalities is taken into consideration. Nevertheless, I accept the Minister's figures. The report proceeds—

The Hon. P. T. BYRNES.—That is not including municipal roads?

Sir ARTHUR WARNER.—That is the sum expended on all roads in the State, by all authorities. In the last year, the total expenditure was £35,000,000. The amount received by Victoria from road tax was approximately £8,500,000, of which, according to estimates I had prepared, only £4,000,000 related to road transport and cartage operations. In other words, out of the £35,000,000 spent on the roads last year, only £4,000,000 was contributed by road operators through petrol and diesel taxes. Their contribution under this heading was 12 per cent. of the road charges.

The Hon. P. V. FELTHAM.—Is the figure of £35,000,000 for capital construction and everything else?

Sir ARTHUR WARNER.—I thank Mr. Feltham for that reminder; I may have missed a point. I also obtained a valuation of all the roads in Victoria. It works out at £500,000,000. I point out that these roads were provided as capital not by road operators but mainly by ratepayers and taxpayers.

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

Sir ARTHUR WARNER.—I am merely stating as a cold, hard fact that the road operator has not provided the capital to construct roads, and no sophistry or propaganda alters that fact. The railways are charged interest of £4,000,000 a year upon the money which is invested in the trackways.

That is what I said.

Sir ARTHUR WARNER.—Be fair. Read on.

The Hon. D. J. WALTERS.—I shall do so. The report continues—

The Hon. P. V. FELTHAM.—It is high time it was wiped off.

Sir ARTHUR WARNER.—That may be so. If it is intended to wipe out of consideration any charge on the road operator for the interest he ought to pay on that amount of £500,000,000, then I agree that in calculating and comparing costs between the two operations interest should be removed from the railways. The only argument I would have for charging interest to the railways as an accounting practice is so that we might obtain the truth. We want the truth—not propaganda. That sum of £500,000,000 is invested in roads, and not one penny of that amount has been contributed by road operators.

That is tantamount to what I said. Road hauliers have been operating in this State for approximately 30 years, and during that time they have been paying taxes as have other members of the community. I have not a copy of the latest balance-sheet of the railways but, according to the figures supplied by the Minister, the total liability of the Department amounts to £140,000,000, although many of the amounts included in that sum are not truly capital items, as the honorable gentleman is aware. The real capital of the railways, excepting special funds such as unemployment relief, national recovery loans, Consolidated Revenue, development, and so forth, amounts to £110,000,000 odd. That sum accounts for all works, locomotives, trucks, &c.—everything but the actual trackways, of which there have been very few laid in the past 30 years. The main lines were constructed during last century and the early part of the current century and, under the Government's accountancy system of paying off lines within a period of from 50 to 55 years, most of those tracks would already have been paid for. I am not, of course, speaking about engines, stations, and so forth.

Sir ARTHUR WARNER.—I agree on that.

The Hon. D. J. WALTERS. — The Minister apparently concedes that the sum of £140,000,000 representing trackways has already been paid, yet he

contends that road transport operators should pay interest on money spent upon road construction that has been paid back years ago.

Sir ARTHUR WARNER.—In comparing the railways with the roads, you must take into consideration the public ownership and the respective amounts of capital.

The Hon. D. J. WALTERS. — The Minister of Transport said that he wanted interest to be paid on the sum of £500,000,000 and on the sum of £150,000,000. Surely we must take into consideration assets that are long since dead. One of the worst things which the honorable gentleman did when he attained office as Minister of Transport was to reimpose on the railways a debt that previous Parliaments had wiped off. The expert whom the then Government brought from England said that the total amount that should be chargeable to the railways was £600,000, if the Department was to be placed on a proper business footing. I submit that if the Railway Department were a private enterprise and it was proposed that the Government should take it over, every dead asset would first have to be wiped out. But, under the system to which the Minister of Transport subscribes, every dead asset must come in, and the people who use the railways must pay.

The Hon. W. O. FULTON.—The Minister's statement is ridiculous.

The sitting was suspended at 6.26 p.m. until 7.50 p.m.

The Hon. D. J. WALTERS.—I make no apology for dealing with this question at such great length. It is an important matter, and all aspects of it are worthy of consideration. I have in my possession a report published in the *Age* newspaper of 23rd September of this year. The article is entitled, "Rail Chief's Protest on 'Pressure.' Forced to Carry Political Burden." This statement was made by the Railways Commissioners, and the chairman, Mr. Brownbill, issued a similar statement in pamphlet form. Some of the statements

in the article to which I refer should never have been made by a Government servant. The article stated, *inter alia*—

The Victorian Railways were forced to operate under a "political squeeze" imposed by Parliament and pressure groups, the Railways Commissioners said yesterday.

The Railways Commissioners, who work under an Act of Parliament, have certain rights and certain responsibilities, and no Government servant should criticize Parliament in this manner. Not only was a direct criticism levelled at Parliament, but also, by implication, the article criticized members of Parliament. It referred to expenditure incurred by the Railway Department as a result of directions from the Government concerning the granting of concessions to pensioners, students, and certain other passengers. The Minister of Transport stated that these concessions cost the Department £1,000,000 a year, whereas the Railways Commissioners estimate the cost to be £500,000 annually—I do not know which figure is correct.

Sir ARTHUR WARNER. — You have quoted the figures the wrong way around.

The Hon. D. J. WALTERS.—I am basing my information on the newspaper article and the pamphlet that was issued by Mr. Brownbill. The Country party agrees that students who, as a rule, travel during off-peak hours, thereby assisting the Department to some extent, are entitled to certain concessions. However, it is not the duty of the railways to grant concessions to pensioners, returned servicemen, winners of the Victoria Cross, and others. If concessions of this type should be granted, either the Commonwealth Government or the State Government should bear the cost. We agree entirely with the Minister of Transport that it is not the railways, but the people who use the railways who now pay for these concessions. The article proceeded—

The Commissioners said even more costly to the railways were the concession freight rates granted to country industries for both raw materials and finished products to enable them to counter city competition.

"If decentralization of industry is the policy of the State, these concessions are

a good thing. But why should the railways lose £1,100,000 a year to implement Government policy?" the Commissioners asked.

To an extent, we agree with that statement. However, in granting concessions to country industries during the first four or five years of their operations, freight traffic is attracted to the railways for a great many years thereafter. In other words, the Department enjoys an economic advantage if it builds up decentralized industries. Whether this concession fully compensates for the loss of £1,100,000 referred to by the Commissioners, I am unable to say.

During the past two or three years, the expanding Hume pipe industry at Echuca has been assisted in its development by concessions provided by the Railway Department for the cartage of crushed rock. The railways transport a train load of crushed rock from Maryborough to the Echuca works at less than the price charged by a transport operator to bring the same amount of material 40 miles by road. The Railway Department is transporting the materials at an extraordinarily low rate. I do not know whether this material, when transported in large quantities, is a payable proposition, but the railways are building up potential freight traffic for future years. If there is to be decentralization of industry, the Government as a whole must, to a certain degree, shoulder the burden and not expect the Railway Department to do so.

The Hon. A. K. BRADBURY.—Do you think the railways are carrying those materials at less than cost?

The Hon. D. J. WALTERS.—I should think they are because, according to the figures I have received, the freight rate is 67s. a ton for aggregate. That is a very low rate for the transport of this material from Maryborough to Echuca. The railways are endeavouring to foster the Echuca industry and the concessions granted have proved of remarkable assistance. Strangely enough, the Echuca industry can land cement from South Australia by road at 10s. a ton cheaper than it can be conveyed by rail. It is difficult to understand why one commodity can be transported more cheaply

by rail than by road, while the reverse situation applies to another commodity. One of my main points is related to the following statement in the *Age* article:—

The Commissioners said the people who benefited by the low rates on primary products were those who never ceased pressing for greater freedom for road transport for higher class goods.

That is a direct statement to the effect that primary producers are receiving some great benefit from the railways—the statement has also been made by the Minister—and that we must increase the freight on primary products, such as wheat, grain, and so on. I admit that livestock traffic does not pay. It would be almost impossible to carry livestock economically because very few livestock trucks being forwarded to country areas would be laden with stock. Most of the trucks must be hauled in two directions for each load they carry. A loss of about £600,000 a year has been suffered on the transport of stock, and we all realize that it would be impossible for a profit to be shown on that traffic unless the freight rates were increased.

We often hear about the great benefits that primary producers are said to receive in the way of low freight charges. Let us examine the facts. Whenever the Minister of Transport or anyone else who supports the railway freight rates makes a comparison, it is usually between wheat and general merchandise. I have taken out some figures relating to a distance of 200 miles, which is a reasonable average. The last freight increase approved by the Liberal party, with which my party disagreed, was one of 7½ per cent. I agree with the Minister's assertion that the freight rates were reduced overall, but the rates applicable to certain primary products, including wheat and grain, rose by the full 7½ per cent.

Sir ARTHUR WARNER.—I trust you are not overlooking the fact that the rates went up by 66 per cent. during the term of office of the Country party Government.

The Hon. D. J. WALTERS.—I am not concerned about that. It is most likely that that rise was justified because

we were losing a lot of money in those days, but that is not so now and increased rates are not justified.

Sir ARTHUR WARNER.—The railways are much better managed now.

The Hon. D. J. WALTERS.—Men like the late Mr. M. J. Canny did an equally good job, and the late Sir Harold Clapp was one of the finest chairmen of Railways Commissioners we have ever had. It is not reasonable to aver that the railways were badly managed during the régime of the McDonald Government. The present charge to convey a ton of wheat 200 miles is 56s. 3d., which is equal to 1s. 4½d. a bushel or 3.37d. per mile. Usually comparisons are made between a truckload of wheat and 4 or 5 cwt. of general merchandize. I point out that the wheat is loaded at a silo without any handling by railway staff and there is little demurrage on the truck. Rakes of trucks are loaded and then made up into trainloads. All the railways do is place the trucks in position, remove them and convey them to the terminals at Williamstown, Geelong, Murtoa, or Dunolly. There is no handling by the railways staff there either.

The freight rate on wheat rises when smaller quantities are handled. The rate on 3 tons is 66s. a ton and 87s. 4d. on 2 tons. The "B" class rate—the rate for 1 ton or less—is the rate which should be compared with that applicable to general merchandise. It is £5 13s. 3d. a ton or 6.79d. a ton-mile. It is wrong to compare truck loads of general merchandise with train loads of wheat which are not handled by railway staff. The goods comprising general merchandise clutter up Spencer-street, and in addition receipts have to be given, waybills made out, and the goods loaded on to trucks. They are also subject to claims for damage, and so on. Yet there is continual propaganda uttered about the cheap freight rates for wheat.

A businessman would certainly be able to sell a thousand wireless sets or television sets to be taken from his factory at a cheaper rate than on small

quantities delivered to other places. However, the railways, the Minister of Transport and other people continually use this propaganda against primary producers by saying, "You have cheap freight rates." What is the position about freight rates to Melbourne to keep down the price of bread and heating? Although the rate for wheat in truckloads is 56s. 3d., the rate for flour is 45s. a ton. The primary producer does not pay that rate; it is the baker and ultimately the consumer who pay for the transport of flour to Melbourne to be made into bread and biscuits and to the seaboard for export. The cost of living of Melbourne people is kept down by the railways, but one never hears about Melbourne people being subsidized. The freight rate for the conveyance of firewood to Melbourne is 61s. 6d. a ton. That is one commodity on which the country suppliers do not pay freight. It is paid in Melbourne. The 26-ton truck that will hold at least 25 tons of wheat will probably take only 17 or 18 tons of firewood. The Melbourne people are subsidized in respect of both flour and firewood.

Two years ago the Minister of Transport was good enough to send to all honorable members a copy of the *Railway Age* weekly of the United States of America, dated the 22nd September, 1958. We hear a good deal about the concessions given to primary producers, but when a rise is contemplated it is always put on freights and not on passengers. The country people of other countries of the world also subsidize the railways. In the United States of America, the Interstate Commerce Commission controls the railways. Although the railways in that country are run by private enterprise, they are under strict Government control. In fact, all private enterprise utilities which serve the public—whether they supply water, gas or electricity or railway transportation—are subject to Government control and cannot raise rates—nor can the railways take off trains—without permission. They are under stricter control in America

than in any State in Australia. The following passages appear in the weekly to which I have referred—

Interstate Commerce Commission examiner's report holds little hope for the future of rail passenger service. Year-long investigations produced this appraisal of the passenger deficit: It's real and serious. Optimism doesn't seem justified.

The examiner made no suggestions for any Interstate Commerce Commission steps to halt the trend—but, he warned, "Unless the passenger deficit is eliminated or greatly reduced in the near future, the ability of the railroads to transport freight efficiently and economically is certain to be seriously impaired."

Exactly the same condition applies in Victoria. Passenger traffic is entitled to consideration, particularly in Melbourne. Passenger services do not pay in any country other than undeveloped areas. Under modern trends, progressive ideas and prosperity, passenger traffic does not pay. Of course, it does in countries like Japan, where there are not many roads, and in India where people hang on to the carriages like flies. Passenger services do not pay in America or England.

Sir ARTHUR WARNER.—A good deal depends on how you make your calculations.

The Hon. D. J. WALTERS.—I agree. It is very difficult to separate the true expenses of country and metropolitan passenger and freight traffic. We congratulate the Minister on his ability to ascertain approximately the costs in each field. Although some years ago, before the honorable gentleman was Minister, the railways said it was impossible to do so, probably now costs have been separated with a margin of error of, perhaps, 5 or 10 per cent.

Sir ARTHUR WARNER.—They are correct to within 2 or 3 per cent.

The Hon. D. J. WALTERS.—Of course, with costing it depends on how one looks at the figures.

Sir ARTHUR WARNER.—It is a curious thing that if in this State all passenger trains were eliminated, the costs of hauling freight would increase by $\frac{1}{2}$ d. a ton-mile.

The Hon. D. J. WALTERS.—Here are some interesting figures relating to railway operations: For the year 1955-56 there were published in the journal of the Institute of Public Affairs particulars showing that the railways made a profit of £600,000 on goods; also, a loss of £3,500,000 on suburban passengers and of £2,800,000 on country passenger traffic. On the carriage of livestock there was a loss of £1,000,000, and on other business a loss of £700,000—making a total railway loss of £7,400,000 for that year. But there was a profit of £600,000 on goods. These figures have been quoted previously, but I emphasize that this continual sniping at country producers and the loading of an ever-increasing burden upon them—on the last occasion amounting to $7\frac{1}{2}$ per cent.—must be stopped. We must bear in mind that it is not the country goods freight that is causing the losses.

Sir ARTHUR WARNER.—That has never been in dispute.

The Hon. D. J. WALTERS.—Why should it be expected that the country people must get the thick end of the stick all the time? Let us consider for a moment the position regarding wheat, a commodity which is becoming very difficult to sell on the world markets but which is one of the most important items in a consideration of the welfare of Australia. Yet another increase of $7\frac{1}{2}$ per cent. in freight has been loaded upon it. These are the figures of the Railway Department itself for 1959: Suburban passenger services lost approximately £2,107,000; country passenger services lost £2,913,000; the loss on livestock freight was £650,000; while the goods on which the railways authorities imposed the $7\frac{1}{2}$ per cent. increase in freight showed a profit of £2,047,000. That information is based on the Minister's own figures.

The Hon. A. R. MANSELL.—What profit would have been made if the increase of 15 per cent., as suggested by the Government, had been imposed?

The Hon. D. J. WALTERS.—The freight rates on wheat and manures would have gone up $4\frac{1}{2}$ per cent., while

goods such as beer and tomato sauce would have been transported at reduced rates. Surely the Government cannot compare the carriage of primary produce with the transport of beer into the country at reduced freights.

I have before me a very interesting article on the bureaucratic attitude of the Railway Department. It is an editorial published in *The Australian Road Haulage Journal*, entitled "The Railways Bare Their Teeth," and reads as follows:—

The announcement this month that the New South Wales Government proposes to introduce legislation that will enable the Commissioner for Railways to run freight services at a loss to secure new business and meet road competition is surely one of the oddest pieces of legislation ever seriously introduced into a parliament.

What makes it doubly odd, of course, is the fact that the New South Wales Railways have been doing this sort of thing for many years without parliamentary blessing, as the ghosts of the old coastal steamers could testify were they endowed with speech.

What the new legislation means, basically, is that the Government has decided to get right behind the Commissioner for Railways in an all-out fight to destroy long distance road transport.

The fight, however, concerns not only the road transport operators, but the public as well, from shippers right through to consumers.

If the railways succeed in driving the transports off the highways by running their services at a loss, will they continue to do so when they no longer face road competition.

That policy is on the same lines as the one which the Minister of Transport in Victoria wishes to introduce in this State.

Sir ARTHUR WARNER.—Are you suggesting that I want the railways to run road transport?

The Hon. D. J. WALTERS.—I am not, but the idea is that the railways authorities may reduce freights and thus run transport off the roads.

Sir ARTHUR WARNER.—I think that is a misunderstanding. I believe the purpose of the New South Wales Act is to authorize the railways to run road transport.

The Hon. D. J. WALTERS.—That is quite possible, as indicated by the concluding words:—

If the railways succeed in driving the transports off the highways by running their services at a loss, will they continue to do so when they no longer face road competition?

I do not disagree with the view of the Minister on that.

Sir ARTHUR WARNER.—And there has been some movement in this State—not by my party—to do the same thing, but we are opposing it.

The Hon. D. J. WALTERS.—In a consideration of road and railway transport, it is not the cost of the goods transported that is the main factor. What is important is the cost of bringing the goods from the farms or from the country factories to the rail, in the course of which process, in very many cases, there is the problem of better packing and delivery to Spencer-street, and then the picking up of those goods again. That is where the true economic losses come in. One can send fruit from my town, a distance of 200 miles to Melbourne, for about 1s. 7½d. a case, and the costs are lower in putting the goods on the train, because the trucks are right at one's door. Let us assume that the transport costs are 1s. 9d., plus 2d. on loading. That means that goods transported by rail can be landed at a cost of 2s. or 1s. 7½d., plus cartage to the stores.

The Hon. G. L. CHANDLER.—Plus damage to the fruit in the extra handling.

The Hon. D. J. WALTERS.—The Minister of Transport himself has said that he would not send television sets by rail because of the aspects of packing costs and damage in transit. So, taking into consideration that it is not necessarily the cost of freight which gives the advantage to road or rail transport, there are other factors that have to be considered. In consideration of this amending measure those factors must be weighed. They are the economic factors which outweigh anything having to do with the Railway Department or the

road operators. It is all a matter of which is the most economic factor in the interests of the State and its people as a whole. I believe that this amending Bill, although it is not likely to pass in this House, will focus the attention of members of Parliament and arouse public opinion, for many people read *Hansard*.

On this economic problem, which is not merely Victorian but world-wide, what is the position as between rail transport, and freights and road transport? The Railway Department has taken the attitude, "We are in the saddle and, whatever progress is required, we are going to stop it." The railway people are sitting back in the breeching and trying to stop progress. That has always been the case. The stage coaches used to fight the railways, but the railways are now living, to a large degree, in the past. Their viewpoint is shown very clearly in the attitude of the railway authorities to the staff. I know many railwaymen and have a very high opinion of them. I have played bowls with them and met them socially and I know that they are a very fine type. But there is a little bitterness to-day.

The attitude of the railways authorities to their staff is no different from their attitude to road transport. About 25 years ago, a job in the railways was rushed. A railway employee tried to get his son into the railways. Employees had security in a reasonable job. They had superannuation and annual leave, but times have moved on. The future is not so important, because to-day we live in a welfare State. Any man can obtain the age pension if he has not more than £4,000 worth of assets all told; he and his wife can get a pension of £10 a week. What is the advantage in the security associated with employment in the Railways Service to-day or in any other Government Department? The job is not attractive. I repeat that the railways authorities are living in the past. They are fighting the new transport. A new wind must blow into the Department.

I close on this note. Together with the other members of my party, I have resented for many years past the

deliberate misrepresentation that has emanated from either the Minister of Transport or his public relations assistants. Our party has never stopped the freedom of transport; it has never had the opportunity to stop it. It is no use political parties or members of Parliament all the time sniping at each other, saying, "You should do this; you should do that."

Sir ARTHUR WARNER.—Hear, hear!

The Hon. D. J. WALTERS.—The Minister started it. Our party has brought in a reasonable amending measure, but we have been kicked from pillar to post, called dishonest, and accused of having adopted snide tactics. I believe the time has now arrived when all parties should seriously consider whether there is a way of coming together on this very vexed and world-wide question of road and rail transport. Let us consider what are their respective functions and where they operate in the economy of the State. Out of this debate will it not be possible to have some Parliamentary committee created to go into the broad principles of the whole question—not the details, not the matter of efficiency of the railways, but the whole broad issue?

Consideration should be given to the question whether it is economic to encourage or discourage road transport, and to the action that should be taken regarding railway passenger fares and goods freight. The whole question is beyond mere party politics, and members should not try to make political propaganda out of it. This is no easy problem to solve. Similar difficulties are encountered throughout the world. I seriously suggest to the Minister of Transport that consideration be given to the appointment of a committee of six or twelve members of Parliament to consider the transportation needs of the State and to suggest the broad policy that should be adopted. Such a committee could make recommendations to the Government, and matters of detail could be discussed by an expert commission.

An amendment to the Commercial Goods Vehicles Act has been proposed by the Country party, and we believe that

it should be accepted. In this debate, an attack has been made on us and we have hit back, but we realize that the Minister and the Government as a whole are trying to do the best they can on the question of transportation throughout the State. I believe that members of the Labour party are also imbued with the desire to see some worth-while result achieved regarding this vexed question. Eventually it must be placed on a better footing, and I say to the Government: Why not give it a try now?

The Hon. R. W. MACK (Western Province).—In some respects, this Bill is unique. If it is passed by Parliament, one word will be inserted in two places in the Commercial Goods Vehicles Act. It has been said that the atomic scientists have developed a bomb the size of an apple that has the same effect as a 10-ton block-buster of the type used in the second world war. This Bill is only the size of an apple, so to speak, but, without being unduly critical, I can say that it could be as destructive as a 10-ton block-buster.

The problem that has been raised in the debate is of extreme importance. There is no doubt in my mind that no other problem affecting country people is the subject of so much comment, thought and proposed solutions as that of transport.

The Hon. D. J. WALTERS.—And so little governmental action.

The Hon. R. W. MACK.—I shall come to that point in due course. Extraordinary interest is taken throughout the whole of Victoria in the question of transport, and I illustrate this contention by quoting from a circular issued by the City of Hamilton. It was sent by the town clerk to other country municipal councils and stated—

The question of transport services to the south-western portion of this State has been one of concern to my council and recently a conference of adjacent municipalities was convened to discuss this matter generally. This conference revealed that other municipalities were also seriously concerned and the Transport Regulation Board were then invited to visit Hamilton to discuss the general question of both passenger and goods transport in this district. The Board

accepted the invitation only on the condition that the meeting was closed to the press, and to this the councils concerned very reluctantly agreed. The result of this conference was one of frustration, although it did serve the purpose of making the Board aware of the feelings of intense dissatisfaction which existed throughout the district.

The present policy of transport control as administered by the Transport Regulation Board under Government directive is one of discouragement to or prevention of any form of road transport which is in competition with the railways. It is considered that this policy is fundamentally wrong, one which is hindering the development of country centres, a denial of the rights of the people, industrialists and merchants in freedom of choice of transport.

It was made quite apparent throughout the conference with the Board that the whole matter would need to be approached at Government level in order to have the Transport Regulation Act amended to give freedom of choice of transport to those in country areas. The powers of the Board were defined by the Act as it stood and any change in policy was one for the Government to determine, not the Board.

I pause to point out that the letter contains a misstatement. The question is one for Parliament to determine, not the Government. The letter proceeds—

This council, in common with adjacent municipalities, despite many endeavours including the recent conference with the full Board, has been unable to resolve the present deadlock to overcome the chaotic transport conditions now existing throughout the south-western district, and it is felt that this position is not peculiar solely to this district.

It would appear, therefore, that the only way to resolve this issue is by an expression of public opinion, and the opportunity was taken by my council at an extraordinary election held on 30th April last, when a poll was taken on the questions as set out hereunder and with the following results:—

Question 1. Are you in favour of the lifting of restrictions to enable the complete freedom of use of road transport for both goods and passenger services?

Yes	1,477
No	356
Informal	84

Majority in favour of proposal	1,121
--	-------

Of course, that really means nothing. If a referendum were to be held in the country districts on the question whether residents were in favour of abolition of the land tax, the result would be similar.

I have quoted the letter merely to show that the problem is of considerable interest in country districts, and I consider that there is a feeling of frustration over the question of transport. I believe that the Minister is aware of that fact. In fact, he has said so. On page 793 of the current *Hansard*, the following statement of the honorable gentleman is recorded:—

If I were in the country operating an industry and was instructed that I had to use the railways, that would be a thundering good reason why I would want to use road transport.

In reply to that statement I say that the Minister is not engaged in manufacturing in the country, but other people are and they say quite definitely that they want freedom of transport. I do not wish to get caught in another argument when I say that the majority of people who ask for freedom of transport are not manufacturers but are representatives of chambers of commerce and municipal councils. However, I do not intend to elaborate on that at this stage.

The point I desire to emphasize is that the amendment to the Commercial Goods Vehicles Act proposed by Mr. Feltham, even if accepted, will not achieve the desired result. It will not give freedom of transport. If the proposal is carried in its present form, it will give a monopoly to the present road hauliers. Do the members of the Country party believe in complete freedom? I think the answer is definitely in the negative. Speeches that they have made during this debate have indicated that they do not believe in complete freedom. They believe in control.

The Hon. P. T. BYRNES.—We believe in the Transport Regulation Board's idea of a gradual progression.

The Hon. R. W. MACK.—I am not trying to put words into the mouths of members of the Country party, but I consider that they do not believe in complete freedom. Rather, they believe in a continuance of controls. On the other hand, the Minister of Transport has stated unequivocally that he believes in freedom.

The Hon. P. V. FELTHAM.—We do not believe him.

The Hon. R. W. MACK.—I would not say to Mr. Feltham, "I do not believe anything you say," and I see no reason to put the Minister into a different class. The Minister believes in complete freedom. He has said so in the course of this debate and has not denied it. He has gone further and stated, "I believe that under certain circumstances freedom may be a practical proposition." I believe in the principle of freedom, but my problem arises when it comes to the question of applying the principle as a practical proposition because of the fact that if freedom is granted a terrific amount of freight will be taken from the Victorian Railways and as a consequence the Department's deficit will increase by many more millions of pounds, and I want to know how that gap is to be met. If it means that expenditure on education, hospitals or other essential services is to be reduced in order to meet the extra railway deficit, I do not want to "play along those lines."

The Hon. P. V. FELTHAM.—You know that there is a road tax?

The Hon. R. W. MACK.—I do, and I shall deal with that subject in a moment. I propose to deal with the Bill before the House and do not intend to be side-tracked over questions of what somebody said in 1892 or at any other time. The Act governing the regulation of road transport first came into operation in 1932 or 1933.

The Hon. D. J. WALTERS.—It was introduced by a Liberal Government.

The Hon. R. W. MACK.—I do not care who was responsible for bringing in the necessary Bill. I understand that there were two main reasons for the introduction of the measure that became the Transport Regulation Act. Previously, there had been unrestricted freedom of competition between road operators and the railways and—perhaps this is more important—between the road operators themselves. A chaotic situation had arisen. Persons engaged in the road haulage

industry had been purchasing trucks and competing with one another. They were cutting each other's throats on the question of prices, and finding themselves rapidly approaching bankruptcy. In many instances they actually became bankrupt because they could not continue to operate an uneconomic business. There was also fearsome and uneconomic competition with the railways — the road hauliers operated along routes parallel to railway lines—and there were the same centres of delivery and the same loading centres.

The Hon. W. O. FULTON. — The hauliers could not run any other way, could they?

The Hon. R. W. MACK.—They could, but I do not desire to be side-tracked into an argument on that point. All I am saying is that at that time the factors which I have mentioned were, in my opinion, the two main issues. The result was the passing of legislation in the 1930's. Section 8 of the Commercial Goods Vehicles Act is almost word for word with section 26 of the old Transport Regulation Act.

If this Bill were passed in its present form, it would be widely acclaimed in the country areas. I have no doubt in my mind about that. However, that is not the only thing that we in this Parliament must consider. The fact that it would be popular is not enough. Surely we must look a little further. The Minister of Transport did not overstate the position when he enumerated the other factors that must be taken into account, including budgetary stability, the financial aspect of the problems, and so on. I admit that a problem exists, but it is one that should be studied without heat and not in the atmosphere of a State by-election. It should be considered closely because of its complexities and because of the importance that attaches to it. It should be examined without any political partisanship and without contemplating that in such and such a time we will face an election. At the present time, I am quite unable to see any solution of the problem. In the entrance

hall to Parliament House, there is inscribed on the floor "Where no counsel is the people fall but in the multitude of counsellors there is safety." Let us hope that out of the debate which this Bill has created, something will eventuate that will help in solving what is admittedly a vital problem for the State, particularly for country people.

When considering the proposal before us, we have to take into account all the forms of transport available and the restrictions applying to them. It can be said that there are four general forms of transport in operation at present. The first and oldest is sea transport. The second is rail, the third road, and the fourth air. Road hauliers and the railways effectively and efficiently killed sea transport around the coast of Victoria. It could be that that was a natural process of evolution, but perhaps other factors were involved. Fifty years ago it was true to say that the cheapest means of transport in the world was sea transport, but that is not the case to-day. It must be qualified by having regard to the length of haulage and other matters. In any case, in this debate we are not concerned with sea transport.

Some of the restrictions and disadvantages of rail transport are that the railways operate on a fixed track and cannot readily vary places of stopping, starting and running. The railways act as common carriers and must transport practically all types of goods. The railways have been, and I suppose will continue to be, subject to political pressures of one kind or another.

The Hon. W. O. FULTON. — What makes you say that?

The Hon. R. W. MACK. — Because they are a governmental instrumentality, a national service. I do not think anyone would suggest that the railways should be run on any basis other than as a national service and a quasi business undertaking. Road transport is newer than rail, and no one for a moment suggests that it should be allowed to develop unhampered. It has been subject to restrictions in this State since 1933 at least.

The Hon. P. T. BYRNES.—You must refer to motor road transport, because there has been road transport of some type or other from the dawn of history.

The Hon. R. W. MACK.—I used the words "road transport" meaning motor road transport, the type with which we are concerned. The fourth means of transport is air. All I need say on that point is that it is the newest, the fastest, the dearest and the smallest in scope.

The Hon. D. J. WALTERS.—Nevertheless, quite substantial quantities of certain types of freight are carried by air.

