

THE DECLINE OF COUNTRY TOWNS

IN NEW SOUTH WALES -

WITH SPECIAL REFERENCE TO CESSNOCK

A THESIS

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THE DECLINE OF N.S.W. COUNTRY TOWNS

Australia to-day is the world's most urbanised country. This is essentially a direct result of our history and geography and did not originate, as in other countries, in a population drift from country to sea-board cities.¹ However, in the period after World War II, there have been signs that population drift in Australia has increased substantially and is continuing to increase. Thus, there exists a situation where the metropolitan areas of Australia are growing rapidly, due largely to overseas migration and natural increase,² while country areas, on the whole, are losing an increasing percentage of their population and are either growing very slowly or not at all. While the population drift from country areas adds to the already rapid growth of the metropolitan regions, it means that many of these country areas are barely able to sustain even their own natural increase. The problem is greatest in N.S.W. due to this State's larger population and the greater number of country towns, especially small country towns, dispersed over a wide area.

The best way to show the extent of the population trend in N.S.W. is to look at Census statistics since World War II. Between 1947 and 1966 (as at the Census of each year), the State's population increased by over 1.2 million. Of this increase, some 0.9 million accrued to

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1. For a general outline of the development of "close settlement" in this country, see E.R. Woolmington, "Problems and Prospects of Urban Decentralisation", in Development in the Macquarie Valley (University of New England 1968) and J. Brennan, "The Pattern of Urbanisation in Australia", International Journal of Comparative Sociology, IV (1963).
 2. See Max Neutze, "The Growth of Cities", in How Many Australians? Immigration and Growth, (Australian Institute of Political Science, Sydney 1971), p63.

the cities of Sydney, Newcastle and Wollongong³. while the remainder was spread throughout the rest of the State. In effect, this meant that the proportion of people living in the metropolitan areas rose from about 63.4% in 1947 to about 67% in 1966. What is especially alarming though is the relative growth of the metropolitan regions between the census years of 1961 and 1966, when they increased their population by over 255,000 compared with a mere 59,000 for the rest of the state. Available evidence suggests that this trend will continue unless strong remedial action is taken and is successful. The "Sydney Region Outline Plan, 1970 - 2000 AD" released in October, 1968,⁴ for example, postulates that some 500,000 people will be diverted from the metropolitan regions before the year 2000 AD (at which time the population of Sydney, Newcastle and Wollongong will be between 6-7 million). However, available statistics suggest that this will not be achieved since N.S.W. country areas as a whole are growing much less rapidly than the metropolitan and their share of the State's total population is falling. However, it is not suggested that all areas are losing population nor that the low growth rate is evenly spread amongst the remainder.

Appendices 1 and 2 show population statistics for various municipalities and shires in N.S.W. Appendix 1(a) represents what may be termed "country-urban" areas

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3. These three cities represent the "metropolitan" region of N.S.W. It should be noted, however, that if population figures for the region of Sydney were used (i.e. including outlying shires), the metropolitan share of the population increase would rise to one million.
 4. Prepared by the State Planning Authority. This 500,000 people would represent a net migration from the metropolitan region and would increase the population of country areas by this number in addition to their own natural increase. At present, most country towns are finding it hard, if not impossible, to even hold their natural increase gains.

and Appendix 1(b) "country-rural" areas. The first fact to become apparent from Appendix 1(a) is that all but three municipalities have been able to increase their populations in each census year. Of these three, both Cessnock and Lithgow are rather special cases, since they have been very largely dependent on coal-mining for their livelihoods. The decline in the coal-mining industry, has, thus affected their population growth but not that of the other "country-urban" areas. Outside of these three, population growth rates between 1961 and 1966 ranged from 0.6% at Grenfell to 16.4% at Armidale. This compares with population growth of 10.3% for Sydney and 14% for Wollongong during the same period, while the outer-Sydney shires of Gosford and Wyong increased their numbers by 25.5% and 30.5% respectively.

Thus, the sample "country-urban" areas as a group showed an increase in population between 1961 and 1966, although well below that of the metropolitan regions. However, if we assume that an average annual natural increase of, say 1.1%,⁵ applied to these areas, then it is obvious that those towns with a population growth of less than 5.5% over the five year period did not fully retain their natural increase. In effect, there was a "hidden" population drift from the "country-urban" areas to the metropolitan region which was offset by in-migration from surrounding "country-rural" areas.

It is the "country-rural" areas from which the population drift is most evident. Appendix 1(b) shows that the majority of shires for which figures were compiled are losing population in absolute terms. Thus, it is reasonable to conclude that until the 1966 Census, at least, the drift

5. Deduced from date given in N.S.W. Statistical Register, Population and Vital Statistics, 1966, (Bureau of Census and Statistics, Sydney, May, 1969) p147 Table 2.

of population from country to city has come largely from the "country-rural" areas. This line of reasoning is supported by John Steinke's study which showed that:

"The 1954-1966 out-migration from country areas came almost entirely from the rural sector (while) country urban centres, as a group, absorbed population equal to their natural increase in population plus approximately 1/10th of the out-migration from rural areas." 6.

Steinke's study also indicates that even the major urban areas in N.S.W. have been experiencing some net out-migration.

However, it should not be imagined that because the population loss is largely being felt by "country-rural" areas it has no significance for "country-urban" areas (and remember that even some of these are experiencing net population losses). The N.S.W. Development Corporation,⁷ for example, has mentioned the huge changes in the composition of the work-force this century. The major changes have been in primary industry (only 10.6% of the work-force in 1966 compared with 44% in 1818) and tertiary industry (up from 29.5% to 62.4%). Secondary industry employment has remained relatively constant since the late nineteenth century and stood at about 27% in 1966. The point is that as technologies become more efficient and rural productivity increases even further, the share of the workforce engaged in tertiary activities will increase.

6. J.C. Steinke, Regional Trends in Australian Population Distribution, 1947-1966, (Department of Decentralisation and Development, March, 1971) p7.

7. See Report on Selective Decentralisation, (Department of Decentralisation and Development, Sydney, March, 1969) p3.

The significance of this to any town or city, no matter what the size, is evident when the composition of tertiary industry is considered. Table 1 sets out the components of tertiary industry according to the Commonwealth Bureau of Census and Statistics.

Table 1 Classification of Tertiary Industries

1. Electricity, gas, water and sanitary services
 (production, supply and maintenance)
2. Building and construction
3. Transport and storage
4. Communication
5. Finance and property
6. Commerce
7. Public authority (not elsewhere specified) and
 defence.
8. Community and business services (including
 professional.)
9. Amusement, hotels and other accommodation,
 cafes, personal services, etc.

Source: Report of the Committee of Economic Enquiry, 1965,
 Table 8.37

As the table shows, tertiary industries cover a wide and often highly specialised range of activity. All of the above industries are quite familiar to us in Sydney and, indeed, we would wonder how we could get along without them. Their most important function, however, apart from making a particular area "nice" to live in, is that they provide the basis for the continuing growth of that area. Since tertiary industries are capable, increasingly, of being sustained only

by mass markets ^{8.}, it is fairly obvious that only those areas which provide such mass markets will be able to attract a wide range of tertiary activities and sustain cumulative growth. In the case of N.S.W. (and Australia generally) this means the metropolitan areas and not the country towns.

Figures presented in the Report of the Committee of Economic Enquiry, ^{9.} for example, show that not only was over 62% of the N.S.W. tertiary work-force concentrated in the Sydney metropolitan area at 30th June, 1961, but also that this concentration was greater than that of either the population or the total work-force. In addition, Linge ^{10.} has estimated that some 73.7% of secondary industry is also concentrated in the metropolitan regions of Australia. It is in this light that the problems of N.S.W. country towns become clear, since a declining rural population affects the market for both tertiary and secondary industries and compounds the adverse effects of the decline/slow growth in the "country-urban" areas. This is so because there is probably a minimum rural population below which even a basic spread of secondary and tertiary industries cannot be maintained and certainly a level below which such industries cannot be easily attracted from the metropolitan regions. Although the rural population has not yet fallen below the level necessary to maintain a basic spread of secondary and tertiary industry, it is reasonable to assume that if this were to eventuate and there were no population movement of at least equal magnitude into the "country-urban" areas then the demise of the country town would be rapid indeed, especially those with populations under, say 10,000 - the

8. *ibid.*

9. Report of the Committee of Economic Enquiry, (Melbourne, May, 1965), Table 8.51

10. G.J.R. Linge, "The Location of Manufacturing In Australia", in The Economics of Australian Industry, ed. A. Hunter (Melbourne 1965), p56.

majority! Thus, to survive, country towns must increase their urban populations by more than is necessary to simply replace their own declining rural populations.

However, there are no real factors present in most country towns at the moment which will, of themselves, induce population away from the metropolitan area. This is not to say, of course, that most country people themselves are not happy with their style of living - because reliable surveys have shown that the opposite is true, especially in the larger country towns. Indeed one such survey carried out by M.T. Daly concluded that "inhabitants of the country towns (in the sample) are generally quite satisfied with life within the country centres and do not wish to live in Sydney." ¹¹. But the report also pointed out that factors such as lack of employment opportunities and certain tertiary services (especially educational facilities) were likely to cause people to move away from the country, notwithstanding. These and other factors operate to make the advantages of "country living" much less compelling to the city-dweller, eg.

(a) a limited range of theatres, restaurants
etc., and

(b) a relative lack of specialist medical attention.

As one would expect, the range of tertiary activities is wider in the larger country towns, say with populations of 10,000 or more, but even in the largest of them the range does not compare favourably with that found in Sydney. This fact, of course, relates to the point made above about the minimum population level capable of

11. M.T. Daly, Report to the Department of Decentralisation and Development On Some Sociological Aspects of Life in New South Wales Country Towns, (Macquarie University, December, 1968) p12.

supporting tertiary industries. It is apparent that some such industries require a very much larger support population than do others. Even a population of 10,000 does not automatically mean the provision of a full range of tertiary services, so it is fairly obvious how poorly much smaller centres must fare. Figures given in Appendix 2 of the "Report on Selective Decentralisation" prove this point conclusively. A survey of 24 N.S.W. urban centres was carried out (including Newcastle and Wollongong) and the results showed that such facilities as tertiary education, teachers' colleges and specialised hospitals were not established in centres having a population of less than 10,000, while agricultural colleges, adult education facilities and art galleries were present in only 20% or less. Even in centres with a population of more than 10,000 the first three services mentioned were only present in a minority of cases (notably Wollongong and Newcastle), while the latter three were not present in all cases. It is interesting that nightclubs were only to be found in Wollongong and Newcastle. Quite apart from the actual provision of such services, their quality is also important and the conclusion was that "there is almost invariably a significant increase in the quality of provision of facilities as the larger urban areas develop into major centres".¹² So N.S.W. country towns in general will have to grow much bigger before they can provide the variety and quality of services typical of a major urban area. Only a very few have any chance of doing this and even then not without

12. Report on Selective Decentralisation, op. cit. p41

considerable assistance.

It may appear from the above that I have been unduly concerned with the tertiary sector to the exclusion of manufacturing etc. If this is the case then I have only done so because I feel that this is basic to the development of country towns and their re-population, since it is precisely in this category that the largest and most rapidly growing proportion of the work-force is to be found.

However, it is true that the concentration of secondary industry in the metropolitan regions has also added to the problems of country towns. A town cannot, for example, support a diversity of tertiary activity without secondary industry to provide physical goods (except if it is in a situation like Canberra's of course). It is also true that the relative lack of growth of secondary industry in country urban areas has certainly not helped in stemming the population out-flow from the rural areas. Because of the small population (= market) and other disadvantages mentioned above, it is at present inconceivable that there will be a substantial movement of secondary industry to the country. Referring once again to the "Report on Selective Decentralisation" it is found that "nearly half of the extent of the industrial diversity characteristic of a large metropolis such as Sydney only develops once an urban size of 50,000 is attained."¹³. However, the Report also shows that a complete range of industrial diversity is not achieved until a population of 250,000 is reached. Indeed it is demonstrated that such complete diversity only emerges in centres with populations above 100,000. So, the vicious circle

13. *ibid.* p75.

develops once more - small population, little industry.