The Hon. R. W. MACK.—That is so, but so far as this Bill is concerned, I do not think we need consider air transport. It is true to say that at times rail services are bad, that at times they are fair, and that at times they are good. When they are bad, everybody screams and urges that steps be taken to improve facilities. The same thing happens when only fair service is provided. However, when good service is given, people accept it as a matter of course and do not say anything.

The Hon. P. V. FELTHAM.—From time to time we give the Minister of Transport praise in this House.

The Hon. R. W. MACK.—That is true. However, it seems to be a natural thing to criticize the service when it is bad, but not to go to the trouble of writing to praise it when it is good.

The Hon. P. T. BYRNES.—From time to time we express appreciation to the railways for the manner in which they handle the wheat harvest. I think that has been common over the years.

The Hon. R. W. MACK.—I am not complaining about criticism of rail services. I think that it should be offered when the occasion demands in order that opportunity is afforded to those concerned to rectify faults.

The Hon. W. O. FULTON.—I am sure you would not buy damaged goods without complaining.

The Hon. R. W. MACK.—That is true. Road transport is run by private enterprise and suffers from the disabilities of private enterprise. As Mr. Fulton

mentioned, road operators pay road taxes in addition to ordinary income tax and must make profits. However, they also possess a tremendous number of advantages. They are not forced to run to any particular time-table and they have a choice of what goods they will carry within the terms of their licence. They can take the cream of the traffic. They do not have to run to schedule or provide a given number of services whether the traffic is available or not.

The Hon. D. J. WALTERS.—They run to a schedule when carrying perishable goods.

The Hon. R. W. MACK.—That may be so. I am speaking of road haulage generally in this connexion. It is necessary to examine what would be the effect of Mr. Feltham's proposed change now and in the future. There was a certain amount of argument between Mr. Feltham and the Minister of Transport with regard to what was in section 8 of the Act, and it might be as well, for the record, to repeat that section although it has already been quoted. It provides—

Before granting or refusing to grant any licence the Board shall have regard primarily to the interests of the public generally including the interests of persons requiring as well as of persons providing facilities for the transport of goods, and without restricting the generality of the foregoing requirement shall take into consideration—

- (a) the advantages of the service proposed to be provided and the convenience which would be afforded to the public by the provision of such service;
- (b) the existing transportation service for the carriage of goods upon the routes or within the area proposed to be served in relation to—
 - (i) its present adequacy and probabilities of improvement to meet all reasonable public demands;
 - (ii) the effect upon such existing service of the service proposed to be provided;
- (c) the benefit to any particular district or districts or to the residents thereof which would be afforded by the service proposed to be provided;
- (d) the condition of the roads to be included in any proposed route or area;

- (e) the character qualifications and financial stability of the applicant; and
- (f) any other relevant matters which the Board considers will affect the interests of the public.

Mr. Feltham's proposal is to insert the word "road" before the word "transportation" in paragraph (b) and also in the earlier part of the section. The Minister of Transport asserts that, if that is done, the railways will be left out of consideration. I think Mr. Feltham agrees with that point of view because, in the course of Mr. Byrnes's speech, the following passage occurs at page 802 of *Hansard*—

Sir ARTHUR WARNER.—Do you realize that in his second-reading speech Mr. Feltham said—

The whole object of the Bill is to take consideration of the railways as a transport service right out of the deliberations of the Board in granting road licences.

The Hon. P. T. BYRNES.—I admit that, and we have never denied it. The intention is to remove the Railway Department from the obstructive position it now holds. The Transport Regulation Board will still have the right to consider the public interest. If it considered that it was unreasonable to grant a road licence, it would not do so.

The point is that the railways would not be given consideration in the granting of a road licence. In the course of the debate the Minister of Transport, Mr. Galbally and Mr. Hamer referred to an opinion submitted by the Crown Solicitor. I do not want to put any words into the mouth of Mr. Swinburne, but I think he interjected during one of the speeches to say that only the passages that suited were quoted. For the sake of the record, I propose to quote the entire opinion, if I am permitted, in order that it will be incorporated in *Hansard*.

The Hon. I. A. SWINBURNE.—If I have not achieved anything else, I will have been responsible for that. It is what I wanted.

The Hon. R. W. MACK.—This is the Crown Solicitor's opinion—

Crown Solicitor's Office,
461 Lonsdale Street.

Melbourne, C.1. 13th October, 1960.

Re Bill to amend the Commercial Goods Vehicles Act 1958 and effect of the amendments contained there in relation to existing railways services; Commercial Goods Vehicles Act Sections 7 and 8.

The Hon. P. V. Feltham, M.L.C., has introduced into the Legislative Council a Bill to amend section 8 of the Commercial Goods Vehicles Act 1958.

At present, section 8 reads:—

Before granting or refusing to grant any licence the Board shall have regard primarily to the interests of the public generally including the interests of persons requiring as well as of persons providing facilities for the transport of goods, and without restricting the generality of the foregoing requirement shall take into consideration—

- (a) the advantages of the service proposed to be provided and the convenience which would be afforded to the public by the provision of such service;
- (b) the existing transportation service for the carriage of goods upon the routes or within the area proposed to be served in relation to—
 - (i) its present adequacy and probabilities of improvement to meet all reasonable public demands;
 - (ii) the effect upon such existing service of the service proposed to be provided;

- (f) any other relevant matters which the Board considers will affect the interests of the public.

The amendments proposed in the Bill are to insert the word "road" before the words "transport of goods" and before the word "transportation" in paragraph (b).

I am asked to advise whether, if the amendment be made, the effect will be that the Board is to have regard only to existing road services and is to disregard existing railway services.

It is clear that, as the section stands, the Board is to have regard to existing railway services. Thus, in *McCartney v. Victorian Railways Commissioners* 1934 A.L.R. 430, it was held by the Full Court that the railway service was an "existing transportation service . . . upon the routes . . . proposed to be served" within the meaning of what is now section 8(b) and that the Board was therefore right in considering the effect upon the railway services of the service of the proposed applicant.

The Court also said at page 433 that—

"the railway corporation is by express description, though not by name, included in the words 'persons providing facilities for the transport of goods' in Section 26 . . . From those fundamental conclusions it follows that the Board is charged with the duty of 'having regard to' the interests of the railways—Section 26—and in that connexion, with the effect on the railways' service of the service proposed to be provided."

An appeal by the Commissioners to the High Court was dismissed—see 1935 A.L.R. 221. The Court upheld the view of the Supreme Court that the Board was entitled to consider the effect upon the railways' services of the service proposed by the applicant but that it was not entitled to have regard to the interests of the public as taxpayers in reducing the amount of the railways deficit. Rich & Dixon, *J.J.*, thought that the expression "persons providing facilities" included the Railways Commissioners and the expression "the existing transportation service for the carriage of goods" and to "the existing transportation vice conducted by them for that purpose. Starke, *J.* said at page 224—

"But the railways constitute an existing transportation service and the Commissioners are a body providing facilities for the transport of goods."

Evatt & McTiernan, *J.J.*, at page 226 said—"... we agree with the Supreme Court that the 'existing transportation service' mentioned in Section 26(b) includes the Victorian Railways Commissioners in relation to their provision of transport service. Further, we are of opinion that the phrase 'persons providing facilities for the transport of goods' is intended to include the Victorian Railways Commissioners."

It is clear, then, that all the learned judges both of the High Court as well as of the Supreme Court were of opinion that the ability of the Board to consider the effect on the railway services of the service proposed by an applicant for a licence was justified by the references to "persons... providing facilities for the transport of goods" and to "the existing transportation service."

In the light of these pronouncements, I think it is clear that, if the amendments proposed by the Bill be passed, the ability of the Board to consider the effect on the railways service of the service proposed by an applicant, if it existed at all, would have to be found elsewhere than in the expressions on which the conclusions of the learned judges were based.

Can any basis for the Board considering the effect on the railways service of a proposed service be found elsewhere in Section 8?

As to the introductory words to be found in what is now Section 8, Irvine, *C.J.*, said at page 432—

"The words are 'shall have regard primarily to the interests of the public generally.' The 'interests' referred to are, I think, the interests of the public, so far as the public are concerned in the transport service sought to be licensed. Those interests, which vary in extent and degree indefinitely in different sections of the public, may, broadly speaking, be resolved into the elements which are by the

The Hon. R. W. Mack.

language of the Act included in such interests of the public, namely, the interests of those requiring, as well as of those providing, facilities for the transport of goods on the routes, and in the area affected. The word 'including' indicates, of course, that there may be other interests of the public generally which are not defined, and perhaps cannot be immediately defined, but if the Legislature had intended to include the interest that the public generally have as taxpayers of this State, it would have used apter language to express its intentions."

"To hold that such was the intention is to take the Board from the comparatively narrow field of the practical adjustment of transport facilities in a particular district on a particular route, into the vague region of conjecture and theory, and leave it to navigate an uncharted sea of possibilities, social, political and economic, without light or guidance."

Mann, *J.*, at page 435 said—

"As to the nature of the 'interests' which are to be regarded, the whole subject-matter of the Act, no less than the language of section 26 itself, show that they are interests in the transport of goods. These considerations lead to the conclusion that the whole effect of section 26 is substantially that stated earlier in this judgment, viz., a direction to have regard to all the interests concerned in the carriage of goods. Indeed, the entire section appears to be taken up with a careful enumeration of every interest the Legislature could think of as pertaining to any member of the public generally (though without restricting the generality of those words), rather than with the real or supposed conflict between public revenue and private interests."

"It follows that the Board has misconstrued the section... But I wish to add that, in my view, section 26 is not a section limiting the purview of the Board. A direction to 'have regard' to certain things is not a direction to regard nothing else and where, as in this Act, the direction entrusted to the licensing authority is absolute, the authority must itself be the judge of what is relevant to a wise decision, provided its deliberations are not affected by any erroneous view of the law. If the Board thought that the interests of persons requiring railway carriage for their goods would be jeopardised by the licensing of carriers by road, I can see nothing in the Act to prevent it giving such effect to that view as it pleases."

Rich and Dixon, *J.J.*, said at page 224—

"The ambit of the discretion of the Board is not discoverable from the words 'interests of the public' as they occur in section 26. It is governed by the general scope and object of the enactment."

Notwithstanding what was said by Mann, J., that a direction to "have regard" to certain things is not a direction to regard nothing else, I feel that, if the proposed amendments be made, Parliament will have clearly enough expressed its intention that, in future, the Board is to disregard existing railways services and the effect which the granting of a licence might have on them. As Blackburn, J., said in *R. v. Buttle* (1870) L.R. 1 C.C.R. 248, 252—

"When the Legislature changes the words of an enactment, no doubt it must be taken *prima facie* that there was an intention to change the meaning."

In the light of what the courts have said as to the meaning of the words of the section as it stands, it seems to me that the proposed amendments will indicate that the extent to which the Board would be permitted to take into account existing railways services will be so diminished as to amount to nothing from the practical point of view.

(Sgd.) THOMAS F. MORNANE,
Crown Solicitor.

The Co-ordinator of Transport.

So far as I am aware, nobody has disagreed with the opinion of the Crown Solicitor. I do not propose to get into a legal argument with anybody. I think the words of the last paragraph of the opinion of the Crown Solicitor are sufficiently clear. If the Bill is approved, then the interests of the railways will be completely disregarded. Therefore, what would follow? There would be a substantial increase in the number of road licences issued, and, as a natural corollary, a substantial loss in freight to the railways.

I turn now to the report of the Railways Commissioners in this matter, which I think, too, should be read for the benefit of the House. This report which is dated 19th October, 1960, is addressed to the Minister, and reads as follows:—

Referring to your query as to the effect on railway income if the Commercial Goods Vehicles Act were to be amended to enable the Transport Regulation Board to issue road licences without regard to existing railway services, during 1959-60 the revenue from purely Victorian goods traffic (i.e., excluding livestock and interstate traffic which are already subject to unrestricted road competition) amounted to £16.9 millions at an average return of 4.41 pence per ton-mile.

The average return from the highly competitive interstate traffic, on the other hand, was only 2.83 pence per ton-mile, or 36 per cent. less.

The effect of lifting existing restrictions on Victorian road transport would, of course, be two-fold. Firstly, it would be necessary to cut rail rates to at least the average interstate level, and, secondly, in spite of such a cut there would still be a heavy diversion of traffic to road as a matter of preference for reasons other than price.

While no attempt has been made to estimate the loss commodity by commodity, the combined effect of these two factors could not possibly result in a rail revenue loss of less than one-third of the existing income from Victorian traffic—say, £5,500,000—and could very easily amount, after the road operators got into their stride, to one-half, or £8,500,000.

Notes supplied by the Chief Commercial Manager indicating the probable effect on the various commodity classifications are attached.

There are two reasons for the difference between this estimate and the figure of £5,000,000 supplied by the late Mr. Wishart in 1955. These are—

- (1) We now have a great deal more practical experience of the effects of unrestricted road competition in the interstate, and particularly the phony interstate field, especially the extent to which we have to cut rates to counter this competition;
- (2) Our estimate is based on road competition operating under the existing road tax of one-third penny per ton-mile on the tare weight plus 40 per cent. of the capacity of a vehicle, while Mr. Wishart's estimate was based on a tax of one penny a ton mile on the gross weight.

Because approximately 55 per cent. of the costs of goods transport by rail are fixed in nature, the loss of rail tonnage and revenue entailed in granting freedom to road transport would not be offset by anything like a corresponding reduction in costs, and other means would have to be found to keep the railways going for the essential low-grade traffic that could not be economically moved by road.

One method of effecting savings would be by closing a number of non-paying lines—a list of such lines is attached—but this would go only a small part of the way. It would also be necessary to eliminate passenger services to all but the biggest towns on main lines, while the frequency of goods train services would have to be curtailed in the same proportion as the drop in goods tonnage.

Even when every practicable step had been taken to reduce costs, there would still be a very big deterioration in railway finances which could be overcome in only two ways—by increasing charges on those traffics which must remain on rail or by direct Government contributions from

taxation. As no extra revenue would be forthcoming from the Commonwealth for the purpose, the latter alternative would entail a corresponding reduction in Government expenditure on education, public health, police and other essential services.

The present restrictions on the operation of competitive road transport in Victoria are nothing more than the price that must be paid for the privilege of having a railway system that is operated for the overall benefit of the community and not as a business undertaking.

If these restrictions are to be lifted so that the Railway Department must compete on the open market for its traffic, the Department must also be given complete freedom—freedom to run its affairs in a business-like manner, accepting only those traffics that it can handle at a profit and charging whatever rates it can exact without driving the business away.

It is important that this statement, which was quoted partially by the Minister, should be incorporated in full in *Hansard*. From it arose a number of matters which are well worth considering. First, the report of the chairman of the Railways Commissioners is not precise in certain aspects. For instance, it is not precise with regard to the loss of revenue that could be expected. It is estimated at somewhere between £5,500,000 and £8,500,000. I could be wrong, because I am guessing the same as everyone else is, but I believe that, if road hauliers were given an unrestricted right to use the roads, the railway loss would be £8,500,000, not £5,500,000.

The Hon. D. J. WALTERS.—Was not the lower figure given in 1955, and the other one in 1958?

The Hon. R. W. MACK.—The figures quoted were given on the 19th October, 1960.

The Hon. D. J. WALTERS.—Did not Mr. Wishart give those figures in 1955?

The Hon. R. W. MACK.—No. The figure mentioned by Mr. Wishart in 1955 was £5,000,000. On the 19th October, 1960, Mr. Brownbill gave the figure of between £5,500,000 and £8,500,000.

The Hon. I. A. SWINBURNE.—The Minister of Transport said, "Let us call it £6,000,000."

The Hon. R. W. MACK.—That is so. I take a slightly different view from the Minister, although he is probably

right, because he has had more experience. I believe the railways would lose that freight, for a number of reasons. First, there would be the great novelty of being able to use road transport and people would say, "We will give it a go and see how we get on." My experience of the freight question in the country is that it is not merely a matter of the price per ton from "A" to "B." Terminal costs at both ends, damage to goods, the fact that road transport may give a better service—goods ordered to-day are delivered to-morrow, whereas transport by rail takes three days—must be taken into consideration. I believe that the figure of £8,500,000 would be the amount the railways would lose. The chairman of the Railways Commissioners made no attempt to deal precisely with how much of that £8,500,000 would become a net loss. As Mr. Feltham asked: Does that mean a loss of revenue or a loss of profit? The £8,500,000 is a loss of gross revenue, but how much does it mean in extra losses? I have to estimate, but I believe the greater part of that amount would become a net loss.

Sir ARTHUR WARNER.—So do I.

The Hon. R. W. MACK.—Assuming that the lines mentioned were not closed down, the railways would still have the same length of track, the same number of railway stations, the same rolling stock, signalling system, gates, and staff to run the trains that would be necessary. I believe very little could be saved from a reduction of freights. If a train hauls 100 tons instead of 400 tons, the cost of running the train is probably little different, but there is a great difference in the revenue received. If honorable members accept my figure of £8,500,000, it is not unreasonable to suggest that £7,750,000 could be the extra loss. The Minister suggested an amount of £6,000,000 but he and I might agree to differ on that point. Knowing the interest that is taken in this matter in the country, I believe there would be a substantial loss that would be governed not only by the difference between road and rail freights but also by other matters which would come into the question.

The next thing that is not precise in the report is the amount that would be saved by closing down certain railway lines. I could not hazard a guess in that regard. Mr. Walters said that the revenue on some of those lines was over £100,000 a year. I do not dispute that statement, but I should have thought, if there had not been too many stations, perhaps 100,000 tons—

The Hon. D. J. WALTERS.—Not tons—money.

The Hon. R. W. MACK.—I shall not proceed with that argument because I do not know the circumstances. The point is that the chairman of the Railways Commissioners did not indicate in his report to the Minister how much would be saved by the closing of those lines. However, he did make other statements, one of which was that if restrictions were lifted a reduced passenger service would follow. It is true that country passenger services are a losing proposition. I do not believe that, by reducing still further the country passenger services, any real solution to the problem will be found.

I have in my possession an interesting statement which indicates the difficulties already faced by the railways in regard to passenger services. It has been suggested that if greater industrialization occurred in the country and if country industries had the right of freedom of choice of transport, railway revenue would be built up tremendously because of the extra passenger traffic which would result. That argument has been freely advanced and is recorded in the evidence given before the committee to which Mr. Walters referred.

I propose to read all the places mentioned on the list, with the exception of five. The first one is Ararat. In 1954, there were 27,504 passenger journeys from Ararat, and in 1959, there were 22,625, a decrease of 5,000, despite an increase in population. In 1954, there were 167,229 passenger journeys from Ballarat, and in 1959, there were 129,121, a drop of almost 40,000. In relation to Bendigo, there were 118,974 passenger journeys in 1954, and 102,218 in 1959, a decrease of 16,000 passenger journeys.

The Hon. W. O. FULTON.—What was the reason for the decreases?

The Hon. R. W. MACK.—People are using their own transport to a greater extent. I have not yet given all the figures, but despite increases in population in all the centres I shall mention, the number of passenger journeys decreased. These facts do not support the argument that if more people lived in the country, the railways would carry greater numbers. I do not suggest that members of the Country party advanced that argument, but the report of the chairman of the Railways Commissioners mentioned a reduction in passenger services, and I am quoting these figures to indicate the difficulties that are already facing the railways. In relation to Camperdown, in 1954, the number of passenger journeys was 16,000, and in 1959, 13,000; to Castlemaine, in 1954, the number was 45,000, and in 1959, 36,000; to Colac, there were 29,000 passenger journeys in 1954, and 27,000 in 1959; to Daylesford, there were 13,000 in 1954, and 10,000 in 1959. I do not think there is much point in my reading all the figures.

The Hon. I. A. SWINBURNE.—Could you mention the totals?

The Hon. R. W. MACK.—The totals are not given. The point is that the towns of Clunes, Kyabram, Sale and Geelong were among the only places in the State in the period from 1954 to 1959 from which more people were carried than in the previous five years.

The Hon. G. L. CHANDLER. — Is Morwell mentioned?

The Hon. R. W. MACK.—No. I can give the figures relating to Wonthaggi, if that would help.

The Hon. G. L. CHANDLER.—I should like the figures for the Latrobe Valley.

The Hon. R. W. MACK.—The number of passenger journeys to Yallourn in 1954, was 1,579.

The Hon. W. O. FULTON.—Does that refer to passengers?

The Hon. R. W. MACK.—Yes.

The Hon. W. O. FULTON.—How do you arrive at those figures?

The Hon. R. W. MACK.—They are taken from the Railways Commissioners' report.

The Hon. W. O. FULTON.—There is no passenger service to Yallourn.

The Hon. R. W. MACK.—I cannot help that. I am repeating what is stated in the annual report of the Railways Commissioners. For Geelong, the figures are 470,416 for the year 1954 and 481,390 for the year 1959. But that does not get over the fact that even in the places I have mentioned, with the exception of Yallourn—

The Hon. W. O. FULTON.—That could refer to Moe.

The Hon. R. W. MACK.—That is so, but the figures I have before me relate to Yallourn. Yallourn, Kyabram and Clunes—three out of the five places I referred to—are the only centres to show an increase in the number of journeys per head of population. At all other places within the State there has been a decline in passenger journeys and a decline in journeys per head of population.

The Hon. P. T. BYRNES.—What are the figures for Swan Hill?

The Hon. R. W. MACK.—For the year 1954, 10,886 passenger journeys and, for the year 1959, 7,242 passenger journeys—a decline of 3,644 journeys, or approximately 30 per cent.

The Hon. W. O. FULTON.—That could be accounted for by the action of the Minister in putting up country fares.

The Hon. R. W. MACK.—Yes, but it could be accounted for by all sorts of other things.

The Hon. P. T. BYRNES.—The reason I asked about Swan Hill is that it has one of the best railway services in the State.

The Hon. R. W. MACK.—It is interesting that Mr. Byrnes should raise that topic because, strangely enough, one of the things that strikes me most forcibly is that the better the service which is provided to a district the fewer are the passengers carried. I cannot understand that position.

The Hon. D. J. WALTERS.—What you state is not true from the figures I have for Kerang. In that centre passenger journeys increased when the new carriages were introduced as compared with the previous year.

The Hon. R. W. MACK.—I hope Mr. Walters is right. I have been comparing the figures for the year 1954 with those for the year 1959.

The Hon. P. V. FELTHAM.—Thank goodness we are not trying to amend the Act so far as passenger services are concerned.

The Hon. R. W. MACK.—I am pointing out that the Railways Commissioners, in dealing with the effect that Mr. Feltham's amendment to the law would have on the railway finances, said that one of the things they would have to do, apart from closing down certain lines, would be to restrict railway passenger services. I do not believe that is a solution to the problem. On the present figures, we cannot maintain our passenger service as it is, and if we decrease the service we shall obviously still further decrease the number of passenger journeys. Another proposal submitted by the Commissioners was to reduce the frequency of goods services. I do not believe that a reduction in the frequency of goods services would help the railways at all in the fight they have been putting up—and they have succeeded to some extent—for more tonnage to be carried in goods traffic.

It is rather interesting to read the report of the chairman of the Railways Commissioners dated 12th May, 1960. In commenting on the report of the Transport Regulation Board, Mr. Brownbill stated—

In another part of the report it said:

"Broadly speaking, the Board would regard as unreal any idea that a substantial proportion of traffics now moving on the roads now revert to rail. Rather the reverse is likely to occur, viz., as already suggested, a gradual broadening of the road function must be expected in line with the dynamic economic expansion which is occurring."

Continuance of the Board's policy in the latter statement can only result in larger railway deficits.

It is illogical for the Government to be allocating large sums of public money to rehabilitating its transport asset while at the same time the Transport Regulation Board is following a policy which lessens rail traffic notwithstanding its relative cheapness for other than short haul traffic.

One could better understand the Board's policy if road movement were insignificant. It is substantial and is increasing rapidly to the serious detriment of rail and State finances.

Without a close study, it is impossible to estimate the volume of competitive road movement authorized "as of right" under existing transport legislation.

However, some indication of the volume of this traffic can be gleaned from the fact that there are 69,120 "as of right" licences in existence.

12,700 primary producers hold "as of right" licences for vehicles of over 2 tons capacity. If each carried only 100 tons a year and half of them were in competition with the railways, 635,000 tons could revert to rail and return approximately 1.6 million pounds in revenue.

There are 7,700 vehicles licensed "as of right" to carry perishable goods, livestock and petroleum products, &c. If these vehicles each carried only 750 tons a year and half of them were in competition with the railways approximately 2,887,500 tons of traffic could revert to rail and return about 7.2 million pounds in revenue.

It is of interest to point out that similar "as of right" licences are not granted in New South Wales.

The bringing of the traffic referred to into line with other traffic movements controlled by existing legislation would immediately resolve the railway deficit problem and as well, enable reductions in rates to the advantage of the State as a whole and in particular to the marketing of products overseas.

Some cost would necessarily occur in obtaining the new revenue; it would, however, be slight because the railways have so much unused capacity, which has to be paid for whether it is used or not.

That bears out the argument I used before that the £8,000,000 loss of revenue is getting very close to the net loss.

The Hon. P. T. BYRNES.—Mr. Brownbill overlooks the fact that at least 40 per cent. of the as-of-right licences are granted in districts where there is no rail transport.

The Hon. R. W. MACK.—It may be that the chairman of the Railways Commissioners has made allowance for that in preparing his statement setting out

the number of tons carried and the number of vehicles used. The report proceeds—

Notwithstanding the large number of "as of right" licences in operation, the Transport Regulation Board is permitting very many competitive road movements under permit authority, which are costing the State upwards of a million pounds of revenue a year.

Apart altogether from the huge amount of revenue involved, competitive road services increase over-all transportation costs and create avoidable road hazards. Scarcely a week passes without a press report of a road death or accident involving a commercial goods vehicle.

No doubt the larger haulier organizations operate in compliance with industrial awards and conditions, a great number of others, however, appear to place very little importance on these aspects and this could well be an important factor in the cause of road accidents.

It is generally recognized that operators of heavy road vehicles are not paying a proper proportion of the cost of building and maintaining roads and bridges, and are being subsidized in this way by the community.

If proper regard is paid to the important matters to which attention has been directed it would seem to be wise from a community viewpoint, not only to preserve existing rail business, but indeed, to take every practicable means to ensure that greater use is made of existing rail capacity.

The other matter mentioned by the chairman of Commissioners in his report to the Minister was that the railways would have to be run on a business basis. I do not know exactly what that means, but certain implications are involved. I do not want to recapitulate what the Minister of Transport said recently about concessions to pensioners, students and other persons, but I believe that they would vanish if the railways were operated as a business organization.

The Hon. D. J. WALTERS.—A subsidy is received from the Commonwealth Government in respect of concessional fares to pensioners.

The Hon. R. W. MACK.—I agree. However, I now propose to quote from the report of a Board of Inquiry appointed to inquire into and report upon

freight rates and freight subsidies in relation to the decentralization of industry. That report is dated 31st March, 1950, and, on page 10, it states—

Freight contracts apply mostly to manufactured goods consigned from Melbourne to country destinations and, as will be seen in Appendix "D," the average rate is about 70 per cent. of the class "2" rate, the rate that would otherwise apply to most of the traffic. The railway revenue from goods carried under freight contracts for the year ended 30th June, 1949, totalled £1,365,064. Whilst it is not possible to obtain the precise total amount of the concessions granted in freight contracts, it can be reasonably assumed that it runs into hundreds of thousands of pounds per annum. A comparison of the freight contract rate and the class rates is shown in Appendix "D."

In clause 16 of the report, this passage appears—

Road transport rates are usually lower than railway rates on manufactured goods, but railway rates on primary produce and many other raw materials are lower than those which would be profitable to road transport.

In the appendix attached to the report is shown a graph giving a comparison of district rates and mileage class rates. For Mildura, the class "2" rate is 234s., the district rate is 122s., the class "1" rate is 179s., and the district rate is 106s. The class "C" rate is 141s., and the district rate is 106s. For Ouyen, the class "2" rate is 205s., the district rate is 170s., the class "1" rate is 158s., and the district rate is 149s. For Ballarat, the class "2" rate is 61s. and the district rate is 48s. For Colac, the class "2" rate is 78s., the district rate is 62s., the class "1" rate is 62s., and the district rate is 49s.

The Hon. D. J. WALTERS.—You are quoting the highest rate as against the contract rate.

The Hon. R. W. MACK.—No, I am not quoting the contract rate. I am stating the district rate on class "2" goods. I mentioned the ordinary rate on class "2" goods to Mildura as being 232s., whereas the district rate for class "2" goods to Mildura is 122s. I am drawing a comparison of district rates and mileage class rates. I have already referred to the contract rates.

The Hon. D. J. WALTERS.—In some areas, district concessions apply. Is that what you mean?

The Hon. R. W. MACK.—Yes. A further table attached to the report is most interesting because it contains a comparison of ordinary tariff rates and country industry rates for raw materials and manufactured products for 100 miles. First of all, the table deals with milk condenseries for which the ordinary tariff rate for tin plate is 43s., and the country industry rate is 23s.

The Hon. I. A. SWINBURNE.—Would those rates apply to-day?

The Hon. R. W. MACK.—No. I am quoting from a report furnished by an independent committee in 1950.

The Hon. I. A. SWINBURNE.—It would be somewhat out of date now.

The Hon. R. W. MACK.—It may be out of date and it may be out of proportion with regard to money but, I suggest, that in all probability the same ratio applies to-day. The ordinary tariff rate for tin plate in connexion with milk condensaries for 100 miles is 43s., and the country industry rate is 23s.; for sugar, the ordinary tariff rate is 54s., and the country industry rate is 36s.

The Hon. D. J. WALTERS.—One rate would apply to truck loads and the other would apply to small quantities.

The Hon. R. W. MACK.—I do not think that is so. It is a comparison of rates, and the committee compared equal with equal.

Sir ARTHUR WARNER.—The committee was not concerned with propaganda; it simply sought the facts.

The Hon. R. W. MACK.—I do not think an independent committee would attempt to do anything else. For canned fruit, the tariff rate is 82s., for local use the rate is 26s., and for export the rate is 16s. I have quoted those figures in the light of the statement that one of the matters to be taken into consideration by the Railways Commissioners is running the railways on business lines. Would that mean that in addition

to all the concessions that are made available to those persons who the Minister perhaps inaptly called the halt, the blind and the maimed being withdrawn, industries would be faced with the problem of having to pay a rate not granted to them as some type of concession under the railway system as it now exists? Would all these concessions be scrapped?

I shall now attempt to summarize my observations. First, it is evident that the railways are here to stay; therefore some measure of protection must be provided for them. I do not think anyone would suggest that the railway system should be scrapped.