The situation outlined above is not terribly promising, since there is a continuing and unavoidable drift of population from "country-rural" areas which will increase in size as rural productivity increases with the use of more capital - intensive techniques and overseas demand for our primary products continues to fall. It is, thus, in the "country-urban" areas, where some impact is already being felt, that steps must be taken to alleviate the problem. At present this problem is, quite simply, that New South Wales country towns are too small to have any hope of substantial future growth of their own accord. In other words they need a substantial population inflow. However, it is impossible for them to attract this population since they cannot offer a wide and varied range of secondary and tertiary industries. On the other hand, neither tertiary nor secondary industry is attracted to them, since their populations are too small and at best growing slowly. Meanwhile, the metropolitan regions, long past the point of self-induced and sustained growth, continue to concentrate population and industry within their boundaries. The weight of economic opinion now feels that this trend is bad, not only for the country, but for the metropolitan regions also. Various suggested solutions under the general heading of "decentralisation" will be examined in Chapter 2.

DECENTRALISATION - A SOLUTION

The term decentralisation, in the sense that is relevant to this study, concerns any policy which aims to re-populate the country areas by shifting population from the metropolitan regions or inducing people to remain in the country rather than move to these regions. In order to achieve this, it is necessary, of course, to shift/establish industry and services, similar to those in the metropolitan regions, to country areas. Thus, it may be said, for example, that the decentralisation of industry will, if it is effective, lead to the decentralisation of population. It will, in effect, reduce the concentration of population in the metropolitan regions. Decentralisation was included as a policy of most major political parties by the early post-war years and indeed it emerged as an important issue at a time when it was being realised that economic planning was more effective if organised on a regional basis. In 1945, an agreement was reached between the Commonwealth and the States whereby joint responsibility was accepted for both decentralisation and regional development, especially with regard to secondary industry. However, since the Liberal Party came into office in 1949, the position has been less clear cut and the States have been forced more or less to "go it alone". To this day, the Commonwealth Government makes no more than a token contribution towards promoting large scale decentralisation.

The recognition of the need for decentralisation came somewhat earlier in N.S.W., ¹ for as early as 1941,

1. The various roneod papers and brochures published by the Department of Decentralisation and Development have been very useful references for this section, especially The Policy and Work of the Department of Decentralisation and Development. (Sydney, November, 1969).

a Reconstruction Advisory Committee under the chairmanship of the Premier, had been set up. However, the true ancestor of the present Department of Decentralisation and Development was the Development and Information Bureau, attached to the Department of Labour and Industry in 1943. In 1952, the Development and Information Bureau (by then a Division) was attached to the Premier's Department and in 1958 it was merged with the Regional Planning Section ^{2.} of that Department to become the Division of Industrial Development and Decentralisation. In March, 1962, the Treasury assumed control of the Division, after the Ministry of Industrial Development and Decentralisation was set up. In 1963, the Division was granted Departmental status and in May, 1965, it was separated from the Treasury and given a full time Minister, Mr. J.B. Fuller, M.L.C. It is interesting that so much activity concerning the Department took place in the three years to May, 1965. This, however, is explained by the accelerating de-population of country towns revealed by the 1961 census and the substantial political pressure from country areas in its wake.^{3.} Coincidentally, perhaps, this was all happening at a time when the New England New State Movement was particularly active. A perusal of Hansard in 1962 and 1963, for example, highlights a number of speeches in support of the Movement and decentralisation in general. There was increasing criticism (by the then opposition) of the approach by both State and Federal governments to decentralisation, apparently on non-party lines. The Hon. T.P. Gleeson M.L.C. (Independent Labor)

2. The Regional Planning Section had been established in 1945 after a meeting of Federal and State Ministers had agreed that regional development and decentralisation should be a joint responsibility.

3. This point was made by J.M. Brown in Decentralisation - The New South Wales Experience, a paper presented to the ANZAAS 43rd Congress (Brisbane, May, 1971) p2.

stated, "This is not a party political matter for federal and state politics (no matter which party) seem to continue along lines that induce heavy concentration of population and industries in the great cities." 4. With continuing pressure from both inside and outside Parliament, the topic of decentralisation had become an election issue by the time of the 1965 elections and the Liberal-Country Party promised to set up a full time Department of Decentralisation and Development which it had been urging the Labor Government to do for several years in Legislative Assembly debates. One of the first actions taken by this Government on election was to establish such a Department which is indicative of the political pressure being applied, probably by the Country Party, since election "promises" usually are not implemented so quickly.

The purpose of the Department is to "assist in the promotion of balanced development of the State's manufacturing industries and to provide a central point of liaison between Government and industry." 5. The real "power" in the Department's drive to promote decentralisation is wielded through the State Development and Country Industries Assistance Act of 1966, which it administers. This Act, as its name implies was set up to provide assistance to "country industries", which are defined as "those situated within New South Wales but excluding the County of Cumberland (Sydney and environs) and the cities of Greater Newcastle and Greater Wollongong and their immediate spheres of influence." 6.

4. N.S.W. Parliamentary Debates, 18 September, 1962 p438.

5. Department of Decentralisation and Development Pamphlet M271, Direct Assistance to Industry in Decentralised Areas, (Sydney, 1968) p1.

6. *ibid.*

Generally speaking, any industry may qualify for assistance, the extent being determined in relation to the industry's contribution to the economy of the area in which it is to be situated and its viability in its approved location. The rate of assistance varies from up to 60% of the cost of the factory and buildings ^{7.} in most towns to 100% of the cost in certain areas which are classed as "depressed". ^{8.} All loans are over extended periods at reasonable interest rates and the only necessary prerequisite is that the finance is not otherwise available through normal financial channels. The Department will also guarantee loans of up to \$50,000 raised for the purpose of erecting factory buildings and purchasing plant. ^{9.}

The Department also offers various other aids to the decentralising industrialist. ^{10.} These include;

- (a) provision of housing for key personnel whose employment is essential to the factory's effective operation;
- (b) a subsidy (usually \$50 per employee) towards the cost of training unskilled labour, where these costs would not be incurred if the factory were established in the metropolitan area; and
- (c) a subsidy of 75% of the cost of keeping decentralised manufacturers abreast of technical developments etc. through a technical consultant service scheme.

7. Usually the council concerned will provide another 30%, leaving the manufacturer only 10% of this initial cost.

8. These areas are Cessnock, Maitland, Lithgow, Broken Hill and the far North Coast.

9. Amounts over \$50,000 may also be guaranteed with Treasury approval.

10. In addition to these aids, the Department of Railways offers certain concessional freight rates. These concessional rates may be supplemented by further concessions from the Country Industries Assistance Fund if found to be insufficient.

It is to the Department's credit that it does not lay down rigid rules for the granting of assistance and will consider other forms of assistance apart from those already mentioned, according to the merits of each particular case.

It is apparent that the Department has been quite willing to give assistance and that manufacturers have been equally willing to accept it. Since May, 1965, for example, about \$26m. has been spent in assisting some 516 industries to decentralise. An approximate "split-up" of this \$26m. is given in Table 2.

Table 2 Assistance By Category Since May, 1965 (\$M.)

Factory loans and leases	14.9
Housing loans and housing commission cottages	5.9
Freight subsidies	3.6
Other grants and subsidies	1.6
	<u>26.0</u>

Source: Department of Decentralisation and Development

Annual Reports No. 1 (1969/70) and No. 2 (1970/71)

Table 2 shows that since May, 1965 \$14.9 million (approximately) has been spent on "factory loans and leases". Now, if we assume that all of these loans were on the basis of the "60 - 30 - 10" plan, i.e. where 60% of the finance is supplied by the Department; 30% by the local council; and 10% by the manufacturer, then a total expenditure on this item of about \$25m. is indicated. It is not possible for me to determine how much extra was spent on plant by the industries concerned, but it may probably be assumed that many industries decentralising to the country would move some, at least, of existing plant with them. Thus an

optimistic figure for total expenditure on factories and plant during the six year period would be \$35m. This may sound quite a reasonable amount, but when it is considered that in 1969/70, industrial investment in Sydney/Newcastle/Wollongong averaged \$1.6m. a week (say, \$83m. for the year)¹¹. it is apparent that industrial expenditure in the country is no more than the proverbial "drop in the ocean".

It has been indicated above that \$26m. has been spent in assisting decentralised industries since May, 1965. Unfortunately, for political considerations, which will become apparent in the following Chapters, it is not possible to compile a list of which towns/cities received decentralised industry and which did not. However, Table 3 categorises the assistance given and demonstrates the wide variety of industrial concerns which seek Departmental assistance.

Table 3 No. of Assisted Industries by Group May 1965 - June 1971

Group	No. Assisted
Structural Engineering	123
Structural materials	73
Food and fish processing	64
Clothing, footwear and sporting	53
Mechanical, electrical and precision engineering	43
Printing, packaging	27
Textile, paper, rubber and plastic manufacturing	25
Produce processing and flour mills	20
Furniture (joinery) and venetian blinds	21
Local government councils	22
Chemical and biological	10
Miscellaneous	35
	<hr/> 516

Source: Department of Decentralisation and Development
Annual Report No. 2, 1970/71.

11. See P.D. Day, "Selective Decentralisation: Problems and Prospects", in Selective Decentralisation Seminar, July 1970, ed. Robert Dempsey (Sydney University, Planning Research Centre, January 1971) p3.

Not only is it impossible to ascertain the number of towns/cities amongst which the above industries were spread, it is also difficult to determine their contributions to the growth of the economies of those towns/cities. However, if we assume, once again that total expenditure on factories in the period was \$26m. then this works out to about \$41,000 per industry assisted. Even allowing for the fact that initial land costs in country areas would only be a fraction of that applying in the metropolitan regions (country councils are quite effective in supplying low cost industrial land), it is obvious that the great majority of the industries assisted were fairly small and would not have added significantly to local populations and work-forces. The smallness of the average industry assisted is even more apparent when it is considered that the amount of assistance given includes very large sums given to a few companies, e.g. Borg-Warner (Aust.) Ltd. at Albury and Alcan Australia at Kurri.

In view of the above, the conclusion must be that the decentralisation programme in N.S.W. has had the effect of dispersing a large number of rather small firms over a fairly large number of country towns of varying population sizes. Indeed it might well be construed that the nature of the listed industries is such that they did not necessarily need a large local population or work-force to support them because of their small size and were quite willing to move to the country once the relative cost disadvantages of country production had been overcome. It may also be deduced that many of the firms concerned would have been happy to employ lower cost country labour (largely female, probably) rather than take their own city employees with them and to this extent would not have induced many people to shift from the metropolitan regions.

What has been said above, together with the evidence presented in Chapter 1 indicates that whatever else the decentralisation policy currently in force in N.S.W. has done, it has certainly not achieved any degree of success in re-populating the country areas. I would also add that it is most unlikely that decentralisation policies so far have even laid the foundations for self-sustaining growth in the bigger provincial cities.

Decentralisation has largely failed, not because of any inherent defect in the concept itself, but because of the emphasis of the present Government in particular (although the previous one is not blameless) on "dispersed" decentralisation. Probably one of the best descriptions I have seen of this sort of decentralisation policy is to be found in a report prepared in 1963 by the Stanford Research Institute. It is true that the Institute was looking at the development of Australia as a whole but, nevertheless, it could well have been thinking of New South Wales when it stated:

"At present there is no concentration of development effort to demonstrate what can be done in a region - all are developing piecemeal and with much wasted effort. They are all competitors in a caucus race and like their prototype in Looking-Glass land they all win and must all have prizes". 12.

This sentiment has been echoed in recent years and an increasing number of economists and sociologists are calling for a change of emphasis in our decentralisation programme - i.e., to one of "selective" decentralisation. Any discussion of this concept revolves, basically, around the N.S.W.

12. Allen I. Knight, Applied Research On the Development of Australia, (Stanford Research Institute, California 1961) p96.

Development Corporation and Dr. G.M. Neutze of the Australian National University.