The Hon. D. J. WALTERS.—No, but the Minister of Transport did so.

The Hon. R. W. MACK.—The Minister suggested that if this Bill was passed, certain railway lines would be scrapped. In the report of the Commissioners from which I quoted, there is no suggestion that the Railways Service will be scrapped, but it is stated that services will have to be reduced and some of the lines will have to be scrapped. My second point is that some measure of protection is essential to the railways. If this Bill is passed, that will be taken away, and I could not be convinced otherwise. Mr. Byrnes and Mr. Feltham expressed the greatest confidence in the Transport Regulation Board. They could reasonably state that the Board would not run mad with the issue of licences, but no matter how restrictive it wanted to be, it could still be over-ruled by the court if it recorded a decision that was not based in accordance with the Act. The next point to consider is the effect on the budgetary position if this Bill is passed. It could be argued that, even if road tax was increased, it would have no real effect on the budgetary position, because under section 31 of the Commercial Goods Vehicles Act all money received by the Board by way of charges shall be paid into the Country Roads Board Fund.

The Hon. P. T. BYRNES.—You must thank the Country party for that.

The Hon. R. W. MACK.—I am not blaming or thanking anyone for it; the fact is that that is the law.

The Hon. W. O. FULTON.—That saves the Government from providing the money so, in the end, there is no difference.

The Hon. R. W. MACK.—If there is a further loss of £8,000,000 by the railways, who is going to pay for it?

The Hon. W. O. FULTON.—We do not concede that argument.

The Hon. R. W. MACK.—I have tried to cite the facts so far as I could obtain them.

The Hon. W. O. FULTON.—The people are paying for these things to-day, and they will do so in the future.

The Hon. R. W. MACK.—I do not think they would like to be saddled with another £8,000,000 in addition to the losses that are now being experienced. At the present time, the average losses are in the order of £5,000,000 a year.

The Hon. I. A. SWINBURNE.—You are basing your argument on the freedom of the road, not on the question now before the House.

The Hon. R. W. MACK.—No; my argument has been based on the opinion given by the chairman of Railways Commissioners, and that of the Crown Solicitor of Victoria, as to the effect of this amending measure. I am not prepared to argue the legal problem with anyone. I accept it because I have no better advice available to me than that of the Crown Solicitor. There is no doubt about what he said concerning this matter. He stated—

It seems to me that the proposed amendments will indicate that the extent to which the Board would be permitted to take into account existing railways services will be so diminished as to amount to nothing from the practical point of view.

Surely, we should be concerned with that aspect. If the second reading of this Bill is carried, I shall be in the position of having to support the amendment proposed by the Minister of Transport.

The Hon. P. T. BYRNES.—We have not heard anything about that.

The Hon. R. W. MACK.—In conclusion, I propose to deal with the question, "What is the possible solution of the problem that has been enunciated and which has been debated for some hours?" It is true that the railways have "chased" tonnage at any cost. If the Department can increase the traffic it handles, costs will decrease tremendously, and no industry is so susceptible to turnover as is the railway industry. Despite increased registration of motor vehicles, the tonnage handled by the railways has been maintained and, notwithstanding increased costs, freights generally have been reduced.

The next point that gives me some cause for hope is that, in the not far distant future, there will be a standard gauge railway line from Melbourne to Sydney, which will give a tremendous fillip to railway revenue and railway traffic. With fast goods trains on this long haul, the railways should be able to compete favourably with any road operator on the Melbourne-Sydney route. We are entitled to be hopeful that with the increased traffic coming to the railways, we shall be able to build up the freight content, and it may be possible to make some provision in certain country areas or to alter the system, or perhaps to throw open to road transport operators certain types of goods that were previously closed to them. As Mr. Feltham said, the railways cannot expect to be protected for ever, regardless of what may occur. In a statement that I was advised to read, the Railways Commissioners said—

Therefore, in the foreseeable future the interests of over-all transport economy in Australia will best be served not by permitting free competition, but by the continued restrictions on road transport, where it seeks to operate in direct competition with essential railway services.

On the other hand, it should not be necessary for Australian transport to be conducted in this restrictive atmosphere indefinitely.

The railways will hold their place in the modern world for one reason only—that there is a big slice of the country's trans-

port task that they can do at a much lower cost to the community than could be offered by any other form of transport.

I cannot see any great merit in the suggestion, but it may be worth considering, that if the railways examined their claims accounts they might find in connexion with some type of commodity, that they are paying claims to such an extent that it becomes a losing proposition for them to carry it at all. I do not say that that is so.

Sir ARTHUR WARNER.—It has occurred.

The Hon. R. W. MACK.—If the railways find that sort of thing in the claim forms, they should be the first to submit to the Transport Regulation Board that a licence should be issued to the road haulier to carry those particular goods.

Sir ARTHUR WARNER.—That has been done.

The Hon. R. W. MACK.—In conclusion, I have not yet been convinced that we can afford the luxury espoused by Mr. Feltham.

The Hon. R. W. MAY (Gippsland Province).—I have listened with great interest to the discussions on the Bill, which have caused me some complexity of thought on a number of the points made. For example, it was stated that the Country party had played no part whatever in producing the road tax formula, but later it was confirmed that my party had. It was also claimed that there was freedom of the road, but in due course it was proved beyond doubt that that freedom was conditional. I have before me several press cuttings. One relates to a statement by a very responsible person in this State to the effect that no section of the railways was paying. The statement was reported in the *Age* of the 29th January, 1960. Subsequently it was agreed that country freight traffic was paying.

It was also stated that certain things had always been the policy of the Government, and considerable discussion ensued on that point. It was even claimed that they had been the policy of the Government prior to a meeting with representatives of the Country

party. However, I submit that the circular issued by the Government entitled, *A New Deal for Transport*, dispels any doubt as to when the thoughts were first originated. Many of the submissions made during the debate have been inconsistent. I am sorry to say that in my judgment some of the statements made were manifestly untrue. One wonders how much credence can be given to certain claims. Turning to *Hansard* for a more reasoned logical statement of the position, I feel inclined to quote Mr. Hamer. When discussing the motive that actuated Mr. Feltham in introducing this Bill, Mr. Hamer said that his objective was—

to permit, perhaps with some acceleration, a process already apparent, towards greater freedom for the roads. The Transport Regulation Board and the Railways Commissioners appear to think matters are tending that way already, and the figures as to increased truck registrations and increased tonnage carried on the road indicate that there is gradually evolving a greater freedom for the road operator.

The question is not whether to have tightly closed restrictions or wide open and free competition, but where and when and with what speed the existing process is to continue.

The Minister of Transport made this statement—

Despite the fact that it might appear trucks registered has increased by 25 per cent. since the Bolte Government came into office, the tonnage carried by the railways has been maintained.

And a little later the honorable gentleman said—

The cold, hard, mathematical facts are that the number of trucks registered has risen by 25 per cent. since 1955.

I am sure that neither the Minister nor the Government would have any desire that industry should not carry on. I am sure they wish the Volkswagen people to continue to manufacture utilities and General Motors-Holden's Limited to continue to prosper. In reply to questions asked in the House, subsequently confirmed by inquiry, we ascertained that 80,000 "E" class licences have been taken out, almost 30,000 of which were for utilities of 15 cwt. or less. Of 10,000 "D" class licences, more than 6,000 are for vehicles of 15 cwt. or less. Surely no one would suggest that trucks

with a capacity of 15 cwt. or less should be regarded as a serious threat to the railways system.

It was stated that the inclusion of one word in two places in the principal legislation could be likened to an atomic bomb the size of an apple. I have always heard it claimed that one swallow does not make a summer but one pin can make one spring. Even Guy Fawkes realized that a "big cracker" had some effect. Perhaps we require something in the nature of a bombshell to make us realize what is the modern trend. In that regard a wise man once said that figures never lie, but that does not prevent liars from figuring.

It has been asserted that popularity is not a sufficient ground on which to bring forward a Bill of this nature. The Country party asserts that it is not a question of popularity that is involved but a matter of equality. I shall read two brief extracts from the application form for a commercial goods vehicle licence. The following appears under section "C" of the schedule—

To operate for hire or reward or in the course of trade within a radius of 20 miles from my place of business, the address of which is as follows:—

That applies to an applicant who resides in the country, but the following appears in section "A":—

To operate for hire or reward or in the course of trade within a radius of 25 miles from the post office, situate at the corner of Bourke-street and Elizabeth-street, in the City of Melbourne.

That is a situation of inequality—not only in regard to distance but also in so far as it applies to the potential customers who can be contacted and serviced within that 25-mile radius. It is interesting to note that no less an authority than one who recently gave evidence before the Distribution of Population Committee, Councillor A. T. Evans of the Shire of Creswick, had this to say—

If the present policy on transport and centralizing industry around Melbourne is continued the Department will not get its share of developmental business. Therefore, on a long range plan the present policy could be detrimental.

Mr. Evans gave that evidence at Ballarat. I have no doubt that he will continue to support the plea of the Country party when he becomes a member of this House. I cannot believe that a man who gave such evidence on oath could change his attitude in that regard. I reiterate that the Country party supports this Bill not because it is popular but because it stands for equality and justice for all. If there is no comparison of service between the operations of the railways and those of road transport, road transport would not continue in business for long if it was not able to maintain arrival schedules for the delivery of goods.

Mr. Walters quoted instance after instance from evidence given before the Distribution of Population Committee throughout the country. Reading that evidence it can be seen that time is the main factor. It is the delivery of essential goods on time that enables industry throughout the country to function efficiently. Any delay means loss of time and consequent inefficiency in the factory, and this builds up costs. This has the effect of putting country industries out of business. Mr. I. D. McCoy, secretary to the Ballarat group of the Victorian Chamber of Manufactures, stated in the course of his evidence—

During 1953 British Nylon Spinners (Australia) Proprietary Limited investigated Ballarat with a view to establishing here; however, one of the main reasons for their change of plans was that "Freedom of Choice of Transport" between Ballarat and Melbourne for particularly tender fibre was denied them. This refusal has proved a tragedy for Ballarat because this company has to date spent approximately £5,000,000 on their plant at Bayswater and they are at present employing 667 persons, 576 of whom are males.

The International Harvester Company is another organization that was turned away from Ballarat back in 1950, due to the denial of "Freedom of Choice". No security was offered for a permanent project, some road "concessions" were finally forced, but only operative for a couple of years.

These are only some of many industries forced to cancel plans for establishing in Ballarat.

Evidence was given also by Mr. Lawrence, managing director of the Myer emporium in Bendigo, who stated

The Hon. R. W. May.

that his company had ordered an escalator which had been shipped from Sydney and had to be transported by rail to Bendigo. In the process of loading, however, it was broken and had to be returned to Sydney for repair. Mr. Lawrence told the committee—

After that, the railways said to the Otis company, "For God's sake take it back to Bendigo by road and we will pay the freight." That caused something like two months' delay in our building programme here because the unit was essential to the completion of the structure.

I could quote similar stories from various sources.

I now come to the question which is so often asked: What is in the public interest? Are we to accept that public interest is to be for ever subordinated to the railway interests, or are they to be taken in proper perspective? It was stated some time ago that the inland killing works desired to transport their tallow in road tankers in liquid form to the ship's side where it could be pumped direct into containers. This is possible because the tallow does not solidify during the road journey. Continual pressure has been exercised on the management of the killing works to discontinue the practice and permits for transport of tallow by road have been refused. In the latest number of the *Railway News Letter* there is an illustration of a railway tanker specially constructed to cater for this business. The *News Letter* states—

At the Dynon Goods Depot, a steam heating plant has been installed to re-heat the tallow and convert it from solid to liquid. The containers are then delivered to the consignee's factory where the tallow is pumped direct into bulk storage tanks. Provision of these containers is yet another instance of the versatility of the railway transport system.

I am not disputing the right of the railways to take such steps. I say "Good luck to them" if they are able to do that and compete, but if they cannot compete without there being some inconvenience to the people who desire to make use of their services, I do not believe such activities and the associated cost are necessarily in the public interest. Mr. Mack has stated that there

was a novelty associated with the use of road transport, and that because of this many people would use this form of transport. According to the honorable member, it would be in the nature of a new broom sweeping clean, but in actual fact this has not proved to be the case.

Who is it that pays the freight? Is it the people engaged in industry within a 25-mile radius of the general post office? Much has been said concerning what we should do in meeting the railway losses. Various steps have been taken, but I believe that what has been done has only accentuated the burden on the public.

In the course of this debate extracts have been read from annual reports of the Transport Regulation Board. Almost without exception, those reports have pointed to one thing, namely, that there should be progressive easing of control over road transport. The Country party considers that this is the proper time, even though there has been procrastination, to make a start. Country members in this House have been accused of being wreckers of the railway system. I have not been a member of this House for a long period, but in my subconscious mind I have a recollection that at one time in the history of the State a Country party Government wrote approximately £30,000,000 off the railways accumulated debt.

To prove that over the years the Country party has been consistent and has engaged in no sly practices, I shall read a letter from the Premier to the secretary of our party. It is as follows:—

Dear Mr. Bradbury,

I desire to acknowledge the receipt of your letter . . . regarding a resolution carried at a recent meeting of the Parliamentary Country party suggesting that the capital debt of the Victorian Railways be transferred to the State Account, and in reply, to say I have noted all your remarks and will be pleased to examine the request.

I quote that letter to refute the suggestion that there has been an ulterior motive on the part of the Country party in bringing forward this Bill. The transport policy of the State has not

changed since the days of the horse and buggy; in fact there has been little change since long before that. But this is no time to stifle progress. To try to suppress road transport would be like trying to hold back the tide. When we consider the number of motor vehicle registrations we have to bear in mind that these embrace not only utility vehicles of 15 cwt. or less but also those vehicles that are operating from the far corners of the State, such as Omeo, Gelantipy, Bonang, Benambra, and other places which are not served by railways.

Much has been said about the public interest. In connexion with the construction of a public building at Bairnsdale, Mayne Nickless Limited entered into a contract to cart steel by road. Only two or three loads were carted when permits were suddenly refused, and it became necessary for the steel used in the construction of the building to be carried by the railways. The freight charged was £10 14s. a ton, and the cost of delivery from the railway station to the site was £1 7s. 6d., whereas the charge for the cartage of this material by road was only £6 a ton.

Last week-end I visited Omeo, and when I reached Bairnsdale I was approached by a number of farmers in relation to the question of transport. They expressed concern because they are denied the right to transport steel by road. Steel in any form—and this includes galvanised iron sheeting—carted by the railways costs an additional £4 a ton, and the farmers are reluctantly compelled by economic circumstances to use cement sheeting. Permits can be obtained for the transport of cement sheeting by road, at a cost of £6 5s. a ton. The farmers are erecting barns, machinery sheds, hay sheds and other buildings of a material that is not as durable as galvanised iron, and are compelled to carry this burden “in the public interest.”

One man in the same district who was clearing land had a contract for the supply to a governmental instrumentality of 10,000 electric light poles, and he was informed that from the 31st

October, when the permit for their carriage by road expired, they must be transported by rail. The difference in the cost is £1 a pole, or a total of £10,000. Is it any wonder that Government Departments are short of money when such a foolhardy policy as this is allowed to apply? If the contract was cancelled, the poles would be destroyed, and there would be an economic loss. Again, would this be in the public interest?

Competition between chain-store organizations has become acute. Big city firms have established branches as far out in the country as deliveries can be conveniently made. A pattern has been established of warehouses endeavouring to supply independent country businessmen by taking truck loads of goods for the maximum distance permitted and the transactions are completed at that point. In the case I have in mind, goods were taken to Pakenham and delivered there to country business people.

The Hon. W. O. FULTON.—Is it a fact that chain stores operating from Melbourne are allowed to cart goods to country towns, but country traders are not?

The Hon. R. W. MAY.—I have been led to believe that that is so, but I cannot speak with authority. I have heard it said that in some instances a truck is driven a certain distance, then the semi-trailer is jacked up and a different prime mover is used to complete the journey. I have received a letter stating—

We have received a peculiar case at the moment where a firm in Melbourne carted a load of goods out with their own transport to Pakenham, which is under 50 miles, then our own transport picked it up. Despite the fact that we are within the 50-mile radius, we are being sued for exceeding our licence.

Congratulations to the Country party, and Mr. Feltham. I hope you are successful. The more power you give the railways the more power you give Jack Brown the Communist to control this country.

I have another letter from Lyndon and Jones Proprietary Limited, wholesale fruit and produce merchants, of Traralgon, stating—

Because our firm has carted a few bags of potatoes, and an occasional bag of onions, we have between December 1959 and July

1960 paid £218 in road tax. Other transport operators are no doubt in a similar position. Now, it is quite evident that such costs as these must reflect heavily against producer and consumer; whilst the attaching regulations are hamstringing transport operators. In the majority of instances these potatoes are being carted to places which have no rail service.

Furthermore, transport operators are being hampered and harassed on the roads for the want of fluidity in movement orders. Again we will illustrate by taking ourselves as example. We have a court action against us coming up this month because we fulfilled an urgent order for potatoes—an order which allowed no time to secure a permit. This order was for three tons of potatoes to be delivered 30 miles away. We met the urgent situation, put this farm produce on our trailer, were stopped by an officer on the road, explained the urgency and lack of time to seek a permit . . . and wasted our breath!

The Country party has proposed an amendment of the Commercial Goods Vehicles Act, not with the object of winning popularity, but because it considers that there should be equality. Many conflicting statements have been made by honorable members, and emphasis has been placed on the question of what is in the public interest.

On behalf of certain country people, I had occasion to write to the Minister of Transport before the end of June. As it was then near the end of the financial year, few orders were being received for any Government works involving the use of considerable quantities of timber. Consequently, unless sawmillers just outside a radius of 50 miles from Melbourne could obtain permits to deliver timber to the site by road, they experienced great difficulty in continuing to operate. They can get house orders only if they can give on-site delivery.

I wrote to the Minister of Transport, but I do not propose to weary the House by reading the letter. I merely point out that the honorable gentleman refused to make a departure from policy, which amounted to the fact that two-thirds must be carried by rail and one-third by road. The letter concluded—

The only suggestion I can make at present is that the sawmillers in question use their permits for household lots and use railways for the other lots.

There were no other lots.

Of course, there is another alternative, that the rule be changed to no timber by road over, say, 50 miles, in which case the problem would be eliminated, since no buyers would then be able to obtain timber by road.

The point I make is that saw-millers suffer a tremendous disadvantage. Hypothetical figures have been quoted regarding the impact of the proposed amendment, if passed into law. I wonder whether certain members are sincere in their interpretation of what is in the public interest. If a re-assessment is made of the position, I have no doubt that we may conclude that the public interest will best be served by the passing of this Bill.

I have vivid recollections of the case of a firm manufacturing bricks in the country, which was delivering semi-trailer loads of bricks to the city and the trucks were compelled to return empty. At the time, the firm was extending its works and modernizing its equipment. For this work it required steel beams and trusses 35 feet in length, but it was refused permits to transport the material on vehicles which were returning to the works empty. Some 117 tons of steel was involved. This is an extract from a letter the firm received from the Transport Regulation Board—

With reference to the company's application to move approximately 117 tons of steel in lengths varying from 30 to 35 feet from Dawborn's, Melbourne, to your premises at Ballarat in truck lots over a period of three or four months, the matter has been reconsidered by the Board, but the Board has not been able to find that the existing railway service is inadequate within the meaning of the Commercial Goods Vehicles Act and has, therefore, been obliged to refuse your application.

Of course, that was done in the public interest! A case was quoted earlier of trucks run by the Gippsland cement works returning empty from Melbourne after delivering cement. The firm was not permitted to transport coke breeze back to their works at Traralgon. All these things add very materially to costs borne by the public.

Residents of the far distant Shire of Omeo desired to use Gippsland cement and were able to buy it at £11 7s. 6d. a

ton at the works at Traralgon. The transport costs by road to Omeo amounted to a further £3 5s. a ton, but after the second load had been carried, permits for road transport were refused, and it was necessary to cart the cement by rail to Bruthen and thence by road to Omeo. The costs involved in carting to the railhead at Traralgon, rail freight to Bruthen, and road transport from Bruthen amounted to approximately £9 a ton, almost the cost of the cement in the first instance. I might point out that a district and a town 80 miles from a railhead are involved. I suggest with great respect that it is very easy to view transport problems out of their proper perspective.

I think I can express a view on behalf of the Country party as a whole when I say we have confidence in the Transport Regulation Board. We are not at all convinced that the opinions that if this Bill is passed the public interest will be completely ignored which were quoted in the House to-night represent a true and clear statement of the position. As I listened to the opinions that were quoted I gained the impression that there are certain qualifications in them. I would have complete confidence in the Transport Regulation Board to administer the legislation fairly until such time as it is proved otherwise. If that ever proves to be the case, then this Parliament will very quickly see that reasonable protection is given. However, I think it is wrong to maintain a close preserve for the railways by having regard to their interests exclusively. I do not think that is acting in the public interest, and I consider that people who think it is cannot see the wood for the trees. Like ostriches, they bury their heads in the sand. I consider that there should be a re-assessment of all factors involved in the transport problem and that a different system of values should be arrived at. Unhesitatingly, and without equivocation, I give my support to this very simple amendment which Mr. Feltham suggested the House would be justified in passing without undue debate.

The House divided on the motion
(Sir Gordon McArthur in the chair)—

Ayes	23
Noes	9

Majority for the motion 14

AYES.

Mr. Bridgford	Mr. Mair
Mr. Byrne	Mr. Mansell
Mr. Byrnes	Mr. May
Mr. Cameron	Mr. Nicol
Mr. Chandler	Mr. Swinburne
Mr. Dickie	Mr. Thom
Mr. Feltham	Mr. Thompson
Mr. Fulton	Mr. Walters
Mr. Garrett	Sir Arthur Warner.
Mr. Grigg	<i>Tellers:</i>
Mr. Gross	Mr. Bradbury
Mr. Mack	Mr. Hamer.

NOES.

Mr. Elliot	Mr. Smith
Mr. Galbally	Mr. Tripovich.
Mr. Machin	<i>Tellers:</i>
Mr. Merrifield	Mr. Todd
Mr. O'Connell	Mr. Walton.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2—

In section eight of the principal Act—

(a) before the words "transport of goods" insert the word "road".

(b) in paragraph (b) before the word "transportation" insert the word "road".

The Hon. P. V. FELTHAM (Northern Province).—This Bill has had a respite, I am afraid all too brief, and I want to thank the members of the House for the tone in which the debate has been conducted. In the main it has been on a high plane. I wish to thank Mr. Galbally and Mr. Hamer for their statements and you, Mr. Chairman, for your contribution to the debate. I also thank each of those honorable members for not having labelled this Bill political propaganda. The measure has been treated as a serious attempt to grapple with a grave problem—the future of the transport industry in this State. Whilst we have not brought Government supporters around to our way of thinking in the matter, at least they have made valuable contributions to the debate.

Dealing with the clause, some doubt has been expressed whether my party was aware of what it was doing when it brought forward this amendment to the Commercial Goods Vehicles Act. I wish to inform the Committee that the transport committee of the Country party examined the High Court judgment in *McCartney v. The Victorian Railways Commissioners* and found that the judgment in that case laid emphasis on two particular groups of words in what is now section 8 of the principal Act. It is said that although the word "railways" was not used in conjunction with transportation services mentioned in the section, that word was really implied when one spoke of transportation services for the carriage of goods.

As a result of that decision, ever since 1933 the road transport policy of the State has been determined. The reason there are no road transport services operating to-day—and why there were none over all those years—in practical competition with the railways, is that section 8 meant that in granting any road transport licences the Board had to have regard to the transport services provided by the railways. Since every operation of a road transport operator along a parallel route with the railways would have some effect upon the railway service, the Board was bound to have regard to that fact. As a result of that provision in the Act there have been no general road transport licences operating in competition with parallel railway routes.

In the light of the High Court judgment, we drew our Bill to make it perfectly clear that in dealing with transport services the Board was not to have regard to the railways as a transport service, but we left in the principal Act all the other considerations to which the Transport Regulation Board had to direct its mind in granting licences. The particular consideration—indeed, it is stated in the section as the prime consideration—shall be the public interest. The general effect, therefore, of the Bill is that we shall still have a Transport Regulation Board. No general licence shall be issued except by the determination of the Board. It shall not have

regard to the railway service as a transport service, but it shall not grant a licence unless it is in the public interest to do so. That is the Bill that we have introduced, and that is the case that we have presented to the House and which the Committee is now considering. That case has been examined by both the Labour party and the Government party.

I think I can say that a fair summary of the speeches made by the Government members and by Mr. Galbally speaking for the Labour party is this: "We recognize that there is a problem. We recognize that the road transport industry is being denied the right to operate with any real measure of freedom on the roads, but we appreciate that the granting of even the measure of freedom which is envisaged by this Bill will have such financial effects on the railway service that we are not prepared to accept the Bill as drafted. You are, as a Country party, prepared to give this measure of freedom even at some cost to the railways. We, the members of the Liberal party and of the Labour party, say that the effect on the railways will be so considerable financially that we are not prepared to concede the Bill as drafted."

Members of the Country party are prepared to take the vote of the Committee, as undoubtedly we will shortly. I should like to have thought that the fact that this Bill has passed its second reading was an indication that the House had accepted it in principle, but I am not so innocent as to believe that. I believe there is a trap somewhere, and I await the snap of the steel jaws.

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

That in paragraph (a) of clause 2 the words "and rail" be inserted after the word "road".

I was accused at various stages during the second-reading debate of being angry, and I am prepared to admit that I was angry. I think I had every justifiable reason for being angry. This matter of road transport is tremendously complicated; it impinges upon the finances of the State and there are

plenty of statements by Leaders of the Country party and others to be found in *Hansard*—going back over the years—indicating that in the past they had an idea of the implications on the State Budget of railway finances.

At one time I moved that, subject to certain conditions, there should be freedom of the road. Maybe I was over-anxious for freedom. Perhaps complete freedom is possible only with conditions. I have always believed there should be greater freedom of the road. I believe that when I moved, the Country party—

The Hon. D. J. WALTERS.—Where did you move—that is the question?

Sir ARTHUR WARNER.—I announced it very definitely, and it was mentioned in the press and the Country party made a number of addresses on the subject.

The Hon. D. J. WALTERS.—You did not move in Parliament.

Sir ARTHUR WARNER.—No, because Country party members stated quite clearly in this House that they would not "have a bar" of it. They also stated quite clearly in a committee on the subject matter that they would not have it, and they have never denied that fact. They prohibited and stopped that Bill, and in due course in this House Mr. Byrnes took praise for having stopped it.

The Hon. D. J. WALTERS.—Why are you repeating all this?

Sir ARTHUR WARNER.—Only because Mr. Walters tried to distort something I said.

The Hon. I. A. SWINBURNE.—You said that you moved something, but you did not.

Sir ARTHUR WARNER.—I proposed something. I realize that if I make a slip in one word, the Country party is out to get as much propaganda as possible out of it, and that is the object of this Bill. That is what I was angry about.

The Hon. P. V. FELTHAM.—You debased the debate.

Sir ARTHUR WARNER.—I think Mr. Feltham debased his legal position when he said that the public interest was being fully protected.

The Hon. D. J. WALTERS.—You quoted a learned Judge.

Sir ARTHUR WARNER.—I do not wish to read the whole opinion of the Crown Law authorities. We have several opinions to the effect that if Mr. Feltham's proposal is accepted the railways will not be considered.

The Hon. P. V. FELTHAM.—You keep on getting the railways and the public confused.

Sir ARTHUR WARNER.—I have consulted other authorities on it. The Government will ensure that the public interest is protected and that is the object of the amendment I have moved. If Mr. Feltham says that the public interest is to be protected, he will have the opportunity of denying himself by voting against this amendment. When I proposed the original freedom of road transport scheme, it was opposed by the Country party. It may even have been justified in its opposition. I am not arguing that point at this stage. On a number of occasions during the past five years there have been discussions about freedoms, and on one occasion, when I had given some further freedoms by permit, Mr. Feltham proposed that a Select Committee should be appointed to investigate the question whether I was overriding Parliament in granting certain concessions to road transport.

The Hon. P. T. BYRNES (North-Western Province).—On a point of order, Mr. Chairman, the Minister is making a second-reading speech. Is he moving an amendment, or what is he doing?

The CHAIRMAN (the Hon. R. W. Mack).—The Minister has moved for the addition of certain words. I think it is only right that the Minister should restrict his argument to the amendment he has moved, but it covers a very wide field. I ask the Minister to restrict his argument as closely as possible to the amendment, although I admit that it

covers the whole field of transport and I find it difficult to decide at what point he should be restricted.

Sir ARTHUR WARNER (Minister of Transport).—I find great difficulty in answering the case that has been put and the suggestions that have been made without dealing with the matter fully, because when the words "and rail" are inserted all the subject-matter that was discussed in the second-reading debate is brought back. If at any time the Country party expresses a sincere desire to give greater freedom, I have the authority of the Government to say that, if it will also suggest how much money should be contributed towards this greater freedom and how that money shall be found—either in terms of additional taxation or of some lesser service—the Government, which is and always has been in favour of greater freedom, will be prepared to give the proposals sincere and genuine consideration. I am prepared to meet any members appointed by the Country party to discuss the principle of greater freedom, in which I have believed ever since I have been a member of Parliament. If a practical means can be found, without completely wrecking the State's finances and the railways, then the Country party will have a friend in me.

The Hon. D. J. WALTERS.—You agree that you were going to wreck the railways for a start?

Sir ARTHUR WARNER.—The Country party proposal was advanced purely as a propaganda measure. Members of the Country party could have obtained factual information from the Railways Commissioners within 24 hours of having requested it, as I did, but they made no attempt to do so, because they did not want to know.

The Hon. D. J. WALTERS.—Nor did you in 1955 when you were in opposition.

Sir ARTHUR WARNER.—In May, 1955, the Government was elected to office, and later in that year I put forward certain proposals.

The Hon. D. J. WALTERS.—You made them on the hustings.

The Hon. A. K. BRADBURY.—They were made before the elections.

Sir ARTHUR WARNER.—That is not so.

The CHAIRMAN (the Hon. R. W. Mack).—The Minister has been brought back to 1955, not of his own volition. The honorable gentleman should proceed to give the reasons for the amendment he has moved.

Sir ARTHUR WARNER (Minister of Transport).—If this particular amendment is not acceptable, the Government will consider any proposal provided there is a sincere attempt—whether it be on the part of members of the Labour party, the Country party, or the Liberal party—to give a carefully considered, well-informed approach as to the amount of money which will be involved in relation to State finances and railway finances and also to the effect upon the roads of the shires and municipalities because of the additional weights of cargoes which will be placed upon those roads. This Government, which is a responsible Government, will undertake to examine any such proposal carefully, and so far as I am concerned it will be examined with the greatest goodwill because I still believe there ought to be a greater measure of freedom on the road.