Dr. Neutze's "Economic Policy and the Size of Cities", which was generously financed by the previous N.S.W. State Government (including the old Department of Industrial Development and Decentralisation) is basically an empirical study of the effects of city growth and its alternatives. The particular value of Dr. Neutze's work from the point of view of this study is its presentation of empirical evidence in support of decentralisation as a means of relieving the pressure put on cities due to their rapid growth. He observed that decentralisation in Australia was "everyone's policy, but no-one's programme".^{13.}

He pointed out one factor responsible for a large part of the increasing concentration in the capitals - i.e. that there were (and still are) not many medium sized centres - i.e. having populations of about 100,000 or more - in N.S.W. or in any other State. Indeed, there are only three, Wollongong, Newcastle and Geelong. As we have observed above, such centres are necessary, if the facilities to induce people and industry to the country are to have any chance of being established. Of greater relevance to this study, though, is the fact that he came out strongly in favour of what may be termed growth centres, which he felt, should be developed rapidly to an optimum population size which, once reached, should remain static.

I feel that this was a "pioneering" work not only because it gave clear empirical evidence of the need for a policy aimed at producing growth centres but also because

13. G.M. Neutze, Economic Policy and the Size of Cities, (A.N.U. 1967) p.v.

it has had a great impact on current suggestions along these lines which are, at the moment, of substantial political significance in N.S.W. I refer, of course, to those contained in the N.S.W. Development Corporation's "Report on Selective Decentralisation".

The Development Corporation of New South Wales was set up under the State Development and Country Industries Assistance Act of 1966 and comprises men with a variety of industrial and other experience. ^{14.} Its purpose is to advise the Minister and the Government on development projects and it does not have any authority to implement its own recommendations.

At its second meeting on 12th July, 1966, the question of the effectiveness of existing New South Wales decentralisation policy was raised and an 11 point programme of investigations was submitted to the Minister for Decentralisation and Development for approval. (See Appendix 2). The approval was granted, the investigations proceeded with and, in March, 1969 the "Report on Selective Decentralisation" was printed. In the Report, the Development Corporation stated that:

"Whereas it is public policy to direct a substantial measure of the financial resources of the State towards achieving a better balanced distribution of the State's population and the optimum development of the States human and material resources, and Whereas it is desirable that this policy be implemented as effectively and efficiently as possible within the means available to the State, the Development Corporation of New South Wales

14. See Report on Selective Decentralisation, p8, for list of members.

strongly RECOMMENDS that certain regional centres with a demonstrable inherent capacity for growth be selected and that the growth of such centres be accelerated by the exercise of public powers in relation to them and the concentration of public assistance measures within them without prejudice, however, to the level of assistance currently available to decentralised industry generally throughout the State." 15.

The Corporation admitted that such recommendations "pose political considerations of some delicacy",^{16.} which is why the State Government has not as yet made any comment even after 2½ years, but insisted that the case for selective decentralisation had been established "beyond any reasonable doubt".^{17.} Briefly, its view that selected centres should be developed quickly to a large population size rested on certain conclusions, as set out below:

- (a) that the principle of focussing extra metropolitan development in growth centres was widely acknowledged overseas. It was also considered important that the State Planning Authority's "Sydney Region Outline Plan 1970 - 2000 AD"^{18.} of October, 1968 assumed a diversion of 500,000 people from the metropolitan area before 2000 AD;
- (b) that, for reasons set out in the Report itself (and covered above), there was no correlation between the level of dispersed assistance to industry and population growth in the assisted areas;

15. Report on Selective Decentralisation, op. cit. p5.

16. *ibid.* p6.

17. *ibid.*

18. It is interesting that the Department of Decentralisation and Development was not one of the bodies consulted by the State Planning Authority.

- (c) that large urban areas, which constitute a mass market are the only ones which have much chance of growing appreciably larger;
- (d) that major urban centres of the order of 100,000 - 200,000 people tend to show a decline in the per capita cost of providing municipal and public utility services. Such centres would also enable better professional and social facilities to be provided and would, as a result, tend to retain people (especially young people) who would otherwise migrate to Sydney; and
- (e) that to a large extent, selective decentralisation would merely involve the re-direction of public expenditure which would be necessary in any case to meet the needs of population growth in the metropolitan areas.

The Corporation did not especially recommend the selection of new towns or existing towns as growth centres, but did find that the acquisition and retention of land by the Crown (as in Canberra and the English New Towns) might ultimately be an attractive economic proposition.

So, supported by a wealth of economic evidence and a number of rather revealing conclusions, the Corporation has made its recommendations and left the job of selecting growth centres (or not selecting them as the case may be) squarely in the lap of the N.S.W. Cabinet. There has not as yet been any decision and this gives rise to the thought that the matter of political delicacy mentioned by the Corporation may be greater than can be overcome by the Government. Indeed there is a distinct possibility that the recommendations will not be implemented or at least will be implemented in a revised form, although the State will be much better off from October when it will be able

to collect a payroll tax, which, used positively would be an excellent means of inducing bigger companies to move from Sydney - i.e. by giving substantial tax concessions to country firms or not collecting it at all in country areas.

However, returning to the political considerations, it appears that there may be several barriers to the implementation of the Corporation's recommendations as they stand. First, one must of course consider the views of city members. There has always tended to be apathy amongst them towards the concept of decentralisation in any case and there are certainly those who would see their own positions being threatened by promotion of large growth centres. This could be so, for example, because large outward population movements might either change the proportion of other party votes to their disadvantage or necessitate the actual abolition of electorates if total population fell to a very low level. These considerations would apply to Labor members, too, of course, and perhaps more so in that they hold virtually all the industrial seats (from which workers might be expected to flow to country jobs). However, since industrial seats are usually quite large and Labor polls a substantial excess of primary votes, the net effect on Labor seats might simply be to reduce the primary vote excess and transfer a Labor voting population to a small number of country areas. Whether or not there would be opposition from the sitting Members in these industrial seats would depend on how severely the primary excess was reduced. However, it is quite possible that there could be a conflict of interests between Labor Party leaders and these Members which would have to be resolved.

Secondly, country L.C.P. members themselves may be concerned at the selection of a small number of growth

centres because this might:

- (a) react to their electoral disadvantage if a growth centre were not established locally, or
- (b) affect their future electoral chances if a growth centre were established and an inflow of Labor voters resulted. This assumes, of course, that those who voted Labor in the metropolitan areas continued to do so in the country. Whether this is factual or not, does not really matter, since it is the fear of such an event which is important to decisions on growth centres.

Country Labor members, though few in number, could reasonably expect an increase in local majorities as a result of discontent with Government choice of growth centres and a widening of their Party's country representation.

The above assumes, of course, that present boundaries remain the same in the event of growth centres being selected. It is possible that if a growth centre is chosen on economic grounds and there is likely to be electoral repercussions, there will be pressure for some slight boundary re-distribution. This would be particularly probable in marginal seats, especially after the relatively poor showing of certain Country Party Members at the last State elections. On balance, I would feel, at this time, that the Government may decide to take a different course to actual selection of growth centres, by providing a large range of incentives and hoping that such growth centres will evolve of themselves.

This Chapter has outlined the post-war development of decentralisation policies in New South Wales and has shown that the current policy in the State is widely considered to have failed in its task of re-populating the country areas. Various recommendations have been made to the Government concerning ways in which the policy might be

altered and be made more effective but for various political reasons, no decision has yet been made on these changes. The Government has recently divided the State into nine administrative regions (replacing the twenty existing before) and is to set up Regional Advisory Councils comprising local heads of Government Departments, representatives of Local Government and other Government appointees. I understand from conversations with officers of the Department of Decentralisation and Development that these Councils could well receive some form of statutory backing in the near future. However, I am convinced that such backing could never achieve the success which a straightforward selection of even one growth centre would.

DECENTRALISATION AT THE LOCAL LEVEL

Although decentralisation policy, as outlined in the previous Chapter, is very much a creature of politics and departmental administration, it is at the local government level where the effects of such policy are felt or not felt as the case may be. Local government itself was established originally as an offshoot of the central government ¹. and is, today, still dependent on it to a great extent, even though the Local Government Act of 1919 as amended from time to time does bestow certain powers upon local councils. Some local government powers are "mandatory" and include provisions that:

"Councils must appoint servants, keep prescribed funds in the prescribed manner, expend moneys from proper funds, use loan moneys for purposes raised, make a general rate and comply with the provisions as to making and levying of rates." ². However, the "permissive" powers of councils are more numerous and include the construction and maintenance etc. of public roads; control of public health and public utilities; town and country planning and the provision of various social services. The fairly wide range of powers delegated to councils suggests that they would be able to create the local environment necessary to attract industry and implement an effective decentralisation policy on their own behalf. However, until 1966, for various reasons, including lack of interest and finance, there was not much evidence of a policy of "self-help" towards decentralisation among local councils. Cessnock City Council was an exception,

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1. A good background to local government in N.S.W. is to be found in: H.E. Maiden, The History of Local Government in New South Wales, (Sydney, 1966), especially Chapters 22 and 23.
F.A. Larcombe, The Development of Local Government in New South Wales, (Melbourne, 1961).
 2. Larcombe, The Development of Local Government, p91

but this was due to special circumstances which will be examined in later Chapters. In any case, the present State Government, realising that councils had failed to come to grips with their problems made certain amendments to the Local Government Act at the same time that it introduced the State Development and Country Industries Assistance Act of 1966.

The first amendment was in the form of a new Part of the Local Government Act (XXIIb - Industrial Development). Basically, Part XXIIb provides that in order to stimulate the establishment of industry in the country or expansion of existing industries, as the case may be, councils may lend money to such industry, acquire land and buildings within or outside their areas and alter or extend industrial buildings on such land. Councils may also lend money to other persons (either the owners or lessees of the land) for the purpose of erection of such industrial buildings, which may be built on any land vested in the council, except public roads, reserves, or land held on trust. Part XXIIb also provides that:

"Councils may enter into agreements with the Minister for Decentralisation and Development for the payment to him of part of any moneys paid by him under guarantees to country industry; to join with him in making loans to country industry, and to receive from him grants or loans in respect of the acquisition and improvement of lands for use by country industry and the provision of services. (Section 35 sub-section 1(c))." ³.

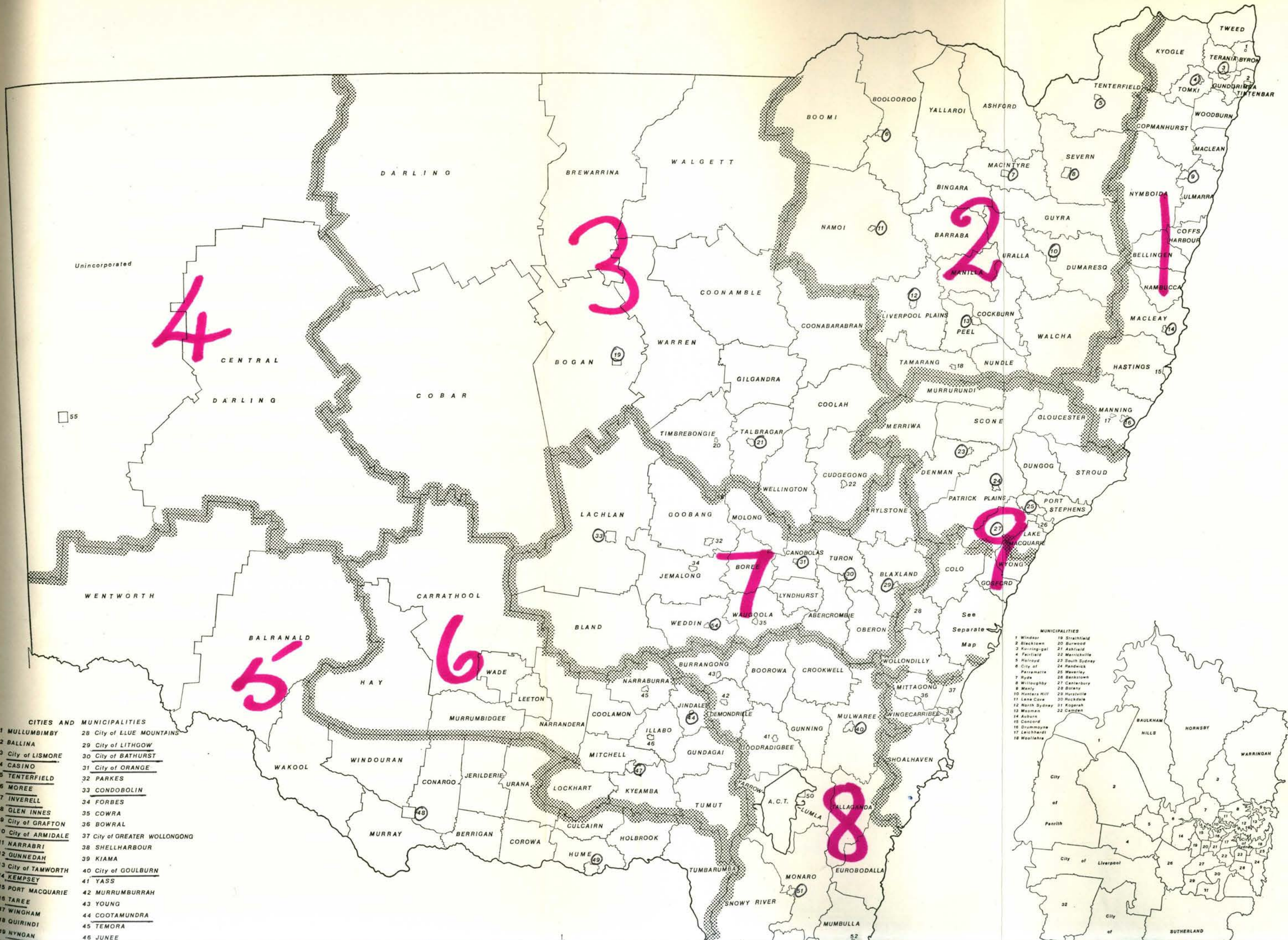
However, before it can exercise any of the above industrial development powers, councils must have the approval of the

3. Department of Decentralisation and Development, A Guide to the New South Wales State Development and Country Industries Assistance Act, 1966, (Sydney, May, 1966). See Appendix 3.