Some assessment will have to be made of the additional cargo carried upon the roads and how much money will be required to maintain the roads, who should pay, and how. Despite the insinuations made, the method of approach to the formula, which was prepared for the purpose of the Full High Court and ultimately the Privy Council, as I explained previously, provided certain ingredients which I do not think had to be provided legally, but we were anxious not to lose the case. Therefore, there is room to get some higher charge than one-third of a 1d. a ton-mile which would go through the Privy Council.

The Hon. D. J. WALTERS.—Why not do it?

Sir ARTHUR WARNER.—For this reason, that when a higher charge was proposed previously the Country party

objected to it on the ground that it would upset the railways. The Country party refused to grant greater freedom. During the course of the debate in the last week it has been suggested, with the idea of using it against me, that I said that the charge should be 1d. a ton-mile. Mr. Feltham made an interjection to that effect.

The Hon. D. J. WALTERS.—That was your own statement.

Sir ARTHUR WARNER.—I agree that my offer was conditional, and I do not propose to depart from that statement. If members of the Country party are genuinely sincere and really want to give freedom, let us examine the proposal. Some provision must be made for the additional road costs. I believe that a greater fee than one-third of 1d. per ton-mile is justified. How much greater is a matter for argument. It may be that it could be fixed as high as 1d., but it could possibly be greater than one-third of 1d.

The Hon. P. V. FELTHAM.—Will the Minister put up the proposition and ask whoever he chooses to examine it with him? Why does he ask us to put up the proposition?

Sir ARTHUR WARNER.—The last time I put forward a proposal it was knocked back. Subsequently, members of the Country party went around the country implying that the Government was not keeping its election promise in regard to freedom. In fact, Mr. Bradbury a short time ago, said that the proposition for a charge of 1d. a ton-mile was contained in the Government's policy speech.

The Hon. A. K. BRADBURY (North-Eastern Province).—On a point of order, Mr Chairman, that is not correct.

The CHAIRMAN (the Hon. R. W. Mack).—There is no point of order.

The Hon. A. K. BRADBURY.—In explanation, Mr. Chairman, I said that the 1d. a ton-mile was not in the pamphlet issued prior to the election of 1955.

Sir ARTHUR WARNER (Minister of Transport).—I accept Mr. Bradbury's assurance. It was not in fact in the Government's policy speech.

The Hon. P. V. FELTHAM.—You are not prepared to put forward a proposition yourself—you want some other party to do it.

Sir ARTHUR WARNER.—I am prepared to have a shot at it. I intend to put forward a few proposals that honorable members might like to consider, because I have not sat still for five years without thinking of all the possibilities.

The Hon. D. J. Walters.—I suggest you do it in the proper manner, and not on this Bill.

Sir ARTHUR WARNER.—The Country party has put forward a proposal which, on the face of it, is completely absurd, and I think members of the Country party knew it. In order that there should be no opportunity for them to say that they have not had a chance to consider other proposals, I intend to advance some ideas on the subject. The first is that some means must be found of reimbursing the shire councils for the additional wear on the roads.

The Hon. W. O. FULTON (Gippsland Province).—On a point of order, Mr. Chairman, I do not think the subject the Minister is now discussing has anything to do with the proposal before the Chair.

The CHAIRMAN (the Hon. R. W. Mack).—I have some difficulty in this regard, which I think members of the Committee will appreciate. The Committee is now dealing with the whole problem of transport as affecting road and rail. Any matter that affects road or rail transport in the State of Victoria is open to be debated in the Committee stage. I would welcome the remarks of any honorable member wishing to speak to the point of order who may suggest that I am wrong.

The Hon. D. J. WALTERS (Northern Province).—I do not wish to suggest that you are wrong, Mr. Chairman, and I appreciate that your position is a difficult one, but we are dealing with a proposal to put the words "and rail" in an amending Bill that proposes to insert the word "road" in the principal Act.

I cannot see that the question of what might be incorporated in a future Bill has anything to do with the measure now under discussion.

Sir ARTHUR WARNER (Minister of Transport).—If I may speak to the point of order, Mr. Chairman, I should like to say that what I propose is a substantial alteration to the Bill. The alteration that I propose is nearly as wide as the original proposal which was debated by almost every member of the Country party. I suggest, with respect, that if we are discussing an amendment to put the words "and rail" in a measure which will affect road and rail transport, since motor transport runs upon roads and since that involves one of the expenses of the operation of road transport, it is a relevant subject.

The Hon. P. T. BYRNES (North-Western Province).—I am prepared to listen to the Minister if he will attempt to calm down, but he is so extremely provocative regarding this measure that it makes me feel that he has a guilty conscience about something. The proposed amendment seems to be very wide, and after the Minister has explained his ideas on the subject, the Country party should have an opportunity to seek sound advice upon the real meaning of the proposal.

The CHAIRMAN (the Hon. R. W. Mack).—That point does not arise at this stage. I think I must rule that the Minister is in order in proceeding, because he is dealing with the whole problem of road transport.

The Hon. W. O. FULTON (Gippsland Province).—On the point of order, Mr. Chairman, if the Minister is given this privilege, will every other member have the privilege of making another second-reading speech?

The CHAIRMAN.—The Minister is not making a second-reading speech. The Bill proposes to insert one word in two places in the Commercial Goods Vehicles Act. The Minister proposes to add two more words and is speaking to the proposed amendment. Every member will have exactly the same privilege as the Minister.

The Hon. J. W. GALBALLY (Melbourne North Province).—I accept your kind invitation, Mr. Chairman, to discuss this matter because this is a very important Bill affecting as it does the finances of the State and various activities. I can understand the Country party at this stage being a little upset at the attitude of the Minister. I do not wish to use harsh words, but the position is a little hard to understand. Two weeks ago the honorable gentleman came into the House and said that if Mr. Feltham's Bill was passed, it would spell ruin for the railways.

The Hon. P. T. BYRNES.—Financial doom for the State of Victoria!

The Hon. J. W. GALBALLY.—Yes. The Minister stated that its introduction amounted to political propaganda and that he had received an opinion from the Crown Solicitor.

The CHAIRMAN (the Hon. R. W. Mack).—I understand that Mr. Galbally intends to address himself to the point of order?

The Hon. J. W. GALBALLY.—Yes, Mr. Chairman. My remarks so far have been by way of introduction. To-night the Minister has repeated his charge about political propaganda and has referred to the destruction that would necessarily ensue to the State's finances if the Bill were passed.

The Hon. MURRAY BYRNE.—You agreed with that.

The Hon. J. W. GALBALLY.—We agreed with the opinion submitted.

The CHAIRMAN.—Order!

The Hon. J. W. GALBALLY.—I was drawn away by Mr. Byrne. In the circumstances, one must express surprise that the Government voted for the second reading of a Bill which might bring about destruction. Members of the Government party knew the attitude of the Labour party to the measure. All they had to do was to vote against it and that would have been the end of the matter. I am using plain words when I say that the attitude of the Government, to say the least, is puzzling. The Minister of

Transport now says, in effect, "This is a Bill which proposes to put in the Commercial Goods Vehicles Act the word 'road'. I have studied the position carefully and have obtained legal advice from the Crown Solicitor and now I want to add the words 'and rail'."

The Hon. P. T. BYRNES.—I submit that we are entitled to get legal advice, too.

The Hon. J. W. GALBALLY.—I entirely agree. It would be a matter of common prudence at this stage for Mr. Feltham, who is in charge of the Bill, to consider the position. I suggest that progress be reported. There has been a long debate to-night and members should consider the matter in a calm atmosphere.

The CHAIRMAN.—When does Mr. Galbally propose to address himself to the point of order?

The Hon. J. W. GALBALLY.—The point of order is an interesting one, but if my suggestion is adopted it would not have to be decided. I suggest that progress be reported, and in that event the House would have an opportunity of considering the amendment which is now proposed.

The CHAIRMAN.—I thank Mr. Galbally, but I do not think that he has been of much help to me. I adhere to the decision I made, that I consider the Minister of Transport is in order in proceeding.

The Hon. P. T. BYRNES (North-Western Province).—By leave, I should like to say that I have no objection to listening to the Minister—in fact, I should like to hear him—but I suggest, Mr. Chairman, that you restrain him and see that his language is kept within bounds.

Sir ARTHUR WARNER (Minister of Transport).—After that attempt to stop me from making a speech, I shall naturally be very careful and very polite indeed. With due respect to members of the Country party, I came to the opinion that they had made no attempt whatever to examine the consequences of the Bill. I feel that it was presented to the House not as a serious and

sincere attempt to grant more freedom but as an attempt for some other purpose.

The Hon. D. J. WALTERS.—You mean that the member who introduced the Bill was not sincere in introducing it?

Sir ARTHUR WARNER.—I believe that that is so. It was not a sincere attempt to solve the problem.

The Hon. P. V. FELTHAM.—You are the only member of your party who has said so.

Sir ARTHUR WARNER.—I may be the only member who has said so, but I am not the only member who believes that to be so.

The Hon. P. V. FELTHAM.—We must go by what members say in this House, not by what they mutter outside.

Sir ARTHUR WARNER.—I am prepared to take a vote on the question, if Mr. Feltham so desires. During the past five years nobody has come forward with an alternative proposition for freedom of the road—unless the introduction of this Bill can be described as such an attempt. I contend that this Bill does not deal with the subject adequately. It makes no provision for the likely consequences, and to that extent—I say this without intending to be provocative—I feel that it is irresponsible.

I consider also that if the party which has presented the Bill had examined the likely consequences or had sought advice from those who are informed on the subject, such as the Railways Commissioners, the Transport Regulation Board, or Crown Law officials, they would have received opinions which would have led them at least to study some of the major points involved, and I feel sure that then, when they had addressed the House on the subject matter, we would have heard some proposals to deal with problems which the matter obviously raised. As I said before, I believe that some greater freedom ought to be given, and my party believes likewise. I am authorized by the party and by the Government to say so, and I am authorized to offer to examine any reasonable proposition.

The Hon. P. V. FELTHAM.—Are you authorized to think one out for yourself?

Sir ARTHUR WARNER.—I intend to present something. First, it is necessary to find a means by which to overcome the losses to the municipal councils and the Country Roads Board that would be inherent in giving a great deal more freedom to road transport, if that freedom resulted, as we all think it would, in a much greater use of the roads. I suggest that some consideration ought to be given to that aspect, and I offer it as a constructive thought that if there is to be greater freedom of the roads, with compensation payments to shire councils and so forth, it will become necessary to increase road charges. I do not say that I shall move an amendment in that regard. However, if members of the Country party and other members of this House consider that the proposal which has been put forward is a good one and indicate that they are willing to extend freedom for road transport, they should face up to their responsibilities and consider the consequences of such action.

The Hon. P. V. FELTHAM.—Do you think it is the responsibility of other parties to devise a road-transport policy?

Sir ARTHUR WARNER.—No, but when a sound policy has been put forward by the Government and destroyed by the Country party, as was previously the case, I suggest that it is up to that party to put forward an alternative proposal. With due respect, I suggest that the intentions of the Bill submitted by the Country party are not exactly what they appear to be in the document. I am offering a sincere, constructive proposal with the object of dealing with the question of road damage.

The next point to be considered is that if a considerable amount of freight is to be removed from the railways, the railways will be faced with a substantial financial loss. That difficulty can be

dealt with in several ways. One approach would be to increase the road charge. The extent of the loss which the State is capable of bearing ought to be determined and a decision should be made as to the manner in which that loss shall be met. Although there is a general dislike of increased taxes and, as everybody knows, the ability of State Parliaments to levy taxes is very limited, we would be forced—I do not recommend it—to resort to the imposition of additional land tax, higher probate duties and similar forms of taxation in order to overcome the loss involved. The next alternative which arises is where the money shall be taken from. Everyone knows that the State is painfully short of hospitals, schools, sewerage, light and many other facilities. If we are not prepared to increase taxes, a decision must be made from which of these facilities money is to be taken.

If business is taken away from the railways and they are not compensated in any way, we must consider what other steps shall be taken within the railways to overcome the problem. I do not believe freight charges ought to be increased, as I have previously stated on many occasions. But, if no other steps are taken, the Railways Commissioners' suggestion of being forced to close down certain lines will automatically follow, as surely as night follows day. Possibly that was one of the ideas which Mr. Feltham had in his mind in considering what should be done concerning the loss of £5,000,000 or £8,000,000 which would be incurred by the railways. Surely if the Country party brings forward a measure which, if passed, would have tremendous repercussions on the finances of the State and possibly on a number of railway passenger and goods services, and which might require certain lines to be closed, it should at least be expected to submit a constructive suggestion as to what ought to be done with respect to the problems that its proposals create.

I point out that if, in giving these greater freedoms, we issue road licences in certain territories and, as a result, are forced to remove certain railway

services, some obligation must be imposed on the recipients of the licences to provide the same kind of service as was previously given by the railways. In that case, it may be discovered that the charges which the road operators are then bound to make on the lush and opportunist cargo which they now seek will increase considerably. It could well be that, in the long-term view, any such action would not be in the best interests of the State. It is necessary to take a careful look at the doubtful lines and those which appear to be incurring losses, with the object of determining whether the services should be retained or, alternatively, whether they should be discontinued and the services of road transport operators employed. If the latter course were adopted, I think people in the country would insist upon the provision of the same kind of regular service as was previously rendered by the railways.

The Hon. R. W. MAY.—Cannot that be done at the present time?

Sir ARTHUR WARNER.—No.

The Hon. R. W. MAY.—I understand that at Omeo the road transport operator is required to be in attendance regularly, whether his services are required or not.

Sir ARTHUR WARNER.—Generally speaking, a time-table is not insisted upon because road transport operators are not, in effect, common carriers. If we face up to the issue of destroying the railways, we must consider whether we shall make it incumbent on the road transport operator who replaces the railways to provide an equivalent parcels service and passenger service and to carry both large and small articles of freight regularly in accordance with the requirements of those who reside in country districts. Then, as I said before, it may be discovered that the rates which the road transport operator would have to charge because of the burdens imposed upon him would be unacceptable.

In the course of the discussion this evening, there was some argument concerning the effect of road competition

upon passenger services, and I have read many articles in American papers on this subject. It has been suggested that by reducing losses on passenger services we may thereby be enabled to reduce freight rates or overcome some other problems. I obtained a report from the railways as to what would be the effect of abandoning all of the passenger services that were losing money. Under the accounting system on which freight rates are calculated, a certain measure of overhead is allocated to passenger services. If the passenger services are discontinued they no longer carry that proportion of overhead and, as some honorable member stated this evening, the dead overhead of the railways, or those charges which cannot be removed, remain and have to be borne by freight. To my surprise, I discovered that, by abandoning passenger services, freight rates would not be reduced but, on the contrary, would be increased. So, that aspect must be taken into consideration.

The Hon. W. O. FULTON.—That is easy to understand.

Sir ARTHUR WARNER.—It took me some weeks to arrive at that conclusion, but I have no doubt that Mr. Fulton saw it in a flash.

The Hon. W. O. FULTON.—Anybody who could not accept your explanation would be dull. It is very obvious that you are now making another second-reading speech.

The CHAIRMAN (the Hon. R. W. Mack). — Order! I hope Mr. Fulton is not reflecting on the Chair. He must realize that the amendment which the Minister of Transport is discussing covers the whole transport field.

The Hon. W. O. FULTON (Gippsland Province).—I would be the last to reflect on a decision of the Chair, as I respect the authority of the Chairman at all times. I am very sorry if I have transgressed.

Sir ARTHUR WARNER (Minister of Transport).—I repeat that the Government is tremendously interested in any sincere, well thought out proposal. I am prepared to discuss that type of

proposal with anyone. There are a number of alternatives to be considered, and, during my period as Minister of Transport, I have considered a number of possibilities, some of which I have put up to my party.

The Hon. J. W. GALBALLY.—You would be mad if you did not, because you are in a desperate plight. You would clutch at any straw, really.

Sir ARTHUR WARNER.—It must be realized that we are facing a very difficult problem. It might not appear in that light to Mr. Galbally, but it does to me. Although the economic disadvantages of the transport problem in the country might not be very great, nevertheless I do agree that there is a vast degree of frustration involved.

The Hon. SAMUEL MERRIFIELD.—Why not issue a White Paper on it and have a full discussion with the Railway Department and the Transport Regulation Board?

Sir ARTHUR WARNER.—I think that is a proposal that is not without merit. Perhaps Mr. Merrifield might prepare a draft which I could examine.

The Hon. SAMUEL MERRIFIELD.—It now appears that you wish to give me a job.

The Hon. I. A. SWINBURNE.—One minute the Minister is attempting to give the Country party a job and the next minute he is passing it off on to the Labour party.

Sir ARTHUR WARNER.—I point out that the Country party is not the Government at the moment. It is in a minority in the Upper House. I am not suggesting that any other party should take the responsibility of implementing any policy. All I want to point out is that the limited experience I have gained over the past six years is at the service of anybody at any time who is prepared to put forward a constructive transport proposal.

The Hon. P. V. FELTHAM.—Bring in a Bill and we will debate it.

Sir ARTHUR WARNER.—If that were done, members of the Country party could go around the country saying they

were not satisfied with the Government's proposal. It is impossible to bring down a Bill dealing with transport that does not bring in its train some disabilities to one section or another.

The Hon. J. W. GALBALLY (Melbourne North Province).—On a point of order, it seems to me that the Minister of Transport is now straying a great deal from the subject-matter of the amendment he has moved.

The CHAIRMAN (the Hon. R. W. Mack).—Order! I agree that the Minister has strayed from the point, but he has been led astray by interjections.

Sir ARTHUR WARNER (Minister of Transport).—The real object of the amendment is to ensure that the public interest in the finances of the State and the railways shall be considered by the Transport Regulation Board. Irrespective of what may be the difficulties in legal opinion on this, I, as a Minister of the Government, must accept the opinion of the Crown Solicitor, which I do unhesitatingly. The Transport Regulation Board—I referred the Bill to that body, too—also agrees that it would interpret it in the same way. If the Bill were passed it would, in effect, have to disregard the interests of the railways and disregard the general interests of the public in the finances of the railways and the finances of the State. The Government could not accept such an irresponsible position, as it must look after the finances of the State and ensure that the railways are properly protected. Therefore, if the words “and rail” are inserted in the Bill the position would be remedied.

Perhaps on occasions there has been over-emphasis on the position of the railways when considering road transport problems. I have heard it argued at times that the words “existing transport services” could only mean the railways because they were the only services existing at the time of the original Act. If the words “and rail” are inserted, the Board will have to consider the effect of transport services on the public and the public

interest in rail services. My proposal will ensure that road and rail transport are given full and equal consideration. The public has a huge investment in rail services, and the need for rail services throughout the country is extremely important. In other countries of the world where various commissions have been set up to regulate road and rail transport, the law is that the public interest in both services must be considered and the endeavour is to co-ordinate transport. A one-sided view of rail transport only is not considered. In any case, I feel that the public interest in the finances of the State and the finances of the railways cannot be completely disregarded, as would be the case if the Bill were passed without amendment.

The Hon. P. V. FELTHAM (Northern Province).—In my humble opinion the effect of the Minister's amendment, at its best, would put us back precisely where we were before I introduced my Bill, and, at its worst, it would put road transport in a slightly worse position. The Transport Regulation Board's consideration of the railways in the granting of licences in the past has arisen by implication and as a result of a High Court decision. The word “rail” does not appear in the section in question, and has been read into it only because of the judgment of the High Court. Now the Minister proposes that the words “and rail” shall be expressly inserted by Parliament. As in my humble opinion this would place us back in the position we were in before I introduced the Bill, I ask the Committee to report progress in order to give me a chance for legal consultation. I should like an assurance from the Minister that he will allow me to obtain the opinion of the Solicitor-General, Sir Henry Winneke, for whom I have the greatest respect. I should like his view as to whether the effect of the Minister's amendment does or does not put us back where we started.

I know that the Minister mistrusts my views concerning the laws generally. I do not know whether he really mistrusts me, but when he speaks on the matter of party politics and I have

anything to say concerning the law he never hesitates to suggest that there is something odd about my opinion and that the other legal opinions differ from it. I may be wrong, but I am sufficiently fair-minded to say, "Let us obtain Sir Henry Winneke's opinion." Sir Henry, who is the Government's legal adviser, is a person of the highest mental calibre in the law, and we would be very happy to know what he says about the Minister's amendment.

The Hon. G. J. NICOL.—Will you accept Sir Henry Winneke's opinion on your own Bill?

The Hon. P. V. FELTHAM.—We accept the Crown Solicitor's opinion on that; we have never challenged it.

The Hon. G. J. NICOL.—You have been arguing against it all along.

The Hon. P. V. FELTHAM.—I do not know what Mr. Nicol means by his interjection. If he read *Hansard*, even if he does not attend regularly in the House, he would see that on at least five occasions during the second-reading debate we intimated that we thoroughly agreed with what the Crown Solicitor said, and I reiterate that agreement.

Sir ARTHUR WARNER.—You agree that the public interest would not be considered if your Bill was passed?

The Hon. P. V. FELTHAM.—No. The Crown Solicitor did not, at any stage, state that the public interest would not be considered. The Minister of Transport, possibly because he is the Minister in charge of the railways, seems to get confused between the word "railways" and the word "public."

Sir ARTHUR WARNER.—I did not get confused at all; I read the Crown Solicitor's opinion very carefully.

The Hon. P. V. FELTHAM.—The Minister stated that under my Bill the public interest would not be considered, but he meant that the railways' interest would not be considered.

Sir ARTHUR WARNER.—I meant what I said, namely, that the public interest generally would not be considered.

The Hon. P. V. FELTHAM.—The Minister did not understand what the Crown Solicitor said. He expressed a scholarly opinion, and it could not have been better expressed had I been responsible for it myself.

The Hon. J. W. GALBALLY (Melbourne North Province).—I hasten to assure Mr. Feltham that in no way does the Minister of Transport mistrust his legal opinion on this question, or on any other matter. Perhaps Mr. Feltham felt to-night that the Minister did reflect upon him, but he should make allowances for the honorable gentleman, who is young, impetuous and anxious to do well in his portfolio as Minister of Transport. I am pleased that Mr. Feltham has supported the Labour party's suggestion that progress be reported. It is a wise precaution to seek an adjournment of the debate until consideration can be given to the legal effects of the Government's amendment. I hope the Minister of Transport will give an undertaking that Sir Henry Winneke's opinion will be available to the House so that we can give further consideration to this very important measure.

The Hon. P. V. FELTHAM (Northern Province).—The Minister of Transport is silent concerning my request that we be permitted to consult Sir Henry Winneke on this question, and I can only assume that the honorable gentleman is unwilling to allow the principal legal officer of the Crown to express his view on the amendment now under consideration.

The Hon. J. W. GALBALLY.—Silence means assent!

The Hon. P. T. BYRNES (North-Western Province).—I support Mr. Feltham's request, which is not unusual in any way. A short time ago, the Minister of Transport promised to give us every possible assistance in framing a suitable amendment to Mr. Feltham's Bill. The Committee is now dealing with what is really an amendment to an amending measure, and honorable members are entitled to understand the full legal implications of it. We would

be pleased to have the advice of Sir Henry Winneke, who could be termed one of the leaders in the Government service, but we cannot approach him without the Minister's consent.

Sir ARTHUR WARNER (Minister of Transport).—I am quite happy about it.

Progress was reported.

LOCAL GOVERNMENT (DISQUALIFICATION) BILL.

This Bill was received from the Assembly and, on the motion of the Hon. G. L. CHANDLER (Minister of Agriculture), was read a first time.

CATTLE COMPENSATION (AMENDMENT) BILL.

This Bill was received from the Assembly and, on the motion of the Hon. G. L. CHANDLER (Minister of Agriculture), was read a first time.

ADJOURNMENT.

PUBLIC SERVANTS: ELIGIBILITY FOR LONG SERVICE LEAVE.

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

That the Council, at its rising, adjourn until Tuesday next.

The motion was agreed to.

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

That the House do now adjourn.

The Hon. J. M. WALTON (Melbourne North Province).—I should like to direct the attention of the Minister of Transport to what I believe to be an anomalous position that affects many retired public servants, and some public servants who are still in the Government service. I refer particularly to long service leave. The Public Service Act, which was passed in 1946 and provided for long service leave for Public Service employees who had worked for 20 years, contained a provision whereby any public servant who, at that time, was over the age of 65 years would not be eligible for long service leave. Obviously, this provision was intended to prevent persons who had reached the

age of 65 years, and who had, in fact, retired from the Public Service, from obtaining long service leave. A number of persons have worked after attaining the age of 65 years and, in one particular case in which I am interested at the moment, the person concerned worked for almost ten years after the enactment of the legislation in 1946. Because of this section in the Public Service Act such persons are not in fact entitled to long service leave. The Education Department stated that it could not pay them in lieu of long service leave because of the section, and the Public Service Board has replied similarly to representations made to it. These people have also applied to the Treasury for an *ex gratia* payment, but without success.

I point out that if these people had been employed in outside industry they would be entitled to long service leave, but they are precluded from such entitlement because of the section I mentioned, which I believe was not intended to cover such cases. They have worked a full period of ten years. One lady worked from the age of 67 to 77 or 79. The Education Department was very grateful for her services, but, unfortunately, because she was over the age of 65 in 1946, she cannot receive payment for long service leave. The Government should be prepared to introduce amending legislation to deal with these cases, or at least make some *ex gratia* payment to the persons concerned, of whom there would not be many.

The lady to whom I have referred continually complains to me that she has been robbed of her entitlement, and I believe her. I have had little success in dealing with the Departments concerned, although I appreciate that it is not the fault of those Departments. I urge the Minister in charge of the House to have the matter investigated.

The motion was agreed to.

The House adjourned at 12.8 a.m. (Thursday) until Tuesday, November 22.

LEGISLATIVE ASSEMBLY.

Wednesday, November 16, 1960.

The **SPEAKER (Sir William McDonald)** took the chair at 4.13 p.m., and read the prayer.

LICENSING ACT.

RIFLE CLUBS ON WILLIAMSTOWN RIFLE RANGE: LIQUOR LICENCES.

Mr. FLOYD (Williamstown) asked the Chief Secretary—

Whether any of the rifle clubs with club houses on the Williamstown Rifle Range have been granted liquor licences; if so—(a) whether the club or clubs had to go through the same procedures as other organizations seeking liquor licences; (b) whether, as these clubs do not pay municipal rates, they also are exempt from Government dues from the sale of liquor and spirits; (c) whether these clubs were granted any priority over other applicants; (d) whether the usual opportunities were given to objectors to state their cases; (e) whether the club rooms comply in every respect with the requirements demanded by the Licensing Court of other applicants; and (f) what trading hours will be permitted at these clubs?

For **Mr. RYLAH (Chief Secretary)**, **Mr. Porter (Minister for Local Government)**.—The answer is—

The Victorian Licensing Court has not received any application for registration of a rifle club having a club house on the Williamstown Rifle Range.

PUBLIC WORKS DEPARTMENT.

PRESTON SOUTH STATE SCHOOL:
CONTRACT FOR WORK.

Mr. RING (Preston) asked the Minister of Public Works—

Whether a contract has been let for the provision of a new staff room, external repairs and painting, and roof repairs at the Preston South State School, No. 824; if so—(a) what is the name of the successful tenderer, and what is the contract price; and (b) whether any work has been carried out under this contract, or, when it is anticipated that the contractor will commence the work?

Sir THOMAS MALTBY (Minister of Public Works).—The answer is—

No; the contract prepared was not signed by the successful tenderer.

(a) Tenders, closing on the 6th September, 1960, were called for the above work, and a tender submitted by Mr. G. J. Little of 19 Sylvan-grove, Pascoe Vale was accepted at £2,940.

(b) The successful tenderer has not carried out any of the work and has now withdrawn his tender because of the loss of reliable sub-contractors. The work will be readvertised immediately, and fresh tenders will close at 10 a.m. on Tuesday, 29th November, 1960.

NEW GUTRIDGE PRIMARY SCHOOL, SALE:
ROOFING AND STUMPS.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of Public Works—

1. What would have been the additional cost incurred if roofing tiles had been used on the new Gutridge primary school, Sale, instead of galvanized iron?

2. What additional costs would have been incurred if concrete stumps had been used instead of redgum stumps?

Sir THOMAS MALTBY (Minister of Public Works).—The answers are—

1. If tiles had been used a steeper pitch to the roof, with additional height to one external wall, would have been necessary. The use of precast cement roofing tiles would have involved an additional cost of £3,100.

2. £100.

RAILWAY DEPARTMENT.

PERIODICAL TICKET HOLDERS: SUNDAY
TRAVEL BETWEEN SUNSHINE AND
MELBOURNE.

Mr. CRICK (Grant) asked the Minister of Forests, for the Minister of Transport—

Whether the holder of a railways periodical ticket from Sunshine to Melbourne is permitted to travel free on Sundays on Melbourne and Metropolitan Tramways Board buses from the Sunshine railway station to the Queen-street, Melbourne, terminus and return?

Mr. FRASER (Minister of Forests).—The Minister of Transport has intimated that the answer is "Yes."

STATE ELECTRICITY COMMISSION.

RESALE OF ELECTRICITY BY
MUNICIPALITIES: PRICES.

Mr. MUTTON (Coburg) asked the Minister of Electrical Undertakings—

1. What municipalities in the metropolitan area receive bulk supplies of electricity from the State Electricity Commission for resale to consumers?

2. What scales of prices are charged by such municipalities to consumers?

3. What scale of prices is charged by the State Electricity Commission to consumers in the metropolitan area?

Mr. G. O. REID (Minister of Electrical Undertakings).—The answers are—

1. Melbourne, Box Hill, Brunswick, Coburg, Footscray, Heidelberg, Northcote, Port Melbourne, Preston and Williamstown.

2. These metropolitan municipal undertakings have for many years charged the same tariffs as those applicable in the metropolitan branch of the State Electricity Commission. A small number of consumers have retained certain non-standard lighting and power tariffs which were in force prior to the introduction of standard tariffs. I will supply the honorable member with a full schedule of the standard tariffs of the State Electricity Commission.

3. See answer to question 2.

FORESTS COMMISSION.

EXPENDITURE OF FUNDS PROVIDED FOR
TREE PLANTING.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of Forests—

Where the sum of £200,000 provided for tree planting this year will be expended and what amount will be spent in each district?

Mr. FRASER (Minister of Forests).—The answer is—

The sum of £200,000 stated in the schedule to the Forests Loan Application Bill is, in accordance with standard practice, in excess of the maximum amount that could be available to the Forests Commission during the current financial year, such amount being £160,000 for expenditure on plantations and nurseries. The difference of £40,000 represents the Parliamentary authority required to ensure continuity for the period from the end of the financial year until the following loan application Bill is passed.

The money will be expended on the development of existing plantations and the establishment of new projects in the Koetong, Kentbruck, Daylesford, South Gippsland and other areas. In South

Gippsland, the planting of ragwort-infested areas will assist in controlling the spread of this noxious weed.

It is not possible to state what amount of money will be expended in each district because of the varying availability of labour and the difficulty in predicting seasonal conditions which substantially govern activities.

HOUSING COMMISSION.

ERECTION OF HOUSES: APPLICATIONS
FOR TENANCIES.

Sir HERBERT HYLAND (Gippsland South) asked the Minister of Housing—

1. How many houses were erected by the Housing Commission in each of the last three financial years—(a) outside the metropolitan area other than at Doveton; (b) at Doveton; and (c) in the metropolitan area?

2. What is the Commission's programme for this financial year in the same areas?

3. How many Commission houses were erected in each of the last two years in—(a) Moe; (b) Morwell; and (c) Traralgon?

4. How many houses it is anticipated will be erected in each of those towns during the current financial year?

5. How many applications for houses in each of those towns are lodged at present with the Commission?

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

1. Dwelling units erected by the Housing Commission in—

	1957-58.	1958-59.	1959-60.
(a) Country excluding Doveton ..	745	965	1,017
(b) Doveton ..	280	195	184
(c) Metropolitan	1,389	1,400	1,406

2. Proposed building programme 1960-61 for—

(a) Country excluding Doveton ..	910
(b) Doveton ..	159
(c) Metropolitan ..	1,231

3. Dwelling units completed during financial years—

	1958-59.	1959-60.
(a) Moe ..	Nil.	Nil.
(b) Morwell ..	14	75
(c) Traralgon ..	26	40

4. Anticipated completions during the current financial year—

	Morwell.	Traralgon.
Dwellings completed		
1st July, 1960 to 31st October, 1960 ..	31	10
Anticipated completions 1st November, 1960 to 31st June, 1961 ..	80	60
Total anticipated completions for 1960-61	111	70

With regard to Moe, subject to acceptance of the site plan, tenders will be called for 34 units early in the new year, and completion of these units will depend on the speed of the builder.

5. Current applications for tenancy at—

	1 bedroom (2 beds).	2 bed- room.	3 bed- room.	Total.
(a) Moe ..	35	64	67	166
(b) Morwell	73	81	122	276
(c) Traralgon	23	45	59	127

TRAFFIC COMMISSION.

MEMBERS: STAFF: REMUNERATION:
EXPENDITURE.

Mr. WILKES (Northcote) asked the Chief Secretary—

1. Who are the members of the Traffic Commission?
2. What fees or allowances are paid to each member?
3. How many officers or employees are on the staff of the Commission?
4. What annual salary or allowance is paid to each officer or employee?
5. What was the total expenditure of the Commission during each of the years 1958-59 and 1959-60?

Mr. RYLAH (Chief Secretary).—The answers are—

1. The members of the Traffic Commission are as follows:—

Mr. J. D. Thorpe, an officer of the Country Roads Board.

Mr. J. G. Westland, an officer of the Melbourne and Metropolitan Board of Works.

Superintendent A. W. Reid, a member of the Police Force.

The above members have been seconded for full-time duty with the Traffic Commission, as provided in the Road Traffic Act 1958.

2. Members of the Traffic Commission are not paid fees or allowances, but they are reimbursed travelling and other expenses in accordance with the conditions and at the rates payable to senior public servants.

3. There are eight officers and three employees on the staff.

4. The annual salary paid to each of the officers and employees of the Commission is as follows:—

	£
Chief Engineer	2,551
Assistant Engineer	1,551
Assistant Engineer	1,351
Draughtsman	921
Clerk	1,716
Clerk	1,041
Clerk	1,011
Field Officer	969
Field Officer	969
Shorthand Writer and Typist	796
Typist	716

5. The total expenditure of the Commission for the financial years 1958-59 and 1959-60 was £12,286 and £14,824 respectively.

NATIONAL FITNESS COUNCIL OF VICTORIA BILL.

This Bill was received from the Council and, on the motion of Mr. BLOOMFIELD (Minister of Education), was read a first time.

SUPERANNUATION (ADDITIONS TO PENSIONS) BILL.

Mr. BOLTE (Premier and Treasurer) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill to provide for the making of additions to the pensions payable under the Superannuation Act 1958 to certain pensioners to whom pensions became payable as from dates before the 1st January, 1956, and to the widows of such pensioners, and to the widows of certain persons who died before that date.

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

On the motion of Mr. BOLTE (Premier and Treasurer), the Bill was brought in and read a first time.

LAND TAX (RELIEF) BILL.

Mr. BOLTE (Premier and Treasurer) presented a message from His Excellency the Governor recommending that an appropriation be made from the Consolidated Revenue for the purposes of a Bill relating to the remission or postponement of the payment of land tax by persons in necessitous circumstances.

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

On the motion of Mr. BOLTE (Premier and Treasurer), the Bill was brought in and read a first time.

AUDIT (AMENDMENT) BILL.

Mr. PETTY (Minister of Housing) moved for leave to bring in a Bill to amend the Audit Act 1958, the Public Account Act 1958, and section 36 of the Superannuation Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

**MONASH UNIVERSITY
(AMENDMENT) BILL.**

Mr. BLOOMFIELD (Minister of Education) moved for leave to bring in a Bill to amend the Monash University Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

EDUCATION (AMENDMENT) BILL.

Mr. BLOOMFIELD (Minister of Education) moved for leave to bring in a Bill to amend the Education Act 1958.

The motion was agreed to.

The Bill was brought in and read a first time.

LAND TAX (RATES) BILL.

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

That this Bill be now read a second time. Bills of this type are dealt with by Parliament each year and, therefore, I shall not waste time in explaining this measure in detail. Many years ago it was probably decided that the question of land tax should be examined annually and, possibly, some Treasurers have concurred with this reasoning. On occasions in the past, the rates of land tax have been altered but, this year, no change is proposed.

Mr. CAMPBELL TURNBULL.—Was not the same procedure adopted when the State imposed income tax?

Mr. BOLTE.—Yes, and the imposition of land tax follows that pattern. Previously, the rates of land tax varied considerably from year to year but, during the past few years, the rate has not been altered. However, it is a good principle each year to introduce a measure relating to land tax rates so that honorable members may discuss the question.

The estimated revenue from land tax included in the Budget for the year 1960-61 comprises the tax collected since 30th June last and the portion of the 1961 tax which will be collected before 30th June next. It is interesting to note that if the rate of land tax is altered,

the revenue will be collected at the initial rate for the first half of the year, and at the amended rate for the remainder of the year. This could conceivably alter the picture of the Budget.

Mr. DOUBE.—The inflated land values bring many more persons under the provisions of the Land Tax Act.

Mr. BOLTE. — That is so, and the Government has examined, and will further examine, that aspect. In total, the imposition of land tax for this financial year is expected to produce a sum of £6,600,000. As forecast in the Budget speech, a Bill has been introduced to include in the Land Tax Act a provision to provide for relief from land tax to pensioners, and I shall shortly be explaining that measure to the House. As no variation is proposed in the rates, I shall not deal in detail with the question of land tax and its ramifications and implications. However, this Bill will give honorable members an opportunity of expressing their views in a general way on land tax.

On the motion of **Mr. STONEHAM** (Leader of the Opposition), the debate was adjourned until Tuesday, November 22.

LAND TAX (RELIEF) BILL.

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

That this Bill be now read a second time. This Bill was foreshadowed in the Budget speech. It was then announced that legislation would be introduced to insert a provision in the Land Tax Act to grant relief to persons in necessitous circumstances along the lines of the provisions in the Local Government Act relating to municipal rates. During the debate on the previous Bill, an honorable member pointed out by way of interjection that inflated land values brought more persons under the provisions of the Land Tax Act. Similarly, the liberalized conditions in connexion with the means test for pensioners could bring into the land tax field an ever-increasing number of people.

The provision in the Local Government Act is, of course, an enabling one giving power to councils to remit,

excuse or defer payment of rates by any person who, in the opinion of the council, is in necessitous circumstances. It was not necessary in the Local Government Act to define necessitous circumstances. Each council, acting within the enabling provision of the Act, and in exercise of its powers, can determine this matter as it sees fit. When dealing with the Land Tax Act, however, it is necessary to lay down a guide for the Commissioner and the Government of the day. In other words, we are the people who are administering it and, therefore, we must have a set of rules to follow.

It is a well-established principle that Parliament does not give to the Executive, nor indeed does the Executive seek from Parliament, discretionary powers without definition of the ambit of discretion. This is the essence of democratic government. For that reason, therefore, an indication was given in the Budget speech of the scope of the proposed legislation. It was said that the Bill would—

provide a power for remission or deferment of land tax where a person's only income is a Commonwealth social service pension at the maximum rate plus a further amount not exceeding £26 a year, or is an amount not greater than the maximum rate of the appropriate pension plus £26 providing the person would otherwise qualify for that pension at the maximum rate.

I think that is perfectly clear. A person who was not receiving a pension would have no greater income than if he were receiving one, and without that he could qualify for a pension.

Mr. DOUBE.—It is clear, but it is not over generous.

Mr. BOLTE.—It is for the Government and the Opposition to determine the policy in this regard, but I have outlined the Government's proposition. It was also stated in the Budget speech that "Children's allowances including child endowment will not be treated as income." This Bill is drafted on this basis, with the inclusion of repatriation pensions on the same basis as social service pensions.

There is a wide variety of pensions under the Repatriation Act. In the case of service pensions, there is a means

test along similar lines to that applicable to the social service pensions, the means of both husband and wife being taken into consideration. In the case of other pensions under the Repatriation Act—for example, a totally and permanently incapacitated person—no means test applies, and the Bill, therefore, makes provision in these cases to consider the income of the spouse as income of the taxpayer. In effect, therefore, the provisions of the Bill will apply to all persons who qualify for a maximum social service pension or repatriation pension and whose other annual income is not more than £26. This amount is designed to take care of any small income which a pensioner receives from savings bank interest or the like.

I emphasize that the purpose of the Bill is to provide relief to pensioners. It will be noted, however, that provision has been made for similar relief to be granted to persons whose financial circumstances are substantially similar to those of the social service pensioners as covered in the Bill.

As with the provision regarding rates in the Local Government Act, in this Bill the power is given to remit the tax or to postpone payment of the tax. Each case will be considered on its merits. In introducing an amendment to the Local Government Act provision in 1957, the Minister of Public Works said—

It is undoubtedly true that many pensioners have close relatives, often children, who perhaps have not helped them in the manner they should but who will inherit any property they leave. It is felt in such cases that the rates should be allowed to remain on the property, and thus councils would be induced to grant relief to necessitous persons without detriment to the ratepayers.

We propose a similar type of administration under this legislation. Similar considerations can be said to apply with respect to land tax and, therefore, the Bill provides that, where payment of land tax is postponed, it shall remain a charge on the property. I commend the Bill to the House.

On the motion of Mr. DOUBE (Oakleigh), the debate was adjourned until Tuesday, November 29.

**GEELONG AND COLAC RAILWAY
(DEVIATION) BILL.**

Mr. FRASER (Minister of Forests).
—I move—

That this Bill be now read a second time.

The purpose of this Bill is to authorize the Railways Commissioners to construct a short deviation on the Geelong and Colac railway between South Geelong and Moriac. This deviation is required to enable the gradient for "down"—westbound—trains to be eased from the present 1 in 50 to 1 in 90 against the direction of movement. For many years it has been the practice to load "down" goods trains leaving Geelong up to the maximum capacity for a single locomotive for the Geelong-Colac section, but this has necessitated the addition of a banking locomotive to assist such trains through the South Geelong tunnel and over the bank which it is now proposed to eliminate.

Recent tests have shown that with diesel operation a banking-engine through the tunnel is no longer necessary, so that following construction of the deviation referred to in this Bill the Department will be able to eliminate the use of banking-engines out of Geelong. The consequent savings, estimated at £6,500 per annum, represents a handsome return on the estimated capital cost of £29,000, and it is desired to carry out the work during the current financial year. Authority for the expenditure involved is included in the 1960 Railway Loan Application Bill.

Clause 1 describes the title; clause 2 gives the necessary definitions, and clause 3 authorizes the Commissioners to construct the deviation and defines its limits. The deviation is excluded, by clause 4, from the provisions of the Railway Lands Acquisition Act 1958. This Act is not appropriate to deviations of existing lines, but only to new lines in cases where it is considered desirable that land should be provided free of charge to the constructing authority. Clause 5 provides that no right or claim is conferred upon any owner or occupier to require the railway to pass through or near his land.

Sub-clause (1) of clause 6 authorizes the Commissioners to make all necessary surveys and to enter upon any lands for the purpose without giving any owner or occupier notice of their intention to do so. Possession of any lands required will not be taken except under agreement with the owner or until after service of a notice to treat. Sub-clauses (2) and (3) of the clause are self-explanatory. Clause 7 incorporates the Lands Compensation Act 1958 for the purpose of making compensation for lands acquired, used or affected in connexion with construction of the deviation. Clause 8 ensures that the legal provisions governing the provision of fencing, and gates or gatekeepers at level crossings on the deviation will be identical with those existing on the Geelong and Colac railway generally. I am assured, however, that boundary fencing will in fact be provided along the deviation by the Commissioners. A machinery provision vesting the deviation in the Commissioners for the purposes of the Railways Act is contained in clause 9.

Clause 10 empowers the Commissioners to dismantle the section of railway rendered unnecessary by the deviation and governs the disposal of the materials comprised in this section and the lands upon which it is constructed. The provisions are those normally included in railway dismantling Acts. Clause 11 is a machinery clause and self-explanatory. Construction of the proposed deviation will enable the Railway Department to make substantial operating economies for a moderate outlay of capital funds, and I commend the Bill to the House.

On the motion of Mr. CRICK (Grant), the debate was adjourned.

Mr. FRASER (Minister of Forests).—
I move—

That the debate be adjourned until Tuesday next.

Sir HERBERT HYLAND (Gippsland South).—In order to facilitate the business of the House, I should like the Minister of Forests to check to ensure that the right procedure is being followed by allowing this Bill to pass

without being referred to the Public Works Committee. There is a provision in the Act governing that body that public works which are estimated to exceed a certain value must be examined by the committee.

The motion was agreed to and the debate was adjourned until Tuesday, November 22.

PUBLIC WORKS LOAN APPLICATION BILL.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

That this Bill be now read a second time.

I invite honorable members to note that in the presentation of this Bill to the House there is a distinct departure from the usual practice in that accompanying it is a three-columned statement giving detailed information of unspent balances, present provision, and anticipated expenditure in the current financial year. I suggest that this information will make clear to honorable members matters which hitherto have been more notable for what they concealed than for what they revealed.

This Bill is submitted to the House to authorize the expenditure of moneys from the Loan Fund for various public works and services. It provides for the appropriation of funds which, together with the amounts available under previous public works loan application Acts, will enable works expenditure to continue until the next public works loan application Bill is passed about this time next year.

It will be seen that in actual practice, although money is sought from July to June, there is the normal period of about five months between the end of one financial year and the provision of new money in the current year. Thus, in effect, we are dealing, from time to time, with expenditure for eighteen months. Moneys not spent in a previous year do not revert but remain available and are the means by which there is a continuance of construction which would not otherwise be possible.

Honorable members will be aware that in the case of the other three loan application Bills submitted annually for

their consideration—namely, water supply, forests, and railways—the passing of a new Act cancels appropriations made available under previous Acts. There is, therefore, a closer relationship in these cases between proposed expenditure and the amounts of loan appropriations which the House is called upon to consider than in the case of the Public Works Loan Application Acts where appropriations continue on into future years until they are exhausted. Thus, expenditure on a public works project may be carried out in a particular year under authority granted in an Act two, three or more years previously, and Parliament is not asked to consider an appropriation in the year of expenditure.

It is true to say that there were times in the past when loan application Bills provided in advance for four years' expenditure, so the present procedure is more in conformity with the proper practice of leaving monetary control in the hands of Parliament. It did occur, under the four-year method, that two or three Parliaments could be covered by a provision.

This situation has led to some confusion in previous years, and it has been wrongly contended that, because an item does not appear in the Bill or it appears at a lower figure than in the previous Bill, the expenditure on that item has ceased or has been reduced, when in fact the expenditure may well be substantially increased. The authority sought in the Bill cannot be looked at in isolation. It must be considered in the light of the authority granted by Parliament under previous Acts.

The Government recognizes the practical problems involved in this matter, and in order that the House may be in a better position to consider this measure, arrangements have been made to circulate to honorable members an explanatory statement—to which I referred earlier—which sets out details of the authority available under previous Public Works Loan Application Acts as at 30th June, 1960, the amount of authority sought under this Bill, and

the proposed expenditure from the loan fund on each item during the current financial year.

The amount of authority sought under this Bill is the amount required in addition to the balance available at 30th June, 1960, to cover expenditure from the 1st July, 1960, to the passing of the next Bill about this time next year—a period of roundly eighteen months.

Part 2 of the explanatory statement sets out items of proposed expenditure for which no authority is sought under the current Bill because the expenditure can be covered from authority available under previous Public Works Loan Application Acts.

Honorable members will notice that some degree of standardization has been carried out in the form of the Bill this year and a common wording has been used to cover the general building requirements of the various Departments, &c., which are brought together as items 1 to 17 inclusive, of the Bill. The Government believes that these improvements to the form of the Bill will also be of assistance in the consideration of the measure.

The total amount of loan funds allocated for expenditure on public works, &c., this financial year, as shown in column 3 of parts 1 and 2 of the explanatory statement, is £21,952,873. The total sum of authority sought under the Bill is £18,614,861.

I think I should give some details in relation to the items covered by this Bill, because it is essentially a Committee Bill. This measure is for the purpose of authorizing the expenditure of moneys from the Loan Fund for various works. The necessary funds, of course, have been provided by the Treasury. The amount provided for expenditure in the current financial year by the Treasury on public works, Hospitals and Charities Commission and maintenance items in the Bill is £21,952,873. The total amount provided for in clause 2 is £18,614,861. Broadly this sum, as already explained, is sufficient, having regard to remaining unexpended balances from previous Acts,

for the needs of the current financial year and portion of the next financial year. This explains why it is proposed to spend more than is at present hypothecated.

Item No. 1 of the schedule relates to schools. The Government is keenly aware of its responsibility with respect to the provision of school buildings for primary, secondary, and technical education. Last financial year an amount of £10,600,000 was spent on capital and maintenance works on schools and 1,023 new class-rooms were completed. This was an expenditure of £2,200,000 more than in the previous year, and was an all-time record. It is also a record in the more expensive and intricate types of building represented by secondary and tertiary schools. The school building programme will be further accelerated this year, and an amount of £11,300,000 will be provided for capital and maintenance works.

Item No. 2 of the schedule relates to an allocation of £400,000 for agricultural education. As announced in the Budget speech, the Government has provided loan moneys for the erection of a large new dormitory and administration block at the Dookie Agricultural College. Work on this project has already commenced, and it is expected to be completed in 1961-62. In addition, funds have been provided for additional facilities for the improvement of agricultural education at other colleges.

A sum of £100,000 has been provided in item No. 3 to enable further works to be undertaken at various research and experimental stations throughout the State. In addition, provision has been made for road blocks in connexion with fruit-fly control and for improvements to the Government pavilion at the Royal Agricultural Showgrounds.

An amount of £50,000 has been provided in item No. 4 to enable improvements, rebuilding and other works to be carried out at the Government Cool Stores, Victoria Dock.

Item No. 5 covers the Attorney-General's Department, for which an amount of £200,000 is provided. The

Government is pursuing its policy of replacing old court buildings with modern structures, in addition to building new court-houses in newly-developed areas. Provision has also been made for the erection of residences in country areas for court officers.

The sum of £50,000 is provided in item No. 6 for the Children's Welfare Branch. The Government is fully appreciative of its responsibilities with respect to child welfare and has provided funds for the extension and improvement of existing facilities as well as for the erection of new buildings required for this purpose. Item No. 7 provides a sum of £90,000 for capital expenditure involved in the extension of fish hatcheries and other projects concerned with the protection of native fauna by the Fisheries and Wildlife Department. A provision of £100,000 is made in item No. 8 and is required to enable improvements and extensions to State penal establishments to be carried out.

Item No. 9 provides the sum of £350,000 for the Police Department. The rapidly expanding population of the State has placed an increasing responsibility on the Government to provide adequate police services and, to cater for this need, it is proposed to continue the building programme which involves new stations, residences and ancillary buildings.

The sum of £20,000 is allocated under item No. 10 for the Public Library, National Gallery, National Museum and Museum of Applied Science. This provision is necessary to enable works in progress to continue, particularly the extension of the north wing, and to provide for the general improvement both internal and external, to other properties under this heading.

The Government is determined to continue its policy of providing adequate facilities for the treatment of the mentally ill as well as the extension of preventative mental health measures. To this end an amount of £850,000 has been provided in item No. 11. Item No. 12 relates to the Mines Department and makes provision for expenditure of

£100,000 on the purchase of mining and survey plant and equipment, and for the erection of workshops and stores buildings, for the Mines Department. An amount of £60,000 has been provided under item No. 13 to enable alterations, improvements, and other works at Parliament House to be continued. Item No. 14 provides the sum of £3,000 to effect improvements to existing installations at the Botanic Gardens. It is proposed to carry out improvement work at Government House, and the necessary allocation of £6,000 has been included under item No. 15.

Provision of £75,000 is made in item No. 16 for continuation of the Government's policy of assisting bush nursing hospitals in the erection of new buildings and in carrying out additions, alterations, and improvements to hospital properties. Over the past five years £295,000 has been expended from the Loan Fund for these purposes. Item No. 17 makes available a sum of £345,000 for grants to the University of Melbourne for building purposes. In addition, a further amount of £15,000 will be paid to the Veterinary Research Institute for additional laboratories and equipment and for improved animal accommodation. An amount of £500,000 proposed under item No. 18 for school maintenance, together with the £200,000 provided from Consolidated Revenue, will be spent on the maintenance of school properties and ancillary buildings.

A sum of £105,000 is provided in item No. 19 to meet the payments which are required to be made by the Government in connexion with the Coal Canal bridge and associated works. The construction of the temporary bridge has now been completed, and work is expected to commence during the current financial year on the service road and the installation of traffic control devices. I may add that the contract has been signed for the construction of the service road as approved by the Public Works Department.

Item No. 20 makes provision for expenditure of £4,600,000 on the construction of buildings, &c., and other capital

works for hospitals, benevolent homes, and institutions registered under the Hospitals and Charities Act. The hospital building programme under the general supervision of the Hospitals and Charities Commission includes provision for the reconditioning and remodelling of existing buildings as well as the provision of new beds to make the maximum use of existing facilities. Last year, 300 new hospital beds were made available, and a further 450 are expected to be opened during 1960-61. By June, 1961, it is anticipated that 12,750 hospital beds will be available throughout the State—6,750 in the metropolitan area and 6,000 in country districts.

In item No. 21 a sum of £600,000 is provided towards costs and expenses incurred in the intensive programme being carried out for the destruction of vermin and noxious weeds throughout the State. Item No. 22 makes provision for expenditure of £40,000 on further access roads to develop land which is being made available to settlers in the Australian Mutual Provident Society's land development scheme in the Shire of Kaniva. During last financial year, £33,114 was expended from the Loan Fund on access roads in this area, and a further £28,000 has been allocated for expenditure in 1960-61.

As a consequence of the increased aerial and field survey activities being carried out by the Department of Lands and Survey, the sum of £75,000 is provided under item No. 23 to enable the Department to obtain the specialized survey equipment and transport units necessary for this work. Buchan Caves are an important tourist resort in the Gippsland area, and provision of £2,000 has been made in item No. 24 for the improvement of electrical generating plant, and for improvements to the caves entrance and the tourist facilities which are provided in the area.

Item No. 25 provides a total amount of £500,000 for subsidies to municipalities. In continuance of the Government's policy of granting subsidies to municipalities to assist in the construction of drains, swimming pools, public halls, the

installation of pedestrian crossings and other works, a total amount of £410,000 will be made available from the Loan Fund this year. As announced in the Budget speech—

- (a) the amount made available for subsidies towards the cost of erecting, extending or altering public halls in country centres will be increased by £30,000 this year in order to increase the maximum grant available for any one hall, from £1,500 to £2,250;
- (b) the Government is providing a special allocation of £30,000 this financial year towards the provision of new swimming pools by metropolitan councils on the same basis as the present subsidies available in country areas.

Mr. DOUBE.—Is the subsidy available only once?

Sir THOMAS MALTBY.—Yes, for each hall. A scattered municipality may have a greater need for multiple assistance than a compact one with only one hall. I used to apply the yard-stick of public need. The provision is restricted not to one hall but to one grant per hall.

Mr. DOUBE.—Does that apply also to swimming pools?

Sir THOMAS MALTBY.—It applies generally. Under item No. 26 the sum of £45,000 is provided as a contribution to the National Parks Fund. This year it is proposed to make available £50,000 to the National Parks Authority from the Loan Fund for fire protection works and other services in national parks throughout the State. This item makes further provision for these purposes. Item No. 27 relates to grants to agricultural and pastoral societies. During each of the past two financial years, the sum of £10,000 has been made available as special grants to agricultural and pastoral societies for the purpose of establishing facilities for the exhibiting and judging of stud stock. As announced in the Budget speech, in order to encourage more societies to proceed with the establishment of these facilities the Government has increased the amount of assistance this financial year to £15,000. The amount provided in the Bill is £30,000 in order to enable early

payment of the 1961-62 grants to be made to societies so that these improved facilities will be available for the spring shows in 1961.

Item No. 28 makes provision for allocation to the Aborigines Welfare Fund of £30,000 from the Loan Fund. This sum is £5,000 more than was allocated last year and will be used by the Aborigines Welfare Board for the improvement of housing conditions for aborigines.

Item No. 29 authorizes advances of £30,000 towards the cost of providing sewerage to mental hospitals and institutions by the Melbourne and Metropolitan Board of Works and country sewerage authorities. The sum of £40,000 is provided in item No. 30 for work on wharves, jetties, and so on. Provision has been made for the extension, construction and improvement to harbor installations under the control of the Ports and Harbors Branch of the Public Works Department. This is in addition to the provision of moneys derived from the Federal Aid Roads Fund of which a percentage goes into the same sort of work.

The modern trend towards bigger vessels, which require an increased depth of water, places a responsibility on the State to provide channels of sufficient depth to enable ships to enter the ports of Melbourne and Geelong. Further, the demand from out-stations along the coast for better facilities for coastal fleets necessitates continuous dredging and blasting operations. It is proposed in item No. 31 to provide £160,000 for these purposes. Item No. 32 relates to navigational aids. The provision of adequate and efficient navigational aids to ensure the safety of vessels using Victorian ports is a service which must be continually improved and kept in line with modern development. An amount of £10,000 has been included in the Bill for this purpose.

The sum of £75,000 is provided in item No. 33 for foreshore protection. Continuous demands are made on the Government for the protection, from erosion, of the sea shore, which protection is afforded in the main, by the construction of sea walls and groynes.

Sir Thomas Maltby.

A sum of £75,000 has been included in the Bill to enable these works to be continued. I may add that as more and more people go further afield in their motor cars and have ready access to foreshore areas—particularly those with sandy beaches and without proper tracks—often boards and pieces of iron are used as toboggans down sand hills, with the result that erosion is generated and it is aggravated by the destruction of natural grasses and scrub. Consequently, areas of foreshore which have, since Batman's day, remained stable are now eroding due to the carelessness of humans who should be preserving and protecting them. This is a very worrying and mounting problem.

Item No. 34 provides £200,000 for advances to the Agency Department of the Rural Finance Corporation in accordance with section 35 of the Act. Last year the Corporation made loans totalling £158,000 for various special purposes in accordance with this section of the Act; these included assistance to peach growers in the Goulburn Valley and to dried-fruit growers in the Sunraysia district. In addition, the Corporation handled problems arising from tidal flooding at Anderson's Inlet, hail damage, and so forth. In matters such as these, the Corporation is making a valuable contribution to the stability of rural areas affected by setbacks of a temporary and local character.

Following the 1959 report of the Public Works Committee on the Eppalock reservoir, which drew attention to the urgent need for soil-conservation measures in the catchment area, the Government agreed to the provision of funds as recommended by the committee to enable a long-term programme of conservation works to be commenced in the Eppalock reservoir catchment. The provision of £100,000 under item No. 35 will enable this work to be commenced and will also enable similar projects to be undertaken in other catchment areas.

Provision of £15,000 is made under item No. 36 to enable the Soil Conservation Authority to make grants or loans to any public authority or person for the carrying out of specific projects in

accordance with the provisions of the Soil Conservation and Land Utilization Act.

The sum of £20,000 is provided under item No. 37 to enable the Soil Conservation Authority to purchase the plant, machinery, vehicles and equipment necessary for the performance of essential work on soil-erosion prevention and soil-conservation projects.

Item No. 38 provides the sum of £40,000 to continue the policy of making loans to public officers to purchase motor vehicles which are required to be used by such officers in the exercise of their official duties.

Mr. DIVERS.—Will that amount be increased following the rise in sales tax on motor vehicles?

Sir THOMAS MALTBY.—We shall either have to increase the appropriation or finance the purchase of fewer cars.

Provision is made under item No. 39 for £80,000 in respect of the payment of subsidies to the Geelong, Bendigo, Hamilton and Castlemaine art galleries towards approved works for the construction, alteration and additions to the gallery buildings.

Item No. 40 makes provision for capital grants amounting to £50,000 to mentally retarded children's centres. Voluntary organizations, with the support of Government grants, are doing a commendable job in the provision of facilities for mentally retarded children. Over the past five years, the Government has made available £290,000 in capital grants to these organizations, and a further amount of £60,000 in capital grants will be made available in the current financial year.

An amount of £2,000 is provided under item No. 41 to meet the cost of purchase and installation of the necessary apparatus and equipment for the testing of liquefied petroleum gas by the Gas Examiner in accordance with the standards prescribed by the regulations under the Liquefied Petroleum Gas Act 1958. The sum of £3,537 has been expended to date for this purpose, and it is proposed to spend a further £2,500 this year.

Item No. 42 provides authority for the purchase of an area of land adjacent to Mount Dandenong Arboretum Reserve at a cost of £527. This land is suitable for addition to the reserve. The sum of £160,000 is provided under item No. 43 for subsidies towards capital expenditure on pre-natal, infant welfare and pre-school centres. In the last five years a sum of £774,000 has been provided in the way of subsidies to these centres, and it is proposed to make a further £160,000 available during the present financial year.