Minister for Local Government in writing except where prior agreement has been made with the Minister for Decentralisation and Development.

Amendments to Section 518A of the Act were also made and this now contains a provision permitting councils to sell country land for industrial sites as well as for housing and on a first or second mortgage basis. In the case of a second mortgage, though, the amount involved must not exceed 20% of the value of the land and house or 30% of the land and an industrial building. Councils were also granted the power to lease premises to industry for periods of twenty-one years or longer but not exceeding ninety-nine years. However, a lease of more than twenty-one years may only be granted with the consent of the Minister for Local Government or where councils enter into an agreement with the Minister for Decentralisation and Development.

It is clear that the State Government, by widening the permissive powers of councils in regard to industrial decentralisation, hoped to encourage "self-help" at the local level as well as add extra teeth to its decentralisation policy administered through the Country Industries Assistance Fund. However, the Government overlooked two important facts. First, central retention of control over the establishment of industry in terms of the amendments to the Local Government Act, probably suppressed local initiative, especially among the smaller councils. Secondly, by not granting councils substantial additional finance, the Government certainly did nothing to encourage local initiative in diverting already hard-pressed funds into industrial development. Indeed, in many ways, the part-finance of industrial decentralisation is yet one more burden on local government finances which are still funded largely by the rating system, which Maiden describes



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CITIES AND MUNICIPALITIES

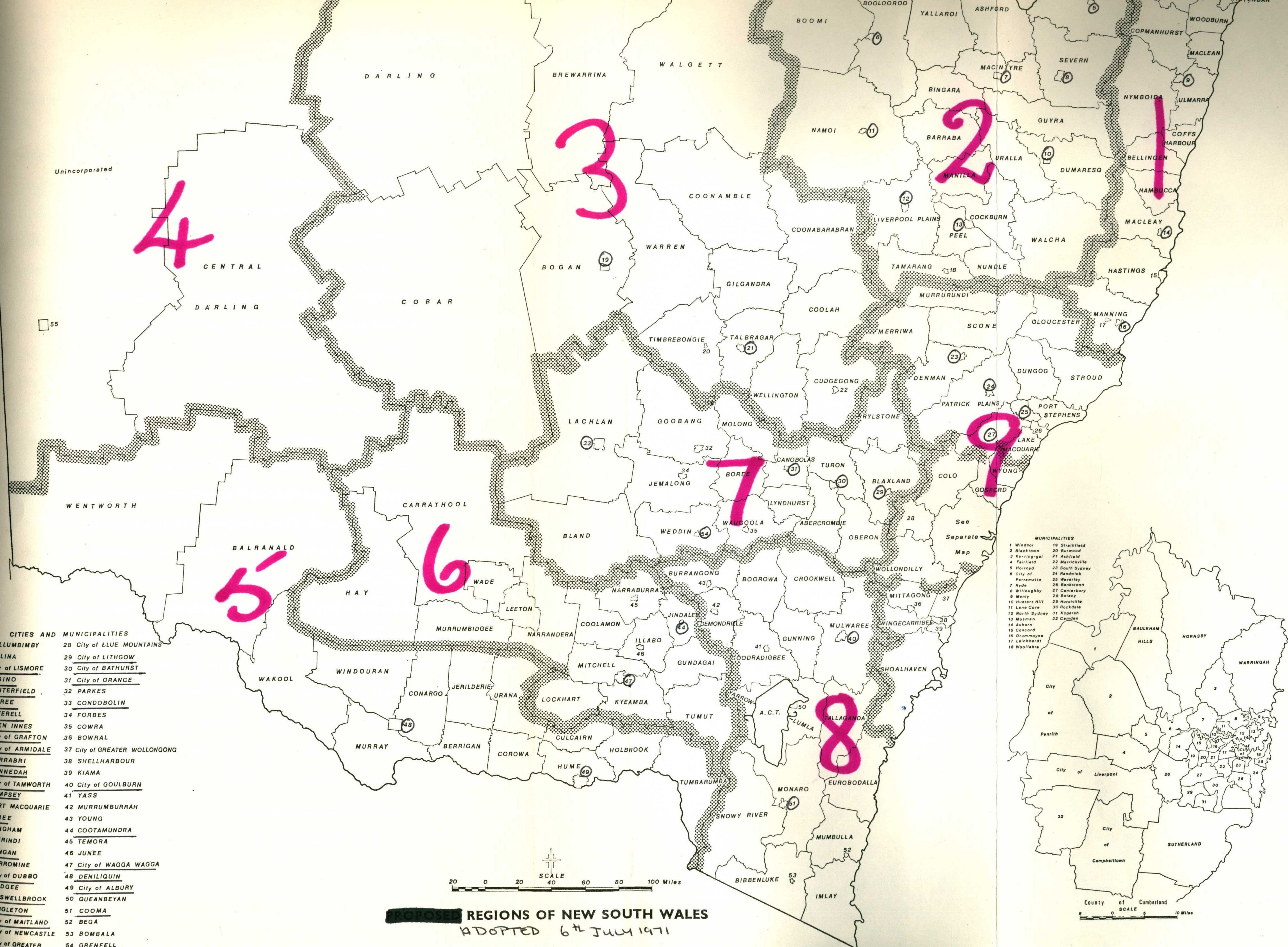
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- 4 CASINO
- 5 TENTERFIELD
- 6 MOREE
- 7 INVERELL
- 8 GLEN INNES
- 9 City of GRAFTON
- 10 City of ARMIDALE
- 11 NARRABRI
- 12 GUNNEDAH
- 13 City of TAMWORTH
- 14 KEMPSEY
- 15 PORT MACQUARIE
- 16 TAREE
- 17 WINGHAM
- 18 QUIRINDI
- 19 NYNGAN
- 20 City of BLUE MOUNTAINS
- 21 City of LITHGOW
- 22 City of BATHURST
- 23 City of ORANGE
- 24 PARKES
- 25 CONDOBOLIN
- 26 FORBES
- 27 COWRA
- 28 BOWRAL
- 29 City of GREATER WOLLONGONG
- 30 SHELLHARBOUR
- 31 KIAMA
- 32 City of GOULBURN
- 33 YASS
- 34 MURRUMBURRAH
- 35 YOUNG
- 36 COOTAMUNDRA
- 37 TEMORA
- 38 JUNEE

MUNICIPALITIES

- 1 Windsor
- 2 Blacktown
- 3 Kurrungul
- 4 Fairfield
- 5 Holroyd
- 6 City of Parramatta
- 7 Ryde
- 8 Willoughby
- 9 Manly
- 10 Hunters Hill
- 11 Lane Cove
- 12 North Sydney
- 13 Mosman
- 14 Auburn
- 15 Concord
- 16 Drummoyne
- 17 Leichhardt
- 18 Strathfield
- 19 Burwood
- 20 Ashfield
- 21 Marrickville
- 22 South Sydney
- 23 Randwick
- 24 Waverley
- 25 Bankstown
- 26 Canterbury
- 27 Boroondara
- 28 Hurstville
- 29 Rockdale
- 30 Kogarah
- 31 Camden
- 32 Camden

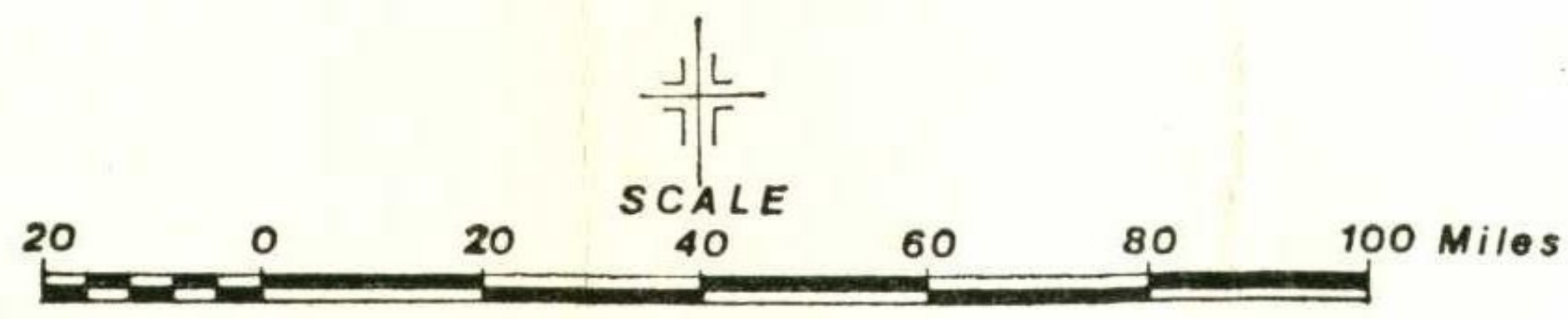
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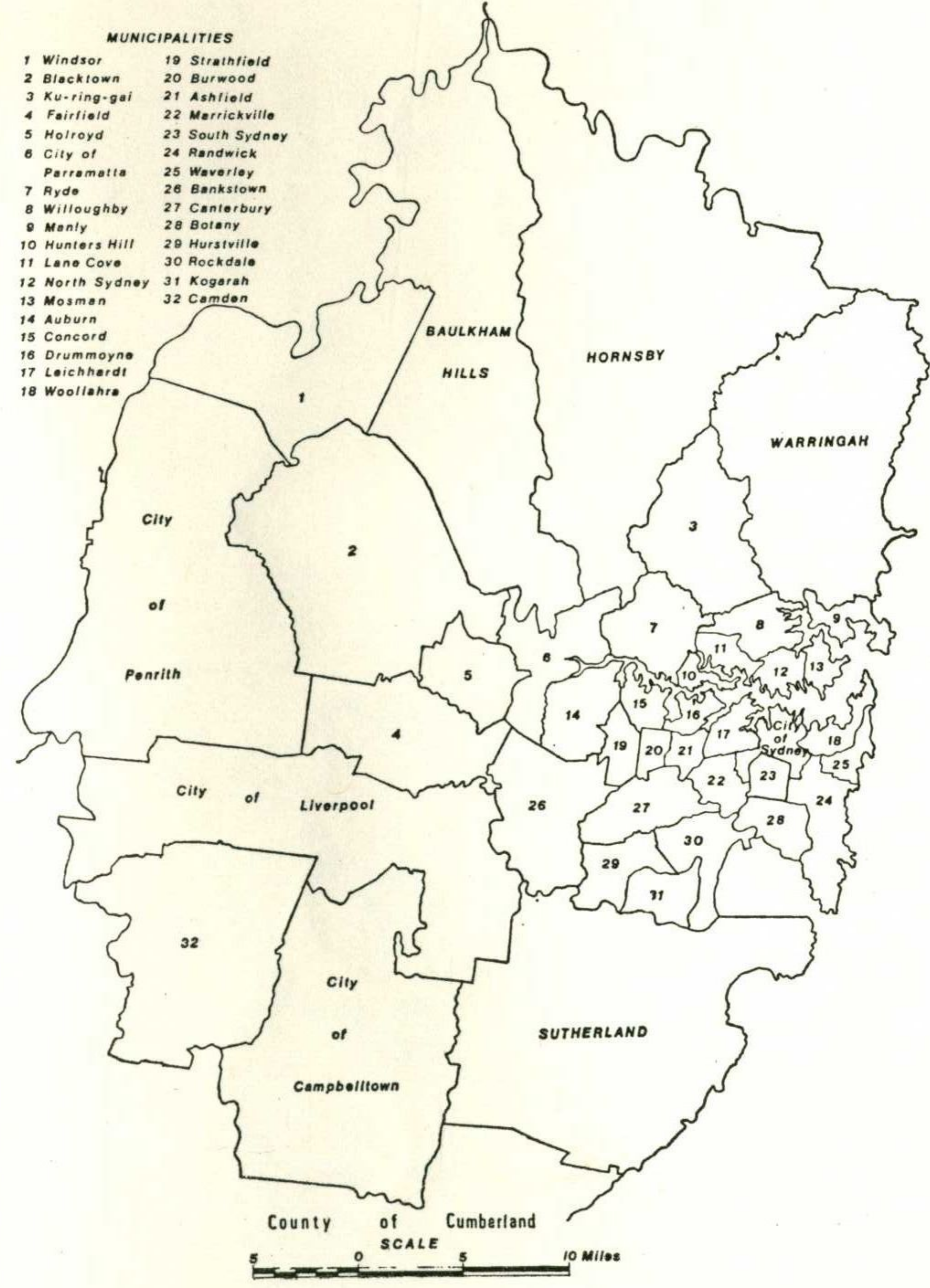