Item No. 44 makes provision for the expenditure of an amount of £10,000 on the purchase of vehicles and equipment for the Weights and Measures Office. This sum will be made available this year for the purchase of essential weighbridge testing equipment.

In order to assist in the establishment of the Western Suburbs Memorial Park Crematorium and Cemetery, the sum of £56,000 had been made available up to 30th June last by way of loan to the trustees of the Williamstown Cemetery. The appropriation of £200,000 provided under item No. 45 is necessary for the further development of this project, which I know is being pressed forward with considerable activity.

In view of the increasing importance of youth work throughout the State, the Government had decided to increase the total payment into the Youth Organizations Assistance Fund this year to the sum of £100,000. Of this amount, £50,000 will be provided from the Loan Fund, and item No. 46 makes provision for this contribution to the Youth Fund.

The Municipalities Forests Roads Improvement Fund was established in 1955 to assist municipalities in the improvement and protection of roads adjacent to State forests, in order to facilitate the extraction of forest produce. Since that time contributions totalling £65,000 have been paid into the Fund for this purpose, and grants have been made available for 45 projects in 30 municipalities throughout the State. The Government is at present giving consideration to a further allocation from the Loan Fund for these

projects and the necessary authority for the expenditure of £40,000 is included in item No. 47.

Item No. 48 provides a sum of £5,834 for the Government's share of the cost of construction of a subway at the Eltham railway station. In October, 1959, discussions were held between the Acting Minister of Transport, the Eltham Shire Council and local representatives concerning the need for a subway at the Eltham station in view of the heavy pedestrian traffic using the crossing. As a result of these discussions, it was agreed by the parties concerned that a subway should be constructed and that the cost should be borne equally by the Government, the Eltham Shire Council, and the Railways Commissioners.

Early in 1958, a grant of £12,000 was approved by the Government to assist the Victorian Committee for the Promotion of Oral Education of the Deaf in financing the erection of a hostel at Ballarat for the accommodation of deaf children attending Ewing House School. Approval to this expenditure was given by Parliament in Public Works Loan Application Act No. 6482—item No. 32. Payments under the building contract were slightly higher than the original estimate, and the Government agreed to make available an additional grant of £500 to complete the building. Authority is sought under item No. 49 to cover this additional grant.

I do not intend to apologize for the length of my explanation of the measure, because it was considered desirable to give honorable members full information concerning each item. Perusal of the annexure to the Bill will furnish honorable members with details which have in the past been most difficult to comprehend. Indeed, I was a member of this House for many years before I really learned how the procedure operated, and I suggest that the submission of the annexure is a departure from previous practice which should be adopted in the future.

On the motion of Mr. STONEHAM (Leader of the Opposition), the debate was adjourned until Wednesday, November 23.

Sir Thomas Maltby.

COAL MINES (PENSIONS) BILL.

Mr. MIBUS (Minister of Mines).—
I move—

That this Bill be now read a second time.

This Bill provides for the payment of increased pensions to retired and permanently disabled coal mine workers and their dependants, and also makes provision for future variations in pension rates to be made without the need for the passage of special legislation on each occasion. Part III. of the Coal Mines Act provides for the compulsory retirement of coal mine workers at 60 years of age, and for the payment of pensions on retirement. It also provides for the payment of pensions to coal miners who are permanently disabled arising out of and in the course of their employment. The present weekly pension rates are—

	£	s.	d.
Miner ..	5	17	6
Miner's wife ..	5	2	6
Widow ..	5	7	6
Children ..		8	6 each.

The State Government, the mine owners and coal mine workers all contribute towards the cost of the scheme.

Honorable members will probably recall that the basis of contribution to this Fund formed the subject of amending legislation earlier this year. The basis then approved by Parliament provides for each coal mine worker to contribute 9s. per week and for the balance of the cost of the scheme to be borne equally by the Government of Victoria and the coal mine owners. The mine workers pensions are subject to deduction on account of Commonwealth pensions as and when a pensioner or his wife becomes eligible for such Commonwealth benefit. This means that each time there is an increase in Commonwealth pensions, such pensioners do not receive any advantage from the increase unless amending legislation providing for a corresponding increase in coal miners pensions is approved by this Parliament.

The Commonwealth Government recently approved of an increase of 5s. per week in age, invalid and widows'

pensions as from 6th October, and the Bill now before the House provides for a similar increase in miners' pensions.

Provision has been made for the increase to be made from 7th October, which is the commencement of the first pay period after the date on which the Commonwealth increases operated. The second provision contained in the Bill relates to the future automatic adjustment of miners' pension rates each time there is a variation in Commonwealth age and/or widows' pension rates. Since this Government took office, no fewer than four Bills have been introduced to Parliament providing for increased miners' pensions consequent upon increases in Commonwealth pensions. As it is not possible to pass the State legislation in time for the increased miners' pensions to be paid from the same date as Commonwealth increased pensions, coal mine workers who are in receipt of Commonwealth age, invalid or widows' pensions do not immediately receive the advantage of the increases.

Apart from the disadvantage to pensioners in having to wait for their pension increase, this procedure causes a lot of unnecessary office work in making retrospective adjustments after the necessary legislation has been passed. The coal mine pensioners affected have strongly complained, quite justifiably I feel, about the delay in the payment of their pension increases, and the Government can see no good reason why variations in the rate of pension should not be granted automatically following any variation in Commonwealth pension rates. The principle of retaining coal mine workers pensions at a margin above Commonwealth pensions is accepted by all States, and in Queensland legislation providing for automatic increases has operated successfully for many years. I think honorable members will agree that this measure is worthy of their support, and I hope that the House will give it a speedy passage so that the pension increases provided for can be paid at the earliest possible date.

On the motion of Mr. CLAREY (Melbourne), the debate was adjourned until Tuesday, November 22.

RAILWAY LOAN APPLICATION BILL.

Mr. FRASER (Minister of Forests).
—I move—

That this Bill be now read a second time.

This is a Bill to authorize the expenditure of moneys from the Loan Fund to the extent of £11,000,000 on account of the Railway Department. It provides for the estimated expenditure for railway purposes between 2nd October, 1960, and 31st December, 1961. Clause 2 authorizes the issue out of loan moneys of a total amount not exceeding £11,000,000 to be applied to the carrying out of the works and purposes enumerated in the schedule. The actual expenditure will, of course, be governed by the availability of loan money for railway purposes. The loan funds allotted to the Railway Department for the current financial year amount to £7,550,000, but this Bill covers the period between 2nd October, 1960, and 31st December, 1961, and the amount shown, namely, £11,000,000, represents the total authority desired during that period.

The Bill provides that, without prejudice to the operation of the Public Works Committee Act 1958, no authority other than the loan application Act is necessary to authorize the expenditure provided in it. Provision is also made that land acquired under the authority of the Bill shall vest in the Victorian Railways Commissioners for the purposes of the Railways Acts. Included in the sum applied for is an amount of £300,000 for the Railway Construction Branch.

Taking each item in the schedule to the Bill separately, attention is directed to No. 1, which relates to additions and improvements to way and works. Each of the works specifically shown under sub-items Nos. 1 to 48, and certain works included in sub-items Nos. 153, 155, 159 and 160, are estimated to cost over £10,000. In the case of the remaining sub-items, the estimated cost of each of the works provided for does not exceed £10,000, and the aggregate amounts therefore are covered by lump sums.

Under sub-items Nos. 150 to 160 of item No. 1 of the schedule, funds are provided for additions and improvements at various country and suburban station yards, &c.; additions and improvements to the signalling and safe-working systems; additions and improvements to various lines, including the widening of banks and cuttings; alterations to curves; road diversions; the provision of heavier rails, sleepers and ballast, &c., and of sidings for the purpose of obtaining access to sources of ballast; additional and improved dwelling accommodation for employees; improved telephone and telegraph facilities; strengthening bridges; and generally for such minor additions and improvements as may be found necessary during the currency of the Act.

Prominent among the major works for which provision is made in the Bill are works associated with the Melbourne-Albury standard gauge project. These include construction at Dynon of a new diesel and electric locomotive depot, which will eventually replace the existing North Melbourne locomotive depot; the reconstruction and rearrangement of Spencer-street station; the construction of a flyover at North Melbourne to eliminate interference between country passenger locomotives and suburban trains; and the provision of improved communications between Melbourne and Albury. Other major works include further progress with the duplication work between Flinders-street and South Yarra and Flinders-street and Burnley, and a third track between Burnley and East Camberwell—including the construction of a new station at Richmond to accommodate the additional tracks—to facilitate the handling of the steadily increasing passenger traffic on the Caulfield and Box Hill groups of lines; completion of the installation of automatic power signalling between Box Hill and Ringwood; and completion of the new goods terminal at Dynon to relieve the serious congestion that occurs in Melbourne goods sheds and yards. Provision has also been made for preliminary planning work on the flyovers, rearranged tracks,

signalling, &c., which will be necessary to connect the Melbourne underground railway with the existing lines.

Other important works for which provision is made in the Bill include rearrangement and extension of the station yards at Dandenong, Morwell, Moe and Bairnsdale; new stations between Bentleigh and Moorabbin and Reservoir and Keon Park; installation of automatic signalling between Bacchus Marsh and Ballan, Caulfield and Mordialloc, Lower Fern Tree Gully and Belgrave and Oakleigh and Morwell; deviation and regrading of a section of the Warrnambool line between South Geelong and Moriac; preliminary work on the electrification of the Broadmeadows-Somerton line; improved crossing facilities on the Melbourne-Serviceton line; the Department's estimated contribution during the currency of the Act towards the cost of grade separation at level crossings; further expenditure on the installation of automatic boom barriers and flashing lights at level crossings; and improved facilities at a number of stations to expedite the handling of traffic. Provision is also made for additional staff amenities, such as ablution facilities, lockers, meal-rooms, sanitary conveniences, &c. at various locations.

Item No. 2 relates to expenditure on rolling-stock, equipment, machinery and other works. This item also provides for the altering of 54 air-conditioned cars from direct to alternating current for satisfactory preconditioning in the North Melbourne car shed; the equipping of over 100 cars with electric in place of gas lighting; and the purchase of workshop equipment and machinery. Provision is also made for the estimated expenditure on the equipping of a further number of cars and vans with automatic couplings.

Under item No. 3—construction of new lines of railway, surveys, &c.—finance is provided to cover the completion of the work of converting to broad gauge and electrifying the Upper Fern Tree Gully-Belgrave line; preliminary planning work on the

Melbourne underground railway; surveys, plans, &c., and preliminary expenditure on other lines which have been, or may be, authorized by Parliament for construction.

The amount provided under item No. 5 is to enable the Commissioners to make further progress with the rehabilitation programme to overcome arrears of track and bridge renewals and replacement of worn-out and obsolete locomotives, cars and wagons resulting from inability to make adequate provision for renewal and replacement works in past years. As was done last year, the Government is making loan funds available to the Railway Department to enable the rehabilitation programme to be proceeded with, and the interest and sinking-fund payments will be borne by the Treasury. This is provided for under clause 6 of the Bill.

The amount provided is required to meet expenditure during the currency of the Act for locomotives, suburban trains and country carriages and wagons ordered from outside manufacturers or to be constructed and rebuilt in railway workshops to the maximum extent that can be done with the available staff, and for various replacement works, including relaying of tracks and reconstruction of bridges. Further details of the works included in the Bill have been supplied to me, and I shall be pleased to furnish any additional information that may be desired by the Leader of the Opposition, the honorable member for Gippsland South, or any other honorable member.

On the motion of Mr. STONEHAM (Leader of the Opposition), the debate was adjourned until Wednesday, November 23.

The sitting was suspended at 5.44 p.m. until 7.20 p.m.

BUILDING SOCIETIES (AMENDMENT) BILL.

Mr. PETTY (Minister of Housing).—
I move—

That this Bill be now read a second time. This is another Bill designed to protect the investing public. In recent years there has been a great resurgence in

the building society movement. Until some five years ago there was in Victoria a small but very solid building society movement, but this has now been supplemented by many new societies which have caused anxiety because of their small fixed capital, the high rates of interest being offered, their extravagant advertising, and their apparent association with building and land speculation interests. I am referring to permanent building societies, not to co-operative housing societies.

The Government believes that the building society movement can under expert management fulfil a real need in the community. The emphasis on good housing and the manifest desire of every family to own its own home has, as all members know, thrown a great strain on the funds available for home building and home purchase. The Government believes that the building society movement can do much to fulfill this need. However, the sudden upsurge of activity in this field—and in many cases under the auspices of people of limited business experience—would appear to be potentially dangerous not only to investors in these new societies but to the whole building society movement, which would suffer greatly if there were any failure.

For these reasons, the Government proposes to extend the control over permanent building societies. This Bill does that in four main ways: First, the power of the Registrar in relation to the registration of new societies is greatly extended, and instead of being merely a registration officer he will now have an act of discretion and will be able to refuse registration if it appears that the society has no real chances of success. Secondly, the Registrar is given power to control advertising by building societies. He will be able to give general directions with regard to advertising or special directions to particular societies. This power has been recently introduced in England in connexion with the regulation of building societies and will, I think, do much to deter the activities of unscrupulous “get rich” promoters.

Thirdly, the Registrar is given power to inspect the books and records of societies and to investigate their activities. At present, no matter what suspicions may exist in the mind of the Registrar or of the Government, no action can be taken to investigate the position of a society. Lastly, power is given to put a stop order on the activities of a particular society if it appears to be in danger of ruin. Such a stop order will prevent a society from raising more money and from disposing of its assets, but of course the society will be able to continue to receive payments on advances made by it before the stop order was made.

In view of the importance of the building society movement in Victoria, the Government proposes to prepare a new measure to control and regulate the activities of permanent building societies and hopes to be able to bring that Bill down early next year, but the powers proposed in this measure will do much to deter the speculative promotion of building societies and help to preserve the good name of the building society movement in Victoria. I commend the Bill to the House.

On the motion of Mr. FENNESSY (Brunswick East), the debate was adjourned until Wednesday, November 23.

AUDIT (AMENDMENT) BILL.

Mr. PETTY (Minister of Housing).—
I move—

That this Bill be now read a second time.

The primary purpose of this Bill is to put into effect the recommendations of the Committee of Public Accounts in two reports to this House. The first of these reports was made on the 11th November, 1959, and dealt with the impediments to the earlier presentation to Parliament of the Auditor-General's Annual Report and the Treasurer's Financial Statement. The second report was presented on the 22nd March, 1960, and dealt with certain inadequacies in the present provisions of the Audit Act regarding the powers of the Auditor-General to surcharge persons in cases

where servants of the Crown fail to account satisfactorily for moneys, stores or other property.

In addition to implementing the recommendations of the Committee of Public Accounts as contained in these two reports, the opportunity has been taken to include in the Bill two further amendments to the Audit Act and an amendment to the Public Account Act. I shall make further reference to these amendments at a later stage. In its report of 11th November, 1959, the Committee of Public Accounts drew attention to the fact that the Auditor-General could be hampered in the matter of earlier presentation of his annual report by the form of the provisions of section 46 of the Audit Act. In short, the provisions of this section require the passing of the Supplementary Estimates and the appropriate Consolidated Revenue Bill before the Treasurer's Financial Statement can be transmitted to the Auditor-General in the required form. The committee recommended an appropriate amendment to section 46 to correct this position, and this has been incorporated in clause 5 of the Bill.

In its report of 22nd March, 1960, the Committee of Public Accounts dealt with certain inadequacies of the present provisions of the Audit Act in relation to surcharges. Having shown that the Auditor-General was powerless to surcharge a defaulting servant of the Crown if he resigned from the Service before being surcharged, and also that in these circumstances the Treasurer had no power to withhold payment to the officer of pay in lieu of long service leave or refund of superannuation contributions to satisfy any deficiency, the committee recommended that both these defects should be remedied. In short, its recommendations were:—

- (1) That the Act should give to the Auditor-General power to surcharge a person after he has left the Service.
- (2) That the power of the Treasurer under section 37 of the Act to withhold any salaries or wages from a defaulting servant to

satisfy a defalcation should be extended to include the power to withhold "any other moneys owing by the Crown or out of any fund in the Treasury." Primarily, these other moneys would be payments in lieu of furlough or refunds of super-annuation contributions.

The recommendations in this respect are covered in clauses 3 and 4 of the Bill. Honorable members will have read the report of the Committee of Public Accounts, and I am sure there is no need for me to go into further detail on these matters. The provisions of clauses 3, 4, 5 and 8 merely incorporate the committee's recommendations.

Clause 2 contains merely a consequential amendment to the Audit Act in the light of the provisions of the Companies Act 1958, and was overlooked in the First Schedule of the Companies Act. The Companies Act 1958 altered the provisions relating to the Companies Auditors Board and the provisions for the registration of company auditors. The provisions of clause 2, therefore, merely bring the reference in section 31 of the Audit Act into line with the current provisions of the Companies Act.

Clause 6 amends the wording of the form prescribed in the Eleventh Schedule of the Audit Act. The form relates to the provisions of the Act dealing with the issue of an acquittance by the Auditor-General in respect of moneys which have been properly expended by the Treasurer from the Public Account. The effect of the amendment is to relate the references in the acquittance form itself to the expenditure of public moneys, which is consistent with the provision of section 34 of the Act. That provision provides for the issue of the acquittance.

Clause 7 provides for a machinery amendment to the Public Account Act. This amendment does not arise out of the reports of the Committee of Public Accounts, but the opportunity has been taken to include it in this Bill. The Public Account is the Treasury bank account. It is constituted under section

15 of the Audit Act and all public moneys must by the Audit Act be paid to the Public Account. This has always been so and must always continue to be so. When the Public Account Act was first passed in 1951, a section was included defining the Public Account as consisting of:—

- (a) the Consolidated Revenue;
- (b) the Loan Fund; and
- (c) the Trust Fund kept in the Treasury under the Audit Act 1958.

Recently the Crown Solicitor, in examining a matter which required incidental reference to the Audit Act and the Public Account Act, observed that the provisions of section 4 of the Public Account Act appeared to give rise to an inconsistency with the Audit Act. This, of course, was never intended and in point of fact could not be allowed. It was a point which had escaped earlier notice, and the Crown Solicitor advised that there was in fact no necessity for section 4 of the Public Account Act and that the best way to remove the inconsistency was to repeal the section. This would remove the inconsistency and preserve all the safeguards of the Audit Act with relation to the receiving and spending of public moneys. I can assure the House that there is no alteration in principles involved in this amendment. I commend the Bill to the House.

On the motion of Mr. CLAREY (Melbourne), the debate was adjourned until Tuesday, November 22.

CO-OPERATIVE HOUSING SOCIETIES (GUARANTEES) BILL.

Mr. PETTY (Minister of Housing).—
I move—

That this Bill be now read a second time.

The sole purpose of this Bill is to increase the aggregate liability which the Treasurer of Victoria may incur in guaranteeing the repayment of loans raised by co-operative housing societies. This is the twelfth occasion on which an amendment of this nature has been brought before the House, the last one being only two years ago when the

limit was increased from £60,000,000 to £70,000,000. Once again, an increase of £10,000,000 is being sought.

Consideration of these proposed amendments gives Parliament opportunities of reviewing the legislation from time to time, which is a wise precaution. That was the opinion expressed in 1944 when, in the original Act, the limit was fixed at £5,000,000. The guarantee position, at the moment, is as follows:—

	£
Guarantees given and subsisting	66,800,000
Guarantees in course ..	200,000
Guarantee requirements of other societies either recently registered or in the course of formation ..	590,000
Total ..	67,590,000

This leaves a balance of £2,410,000 which, at the rate of expansion over the past few years, could quickly be absorbed. The need for an increase is therefore apparent. The figure of £66,800,000 for guarantees given and subsisting includes an amount of £2,487,000 made up of loans temporarily raised by a number of societies being financed from the Home Builders' Account under the 1956 housing agreement between the Commonwealth and the State. With one exception, these loans will be repaid by the 30th June, 1963, when the guarantees will, of course, be cancelled. The exception is that of a life assurance society which has made the sum of £340,000 available for distribution amongst 22 societies on the understanding that it be repaid in 1970.

The reason for these temporary loans, except where the money has been provided by the life assurance society to which I have just referred, is that societies being financed from the Home Builders' Account receive their allocations in annual instalments over a period of either five or seven years. By raising the temporary loans, the societies have been able to accommodate

immediately members who would otherwise have to wait several years for their homes. Most of this money has come from insurance companies. The loans, aggregating £340,000, from the life assurance society are additional amounts to the money allocated to the societies from the Home Builders' Account.

The money raised to date by societies from lending institutions and guaranteed by the Government has been obtained from the following sources:—

	£
Commonwealth Bank ..	24,690,600
State Savings Bank ..	18,183,500
Private savings banks ..	5,010,000
Private trading banks ..	10,553,000
Insurance companies ..	4,100,000
Life assurance societies ..	640,000
Friendly societies ..	725,000
Superannuation funds ..	1,425,000
Miscellaneous ..	447,100
Economic Development Fund of the United States of America ..	525,000
Dutch Insurance Company	500,000
Total ..	66,800,000

The money made available by the Economic Development Fund of the United States of America and by the Dutch Insurance Company was matched, in each instance, by a similar amount provided by a joint effort of Australian banks for housing Dutch migrants. This year, for the first time, finance has been made available for co-operative housing without a Government guarantee, the money, totalling £875,000, coming from the National Institute of Credit for Italian Workers Overseas for co-operative housing societies, the memberships of which are confined to Italian migrants. It was matched, as in the case of the Dutch migrants, by money provided by Australian banks under Government guarantees.

It will be appreciated that increasing the guarantee limit does not, in itself, provide more finance for societies. The money still has to be raised and that, of course, is not an easy matter. Nevertheless, it is pointed out that the funds raised by societies in the past four

years have necessitated two increases of £10,000,000 each in the guarantee limit—£50,000,000 to £70,000,000—and, now a further increase is required.

In addition to the funds obtained by societies from lending institutions, there is the money made available from the Home Builders' Account under the Commonwealth-State Housing Agreement. As the latter is actually provided by the Government, it does not come, of course, into the guarantee figures. To date, a total sum of £11,300,000 has been made available from the Account, while a further amount of £2,000,000 will be provided by the 30th June next—a total of £13,300,000. As honorable members know, the State has 53 years in which to repay the money received from the Commonwealth, while the societies repay the State within 31 years. The account, therefore, revolves to the extent of the difference between the two terms. So far, an amount of £1,060,838 has been obtained from the revolving nature of the account, all of which has been ploughed back into the movement.

One naturally inquires what has been achieved with the money made available to date by the lending institutions and the Government. The answer is that, at 30th September last, 35,000 families had been provided with homes and there were then 4,700 more homes in course of erection. To-day, there are 529 registered co-operative housing societies, the aggregate membership of which is 37,200. No claim has been made on the Government with respect to the guarantees given, and the scheme is working so efficiently that one can confidently forecast that a claim will never be made. I commend the Bill to the House.

On the motion of Mr. FENNESSY (Brunswick East), the debate was adjourned until Tuesday, November 22.

SUPERANNUATION (ADDITIONS TO PENSIONS) BILL.

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

That this Bill be now read a second time. This Bill is brought down to accord with the proposal for certain increased

pension payments outlined in the Budget. Before explaining the provisions of the Bill, I feel that it is relevant to such explanation that I give honorable members a few facts and figures in relation to the superannuation scheme generally. The scheme was brought into operation in 1926 on the basis of a pension unit of 10s., of which half was borne by the Government from Consolidated Revenue and the other half by the Superannuation Fund established by contributions from officers. Over the years, various Governments, including this Government, have brought down legislation to provide for increases in the pension unit rate. At present, this rate stands at 20s. a unit where not more than four units are held and gradually decreases to 17s. 6d. a unit where ten or more units are held, at which stage the rate of 17s. 6d. applies to all units held up to a maximum of 36. All increases have been a charge against Consolidated Revenue and the Fund still only bears its original charge of 5s. a unit.

In connexion with his sixth quinquennial investigation into the fund in 1955, the Actuary made estimates of the pension liability of Consolidated Revenue at five-yearly intervals up to and including 1975 on the then existing basis. I might explain that all he actually could do was to make estimates of the number of contributors. Of course, as progress and development have taken place, an increased number of public servants have been required. Consequently, to get somewhere near the mark it would be necessary to conduct surveys every five years. The Actuary's estimates of pension liability on the Consolidated Revenue were as follows:—

	£
1960	4,000,000
1965	5,500,000
1970	6,700,000
1975	7,700,000

These figures have been quoted in order that honorable members may view the superannuation scheme in its right perspective. So many requests for increases and concessions are made that it is necessary to consider where the

money is to come from. The anticipated charge on Consolidated Revenue in this financial year on account of superannuation pensions is to the order of £3,900,000, and the total charge for all pensions inclusive of Police Pensions Fund, &c., is roundly £4,800,000.

Sir HERBERT HYLAND.—Are members of the Police Force covered by this Bill?

Mr. BOLTE.—No, but the intention is to provide cover for all former public servants including the police. The Leader of the Country party is aware that the Police Force has its own pension fund and cannot be covered by this Bill. A separate measure will be required to cover retired policemen.

Sir HERBERT HYLAND.—They will be covered by legislation?

Mr. BOLTE.—Yes. I thank the Leader of the Country party for his interjection, and I shall endeavour to ascertain what has happened to the other Bill and attempt to hurry it up. I think honorable members will agree that the pension liability is a substantial charge on the revenues available to this State. As can be seen from the estimates made by the Actuary, this charge will continue to increase substantially each year even without further increases in pension benefits.

As regards the Superannuation Fund, it is in a relatively sound position and will be well able to meet its present and future commitments on the existing basis of benefits. The seventh quinquennial investigation is in course, and the report of the Actuary should be available to this House early in 1961. It is anticipated that the investigation will disclose a surplus but not to such an extent that any substantial additional benefits could be met by the Fund.

Sir HERBERT HYLAND.—You are very cautious.

Mr. BOLTE.—It is not a matter of caution. We are dealing with an accurate forecast of what the Actuary will produce. At 31st October last, the Fund was in credit to the extent of approximately £33,700,000, all of which

amount was invested in trustee securities. That does not give a true indication of the Fund. I am sure the honorable member for Melbourne will readily agree with that.

Mr. CLAREY.—Not of its actual actuarial liability.

Mr. BOLTE.—That is so. In the main, the contributors of to-day are the people who have built up the Fund and they are yet to receive the reward of their own prudence in covering themselves by contributing for superannuation units.

Mr. HOLLAND.—Public servants have to take out a greater number of units these days.

Mr. BOLTE.—They are eligible to do so. Therefore, the Fund builds up at a far greater rate than formerly, but because of this quick build-up in units with a comparable contribution being paid in, it would appear to some persons that the Fund is so substantial that the Government could grant benefits left, right and centre. However, I repeat that the people who are actually building up this Fund have yet to receive benefits from it. I emphasize that the credit balance in the Fund is composed entirely of the contributions of officers and interest on investments. The Government meets its pension commitments as they fall due on each fortnightly pay-day. I also stress the fact that the present balance in the Fund is largely the result of contributions made by existing and not former contributors. As the honorable member for Flemington so rightly interjected, recently the Fund has been built up substantially because of the greater number of units available. However, it is the former contributors who are now benefiting from superannuation payments, and they were more or less in a lower bracket so far as the number of units taken out was concerned.

Mr. HOLLAND.—For many years the maximum number of units available was twelve.

Mr. BOLTE.—Yes, and the average taken out was approximately four. I refer now to the benefits available under

the Commonwealth social service legislation. With the constant easing of the means test in various ways over the past few years, the number of persons able to take advantage of these benefits has increased enormously. It is probably interesting to note that with the relaxation of the property component in the means test, by about March or April next a number of State superannuated public servants may be in a position to receive social service payments. I mention that to illustrate how the means test is being substantially relaxed.

A large proportion of superannuation pensioners, particularly in the lower pension ranges, are also in receipt of their maximum pension entitlement from the Commonwealth Social Service Fund. If they are not, it can be assumed that they are debarred from Commonwealth benefits by reason of either assets or income other than their superannuation pensions. It becomes obvious, therefore, that in any scheme for increasing the rates of superannuation pensions, due regard must be had to the conditions of entitlement to Commonwealth social service benefits. If this is not done, the result could well be a very substantial transfer of liability from the Commonwealth to the State without financial gain to the individuals concerned. That is a very relevant point. Some conditions could be relaxed and the State could pay perhaps another £2 a week to retired superannuated State public servants and find that a fairly large percentage of the total sum paid would relieve the Commonwealth Government of equivalent obligations in the social service field.

Sir HERBERT HYLAND.—That illustrates the whole set-up.

Mr. BOLTE.—That is right. In legislation introduced by this Government in 1955, provision was made, *inter alia*, for contributors in their last year of normal service to take up without medical examination any pension units to which they were entitled but which they had failed to take up at the time the entitlement accrued. This provision became really effective in January, 1956.

Up to that time, anybody who retired from the Public Service did not have the option of taking up during their last year of service any entitlements to which they were due. From January, 1956, all contributors were given the opportunity to assess their financial position in their final year of service and then to take up units to the limit of their entitlement and, if necessary, to pay for such units from the proceeds of pay in lieu of long service leave due to them.

Many have taken and are continuing to take advantage of the opportunity so afforded, although many have not. However, the opportunity was and still is there, and it is felt that any increases in pension rates now granted should be restricted to existing pensioners in certain categories who did not have that opportunity or, in other words, who retired before 1st January, 1956.

It is after having regard to all the foregoing factors and, further, to the concern of the Government to safeguard the position of the 44,000 present contributors to the fund, that this Bill has been framed.

In essence, the Bill simply provides—

First, that any pensioner who retired before 1st January, 1956, on a pension of less than £14 a fortnight shall receive an additional payment of 25s. a fortnight, provided that the total of the pension and the additional payment does not exceed £14 a fortnight. As an example, if a person is receiving £13 15s. a fortnight he will get 5s. and if he is receiving £13 a fortnight he will get £1. If he is receiving £12 15s. or less a fortnight, he will get £1 5s.

Secondly, any widow of such a pensioner whose pension does not exceed £7 a fortnight shall receive an additional payment of 16s. a fortnight, provided that the total amount of the pension and the additional payment does not exceed £7 a fortnight. Again, as an example, if a widow is receiving £6 10s. a fortnight she will get an additional 10s. to bring the payment up to £7, and if she is receiving £6 4s. or less a fortnight she will receive an additional 16s.

The cost of the increases, which is estimated at £200,000 in the first full year of operation, will be a charge against Consolidated Revenue. This cost will decrease year by year as deaths occur. That is obvious. Some 8,000 pensioners out of a total pension number of approximately 15,200 will receive some increase as a result of this legislation. That again emphasizes the substance of the interjection of the honorable member for Flemington, who said that the people involved would be those in the lower bracket.