- CITIES AND MUNICIPALITIES**
- 1 MULLUMBIMBY
 - 2 BALLINA
 - 3 City of LISMORE
 - 4 CASINO
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 - 6 MOREE
 - 7 INVERELL
 - 8 GLEN INNES
 - 9 City of GRAFTON
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 - 11 NARRABRI
 - 12 GUNNEDAH
 - 13 City of TAMWORTH
 - 14 KEMPSEY
 - 15 PORT MACQUARIE
 - 16 TAREE
 - 17 WINGHAM
 - 18 QUIRINDI
 - 19 NYNGAN
 - 20 NARROMINE
 - 21 City of DUBBO
 - 22 MUDGEE
 - 23 MUSWELLBROOK
 - 24 SINGLETON
 - 25 City of MAITLAND
 - 26 City of NEWCASTLE
 - 27 City of GREATER CESSNOCK
 - 28 City of ELUE MOUNTAINS
 - 29 City of LITHGOW
 - 30 City of BATHURST
 - 31 City of ORANGE
 - 32 PARKES
 - 33 CONDOBOLIN
 - 34 FORBES
 - 35 COWRA
 - 36 BOWRAL
 - 37 City of GREATER WOLLONGONG
 - 38 SHELLHARBOUR
 - 39 KIAMA
 - 40 City of GOULBURN
 - 41 YASS
 - 42 MURRUMBURRAH
 - 43 YOUNG
 - 44 COOTAMUNDRA
 - 45 TEMORA
 - 46 JUNEE
 - 47 City of WAGGA WAGGA
 - 48 DENILQUIN
 - 49 City of ALBURY
 - 50 QUEANBEYAN
 - 51 COOMA
 - 52 BEGA
 - 53 BOMBALA
 - 54 GRENFELL
 - 55 City of BROKEN HILL

- MUNICIPALITIES**
- 1 Windsor
 - 2 Blacktown
 - 3 Kirrong-gai
 - 4 Fairfield
 - 5 Holroyd
 - 6 City of Parramatta
 - 7 Ryde
 - 8 Willoughby
 - 9 Manly
 - 10 Hunters Hill
 - 11 Lane Cove
 - 12 North Sydney
 - 13 Mosman
 - 14 Auburn
 - 15 Concord
 - 16 Drummoyne
 - 17 Leichhardt
 - 18 Woollehra
 - 19 Strathfield
 - 20 Burwood
 - 21 Ashfield
 - 22 Merrickville
 - 23 South Sydney
 - 24 Handwick
 - 25 Haverley
 - 26 Bankstown
 - 27 Canterbury
 - 28 Botany
 - 29 Hurstville
 - 30 Rockdale
 - 31 Kogarah
 - 32 Camden



REGIONS OF NEW SOUTH WALES
ADOPTED 6th JULY 1971



as:

"....A sectional tax that was generally accepted as an appropriate medium for financing local government functions fifty years ago, when municipal activities were restricted to roads, footpaths, drainage and similar works largely of direct benefit to property owners." 4.

Thus, it is apparent, that the Government's decentralisation policy has not succeeded, partly because, although importance is placed on the efforts of local councils, sufficient encouragement has not been given by way of finance or example (i.e. by decentralising decisions about decentralisation to the local level). Councils have some responsibility in implementing a successful decentralisation policy, but as things stand at the moment, it is largely out of their hands.

If this situation is valid, it would appear reasonable that councils should be vitally concerned with the way decentralisation policy is shaping in the hands of those who wield the power. With this in mind, I wrote to thirty Municipal Councils, after selecting them out of the 1971 "List of Municipalities, Shires, County Districts, Urban Areas" without any intention of conducting a random sample of any kind. They accounted for approximately 50% of the total number of country metropolitan areas and cities and were spread over the whole of the nine administrative regions of N.S.W. (See Map 1 opposite). Some twenty-one Councils replied to my letters; however, some of these indicated that their views were confidential and so I can neither quote from them nor include copies of their letters in this study. A specimen copy of my letter is contained in Appendix 3a

4. Maiden, The History of Local Government, p329.

and selected replies from Councils classified by date of receipt in Appendices 3(b) - 3(g).⁵

In view of the political intricacies of the New South Wales Development Corporation's "Report on Selective Decentralisation" (which is still being considered by State Cabinet) and the effects on local governments if its recommendations are implemented, I was very interested to ascertain the Councils' reactions.

Of the meaningful responses received, only two Councils, Casino and Armidale were in favour of the present policy of dispersed decentralisation, without qualification. The replies did not go into great detail and so, I cannot be sure of the exact reasons for this view being held. However, I feel that I am able to make the following general comments. There are probably two factors influencing the reply of Casino Council. First, there is no reason at all to expect that, under a system of selective decentralisation, Casino would be chosen as a growth centre in its region. Even under the recently superseded regional divisions, Casino would have been overshadowed by the City of Lismore. However, under the new administrative divisions (announced on 16th July by the Minister for Decentralisation and Development), the Richmond-Tweed Region has been incorporated with the Clarence Region and part of the Oxley Region and Casino is now also in "competition" with the City of Grafton and the large town of Taree, as well as the City of Lismore. The second factor possibly influencing Casino Council's view is that the local Member, Mr. Day (one of the few country Labor M.L.A.'s), is also against the

5. Quotations from Council replies found in the text may be referred to in Appendices 3(b) - 3(g). Please note that I have included a selection of replies covering the whole range of Council opinion and only those which appear to represent actual Council policy rather than the Town Clerk's own interpretation. For reasons of confidence, I am unable to include a further four replies.

selective decentralisation concept, having branded it as "totally inadequate in concept" and "politically impossible".⁶ In the case of Armidale, it was previously in the New England Region and was the largest provincial city of that Region. However, that Region has now been amalgamated with the major portion of the Namoi Region and the City of Armidale is now confronted by the presence of the bigger (and more rapidly growing) City of Tamworth. Armidale, of course, has done quite well as far as decentralisation of tertiary activity is concerned - the University of New England being one case in point - and is, thus, favourably disposed towards the present policy, and hoping that such developments will continue. There is little doubt that Armidale's development has been aided by the fact that the local Member is Minister for Public Works, Davis Hughes, who, incidentally, has indicated to me that the Government does not intend to implement the selective decentralisation recommendations of the New South Wales Development Corporation. Rather, he states:

"The Government is now aiming at decentralisation through regional development, rather than a single growth centre in each Region".⁷

Whilst in this Region, it is worth mentioning that Tamworth Council is only marginally less favourably disposed towards dispersed decentralisation. However, the fact that it did, in 1970, commission the Hunter Valley Research Foundation to prepare a factual report to support its claim for being selected as the growth centre of the Tamworth region, suggests that it would favour selective decentralisation, if chosen.

6. See copy of Mr. Day's letter, Appendix 5(c).

7. See copy of Mr. Hughes' letter, Appendix 5(e).

By far the largest group of respondents favoured the present system of decentralisation plus that of selective decentralisation on the basis that there was no objection to growth centres in one form or another, so long as general decentralisation expenditure was maintained to aid any industry which wants it. Those subscribing, generally, to this view (which is what the "Report On Selective Decentralisation" proposed) were Albury, Bathurst, Cooma, Kempsey, Moree, Taree and Tenterfield. Of these Councils, Tenterfield has, apparently, had somewhat of a change of heart. Whereas in the past it had supported moves by certain "medium sized towns in New South Wales to have the Government's present thinking of developing a selected few centres changed to a policy of assisting all country towns", it has now come to the point of view that "it would be better for the State Government to develop a selected number of cities than to try and increase in size all the existing towns". It is interesting and, indeed, quite natural that Albury and Bathurst Councils should also favour this view. Albury, of course, is one of the very largest provincial cities in N.S.W. and is already something of a growth centre in its Region, having been able to attract some very large scale industry (Borg Warner Ltd. for example) and being part of the Albury-Wodonga Complex. 8.

If one city in New South Wales ever appeared to be a logical choice as a Government nominated growth centre it would be Albury with its economical and geographical advantages and a sitting Liberal Member.. Bathurst, of course, is in the same region as Orange and there is great

8. The Victorian Government nominated five growth centres in the State, including Wodonga, on condition that New South Wales took steps to develop Albury as a joint venture. Thus the Albury-Wodonga complex.

rivalry between the two cities. Not only has Bathurst/Orange been proposed by the Labor Party ⁹. for development, but Bathurst itself has received some favourable comment as a future State Capital.

Of the remaining replies, Grafton, Lismore and Wagga Wagga were more definitely in favour of "selective decentralisation". All three cities have populations well over 10,000 and Grafton and Lismore in particular, have probably received a bigger than average share of decentralised industry. ¹⁰. Wagga Wagga, of course receives a good deal of benefit from direct Commonwealth Government and State Government expenditure and also manages to attract its share of industry as well. Although Grafton and Lismore are now contained in the same Region, Wagga Wagga remains by far the largest city of its new Region, which is basically the same as the old Murrumbidgee Region. Grafton and Lismore Councils both submitted lengthy replies and indicated that they were fully aware of the wider implications of selective decentralisation and regional development.

Replies from two other Councils are also interesting. First, Gunnedah Council, with its "honest" parochialism, indicated that although it is opposed to the growth centre concept, this may change if Gunnedah itself is selected. Secondly, Condobolin Council opposes both the present dispersed decentralisation policy (rightly because it has only encouraged numerous small factories to set up) and that of selective decentralisation as recommended by the N.S.W. Development Corporation. Rather, it appears to

9. Proposed in the Labor Party's 1971 Rural Policy Speech along with 6 other regions, namely Casino-Grafton; Dubbo; Tamworth; Wagga; Broken Hill and Leeton-Griffith.

10. Deduced from data given in Report on Selective Decentralisation, (Appendix 1, "Loans and Leases"), p24.

favour something of a combination of the two, that is the State-wide establishment of industrial complexes which would be self-supporting (inclusive of ancillary services) within their individual centres. However, to me, such a view is financially unworkable, even if it is politically acceptable in that, theoretically, all towns would benefit as at present, only on a far larger scale.

The various replies concerning whether or not any proposals had been submitted concerning changes to the current decentralisation policy almost unanimously showed that this was not the case. This indicates, on the face of it, that Councils are more or less helpless and are prepared to tacitly accept policy and administration decisions from Sydney as being final. However, many Councils are, of course, more active than this and if they do not actually submit direct proposals, at least may be counted as having supported various proposals made by organisations such as the Country Mayors Development Committee (a "pressure" group) and the Local Government and Shires Associations of N.S.W. With regard to both the Local Government and the Shires Associations (the two are virtually synonymous), I feel that they have in a way, acted to prevent Councils from submitting proposals which might tend to be parochial in nature and instead acted to have such proposals brought before the whole local government movement and adopted on a wider basis. A good example of this is the motion carried at the 1967 Annual Conference of the Shires Association of N.S.W.:

"That the Association favours as a basis for

decentralisation the fostering of industrial development in selected country towns, with encouragement and assistance to smaller towns by way of country housing, education and other necessities and amenities essential to overall development"¹¹.

More recently, the Local Government Association as a whole has indicated agreement with the recommendations of the Report on Selective Decentralisation and this was repeated during my conversation with an officer of the Association.

In this section I am differentiating between proposals for assistance under the present policy (which of necessity must be parochial) and proposals designed specifically to alter or extend present policy. One Council, at least is in this latter category. Condobolin Council in its reply stated that it had submitted various proposals directly to the Department of Decentralisation as well as to its Local Government Association. Proposals submitted included plans for direct assistance in order to reduce costs facing industries establishing in country areas - freight, telephone charges, housing etc. - and a call for a percentage tariff protection on commodities being produced in country areas. The Council rightly felt that "very little, if anything, has been done in these particular matters facing the decentralisation of an industry". It is significant that two matters mentioned above - those relating to telephone costs and tariff protection - fall squarely in the Commonwealth Government's field of influence and as I will show below, most Councils are extremely critical of its contribution to decentralisation so far.

11. Shires Association of New South Wales, Proceedings of The Annual Conference, (Sydney, June, 1967) p55.

That there is not a great deal of direct communication concerning changes in decentralisation policy is, perhaps, understandable, when one considers that with each Council after what "crumbs" of assistance it can get, it would be very reluctant to "rock the boat" and suggest changes which may upset legislators and administrators in Sydney and, indeed, other local Councils. This is further indicated by the number of "confidential" replies from Councils. Sydney is, of course, a long way from the country, official communication channels are not terribly well established and on top of this, local government itself is not strong financially or politically. There is also the unfortunate fact that those elected to power at Council elections are often not those who are best fitted as administrators. Indeed, it happened in one country town after the 1971 council elections, that nobody wanted the job of Mayor and it was only to prevent the Council from being dismissed that an Alderman finally accepted it. In this particular case, it was felt by Aldermen that the Mayor's job would encroach too much on their valuable "business" time. Thus, it follows that, to the extent that Aldermen are primarily concerned with service on Councils as appendages to their own businesses, it will be hard to extract enthusiasm for wider issues such as decentralisation. If councils are not strong, then neither are the Regional Development Committees (or Regional Advisory Councils as they will be known) and the Local Government Association, operating as they do at present, without statutory backing. But they do, at least provide a channel for communications, albeit usually not listened to. So, if Councils are not terribly keen to change policy, it is due more to poor communication and lack of interest, although the degree of parochialism which exists, even as shown in the replies to my letters

also plays its part.

The third question, concerning political awareness drew a somewhat varied response, but overall it is fairly clear that although awareness at the local level is considered to be fairly acute (including the local Member), the general level of awareness throughout the State (especially Members in city electorates) leaves something to be desired. The attitudes of Members in country electorates and the two major Parties will be considered below. Only one Council felt that there is sufficient political awareness throughout the State without any qualification whatsoever. However, it appears the Council in question has been treated quite favourably by the Department of Decentralisation and Development and is also represented by a Member who is very "decentralisation" minded. The impression is gained though, that this particular Council did not understand the wider implications of the question and answered from a viewpoint too narrowly parochial. Armidale Council also felt that there is sufficient political awareness, but again, they too, have received considerable benefit from the "dispersed" decentralisation policy and are also represented by a Cabinet Minister. Albury Council, on the other hand was not so impressed with the level of political awareness, especially at the Federal level. This is, perhaps, rather inexplicable, since Albury itself has been progressing quite well under the present decentralisation policy. However, Council's reply was probably prompted by the lack of action by the Government in implementing a selective decentralisation policy, under which Albury would have a good claim for being selected as a growth centre.

One interesting aspect of the replies was that several Councils specifically mentioned the growing awareness of metropolitan councils about the problems facing them as population continues to expand rapidly, thus placing increasing pressure on existing and proposed local services. Indeed, Bathurst Council has gone so far as to actually canvass metropolitan councils urging them to make representations to State Cabinet in support of that city's selection as a regional "growth centre". A case in point is Bankstown Council, which has recently agreed to do this, in principle at least. Bathurst, of course, has also been "supported" by M.L.A. for Manly, Mr. Darby, in its claim to be the future State Capital, but it is hard to take this "support" seriously. All this gives rise to the interesting thought that an increase in political awareness about the subject of decentralisation may well stem directly from the efforts of metropolitan councils, as indeed may the pressure necessary for the implementation of a more positive approach to decentralisation.

The final question put to Councils was whether Australian Governments are doing enough to promote decentralisation. The almost unanimous response was that they are not. Naturally, some Councils were more definite than others on this topic. Whereas Wagga Wagga City Council, for example, felt that the Department of Decentralisation and Development has been of great assistance (although hampered by relative lack of finance), Condobolin Council was quite definite that the State Government is not doing enough either financially or politically and, in fact, considered that "the time for planning of decentralisation was 20 years ago".

The replies indicated an overwhelming feeling amongst

Councils, even where they were critical of the State's own efforts in promoting decentralisation, that the situation could be overcome with greater assistance from the Commonwealth Government either by direct subsidy or substantial grants to the States for the purpose of decentralisation. Not even the most optimistic of Councils, of course, suggested that Commonwealth grants (if they are ever introduced) should accrue directly to local government. Whatever may be said about the efforts of the State Government in encouraging decentralisation it is apparent that the Commonwealth Government deserves the harshest of criticism for its inactivity. Although a policy of selective decentralisation could be undertaken in this State by reallocating expenditure which would be made anyway on public services, the chance that, by doing this, the general level of decentralisation assistance may be diminished if further funds are suddenly needed, has probably increased the political opposition to such a policy. Although it is not clear what effect large scale assistance from the Commonwealth (by grants say) would have on the political practicability of selective decentralisation in N.S.W., it is reasonable to expect that it would at least lessen such opposition. Once again though, the question of large scale Commonwealth assistance is largely hypothetical at this time in view of the Government's deflationary measures. The Commonwealth's record to date on decentralisation and its insistence that this is solely the State's responsibility indicates that there is, in any case, a most serious lack of political awareness at this level. This impression is confirmed when one looks at the vast amounts the Commonwealth is spending to prop up an ailing rural sector without taking into consideration the plight of country urban areas in the same context. The unfortunate

part of it is that even if the number of decentralisation pressure groups communicating with the N.S.W. Government is small, the number in effective communication with the Commonwealth is even smaller, largely because there are no direct channels for dialogue between local government and the Commonwealth. The value of Federal Members in this regard is doubtful at the moment. The only chance for Commonwealth involvement in decentralisation seems to rest on the Labor Party gaining office at the next Federal elections. Mr. Whitlam in his 1969 Policy Speech promised that a Labor Government would, amongst other things, sponsor the growth of regional development authorities, which would enable local government to have access to national funds. The Labor Party also adopted the following Resolution at its 1971 Conference at Launceston:

"28(b) The Commonwealth to financially assist the States on a dollar for dollar basis in the establishment of Regional Growth Centres as an essential component of Regional Decentralisation."¹².

Perhaps if Labor wins the next election, decentralisation and particularly selective decentralisation might come closer to implementation as a joint responsibility.

As stated above, the Town Clerks of Grafton and Lismore both made lengthy replies which indicated an awareness of the implications of decentralisation outside of their own particular cities. Among the points they raised were that in any effective decentralisation policy, there was a great need for the development of tertiary industries and services such as tourism, education and regional hospitals.

12. See "Rural Subsidies", in Australian Labor Party, Platform, Constitution and Rules as Approved by the 29th Commonwealth Conference, Launceston, (Adelaide 1971), p42.

It was also strongly suggested that both State and Federal Governments should further decentralise their own administrations. Lismore Council's reply, in particular, also introduced the concept that growth centres should be areas larger than a single town or city, for example, the whole of the Richmond Valley. The reply from Grafton, although not as specific, also indicated a leaning towards the "larger area" type of growth centre - in this case, the Clarence Valley. The Government, too, is currently looking at "larger area" decentralisation in the form of what is termed "regional development." However, the difference between them is that whereas both Grafton and Lismore Councils would apply the concept of selective decentralisation and growth centres to these "larger areas," the Government clearly intends that a dispersed decentralisation policy will continue, only over nine regions instead of twenty. Whereas a selective decentralisation policy applied to a larger area would have virtually the same result as if only one single growth town or city were chosen - since benefits accruing to a growth centre spill over into the surrounding region - the Government's proposals, as I understand them at present, seem unlikely to achieve any greater decentralisation success than current policies, since all regions will be treated equally.

First of all, the new Regional Advisory Councils are unlikely to exercise any more power than the previous Regional Development Committees without statutory backing of some kind. However, statutory backing to bestow any substantial administrative and financial autonomy on the Regional Councils is virtually impossible having regard to the politics of State spending and the present division of powers between the Departments of Local Government and Decentralisation and Development and the Municipalities, Shires and Counties. In my opinion, the best that such

statutory backing might achieve would be to bestow an advisory function on the Committees, which is, virtually, the same as that given to the previous Regional Development Committees.

Secondly, if the Government is going to implement a decentralisation policy on a regional basis, political decisions will still have to be made if it is to be successful - i.e. which region(s) will qualify for concentrated development and which cities (towns) in the region(s) will benefit most. However, it is just as unlikely that specific regions will be nominated for development as it is that growth centres will be specified in terms of the Report on Selective Decentralisation. The Government is probably hoping that growth centres will evolve of themselves without the need for official recognition as such. Information conveyed to me by an officer of the Department of Decentralisation and Development indicates that this is happening to Albury. In any case, there will exist a situation where Regional Committees (without administrative or financial powers) will hold meetings and make recommendations concerning the development of their regions (as they do now) and if they are able to attract one extra industry or one extra tourist or one extra hospital to the area, then it will be considered something of a breakthrough. This will obviously be no more successful than the existing dispersed decentralisation policy and if the Government plans to wait for growth centres to evolve, one wonders what will happen to the metropolitan regions in the meantime. As mentioned previously, the State Planning Authority's "Sydney Region Outline Plan 1970 - 2000 AD", in its view of this City's development over the next thirty years, postulated that of the expected increase of 2,750,000

in Sydney's population, 500,000 would be diverted to a new city at Gosford/Wyong while another 500,000 would be distributed elsewhere, presumably to the country. It is apparent that, on present trends, it will be impossible to provide for an additional 500,000 people in country areas and it is virtually certain that they would have to remain in the metropolitan area. There is a growing number of people who now feel that this would be an intolerable situation and would place impossible strains on a City which is already finding it hard to provide good quality services for its present population (one only has to go to the unsewered areas to realise this), let alone solve the social and economic problems which abound in large cities. One such person is Hugh Stretton who has indicated that the only solution is to create new cities of say a maximum 500,000 people each, not only to solve the problems of the metropolitan area but also as a means of achieving decentralisation. However, the only Party which, apparently subscribes to this idea, is the A.L.P. and Mr. Whitlam. As Stretton phrases it, "(Mr. Whitlam's) policy speech before the 1969 election promised means to enable governments to deal in urban land." ¹³. Perhaps, then, this State Government should be considering the idea of new cities (which has been viewed favourably by the N.S.W. Development Corporation), since it might well be more palatable, politically, than nominating growth centres and certainly more effective in repopulating the country than present policies. It might even be cheaper.