As considerable administrative work is involved before these increases can be paid and as it is most desirable that they operate from the earliest date possible, I commend the Bill to honorable members and ask for its speedy passage through this House. I assure honorable members that each person will have to be investigated and the records adjusted, so the sooner the Bill can be passed, the happier everyone will be.

On the motion of Mr. CLAREY (Melbourne), the debate was adjourned until Tuesday, November 22.

TRUSTEE COMPANIES (AMALGAMATION) BILL.

The Order of the Day for the second reading of this Bill was read.

The SPEAKER (Sir William McDonald).—I have examined this Bill, and am of opinion that it is a private Bill.

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

That all the private Bill Standing Orders, except those relating to the payment of fees, be dispensed with, and that this Bill be treated as a public Bill.

The motion was agreed to.

Mr. RYLAH (Attorney-General).—I move—

That this Bill be now read a second time. This measure is necessary to effectuate a proposed amalgamation between the Farmers and Citizens Trustee Company Bendigo Limited and the National

Trustees, Executors and Agency Company of Australasia Limited. As honorable members will see from a perusal of the measure, these two companies have entered into an agreement, which is set out in the schedule to the Bill, to amalgamate. The agreement has been approved by and special resolution of each company passed at an extraordinary general meeting of each company. In fact, I am informed that the proposal has been unanimously approved by the members of both companies. The proposal for this amalgamation came from the Farmers and Citizens Trustee Company and will, in the opinion of the directors of both companies, do much to strengthen their position and improve their service to the public.

I am informed that as a result of this amalgamation a new building will be erected in Bendigo to deal with the increased activities proposed for that district. Normally amalgamation between companies can be effected under the procedures provided in the companies legislation. However, in the case of trustee companies whose main function is to act as trustees, executors or administrators of estates, a mere amalgamation under the companies legislation does not provide for the transfer to the new company or the continuing company of all the rights and obligations in respect of the old company.

It is of interest to note that the last amalgamation in the trustee company field in Victoria took place in 1888, when the Union Trustee Company was authorized to amalgamate with three other trustee companies. Any member who is interested will find that similar legislation was enacted by Parliament in 1888, in Act 999. This Bill will assist the scheme for development proposed by the directors of the two companies and unanimously approved by their members, and I commend it to the House.

On the motion of Mr. CLAREY (Melbourne), the debate was adjourned until Tuesday, November 22.

**LOCAL GOVERNMENT
(DISQUALIFICATION) BILL.**

The debate (adjourned from October 4) on the motion of Mr. Porter (Minister for Local Government) for the second reading of this Bill was resumed.

Mr. HOLLAND (Flemington).—This Bill makes several amendments to the Local Government Act and is the type of measure that usually receives support from all sides of the House. The need for a Bill of this type became apparent when the Minister for Local Government received many complaints, particularly in regard to the section of the Act which deals with disqualifications of councillors. In his second-reading speech, the Minister instanced quite a few matters of some substance which were not covered by the present section. These matters were investigated by the Statute Law Revision Committee, and the majority of amendments in the Bill follow the report presented by that committee. The fact that the Bill emanated from that source should assure that the areas of disagreement will be few. However, the Bill does differ from the report in two or three instances, and possibly they will be the subject of some disagreement.

The Bill can be divided into several headings. The first is the section that deals with the disqualification of councillors; the second deals with what might be termed the onus of proof so far as disqualification of councillors is concerned. It is proposed to add a new section relating to the payment of costs when a councillor is ousted or disqualified by reason of a defective election. It is also proposed to substitute a new section 181, which provides that councillors shall not speak or vote on matters in which they have a direct interest, and to substitute a new section for section 166 of the principal Act. The new section relates to offences by officers and employees of a municipality. Although the provisions I have mentioned relate to different subject matters, they are inter-related and are important so far as local government is concerned, because in the main they deal

with the conflict that may occur between duty and interest of councillors and officers of councils.

The principal Act contains a very wide provision in relation to the conflict between duty and interest, and necessarily certain exemptions are provided. When this subject was dealt with by the Statute Law Revision Committee, five or six witnesses, who were intimately connected with local government affairs, gave evidence directed towards the clarification of the exemption provisions. In no case did they contend that those exemptions should be considerably widened, although it was suggested that a different interpretation should be given to some provisions which were against the overwhelming weight of popular opinion.

The evidence presented to the Statute Law Revision Committee in regard to section 53 of the principal Act recommended certain additions for sensible reasons. The first addition related to the sale, supply or provision to a councillor by a municipality of any goods, commodity or service ordinarily supplied or sold to members of the public and on the same terms and conditions. This question arose because some doubts existed whether a councillor could avail himself of a municipality's housekeeper service or, in country areas, where equipment was hired out on proper terms to ratepayers whether the councillor could avail himself of such equipment.

The next important addition is the provision relating to trading by councillors with municipalities. A considerable amount of evidence was heard on this matter by the Statute Law Revision Committee. Evidence was given that, in country areas particularly, councils could be prejudiced in a variety of ways by a complete prohibition on such trade. It was said that in remote municipalities a councillor might be the only person who could provide the municipality with certain necessary goods and that considerable inconvenience and cost would be entailed in purchasing them elsewhere. The committee decided to accept the principle

and to fix an amount of £20 as the maximum extent to which a councillor could trade with a municipality. This was decided on the basis that a municipality might require goods urgently. The amount which is provided for in paragraph (b) of sub-section (2) of proposed new section 53 is a sum not exceeding £50 in any year. The Minister stated that in his opinion the sum of £20 was too low and that a higher amount should be provided. In Committee, I propose to submit an amendment which will bring the maximum expenditure into line with the recommendation of the Statute Law Revision Committee. The committee was divided as to whether the principle should be accepted and finally, as a compromise, it was decided to fix the amount at £20.

A further matter inquired into by the Statute Law Revision Committee related to a councillor being a shareholder or member of an incorporated company which entered into a contract with a municipality. In his second-reading speech, the Minister said that he did not favour the extension of this provision, as suggested by the Statute Law Revision Committee, because The Constitution Act contains a provision similar to that which now appears in the Local Government Act. He said that if the recommendation of the Statute Law Revision Committee was accepted, councillors would be in a different position from members of Parliament. The Minister did not seem to disagree with the principle but merely stated that the provision in the Constitution Act was similar to that which appears in the Local Government Act. A start has to be made somewhere, and it seems an appropriate time to amend the provision in the Local Government Act and alter The Constitution Act at a later date. Therefore, I propose to move an amendment in line with the recommendation of the Statute Law Revision Committee.

Several additional provisions have been added to section 53 as contained in the Bill, and, as they are all common-sense clauses, I do not propose to discuss them in detail. I may have something to say on the various amendments in the Committee stage. Clause 3 of the

Bill deals with a flaw in section 56 of the principal Act, and involves a machinery amendment to which no exception can be taken. I mention in passing that the words proposed to be inserted in sub-section (1) of section 56 should also be added to sub-section (3).

The provision contained in proposed new sub-section (2) of section 56 relates particularly to the onus of proof when a councillor is sued by a person who claims that he should not in fact be a councillor. This matter arose from a legal action in which the learned Judge said that in his opinion the provisions of the section were far too stringent and recommended an amendment which would, in most cases, place the onus of proof in regard to breaches not on the councillor, but on the person claiming that the councillor was not a duly elected person. I do not think anyone could disagree with that principle. At present a councillor has to prove certain things in regard to his right to be a councillor. I agree with the proposed amendment which follows the recommendation of the learned Judge. Provision is also made in regard to costs of such court actions, and the fixing of costs is to be left to the discretion of the court. I intend to refer to the provisions contained in sub-clause (2) of clause 3 again in Committee because it seems to me that the first provision would prohibit the Judge from exercising his discretion as proposed in the latter part of the clause.

The next provision relates to a court action against a councillor who had nothing to do with the wrongdoing which made him subject to ousting—in other words, when the offence had been caused, unwittingly perhaps, by a responsible officer of the municipality but in any event was no fault of the councillor concerned. The most recent instance occurred in the City of Oakleigh, and the previous one was in the City of Broadmeadows.

Mr. PORTER.—The decision on the Oakleigh case has not yet been given.

Mr. HOLLAND.—That is so. At Broadmeadows, by some mischance, a name was misspelt on the ballot-paper,

and because of the interpretation placed on that happening the councillor concerned was ousted and had to pay the cost of the action. The Statute Law Revision Committee recognized this to be an obvious injustice, and in its report it recommended that the costs of any action should, at the discretion of the court, be awarded against the council or the officer concerned. This measure provides, however, that they should be awarded, at the discretion of the court, against the council and not against the officer. The Minister said he did not think the legislation should go further, and I am prepared to accept what he stated.

The next provision deals with officers of a council who, in the main, are subject to the same restrictions as apply to councillors. Because of the wording of the Local Government Act, it was doubtful whether officers could be employed by a council as returning officers in local council elections. The relevant provision was interpreted to mean that they could not be so employed if they were paid for the service they rendered. That gave rise to the silly position of officers from one council having to be transferred to another municipality for the purpose of carrying out municipal elections in order that they could be paid legally for the job they did. The intention of the proposed new section 166 of the principal Act is that councils will be authorized to pay such officers for their services. However, doubts have been raised whether the wording of the proposed new section will permit what the Minister really desires. I raise these various points so that the honorable gentleman may at the Committee stage give honorable members his interpretation of the position.

Proposed new section 181 of the principal Act, as contained in clause 6 of the Bill, relates to the conditions upon which a councillor may speak or vote in relation to matters in which he has an interest. Certain provisos have been added to the proposed section, and in Committee I shall ask whether the provision will permit what the Minister really wants it to achieve. It seems to

me that it would be extraordinarily difficult for that provision to work as it allows the Governor in Council to give permission where a quorum is not available. That, broadly, is the approach I shall make when the Bill is in Committee. Most of the matters dealt with are such as can permit of no real disagreement on the part of any person who is conversant with the workings of local government authorities. The measure will be of considerable benefit to municipalities generally, and, subject to the queries I have raised and to the qualifications I have expressed in relation to the difference between proposed new section 53 and the report of the Statute Law Revision Committee, we do not oppose the Bill.

Sir HERBERT HYLAND (Gippsland South).—When this measure was explained by the Minister for Local Government, I obtained sufficient copies to enable me to forward one to each of the municipalities in my electorate—there are six completely in my electorate and one partly in it. When forwarding copies of the Bill to the municipalities, I enclosed a note asking for any criticism of the measure or any improvements that it was considered could be effected. I received only three replies, which were to the effect that everything was satisfactory. As the remaining councils did not reply, I assume that they are satisfied with the Bill. One of the underlying reasons for the introduction of this measure was the trouble that was experienced in one particular council in Gippsland. The councillors in two out of three ridings had to resign their seats and seek re-election because there had been something wrong with the set-up. Apparently at the suggestion of one of the leading insurance companies in Melbourne an accident insurance policy had been taken out on councillors travelling to and from council meetings, and it was subsequently ruled that that procedure was out of order. One man who had been a councillor and had been defeated at an election took the matter up and, as a result of his action, the councillors were compelled to resign and re-contest their seats. There may have been other councillors in a similar position, but

they were apparently not found out. I trust that that position is thoroughly covered in the Bill.

In another instance, a query was raised that a person with an interest in a big hardware and grocery store was receiving a bonus payment in addition to his salary as a council officer. At that time it was considered that he was entitled to the extra remuneration because he was a partner in the business. It was eventually ruled by the Department of Local Government that everything was in order. In the light of what I have stated, members will appreciate the difficulties that arise concerning matters of local government.

When a Government grant or subsidy is made towards the cost of erecting a hall or shifting an existing hall from its foundations to another site, much difficulty can arise. I recall an instance of a hall being dislodged from its foundations in a storm and it was necessary to have it re-built, for which purpose the Government made available a subsidy of £1,000. In that part of the State it was particularly difficult to obtain the services of an architect to draw up plans and specifications for the work, so it was suggested that the local shire engineer or one of his assistants be offered a fee of from £20 to £40 to perform the work in his spare time. If one of the officers concerned had carried out the work, he would have received payment for his services over and above his regular salary as a council officer, and I do not know whether that position would be covered by the measure. I emphasize that had a council officer drawn up the requisite plans and specifications, he would have done so only with the view of helping the municipality because municipal engineers in country districts have 101 jobs to attend to and they are not eager to undertake any additional work such as the one I have mentioned.

Mr. WHEELER.—In those circumstances, would it not mean that an engineer could be passing his own plans?

Sir HERBERT HYLAND.—I should not say so. In a place such as that which I refer to, which would be 130

miles from Melbourne, the nearest architect would be located in the metropolis, and it would be much cheaper to engage a local person than to pay for the bringing of an architect all the way from Melbourne. If such a course were followed, there would be no money left for carrying out the intended work. I must pay tribute to the shire engineers in country districts because they take work of this character in their stride. There can be no doubt that it is completely outside what they are obliged to do. Oft-times they draw up plans and specifications for infant welfare centres, new halls, and so forth, and they are happy to assist in that way. Accordingly, we are desirous of protecting them and the municipalities as well. I am satisfied with the Bill, and am of the opinion that municipalities in the electorate of Gippsland South also are satisfied with it. Accordingly, the Country party supports the measure.

Mr. WHEELER (Essendon).—I support the Bill because I believe it will contribute towards cleaning up a mess that has obtained in the Local Government Act since its inception. It must be remembered that when the Minister for Local Government took office one of his first promises was to revise the Local Government Act with the object of improving it and bringing it into simple terms which the ordinary councillor could clearly understand. I believe the honorable gentleman has made a very gallant attempt in that regard. This measure more or less grapples with the question of the pecuniary interest of a councillor. As I see it, pecuniary interest is not always the point of view of pecuniary gain. A councillor could find himself voting on a particular matter in which he had some interest but which could be detrimental to himself. Nevertheless, he is still disqualified from voting, under the pecuniary interest provisions of the Act. I believe a man, when he offers himself for election to a council, must be prepared to make considerable personal sacrifices. He is one of the people in the community who give of their time and talents voluntarily. Moreover, the wives of councillors are called upon to make personal

sacrifices by attending functions which for the most part hold very little interest for them.

Under the present pecuniary gain provisions, a councillor, in addition to giving his time and talents voluntarily is also deprived of some of the privileges that the ordinary citizen can expect from municipalities. In fact, a ratepayer of any municipality may enter into a contract with his local council for the purchase of a few yards of screenings, or he may ask the council to hire out to him a certain plant, possibly for removing rubbish from his property or home. A councillor is unable to avail himself of these privileges, nor can he utilize the housekeeper system of the council. A councillor who is a businessman is not permitted to sell to the council even a small article worth only 5s. If this system is perpetuated, it will be impossible to induce the best types of persons to seek election as municipal councillors. Some municipalities handle revenue totalling £500,000 annually, and councillors with business experience are able to offer valuable assistance in the handling of municipal affairs. Consequently, it is pleasing that the Minister for Local Government has seen fit to introduce this Bill.

Should the president or secretary of a sporting body be a municipal councillor, that particular body is not permitted under the existing law to seek from the council a loan for the purpose of improving its club-rooms or its playing arena. If such a loan was requested and granted, any councillors who were also members of the sporting body concerned would be automatically disqualified from holding office. Some municipalities purchase supplies of electricity in bulk and retail it to their ratepayers. Under the existing law, when the question of electricity charges is under consideration a councillor who it is alleged may derive some pecuniary gain as a result of the council's decision is not permitted to cast a vote. That is a ridiculous and stupid situation. Furthermore, if a councillor resides in a street which is being constructed by his council, he is unable to ask the

council to construct a driveway into his property. The normal ratepayer would be anxious for the council to undertake this work so that there would be no interruption to the street construction works, and so that the whole task could be done in one operation. Unfortunately, councillors cannot take advantage of this service; it is not a favour because the ratepayers concerned must pay the contract price for the work.

Another ridiculous situation that exists concerns the attendance of councillors at council meetings which usually commence at 7 p.m. It is difficult for councillors to travel to their homes, obtain their evening meal, and then attend the council meeting on time. Under the existing law, if a municipality provided meals for its councillors, it could be argued that, because the councillors were deriving some pecuniary gain, they would be ineligible for office. I consider that it would be reasonable for municipalities to provide meals for councillors in such circumstances. The Bill, which is well framed, will prove beneficial to municipal councils throughout the State.

It would be a retrograde step if municipal government were abolished. As honorable members appreciate, it is the type of government that is closest to the people, although it is rather disappointing at times to find that people do not appreciate its value. In the past, there have been moves to introduce a Greater Melbourne scheme, but the implementation of such a scheme would not be of benefit or gain to the general public, particularly the ratepayers. If municipal government is to remain in close touch with the people, it is essential that persons from all walks of life should seek election as councillors. Unfortunately, under the existing legislation, certain businessmen are unable to seek office as councillors. Consequently, in the majority of councils today, many councillors are either union organizers or union representatives. It is desirable that municipal councillors should be selected from a good cross-section of the community, and, if that practice obtained, local government would function at its best. If the control

of municipal affairs is vested in any one section of the community, whether it be big business or union organizers, it is detrimental to the interests of the public.

Mr. CAMPBELL TURNBULL.—Which council have you in mind when you say that?

Mr. WHEELER.—I am not thinking of any specific council. I have sat on a council with the honorable member for Brunswick West whom I regarded as a very good councillor, and I hope he thinks the same about me. If a cross-section of the community is represented on a council, the various councillors will express their opinions on different aspects of life and the requirements of the people and, by that means, local government will be maintained at a clean and satisfactory level. I commend the Bill to the House.

The motion was agreed to.

The Bill was read a second time and committed.

Clause 1 was agreed to.

Clause 2, providing, *inter alia*—

For section fifty-three of the principal Act there shall be substituted the following section:—

(2) Notwithstanding anything in sub-section (1) of this section a person shall not be disqualified from being or continuing a councillor of any municipality by reason of—

- (b) the sale by him to the municipality in the ordinary course of a retail business, and not pursuant to any written contract, of any goods of a value not exceeding Fifty pounds in the aggregate in any year; or
- (d) his being a shareholder or member of any incorporated company consisting of more than twenty persons which has entered into any bargain or contract with the municipality or done any work under the authority of the council;

Mr. HOLLAND (Flemington).—I move—

That in paragraph (b) of sub-section (2) the word "Fifty" be omitted with the view of inserting the word "Twenty". The effect of the amendment will be apparent to honorable members. When

the Statute Law Revision Committee considered this question it was suggested that so long as a councillor disclosed his transactions with the council of which he was a member and did not speak or vote on the question, he should be permitted to trade with the council. That is the position in England to-day. However, the Statute Law Revision Committee did not accept this suggestion. The committee further examined the question whether the existing principle whereby a councillor is prohibited from trading with the council should be preserved. The matters that were discussed on this aspect were two-fold. Originally, the question arose as a result of an action of a councillor of the Keilor shire who sold goods valued at a trifling amount to the council, and thereby to himself.

Mr. PORTER.—An employee sold the goods.

Mr. HOLLAND.—That is so. The transaction was undertaken without the councillor's knowledge and, even though only a trifling amount was involved, the councillor resigned rather than risk disqualification. The argument was then advanced to the committee that in a country shire the position could arise whereby a councillor would be the only person in the shire capable of supplying certain goods to the council. In such circumstances, even though the goods might be valued at a trifling amount, the council would be required to purchase them elsewhere, otherwise the councillor concerned would have to face the risk of being ousted from the council. It was further stated to the committee that a councillor might be the only person in the district who could supply certain spare parts for motor cars. The committee considered these matters, but it was reluctant to alter the existing law. It was recognized that on some occasions it would, for a particular purpose, be necessary to trade with a councillor, even though he might prefer not to do so. To ensure that no trading would take place between councillors and the council, it was, for obvious reasons, considered that if such transactions were limited to a value of £20 in any year the position would be

adequately covered. It would mean trading for convenience only and not for profit. For that reason the Opposition cannot accept the increase to £50 that the Bill proposes. If that were done, no doubt occasions would arise when a spare part would cost £51 and there would be further requests to amend the Act. This could be the first step to dilute a vital principle. The Statute Law Revision Committee, after considering all aspects, was loath to make any change. For that reason I consider that the committee's recommendation is superior to the Minister's proposal.

Mr. WHEELER (Essendon).—It is true that the Statute Law Revision Committee recommended that the amount of exemption should be £20 in any financial year, but the Minister for Local Government in his wisdom has paid attention to the price of the articles that might be involved. The amount of £50 is not very much to-day. I think this matter concerns country municipalities more than those in the metropolitan area. If a spare part is required for a tractor, bulldozer or piece of heavy earth-moving equipment that has broken down, the local municipality goes to the nearest dealer. It would be unfortunate if he happened to be a councillor and the work of the municipality had to be held up for some days because he could not trade with the council as the amount involved was more than £20. The Minister for Local Government has taken this situation into account and has acted wisely. I hope the amendment will be negatived.

Mr. CAMPBELL TURNBULL (Brunswick West).—I support the amendment so ably moved by the honorable member for Flemington. I ask the previous speaker: What would happen if the tractor part was worth more than £50—say, £50 1s.?

Mr. WHEELER.—The position would be the same as if the amount was £20 1s. under the amendment.

Mr. CAMPBELL TURNBULL.—I am disappointed that the old total prohibition is being disturbed. The Opposition members on the Statute Law Revision Committee were anxious to compromise

because of the real problem that exists. It was considered that the amount of £20 would cater for the odd type of case in which the convenience of the council was concerned. There should be some power given to Supreme Court Judges to excuse a councillor if the circumstances of the case warranted it.

Mr. PORTER.—The difficulty is that councillors do not want to approach the court because of the legal costs involved.

Mr. CAMPBELL TURNBULL.—I cannot remember an instance in which the Government has varied a recommendation of the Statute Law Revision Committee as it has on this occasion. There is a big difference between £20 and £50. If the amount is fixed at £50, no doubt next year someone will want it raised to £100, and to an even higher amount.

Mr. MEAGHER (Mentone).—I can only conclude from the remarks of the two Opposition members that the Federal Treasurer has had a much greater impact on their thinking than on other persons in the community. Apparently they have abandoned their belief in the depreciation of the £1. The honorable member for Brunswick West stated that sales to the extent of £50 1s. would disqualify a councillor if the amount of £50 contained in the Bill were accepted, and he admitted that a similar position would apply if the amount were fixed at £20. If there is anything in the belief that the value of money is now a good deal less than when this principle was first established, there is a reasonable ground to believe that £50 is not a large amount to-day, particularly as replacement parts for earth-moving equipment, and so on, may easily cost that much.

If we accept the principle that there should be some amount of goods that a councillor is permitted to sell to the council, there is little difference whether the amount is £50 or £20. However, there is a practical difference. In the case of £50 worth of goods, how much profit would the councillor make? It is not suggested, of course, that he might be prepared to sell his integrity for the profit that he would make on a £50 sale.

On the other hand, if one of the councillor's servants puts him in that position it is only reasonable that we should give him an adequate margin for the servant to make a mistake. Despite what the Statute Law Revision Committee has said, it is competent for this Committee to decide to provide a larger margin for a man who is essentially honest in his dealings and to fix an amount which could not be expected in these days to induce a man to sacrifice his integrity. If the price of the article exceeded the fixed amount by 1s. or 2s. the councillor could easily overcome the difficulty by discounting the item to the necessary extent. If we are to make this exemption, let us make it reasonable in the light of present-day costs. Surely £50 is a reasonable amount.

Mr. PORTER (Minister for Local Government).—I think I should explain the reasons which were behind my thinking when I included the sum of £50 in the clause. Honorable members will recall that in my second-reading speech I discussed various recommendations of the Statute Law Revision Committee before making any comment on what was included in the Bill. When discussing this recommendation, the Leader of the Country party interjected, "That is far too low." The honorable member has told us to-night that there are seven municipalities in his electorate. From my own experience as Minister for Local Government I know that country municipalities have a real problem in regard to this matter. It is not uncommon for the only machinery agent in the town and for places within a distance of 50 miles to be a member of the council. On numerous occasions councils have been idle while spare parts have to be obtained from another town. That is the only reason why I varied the recommendation of the Statute Law Revision Committee.

I do not believe this alteration or exemption will in any way affect the underlying principle which is, and always should be, that no councillor or servant or officer of the council should be in a position to profit from his office. When all is said and done, goods to the extent of £50 a year might result

in a few pounds profit, but that does not in any material way affect the underlying principle on which local government is founded. The alteration made by the Government in the recommendation of the Statute Law Revision Committee is reasonable, and this Committee should support it.

Mr. HOLLAND (Flemington).—In submitting this amendment, which seeks to bring into line the recommendations of the Statute Law Revision Committee, my purpose was not that the report of the committee should be regarded as sacrosanct. Nothing was further from my mind, but I would point out that the committee made its report only after having listened to a great deal of evidence. It did not capriciously say, "We will alter a vital principle," but it heard five expert witnesses from the local government field and had at its disposal the benefit of the knowledge and experience of members who were or had been municipal councillors. Several of these were from the country and all were concerned only with retaining a principle that had been established over many years.

As I pointed out in my second-reading speech, it was only after a great deal of debate that it even considered that the principle should be changed. We do not now say that councillors may trade with their council. If it were just a matter of making a few pounds profit they would not do so. Those who will be compelled, so to speak, to trade with their council will only find it a nuisance to do so. When I say that they will be compelled in certain circumstances to trade with the council, I mean that they may be the only people having the particular goods that the council requires. In those circumstances, they will have the right to trade.

Mr. PORTER.—By permitting an annual expenditure of £50, it would amount to only a little over £4 a month.

Mr. HOLLAND.—It was not with any desire to breach the principle that this recommendation was advanced but to create a convenience for the council. The Statute Law Revision Committee decided that the amount should be such that any purchases would be made only

in dire emergency. I take the opportunity to ask the Minister why he altered the recommendation of the committee from the expression, "any financial year" to "a year." I do not know what the term "a year" means. There may be some legal significance, but the committee thought the phrase "any financial year" would be the most convenient.

Mr. MEAGHER (Mentone).—I take the opportunity to thank the honorable member for Flemington for his statement that the proposal in the Bill establishes a principle, with which I entirely agree. Since the principle has been accepted, there should be some area of safety for a councillor, and that would be provided by the reference to an amount of £50 rather than by a sum of £20.

The amendment was negatived.

Mr. HOLLAND (Flemington).—I move—

That, in paragraph (d) of sub-clause (2), the following words be added:—

"but this paragraph shall not operate to exempt from disqualification any person who is a director or manager or branch manager of such a company or who holds Ten per centum or more nominal value of the issued shares in such a company."

This relates to a case that goes back to 1953, that of *Payne v. Loft*, in which Mr. Justice Barry held, in the terms of the report of the Statute Law Revision Committee—

That a councillor, the managing director of a company, actively interested in the business of the company and its contracts with the council, fell within the disqualifying effect of sub-section (1) and that because that effect did not in any way relate merely to his shareholding, he was not within exemption 2 (b).

When the committee dealt with this clause the evidence put before it was upon two points. First, it was felt that the clause as it stood would provide that so long as a councillor was a shareholder in an incorporated company consisting of more than 20 persons, provided that he was not the managing director, he fell within the exemption provision and could, in effect, trade with the council. It was considered that one person could control the vast majority

of the shares of a company and by that means evade what we felt the legislation provided for.

After all the evidence had been gone into by the committee, it considered that the addition of the words contained in the amendment I have now proposed would mean, in effect, that a councillor, if he were only a shareholder in a company, would have to be a very considerable minority shareholder, and that if he were just a normal shareholder he should not be subject to a disqualification provision.

The second point arising in this connexion related to the question that a managing director would be actively interested in the business of a company and that he fell within the disqualifying provision. The Statute Law Revision Committee was of the opinion that not only was a managing director one who was actively interested, but that the situation went much further and that the relevant paragraph should not operate to exempt from disqualification any person who was a director, manager, or branch manager of a company.

The Minister, in his second-reading speech, indicated that as to the recommendation of the Statute Law Revision Committee, because of the fact that there is a similar provision in The Constitution Act as to shareholding there should be no restriction on the number of shares held and that the situation, therefore, should not be altered. If the Minister feels that the committee's recommendation is correct in principle, it is time we began to establish the principle. The Minister stated—

However, as Mr. Justice Barry in *Payne v. Loft* decided that the exemption did not apply in such circumstances, there is no precise need for this amendment.

In his judgment in the case of *Payne v. Loft*, the learned Judge was referring to the managing director of a company. It was that person who the Judge felt was outside the ambit of sub-section (2) and came within the disqualifying provisions of sub-section (1). The recommendation of the Statute Law Revision Committee and the purpose of my amendment go much further than Mr. Justice Barry

stated. The committee had legal advice and felt that the only person who seemed to be involved was the managing director. The committee considered that the Act should be altered along the lines of the amendment I have now submitted. It believed that the people indicated were those who should be considered, in the terms of Mr. Justice Barry's dictum, to be actively interested in the business of a company and its contracts. The recommendation of the committee is one with which I agree wholeheartedly. It puts the matter into its right perspective. If a person is actively concerned with a company in a managerial position, he is in a quite different position from a normal shareholder. As a responsible officer of a company, he has a vested interest in seeing that contracts with the council are obtained. If he has 10 per cent. or more of the shares, he will have a particular interest in obtaining contracts.

Mr. SNIDER.—He may not know what is happening.

Mr. HOLLAND.—If that is so, he is a poor managing director. I stress that I am dealing with the case of a councillor who has a 10 per cent. interest, not an ordinary citizen. This clause relates to the exemption of councillors. Although the honorable member for St. Kilda knows more about company law than I do, I point out that the provision under discussion has been designed for a specific purpose. It deals with responsible company officers who are members of municipal councils or with councillors who have more than 10 per cent. of shares in a company. Such people know their position. I see instances of it daily in the Melbourne City Council, when certain councillors do not vote on particular issues because their firms have contracts with the council. There is nothing illegal about that. The Opposition considers that the present position can cause some evasion of the principle, and there can be a conflict between duty and interest. After much consideration, the Statute Law Revision Committee recommended a provision along the lines of the amendment that I have moved.

Mr. SNIDER (St. Kilda).—I listened with much interest to the honorable member for Flemington. One of the difficulties about the proposed amendment is that the honorable member has tied in with the activities of people who may be active company officers—and I can understand his concern in that regard—the question of the percentage holding in a company. I point out that the size of the capital of a company is not always related to its volume of business.

A man who is a very good councillor might, as the result of the decease of a relative, be the beneficiary to the extent of, say, £2,000 worth of shares in a £20,000 company, which would give him a 10 per cent. interest. However, that might be a long way removed from his principal business interest. Moreover, he might have had little or no knowledge of its existence until it was bequeathed to him. Under those circumstances, it would be unfortunate if a person whose primary business activities might be in another field should be subject to disqualification because of the amendment that the honorable member has proposed. The actual shareholding might represent a comparatively small money interest, and the person concerned might be relatively disinterested in the question whether or not the company had a contract with the council.

While I appreciate the thought the honorable member has given to the question—I realize that he has done so as a conscientious member of a particular council—I consider that he has created some difficulties by trying to tie in the question of a person who might have a small interest with what I believe is a separate question of a man who might be an active operating officer in a company.

Mr. HOLLAND (Flemington).—I appreciate the remarks of the honorable member for St. Kilda. If a councillor suddenly finds that he has 10 per cent. of the shares in a company that does business with the council, all he has to do is to stop trading with the council.

Mr. SNIDER.—As a minority shareholder, he may not be able to influence the company to act in that manner.

Mr. HOLLAND.—In that event, he can sell his shares if he wishes to remain a member of the council.

Mr. SNIDER.—He may not know that the company has been trading with the council.

Mr. HOLLAND.—If that occurred, he would not have listened to council business or would not know much about the company's dealings. As a shareholder, he might not have much knowledge of its affairs, but as a councillor he would. It would be strange if a person in such a position, particularly a man actively concerned in the municipal field, was unaware of the contracts going through the council.

Mr. RAFFERTY.—Such a person might not be able to sell his shares.

Mr. HOLLAND.—I concede that he might not be able to sell them except at a considerable loss, particularly in an economic situation such as the current one. The honorable member for St. Kilda raised objection on one particular point, and I admit that he has a reasonable line of argument. However, I do not think it would present practical difficulty. The honorable member raised no objection on the question of managing directors or responsible officers of companies. On that aspect, I should like to hear a statement by the Minister for Local Government.

Mr. PORTER (Minister for Local Government).—In my second-reading speech, I stated the reason why I had not followed a recommendation of the Statute Law Revision Committee. Members will recall that the committee's report was tabled in this House in December last year. It had been eagerly awaited by councillors, council officers, and legal advisers to councils, and when it was presented it was widely read and freely discussed. One of the most interested bodies in the committee's recommendations was the Municipal Association of Victoria, which immediately obtained advice from its legal advisers and which wrote to me

stating that in its view the restrictions on a councillor should not be harsher than those on a member of Parliament.

This institution is the major law-making body in the sovereign State of Victoria and must always remain so. I honestly believe that as members of Parliament we would be in an invidious position if the restrictions placed on municipal councillors were harsher than those placed on us. It was for those reasons, which I gave fully in my second-reading speech, that I did not adopt the particular recommendation of the Statute Law Revision Committee. I regret that the honorable member for Flemington does not feel disposed to agree with me, and apparently we must on this point agree to disagree.

The amendment was negatived, and the clause was agreed to.

Clause 3 (Penalties for acting as councillor while unqualified).

Mr. HOLLAND (Flemington).—The object of this clause, which proposes amendment to section 56 of the principal Act, is to rectify an anomaly in section 54. In his second-reading speech the Minister stated—

There is a gap in the Act at the moment in that a councillor is prohibited from acting until he has taken the oath of allegiance

It has occurred to me that an addition should be made to the clause to provide for the amendment of sub-section (3) of section 56 by the insertion after the words "such declaration" of the words "and taken such oath."

Mr. PORTER (Minister for Local Government).—At first glance, it would appear that an amendment also ought to be made to sub-section (3) of section 56 of the Act. I shall discuss the matter with the Parliamentary Draftsman, and if any further amendment is necessary appropriate action will be taken in another place.

Mr. HOLLAND (Flemington).—The proposed new sub-section (2) of section 56 relates to the burden of proof of disqualification of a person who acts as a councillor, and concludes by stating

that "he shall be adjudged to pay the first penalty and such costs as the courts deem proper." The court is given a discretion. Sub-section (1) provides for a penalty of not more than £50 and states that such penalty may be recovered by any person with full costs of suit in the Supreme Court or the County Court. It appeared to me that the court was being given a discretionary power.

Mr. PORTER.—A discretion under proposed new sub-section (2) but not under sub-section (1).

Mr. HOLLAND.—It seems to me that sub-section (1) will prohibit the taking of action under proposed new sub-section (2). I consider that the matter should be examined.

Mr. PORTER (Minister for Local Government).—I thank the honorable member for Flemington for directing my attention to this matter. I shall discuss this also with the Parliamentary Draftsman.

The clause was agreed to.

Clause 4 (As to payment of costs where person ousted or disqualified by reason of defective election).

Mr. MUTTON (Coburg).—Do I understand that if ouster proceedings are taken against a councillor and he loses the case, his costs are to be borne by the municipal council concerned? If that is so, I think the proposal is wrong. It will enable any "go-getter" to nominate for a council election even if there are elements of doubt about his qualifications, because he will be able to rely on the council having to meet any costs involved in his being ousted. There are plenty of "go-getters" in the community these days who would be prepared to take a chance to stand for a municipal council. I think it is wrong that ratepayers should have to meet costs of such court actions. I have gathered my impression from the second-reading speech of the Minister for Local Government, and I should like to know whether what I have outlined is the real intention of the clause. It is my desire at all times that ratepayers'

money should be spent wisely and well, and I consider that a mistake has been made in this Bill. A man with a police record might be elected to a council, although it would be an offence against the Local Government Act for him to stand. Under the terms of this clause, he could take the chance knowing he had nothing to lose. If I were a municipal councillor, I would be one of the first to oppose the amendment of the Local Government Act in this manner. I hope consideration will be given to my views.

Mr. PORTER (Minister for Local Government).—For the benefit of the honorable member for Coburg, I point out that section 157 of the Act deals with ouster from office of councillors for various misdemeanours. In such cases the costs involved are borne by the offending councillors. This Bill proposes a new section 157A, sub-section (1) of which provides, *inter alia*—

Where in any action or proceeding, whether under this Part or otherwise, a court finds that a person who has been declared elected as a councillor or chairman of a municipality is or was at any time incapable of acting as councillor or chairman by reason only of some defect or informality in relation to his election as councillor or chairman of which he was at the time of the declaration unaware and for which he was not in any substantial degree responsible . . .

That seems to me quite simple. It provides for the payment of costs at the discretion of the court if a councillor is ousted because of some defect in electoral machinery, such as a faulty ballot-paper and so on, of which he was unaware and in no degree responsible for.

The clause was agreed to.

Clause 5 (Offences by officers and employees of municipalities accepting fees or being concerned in contracts, &c.).

Mr. HOLLAND (Flemington).—This clause relates to officers employed by councillors and is similar to a previous clause relating to councillors. However, there is variation in some respects. At the present time, the legislation is restrictive. As I said in my second-reading speech, officers of a council are

prevented from even acting as returning officers at elections, and the penalty for any breach by an officer is that he shall be incapable of being employed by the council and liable to forfeit a sum not exceeding £100. The effect of the present provision is that an officer can be paid by the council for his services only, and if he commits a trifling breach—the Minister and I know of many—he can be dealt with. In some cases officers who quite innocently have committed breaches of the terms of this section have been unfairly pilloried by councillors and by individuals in the municipalities concerned, and because of it they have automatically lost their jobs. A strange quirk about the position is that although they can not be re-employed by the council in which they had previously been employed, they may be engaged by another council.

It was because of the desire to clear up these anomalies that clause 5 was proposed. The Statute Law Revision Committee gave serious consideration to changing the penalty, but decided to pass the problem over to the Minister for Local Government feeling that he could use his discretion if an obviously trifling or innocent breach of the Act was concerned. In his wisdom—and I do not disagree with him—he has preferred to treat the problem in the manner that has been indicated. He has pointed out that, if a serious breach of the Act is involved, proceedings can be taken under another section. I am inclined to agree with his solution and feel that it is perhaps better than that suggested by the Statute Law Revision Committee. Clause 5 seeks the insertion of a new section 166, sub-section (1) of which provides—

Every officer or other person employed by the council of any municipality—

- (a) who exacts or accepts from any person other than the council any fee or reward whatsoever on account of anything done by virtue of his office or employment or in relation to the matters to be done under this Act; or
- (b) who is concerned or participates in any manner whether directly or indirectly in any bargain or contract with the municipality (other

than his contract of service) or with any officer or employee of a municipality purporting to act for the municipality (whether with the knowledge of the council or not) or in any work done or to be done under the authority of the council or any such officer or employee purporting to act for the council or in the profit of any such bargain contract or work—

shall forfeit a sum not exceeding Two hundred pounds.

This will get away from some of the restrictive matters now in the legislation, and it will perhaps enable a council to pay an officer for acting as returning officer at elections and so on. However, it has been put to me that as the clause reads, technically, persons responsible for accepting deposits from candidates or paying poll clerks and so on could perhaps be committing breaches of the Act. It has also been suggested that persons who collect, say, fines or rates or any sums that necessarily must come to a council are in effect taking money. One or two people interested in the problem have claimed that the clause could be stretched to embrace such actions. I am not trying to raise any specious objection to the provision, because I consider that it represents a sensible amendment and will work in the main for the protection of officers of councils. However, I should like the Minister's comments on the views I have expressed.

Mr. WHEELER (Essendon).—I wish to speak on this clause for the specific purpose of referring to returning officers who employ council staff to act as poll clerks. The proposed new section 166 provides, *inter alia*—

Every officer or other person employed by the council of any municipality—

- (b) who is concerned or participates in any manner whether directly or indirectly with the municipality . . . shall forfeit a sum not exceeding Two hundred pounds.

That provision could be short circuited by allowing poll clerks to be paid directly from the municipal funds. Theoretically, the situation to-day is that the returning officer is paid out of the municipal funds and he in turn pays the poll clerk and other officials at municipal elections.

Mr. CAMPBELL TURNBULL (Bruns-
wick West).—I wish to refer to expres-
sions which appear in this clause and
request that the Minister for Local
Government examine my submission.
Sub-section (4) of proposed new
section 166 covers the interpretation
of “physical recreation” and
“cultural activities.” An earlier
part of the clause excuses town
clerks from being associated with
those types of activities. The provisions
of the Local Government Act concern-
ing councillors contain the same expres-
sions. It is stated that cultural activi-
ties include religious, social, educational,
library, music, scientific, agricultural,
horticultural or other like activities.
This is a difficult matter to interpret,
and I invite the Minister to give con-
sideration to the question.

I do not know of any other activity
like religion or music. I find it difficult
to imagine activities similar to all of
those referred to. I know what is try-
ing to be achieved, but it is difficult to
express it in words in an Act. The
present wording means, in effect, that
if there is a cultural activity which is
not enumerated, it should be included
for exemption. I ask the Minister to
examine this matter before the Bill is
considered in another place.

Mr. MEAGHER (Mentone).—New
section 166 proposes a penalty for
officers of a council who accept fees or
rewards from any person other than
councils for any matters in relation
to this Act. I find that there is no
reference to exemptions for weights
and measures unions. In many cases
a town clerk or shire secretary is the
secretary of a weights and measures
union and he is paid a certain fee.
Paragraph (1) of sub-section (3)
provides that if the officer is appointed
by the council or nominated by the
council for appointment to any body or
institution, whether incorporated or not,
the officer shall not be liable to a
penalty. In the case to which I refer
the person concerned would be appointed
by the weights and measures union
and therefore may not be covered by
paragraph (1). I should like the

Minister to examine that question with
a view to having it rectified if my
interpretation is right.

Mr. WILKES (Northcote).—It does
not appear to be clear whether an
officer of the council employed in the
conduct of an election risks a penalty
for doing this work. I have heard and
read legal opinion on this aspect, some
of which is that the staff employed are
actually employed by the returning
officer and not by the council. If that
is so it appears that the officers of the
council so employed are risking a
penalty. I suggest, therefore, that there
be a clearer statement in proposed new
sub-section (3) so that council officers
acting as election staff will not be liable
to a penalty.

Sir HERBERT HYLAND (Gippsland
South).—We are endeavouring to make
this legislation acceptable to all con-
cerned, and I do not think there is any
criticism of the Bill. I do not know
whether the Minister can inform the
Committee what is the position of a
shire secretary who is also the secretary
of the local waterworks trust and re-
ceives a fee for those services. He may
or may not be covered by these provi-
sions. In many country towns the shire
secretary occupies these dual positions.
For years the secretary of the Shire of
Leongatha has also been the secretary
of the waterworks trust. The same
position applies at Mirboo North. Will
these people be penalized under this
Bill? It is not that the shire secretaries
are looking for the additional money
involved. In many country towns it
would cost a great deal to set up
separate offices for the waterworks
trusts and pay persons to carry out the
duties of secretaries. Under the existing
arrangements, the shire secretaries do it
for a nominal fee, and this is done with
the consent of the councils.

Mr. PORTER (Minister for Local
Government).—It is true that the three
sections of the Local Government Act
with which this Bill deals are probably
the most contentious in a contentious
piece of legislation. We could sit here
all night thinking up circumstances in
which some councillor or council officer

could find himself in trouble. It would be impossible for the Statute Law Revision Committee, officers of the Local Government Department or me as Minister to be certain that every conceivable case had been covered. Many of the matters which have been raised by honorable members had been discussed at length elsewhere. Only time and the courts will tell whether the Parliamentary Draftsman has achieved what he set out to do. In regard to positions which municipal officers hold with affiliated or associated bodies such as water and sewerage authorities and weights and measures unions, the best legal advice available is that disqualification applies to an officer or person employed by the council who exacts or accepts from any person or body, other than the council, any fee or reward whatsoever on account of anything done by virtue of his office or employment by the council. I have been assured that a council officer is not prevented, provided that he has the permission of his council, from accepting employment from some other body. In country districts it is not unusual for the shire engineer to be a consulting engineer and to have a substantial private practice. I believe these cases have been covered.

The position of returning officers and poll clerks at municipal elections has been discussed at some length. As I understand it, the general practice, despite what is in the Act, is for the municipal clerk to act as the returning officer, to accept deposits, which he either keeps in the office safe or puts into the council's funds, and for the council itself to pay him a fee for conducting the poll and for the council to pay the poll clerks direct. In such cases there is no infringement. The Act lays down that the returning officer shall pay the staff. So far as I can ascertain, that particular requirement is being observed more in the breach than in anything else. I discussed this matter with the Parliamentary Draftsman and with the Crown Law authorities, and we came to the conclusion that although the electoral provisions of the Local Government Act needed some revision

this was not the appropriate place to do it. We came to the conclusion also that if council officers or employees who acted as poll clerks were concerned about these new provisions and thought they might be compromised, their councils could do as many others are doing and pay them direct. Instructions have been issued to the Parliamentary Draftsman to tidy up the whole of the electoral provisions of the Act, and this should be done before the next general municipal elections. A number of suggestions have been made from time to time by municipalities—many have emanated from the Melbourne City Council—and they are all being investigated. Any necessary amendments will be contained in the next general amendment of the Local Government Act.

The clause was agreed to.

Clause 6 (Councillors not to speak or vote on matters in which they have interests).

Mr. HOLLAND (Flemington).—This clause proposes to substitute a new section 181. When this matter was considered by the Statute Law Revision Committee, there was a great deal of evidence to the effect that the present section was far too restrictive, and doubts were expressed whether councillors could vote on the question of rates. In addition, if a councillor owned an electrical business, there was a doubt whether he could vote on a question concerning the amounts to be charged for electricity. The purpose of most of the exemptions contained in the new provision is to overcome the objections that have been raised. Sub-section (1) of the proposed new section relates to proceedings before a committee of the council as well as before the council. That will mean that a councillor will not be able to take part in the discussion of or vote upon any matter in or before the council or any of the committees of the council if he is directly or indirectly interested. A great deal of the work of a council is done in committee, and it would be incongruous if a councillor were allowed to speak in committee and were then debarred from speaking or voting on the matter in open council.

As I agree with most of the amendments, I do not intend to refer to them. However, paragraph (h) of the proviso relates to an extension of the existing provision. It provides that in certain circumstances a councillor may be permitted to vote if his interests are concerned. I do not know how the Minister intends to carry out the administrative side of that provision. At every council meeting matters relating to planning schemes, zoning by-laws or proposed zoning by-laws are discussed, and it would be difficult to decide when a councillor's interests were not involved, particularly in regard to planning schemes. It seems to me that if this provision is strictly adhered to many councillors will be precluded from either speaking or voting on certain questions. As a result, councils may find difficulty at times in forming a quorum and will need to ask the Minister's permission for councillors to speak or vote on certain matters. It is possible that fortnight after fortnight a council's business will be held up through lack of a quorum or because permission has not been received from the Minister.

Mr. WHEELER.—A councillor is not doing his duty if he has to abstain from voting.

Mr. HOLLAND.—That is another point. Further, what is the position of councillors who are Commissioners of the Melbourne and Metropolitan Board of Works? They must necessarily take part in the voting—and this applies particularly to members of the planning committee—on matters that affect their municipalities and, perhaps unwittingly, on matters directly affecting their own properties. I realize the drafting difficulties involved, and also the Minister's intention, but, perhaps before the Bill reaches another place, the Minister may be able to examine the question I have raised in order to ensure that councils will not be faced with any additional difficulties in the conduct of their business. I should like to know the Minister's ideas in relation to this particular matter.

Mr. PORTER (Minister for Local Government).—As requested by the honorable member for Flemington, I

will have a further look at this provision and will discuss it with him, at length if necessary, within the next two or three days after I have had an opportunity to make further investigations. I take this opportunity of thanking all honorable members for the interest they have taken in this measure. It is indicative of the interest which this Parliament takes in local government as a whole and, as Minister for Local Government, I am indebted to honorable members for the constructive way in which they have approached this measure.

Mr. MUTTON (Coburg).—I should like the Minister to clear up one point. Suppose I am a councillor and live in a street which is unmade. If the footpaths and roads are constructed, I will be an interested party. I should like the Minister to inform me whether paragraph (d) of the proviso will clear a councillor who is an interested party when streets and footpaths are constructed, particularly in new developmental areas.

Mr. PORTER.—The paragraph referred to by the honorable member says so.

Mr. MUTTON.—I am content to have that statement recorded in *Hansard*.

The clause was agreed to.

The Bill was reported to the House without amendment, and the report was adopted.

Mr. PORTER (Minister for Local Government).—I move—

That this Bill be now read a third time.

Mr. MUTTON (Coburg).—When replying to my earlier question in relation to sub-section (1) of proposed new section 157A, as contained in clause 4, the Minister did not mention the word "substantial." I can foresee trouble when a "go-getter" is elected as a councillor—although his record should not allow this to happen. At a subsequent time the court may decide that the councillor concerned should be ousted, and the costs of the action will have to be met by the council from the ratepayers' money.

Mr. WHEELER.—But the town clerk checks a candidate's application and qualifications before he takes his deposit.

Mr. MUTTON.—I am speaking to the Minister for Local Government. In my opinion, the courts sometimes decide that black is white. I am concerned at the meaning which may be given to the word "substantial" in a case where it is sought to oust a councillor. The Minister did not mention the word when he replied to me earlier. Although this is a very good Bill, I believe there is a loophole in the word "substantial" because sometimes a "go-getter" becomes a municipal councillor and subsequently his opponent unearths some facts which indicate that he is not a "clean potato," a court case results, and the councillor is ousted. The Bill provides that the ratepayers have to pay the costs of the court case. I believe that at some time in the future a court case will be fought on the word "substantial."

Mr. PORTER (Minister for Local Government).—In the Committee stage I endeavoured at some length to explain the effect of the clause referred to by the honorable member for Coburg. In doing so I read the major portion of the proposed new section, including the word "substantial." I tried to make it clear that this provision relates to ouster proceedings resulting, not from any act which the councillor himself may have done, but from some defect or informality in his election. The fact that the person concerned might not be a "clean potato," as the honorable member put it, has nothing to do with this provision. It applies only in a case where the election itself has had some defect—where there has been something wrong with the ballot paper, the polling booth was not in the right place, or something of that nature—for which the candidate has had no responsibility whatever.

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

UNIVERSITY COLLEGES LANDS BILL.

The debate (adjourned from November 15) on the motion of Mr. Bloomfield (Minister of Education) for the second reading of this Bill was resumed.

Mr. CAMPBELL TURNBULL (Briswick West).—This Bill is important in so far as it relates to colleges associated with the university. As honorable members are aware, in a British community universities have colleges associated with them for the purpose of educating students connected with the religious bodies concerned. At the University of Melbourne there is Trinity College, Queen's College, Ormond College and Newman College, and I think all members agree that they play a considerable part in both education and the social side of university life. I now propose to read a short extract from *A Centenary History of the University of Melbourne*. It is in these terms—

The problem of providing suitable residence and so attracting students from the country had often worried the University Council in its early years. In the hope that residential colleges might be erected, the university had asked the Government to reserve 60 acres of land in 1856.

Apparently in those days there was a desire to attract to the university the sons and daughters of graziers. The quotation proceeds—

Although the council adopted regulations for the licensing of boarding houses in 1874, no licences were issued. Meanwhile the churches had planned colleges in which students could live and receive instruction in the Christian faith. The Anglican church, the largest in the colony, made an initial attempt to establish a college in 1859

So, honorable members will perceive how far back the principle of establishing colleges at the University of Melbourne extends. Acts of Parliament were passed, and land was reserved for the four colleges I have mentioned, and eventually certificates of title were issued.

In about 1957 a similar measure to this was under consideration with respect to Trinity College, which wanted

to extend its premises but discovered that there was some defect in its title. Parliament remedied the defect so as to enable the college to borrow money for the project. In the case of the Methodist church, a title was issued to the trustees; in the case of the Presbyterian church, ownership was vested in a trust corporation, as was the case with the Roman Catholic church. Nevertheless, there was always some doubt whether the titles issued were completely suitable. The institutions concerned are now apparently anxious to have the position clarified in order to provide additional facilities for the large number of students in residence. Before a loan can be obtained from a bank it is necessary to have adequate security, and it goes without saying that a defective title would be rejected immediately by the large financiers and banks of this State.

The underlying reason for the Bill is set out in the preamble and the recitals which follow it. On page 2 of the Bill the following appears:—

And whereas doubts have arisen as to the validity of the certificates of title issued as aforesaid, as to the effect upon the titles thereto of earlier reservations or grants of the said lands and as to the powers of the proprietors for the time being of the said estates in the said lands:

Apparently the matter was investigated by legal authorities, acting on behalf of the colleges, and they felt it was expedient to resolve those doubts and validate the titles which had been issued, and to revoke certain reservations, limitations and restrictions which apparently appeared not only in the titles but in the Act itself. I think it is clear from the speech of the Minister of Lands when explaining this Bill that the main purpose of the measure is to enable these people to borrow money on the security of their titles. Clause 2 states—

Notwithstanding anything in the Act of the Parliament of Victoria numbered 391 or in any other Act or enactment, each of the hereinbefore recited certificates of title shall be deemed to have been validly issued and each such certificate of title shall accordingly confer on the registered proprietors and be deemed always to have conferred on the registered proprietors for the

Mr. Campbell Turnbull.

time being a valid and effectual title to an estate in fee simple in the land therein delineated.

That is the principle contained in this Bill, and I submit that we are as much interested in the educational value of the colleges as is anybody else. I believe members on each side of the House believe this measure is a proper one.

Clause 4 provides—

Notwithstanding anything in any Act or enactment or in any trust deed, the present registered proprietors of each of the said lands and subject to any trust encumbrance limitation or restriction that may hereafter be validly created, their successors in title shall have full power to mortgage charge sell transfer convey lease exchange or dispose of the whole or any part of the land comprised in the relevant certificate of title freed and discharged from all trusts encumbrances limitations restrictions and reservations affecting the land, but shall not exercise any such power without the consent of the Governor in Council thereunto having been first obtained.

That provision will empower the trust corporations of the Roman Catholic church and the Presbyterian church and the trustees of the Methodist church to mortgage land covered by the certificates of title. In that respect, they will be in the same position as any individual who holds a certificate of title inasmuch as they will be enabled to enter into agreements with their legal or financial advisers for the purposes of carrying out programmes of expansion. I have no doubt that, with the great growth of the university, these colleges are becoming increasingly popular so far as residential students are concerned. The university colleges enable young gentlemen to participate in a side of university life that is something to be enjoyed, and I wish it were the privilege of every university student to have that opportunity. In my view, the large number of students who reside out of the university nowadays are missing something which is an integral part of university life. For the reasons I have stated, the Opposition commends the Bill.

On the motion of Sir Herbert Hyland, for Mr. MITCHELL (Benambra), the debate was adjourned until Tuesday, November 22.

CATTLE COMPENSATION (AMENDMENT) BILL.

The debate (adjourned from November 9) on the motion of Mr. K. H. Turnbull (Minister of Lands) for the second reading of this Bill was resumed.

Mr. CAMPBELL TURNBULL (Briswick West).—The object of this measure is to increase the maximum amount of compensation payable under the Cattle Compensation Act from £35 to £50 a head so as to provide what is no doubt regarded as a realistic value for cattle which are destroyed in an effort to prevent the spread of one of the diseases covered by the legislation. Any farmer whose cattle suffers from one of the six diseases in respect of which compensation is payable or who is the owner of a carcass which has to be destroyed under the Health Act when condemned as being unfit for human consumption is duly compensated, and the present maximum payment is £35 a head. So far as I can ascertain, the original Act was passed in 1924 to compensate stock owners who suffered considerable losses when their animals were compulsorily slaughtered because of pleuro-pneumonia and tuberculosis. The principal advantage of paying compensation in such cases is that it renders the stock owner more likely to notify the Department in the event of one of his animals being affected because he knows that he will be compensated if the beast has to be destroyed. The original legislation provided for 40 per cent. of the required money to be paid by the Government for cattle slaughtered because of certain diseases and a payment to the owner of seven-eighths of the value of the slaughtered beast up to a maximum of £25.

Down the years, the contributions have varied till they have reached the present contributions which appear in the legislation. As honorable members are aware, the compensation fund is based on a contributory scheme. The equivalent of 1d. in the £1 is paid on contracts of sale upon the sale of a beast. At present there is £295,098 in the Cattle Compensation Fund. Since 1950, £1,152,251 has been paid from the fund, and Government contributions

have amounted to £415,201. Recently the representatives of primary producers felt that the maximum compensation of £35 should be raised to an amount which is in keeping with the present-day value of stock. In view of the healthy state of the fund and the fact that the Government is prepared to continue its contributions at the present rate, it is considered that the maximum amount of compensation could be raised from £35 to £50 without reducing the stability of the fund, and the measure has been drafted accordingly. I do not know where anyone could to-day buy cattle at £50 a head. Probably the ruling rate would be from £80 to £90 a head. Perhaps the Leader of the Country party could enlighten the House in that regard. I should think the majority of beasts destroyed nowadays for which compensation is payable would be milking cows, and their values are probably higher than £50 a head. The Opposition has no objection to the Bill, which I commend to the House.

Sir HERBERT HYLAND (Gippsland South).—The Country party supports the Bill. It is not all that we would like, because as the honorable member for Brunswick West stated, one cannot purchase a beast of any kind for £50. Nevertheless, it must be realized that a certain charge is being made per head on the sale of stock and there is a certain amount of money in the "kitty." We regard this measure as a step in the right direction, and so we give it our blessing.

The motion was agreed to.

The Bill was read a second time, and passed through its remaining stages.

ADJOURNMENT.

LOCAL AUTHORITIES SUPERANNUATION ACT: AMENDING LEGISLATION—
LEGISLATIVE ASSEMBLY CHAMBER:
LIGHTING—BUSINESS OF THE HOUSE.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

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

The motion was agreed to.

Sir THOMAS MALTBY (Minister of Public Works).—I move—

That the House do now adjourn.

Mr. DIVERS (Footscray). — As honorable members are aware, it is the Government's desire that the current sessional period shall terminate either at the end of this month or during the first week in December. Consequently, I ask the Minister for Local Government to request the Parliamentary Draftsman to expedite the preparation of the Bill which is to amend the Local Authorities Superannuation Act. The Opposition is prepared to support this Bill. My reason for making this request is that, if the amending Bill is passed, the Local Authorities Superannuation Board will be in a position to make available to local governing bodies a sum of not less than £500,000. During last sessional period I asked a question concerning this matter in which I am keenly interested, and I thank the Minister for the way in which he has co-operated with me in the past.

Mr. J. D. MACDONALD (Burwood). —I desire to direct your attention, Mr. Speaker, to a matter which you kindly examined some time ago. I refer to the lighting in this Chamber. Although I do not wear glasses for either writing or reading, I believe the lighting in the Chamber has deteriorated considerably in recent months. The lights have been in position for a long time, and their efficiency could have deteriorated by as much as 60 per cent. Consequently, I shall be pleased if you, Sir, will arrange for an expert examination of the lighting facilities.

The SPEAKER (Sir William McDonald).—The question raised by the honorable member for Burwood will be examined. As honorable members appreciate, the current sessional period is drawing to a close, and it is undesirable that the lighting should be checked at this time. Possibly, an inspection could be made in February or early March of next year. I assure the honorable member that the matter is

receiving attention and, when the next sessional period commences, the lighting in this Chamber will, at least temporarily, be better than it is now.

Mr. PORTER (Minister for Local Government).—In reply to the honorable member for Footscray, I point out that instructions marked "For urgent attention" have been issued to the Parliamentary Draftsman to prepare a Bill to amend the Local Authorities Superannuation Act. I have stressed the urgency of the matter because of the date on which these insurances must commence and, as late as to-day, I was informed by the Draftsman that he is working on the matter and hopes to let me have a draft Bill by Monday of next week. If the draft Bill is supplied, I shall be able to introduce the measure next week.

Sir THOMAS MALTBY (Minister of Public Works).—For the information of honorable members, I point out that when the House resumes its business on Tuesday next, the appropriate Ministers will deliver their second-reading explanatory speeches on the National Fitness Council of Victoria Bill, the Monash University (Amendment) Bill, the Education (Amendment) Bill, the Local Government (Scaffolding Inspection) Bill, the Navigable Waters (Oil Pollution) Bill, the Water (Amendment) Bill, the Sewerage Districts (Amendment) Bill, and on one or two other measures. Then the second-reading debates will be resumed on the Bills as listed on the Notice Paper. Honorable members should anticipate that, for the remainder of the current sessional period, the House will meet at 2 p.m. on Wednesdays and, in all probability, it will meet on Thursdays from 11 a.m. until about 4.30 p.m. or 5 p.m. That is, as far as I can predict it, the likely business of the House, although, of course, my forecast is subject to the usual reservations.

The motion was agreed to.

The House adjourned at 10.53 p.m. until Tuesday, November 22.