This Chapter has highlighted not only the

13. Hugh Stretton, Ideas for Australian Cities, (Melbourne 1971), p334.

inadequacy of local government as a whole (i.e. politically and financially) to take effective steps themselves to prevent the decline of country towns, but has also indicated that there is a wide range of opinion within local government circles as to how this may be done. What has clearly emerged is that there is still a widespread parochial sentiment in country areas and few Councils in the sample appeared to take a wider view of the implications of selective decentralisation in particular. Councils generally felt that political awareness of the need for decentralisation (and, indeed, the problems of country towns) was not particularly acute outside the country areas. They also felt that more could be done politically and financially by Australian Governments, especially the Commonwealth Government. While this is undoubtedly true, nevertheless, it is still apparent that the lack of Commonwealth Government assistance gives rise to a good deal of inertia. The fact remains that, as outlined in the "Report on Selective Decentralisation", this State has the resources to make a start, at least, on a more vigorous decentralisation policy by reallocating public expenditure which would be necessary anyway. If both State and Local governments wait for the Commonwealth to act, effective decentralisation will not eventuate in the foreseeable future.

Some Councils were most interested in the future of decentralisation policy in N.S.W. and the interesting point emerged that, perhaps, the concept of growth centres could apply to a larger area than one city or town (e.g. the Richmond Valley). However, it is fair to say, that the benefits stemming from a growth centre would spill over into the surrounding region anyway, so it is probably better to concentrate on one particular town or city than to disperse

initial "selective" assistance over an entire region. The present thinking of the State Government is taking a different course, however, and it appears to be hoping that by spreading decentralisation assistance around nine Regions instead of twenty and by creating Regional Advisory Councils (with possible statutory backing), it will enable growth centres to evolve of themselves and so solve the political problems. However, if and when these growth centres are evolving, population will continue to concentrate in and around an already overburdened Sydney with consequent diseconomies to this City and the whole State. It would seem that if the Government does not act quickly to implement a policy of selective decentralisation, political pressure stemming from the work of Stretton, for example, might well be applied with a view to having new cities built and the Government could then be in another dilemma. However, in this case, at least, it could point to the example of Canberra and the South Australian new towns if a political decision had to be made. The only certainty in the whole situation is that a decision has to be made about this State's population "problem" and that this decision cannot be made by local government alone. It is entirely up to the State Government, since little help may be expected from the present Commonwealth Government.

CHAPTER 4

PARTY ATTITUDES TO DECENTRALISATION

Probably the best way to begin this Chapter is to look at the 1971 electoral platforms ^{1.} of the two major Parties in New South Wales as regards the problems of country local government.

First, there is that of the Liberal-Country Party, which set up the present Department of Decentralisation and Development upon being elected in 1965. It was also this Government which set up the New South Wales Development Corporation and commissioned this organisation to report on decentralisation in the State. The result known as the Report on Selective Decentralisation, is, of course, still causing the Askin Government considerable political embarrassment and as a result there has been no official statement concerning the implementation of the Report's recommendations. The fact that the Report has been before Cabinet for more than 2½ years does nothing to dispel one's fears about the "future" of decentralisation in this State. The policy speech itself took the form of most vote-catching policy speeches and for what it is worth, I will outline some of the more relevant sections.

Mr. Cutler, in the section of the Liberal-Country Party's 1971 rural policy speech headed "Balanced Development", provided the information that in the 5¾ years to 12th January, \$31.4m had been committed to assist some 525 industries to establish or expand in country areas. Of this amount, \$27.7m had been approved from the Country Industries Assistance Fund to 500 firms in 150 different

1. All information relating to policy speeches collected from actual "hand-outs" of the Party concerned.

centres - i.e. an average of about \$55,000 per firm. However, what Mr. Cutler did not say, was that substantially more than the average amount of assistance would have been provided for large organisations such as Borg-Warner (Albury) and Alcan Australia (Kurri Kurri). If these two organisations are taken into account, the average amount provided for the remaining industries would have been much smaller - indicating the small size of the firms concerned and demonstrating the Government's failure to carry out a really effective decentralisation policy. Mr. Cutler also pointed out that direct job opportunities for 10,000 persons had been created (i.e. about twenty employees per firm) and that indirectly some 50,000 people would have been provided with incomes, thus, presumably, inducing them to remain in the country. But this number is far from that required to not only halt the draft of population to the metropolitan areas but actually divert people from these areas. If one accepts the proposal in the Sydney Outline Plan that some 500,000 people should be diverted to the country by 2000 AD, then it may be seen how far short of this ideal current efforts will fall (if, indeed, even the current effort is maintained).

If the Government has been noticeably unsuccessful with its decentralisation efforts to date, it is also hard to be optimistic about the future. The following summarises the future of decentralisation as outlined in the Liberal-Country Party's 1971 rural policy speech:

- (a) the supplementing of present measures aimed at providing country housing, which has resulted in a grand total of 810 houses being erected, between July, 1965 and November, 1970, on behalf of the

Department of Decentralisation and Development. 2.

To do this, the Government proposes to offer guarantees to approved private developers, "where a demonstrable demand for housing assistance exists which would otherwise have to be met through the Department of Decentralisation and Development and the Housing Commission". It will also provide housing assistance for key employees of developmental enterprises as well as manufacturing enterprises as at present. Such a system would, of course, greatly benefit the larger metropolitan developers, who could buy low cost country land, build houses and be guaranteed a minimum price, which would probably reflect metropolitan prices rather than the going country rates. One wonders whose idea the proposed system is!;

- (b) a general liberalisation of assistance programmes to include non-manufacturing industries where it can be proven that they will "generate population growth and economic expansion". This indicates an awareness of the fact that a tertiary industry is cheaper to relocate and that, in general, not only does the tertiary sector contain the highest proportion of the workforce but also the most rapidly growing proportion. This, of course, is indicated in the Report on Selective Decentralisation. However, I cannot see this "new" policy being terribly effective, for generally speaking, tertiary activities which are non-government in

2. By means of:

- (a) Housing Commission homes financed through the Country Industries Assistance Fund;
- (b) Homes financed from the Housing Commission's special higher interest borrowings;
- (c) Housing Commission homes financed from General Loan Fund allocations; and
- (d) Home loans directly from the Country Industries Assistance Fund.

ownership will only be attracted to areas which have existing large population concentrations. (This is also outlined in the Report.); and

- (c) the equalisation of industrial electricity charges throughout the State; endeavouring to find ways to vary the current uniform capital city steel price (improbably, since one suspects that no Liberal Government would dare argue with the B.H.P. steel monopoly); the institution of a system of relocation and resettlement grants for approved city-based industries; and the reduction of transport charges for country industries. Overall I feel that these ideas would only have marginal impact on industrial location decisions - they still do not tackle the problem of large-scale decentralisation.

The above summarises the "Balanced Development" section of the Liberal-Country Party's 1971 rural policy speech. The next relevant section of Mr. Cutler's speech is called "Regional Development". By way of introduction he said that "the Government attaches great importance to the development of a system and spirit of true regionalism throughout the State as a logical corollary to the cherished concept of balanced development over the whole of New South Wales". Basically what the Government was proposing here was the more extensive decentralisation of its own administration, which is, in itself an extremely constructive and practical idea. At that time, a report by the Inter-departmental Committee on Regional Organisation was being examined by the Government, and, as mentioned in a previous chapter the division of the State into nine common administrative regions was announced in July this year as a result. The benefits to be derived from such an arrangement were, according to Mr. Cutler that ;

- (a) greater regional administrative autonomy would lead to increased private investment;
- (b) the more regional administrative decisions which can be made in regional locations (especially with regard to public developmental works) the greater the likelihood that people interested in participating in such works will be attracted to those locations; and
- (c) the act of decentralising Governmental administration would encourage private undertakings to do likewise.

With regard to the actual regions themselves and quite apart from any decentralisation of administration, Mr. Cutler also announced that regional advisory councils would be set up "to mobilise local regional opinion more effectively on matters of regional promotion and development". Such advisory councils would have full-time staff from the Department of Decentralisation and Development and would be "assisted with substantial grants for approved regional promotion and research." All of this sounds rather imaginative and effective. However, on closer examination, the Regional Advisory Councils to be set up ³. are remarkably similar to the previous Regional Development Committees and appear unlikely to be any more effective. For any such system of Regional Advisory Councils to be successful they must be delegated power to such an extent that they have complete authority (including financial authority) within their regions. This would, of course, entail drastic alterations to the present local government system and in regard to this, Mr. Askin has said that

3. Even though their creation was announced in July, they have not as yet been officially set up and their members appointed. In the three months since the announcement, the Government has been tackling the problem of naming the Regions and it hasn't even resolved this relatively simple task as yet.

"the regional councils will exercise an advisory role - they will not usurp the powers of local government councils".⁴ It appears to me, then, that the idea of regions as submitted by the Government is so much political verbiage and will be of little use in promoting effective decentralisation. The need is for either strong local government or strong Regional Councils and under the Askin Government we are, apparently, going to get neither.

For the advocates of an effective decentralisation policy and, in particular, the N.S.W. Development Corporation's recommendations, the Liberal-Country Party's rural speech was not much short of a disaster. Indeed, the term "selective decentralisation" did not get a mention and the concept was only referred to in passing in that the Government recognised "the need to promote major urban alternatives to the central coast metropolitan complex". However, recognition is not action and I am among the growing numbers of academics, politicians, and public servants who believe that this Government is not "game" to name a growth centre. This appraisal is shared by officers of both the Department of Decentralisation and Development and the Local Government Association and the Minister's comment in a letter to me that the matter "is still receiving consideration by the Government"⁵ does nothing to change this appraisal.

Well, if the Government's policy speech did not have much to offer by way of decentralisation through growth centres what of the Labor Party?

First, let me outline various "incidental" aids to decentralisation proposed in Mr. Hill's speech:

4. Press statement, 6th July, 1971, Appendix 4(a)

5. Personal letter, 14th October, 1971, Appendix 4(b)

- (a) establishment of a new Ministry - i.e. Ministry for Co-ordination and Development. According to Mr. Hills, it would "co-ordinate all the State's planning and developmental works and direct and promote a realistic programme of decentralisation".⁶ What appeals to me in this proposal is that not only will decentralisation and development be handled by the new Department, but also the functioning of the transport department; road, port and public works construction; water, sewerage and drainage works; generation and supply of fuel and power; and planning and use of land. All of these things are essential ingredients of a successful decentralisation programme. It has too often been the case in the past that decentralisation has been conceived of as simply moving industry and population to a particular place without any regard to provision of services etc;
- (b) a system of regions "with regional centres designed and encouraged to become largely or entirely self-supporting and self-generating". This concept is similar to that proposed by the Government in that Labor, too, would decentralise its administration to these centres to encourage initial growth. However, Labor's policy appears to be a more effective one than that proposed by the Government;
- (c) the establishment of a Rural Bank agency to give financial assistance to small country manufacturing industries. Such a proposal was no doubt influenced by the realisation that many small, fairly sound

6. P.D. Hills M.L.A., Rural Policy Statement of the Australian Labor Party (January 1971), p.9.

country industries are failing due to mismanagement and in view of this care would have to be exercised when approving loans. Also, it seems reasonable that it would be a good thing to reduce as much as possible the diversions from the general decentralisation assistance fund to small industries which would not have any great effect either individually or in groups on the overall success of a decentralisation plan;

- (d) the substitution of a "70-20-10" plan or "70-30" plan for the present "60-30-10" plan. Under this plan a Labor Government would provide 70% of the finance required to enable the industrialist to purchase land and factory buildings instead of 60% as at present. The industrialist, himself, would provide either 20% or 30% with the council concerned providing the balance - i.e. 10% in the case of the "70-20-10" plan;
- (e) the extension of the policy of providing housing for key personnel to include other employees. This would be an important step towards influencing individuals to move to the country. So often it happens that a person has to turn down an otherwise attractive country job because either no housing is available or no housing of a high enough standard is available; and
- (f) the implementation of a policy for loans up to \$50,000 for the purchase of essential machinery.

All the above proposals are quite constructive in their way, however, I think that the most important proposal in Labor's rural policy is that of regional development. As I have already mentioned, the concept of Labor's regions and decentralisation of administration is somewhat similar to the Government's at first glance. However, there are several differences.

First, Labor has chosen seven regions (to the Government's nine) and has actually given them names i.e. Bathurst-Orange; Casino-Grafton; Dubbo; Tamworth; Wagga; Broken Hill; and Leeton-Griffith. Whereas these areas are quite definitive, those proposed by the Government do not have names and do not have any official regional capitals or areas for development. In effect, I would assume that the seven regional areas mentioned by Mr. Hills are, in fact, the regional centres mentioned in (b) above.

If the actual delineation of regional centres for development is a refreshing change from the Government's attitude, so, too, are Mr. Hills' other proposals, i.e.:

(a) that each region should have a "strong regional council vested with wide powers of control and co-ordination of government and private activities".⁷ Such councils "should be autonomous in decision making on matters affecting regional development".⁸ This is radically different from the Government's idea of Advisory Councils and, if implemented, would go at least some of the way towards my ideal of granting regions financial control of resources. Probably the same constraints concerning the achievement of this objective would operate under a Labor or Liberal Government, but the Labor Party, at least, is more imaginative on this score. Whether or not the regional Councils would have "control" over local councils or would at least assume some of the duties of local councils is not evident from Mr. Hills' speech. So, it may well be, that Labor's proposals in practice

7. *ibid* p. 11

8. *ibid*

would be rather narrower than implied - but it is still an improvement on what the Government is suggesting.

Mr. Hills at least mentioned the problem that:

"Local Government is also diversified - municipal and shire boundaries are overlapped by county council territories.

These regionalised activities must all be simplified and unified in a system of regional councils."; 9.

- (b) that a Labor government would acquire land to be developed for industrial use within the regions. This, of course, is a sweeping generalisation and does not indicate whether land acquired will be in large parcels (similar say, to the 80 acre industrial estate at Kurri) or individual lots to suit an intending decentralised industry. I would also like to see a Labor government release quantities of Crown land to the Regional Councils for decentralisation purposes. Possibly these Councils could rent it to industrial concerns, thus having some sort of income, or even sell it. However, I would not like the situation to arise, as under the present Government, where Crown land is sold to Councils for the purposes of a particular industry, but at a profit. Council is then left to subsidise the cost of the land to the industrial user. It is at least possible that a Labor government would be able to forgo the capitalist ethic in order to benefit the country regions;
- (c) that a Labor government would prevail upon the Commonwealth to build the next Australian International Airport in the Dubbo-Narromine area. Of course now

9. *ibid*

there is not much chance of this happening unless the Australian Labor Party gains office at the next Federal elections, but the idea is, I feel an extremely beneficial one from the point of view of decentralisation and one which transcends Party politics; and

- (d) that in the first instance, the Bathurst-Orange area would be chosen for large-scale decentralisation measures as outlined above. This was a major highlight of the Labor Party's rural policy speech and decisively demonstrated the bankrupt nature of the Government's policies.

Thus, we have the decentralisation policies of the two Parties - on the one hand the piecemeal one of the Liberal-Country Party, voted in by the skin of its teeth at the last State election and not daring to risk rocking the country "boat" and on the other, that of the Labor Party with nothing to lose in the country and everything to gain with its all stops out policy. That's the situation on paper, at any rate.

One may well ask, at this stage, why, assuming that the Government has received the best possible advice in favour of a "determined" decentralisation policy, does it persist in following the old, worn-out, ineffective one? I see two main considerations involved here. First, the fact that it is a coalition Government and cannot survive without the Country Party, means that it is subject to severe internal political pressures. It is a fact that the Country Party has, for many years, been vitally interested in the issue of decentralisation, and was indeed a most ardent supporter of the New England New State Movement, ¹⁰.

10. Mr. Davis Hughes, present Minister for Public Works was a member of the Movement's executive and other prominent New Staters were also members of the Country Party.

even though this support has lessened somewhat in view of the fact that the Movement fielded candidates against four sitting Country Party Members at the 1968 State elections. It is, therefore, more or less self evident that the Party has had a great influence on the Government's decentralisation policy, which has had more urgency in recent years as an increasing number of Country Party voters have flocked to the metropolitan regions. However, the Party, in its efforts to stop its voters drifting from the country "has been instrumental in getting decentralisation schemes off the ground at a time when almost nothing was known about how effective they would be".^{11.} The result has been that, with political gimmickry of this type, i.e. by promising something for everybody, the Country Party has more or less retained its support in the declining country areas.

But, since the early days of the present Government's election, the New South Wales Development Corporation's report has shown overwhelming evidence in support of the "growth centre" concept. Why then does not the Government adopt this concept, for surely it has the interests of the country at heart? The fact remains that it has not, for as Webb remarks, the growth centre concept "may be sound economic thinking, but not sound thinking for a Liberal-Country Party coalition ... (for) boosting one depressed rural area ... at the expense of other rural areas could mean the loss of the latter of these electorates".^{12.} Thus, the situation resolves itself to one of vote-catching - a policy of selective decentralisation would more than likely lose votes (and seats) for the Country Party (without whom the Government can't govern). Even Mr. Fuller has admitted this when he said (in February, 1969):

"At present the Country Party holds both Orange and Bathurst. If we give Orange the

11. Jeremy Webb, "Decentralisation - The Wrong Time and The Wrong Places", in Rydges (June 1971), p. 17.

12. *ibid.*

go ahead (as a centre for the decentralisation of industry) we lose Bathurst and vice versa." 13.

One may also imagine that the Country Party is not exactly happy about adopting a policy which would congregate a large number of industrial workers (= Labor voters) in its electorates (especially the more marginal ones). Thus, the Country Party is one of the major barriers to Government adoption of the growth centre concept of decentralisation. The following extract from a speech by Mr. P.D. Day of the Department of Decentralisation and Development proves the point:

"... a couple of weeks ago the Country Party held its annual conference in Griffith. One of the Ministers apparently got up and said that within six weeks the Government would announce certain selected centres. I can only say that all hell broke loose in certain political circles after these remarks were reported in the press." 14.

However, the Country Party is not the only barrier to the implementation of a selective decentralisation policy. The other comes from within the Liberal party itself, where its city members (with notable exceptions) along with city members of other Parties are not really motivated towards decentralisation. There is also the problem of outside pressure on the "free enterprise" Government by the "free enterprise" city land developer. Although I feel that city Members will eventually give greater support to decentralisation in line with pressures from within their own electorates, I can see no easy solution to the problem

13. *ibid.* p18.

14. P.D. Day, *op cit*, p.5.

of the influence of land developers, even though they were promised a piece of the country "action" in Mr. Cutler's speech.

These then, are the factors which, I feel, will react against any efforts by the Government to implement a realistic decentralisation policy. However, if Labor's policy were implemented, assuming they are elected at the next State elections, it would certainly be a step in the right direction. Although from the country political point of view Labor could only gain from such a policy, my interview with Mr. R.J. Kelly (Labor M.L.A. for East Hills) leads me to believe that the Labor Party, also, would be under pressure from city vested interests not to go too far with decentralisation. Both Mr. Kelly and myself agreed that decentralisation might well continue to be a "political football" in this State until such times as a Federal Labor government gains office. I still believe this to be the case in view of the poor efforts towards decentralisation in this State so far (by both Labor and Liberal-Country Party Governments) ¹⁵. and the continuing inactivity of the Federal Liberal-Country Party Government.

15. Labor's previous decentralisation efforts were, of course, in force before the advantages of the "growth centre" concept were shown. What they did, although no more effective than the present Government's policy, was at least in line with the best advice of the time.

ATTITUDES OF LOCAL MEMBERS

I have established that there is a continuing population drift from the country which can only be overcome by a massive and completely revitalised decentralisation programme. As pointed out in previous Chapters, local councils have varying opinions on this and the success of the State Government's efforts to date, while the Parties themselves also disagree on the best method of implementing a successful decentralisation policy. Thus, in this Chapter I thought it wise to look at the opinions of local Members representing the areas whose councils I had already written to. I did this, because not only are they more or less the meat in the sandwich caught between public "opinion" and government "action" or "inaction", but also because it is not always their opinions (in the case of Government Members) which shape Government policy. There is also the interesting proposition, of course, that the extent to which a local Member's views agree with those of the local council(s) concerned reflects the degree of communication between them and probably also reflects the degree of communication between the local member concerned and his electorate. This would be an extremely difficult hypothesis to check, of course, since it may well be that the views of local Members have greater influence on those of a council than vice versa except where there is a current of popular opinion in favour of the council. However, generally speaking, it would seem that there is likely to be better communications between councils and local Members than between councils and Governments. In any case, I proposed a series of questions to some twenty-three country M.L.A.'s of whom seventeen replied. Appendices 5 - 5 (f) contain a copy of my letter, a list of M.L.A.'s written to and selected replies, while

Table 4 shows the Party composition of all replies received.

Table 4 Party Composition Of M.L.A.s Replies

	<u>Country Party</u>	<u>Liberal</u>	<u>Indep</u>	<u>A.L.P.</u>	<u>Total</u>
Written To	11	5	2	5	23
Replied	7	4	2	4	17

The Table clearly shows the preponderance of Government Members (16) and their independent supporters (2) compared with those of the A.L.P. (5). It also illustrates the strength of the Country Party within the group of Government Members, including two Cabinet Ministers. It is the views of these Country Party Members which will be especially relevant in this Chapter.

The first question I asked of the various M.L.A.'s, concerned the matter of political awareness about the subject of decentralisation. This seemed to be a natural enough question in that both the Liberal-Country Party and the A.L.P. are committed to a policy of decentralisation in one form or another as outlined in Chapter 4. I felt also, that the replies of Members would be interesting in the light of evidence presented in Chapter 3 which indicated that as far as country councils were concerned, the general level of political awareness left something to be desired.

Since the Country Party is the "majority" party for the purposes of this exercise, I shall, first of all examine the replies of their M.L.A.'s. The first interesting point to emerge is, that of the replies received from Country Party Members, only one was of the opinion that city Members did not care about decentralisation at all. This was Mr. R.W. Brewer (Goulburn) who felt that "there is sufficient political awareness concerning decentralisation by country Members only". He went on to say that "generally speaking

city Members could not care less". A more general view was that "there is a very great political awareness of decentralisation among the members of the Country Party", (Mr. Singleton, Clarence) which seems to support Mr. Brewer's idea by default, at least. One can understand that the Country Party should be in a position to maintain a high degree of awareness on the topic of decentralisation amongst its Members, since this is very much the bread and butter issue (along with rural development generally) of their electoral support. The views of these two Members, at least, are in accord with the general opinion expressed by Councils concerning political awareness. As I have indicated above, it would seem likely that a council's view on the level of political awareness concerning decentralisation would be shaped by the words and deeds of its local Member (as reported in newspapers and speeches etc.) rather than by a critical survey of the views of Members generally as indicated, say, in Hansard.

This being the case, it is surprising indeed that Mr. Taylor (Temora) should feel that "on a State level there is acute political awareness of decentralisation amongst Members" and be fully supported in this view by Mr. Chaffey (Tamworth). Mr. Fisher (Upper Hunter) was only slightly less inclined to agree in that he felt that there was, at least, growing political awareness amongst Members. Minister for Public Works, Davis Hughes, too, felt that there is "a very keen awareness of decentralisation among members of the Government" - implying, I presume, that there is not among members of the Opposition.

Liberal Members of the coalition generally supported the views expressed by Country Party respondents. These included Mr. Mason (Dubbo) who has criticised the attitudes of Members to the rural decline and the problems of centralisation on the floor of the Legislative Assembly:

"The remainder of the State in the same period experienced a population decrease That is the serious situation that I ask honourable members to consider. To ignore it or to treat it with flippancy as apparently even some members present in the House are now willing to do, can have only one inevitable result." ¹.

However, perhaps more important is the fact that the Minister for Decentralisation and Development also shares the above opinion, based largely on the fact that:

"The time spent in debating matters which touch upon decentralisation and development in country regions would ensure a substantial awareness in this regard by all members." ².

So far, the impression is gained that Parliamentarians themselves consider that there is a widespread political awareness of decentralisation to a far greater extent than did the Councils questioned. However, two A.L.P. respondents took a different view. Mr. Day (Casino) felt that:

"There is no awareness of the most urgent need for massive decentralisation measures in Australia by politicians generally." ³.

It was left to Mr. Sheahan (Burrinjuck) though, to voice an opinion, which I believe to be fairly close to the truth. He stated that decentralisation:

"Has become a political football and nobody can tell in which direction the ball will land when kicked by so many who proclaim their dedication to this philosophy". ⁴.

So, overall, it is plain that apart from some

1. N.S.W. P.D., 5 August, 1971, p95.

2. Personal letter, 29 September, 1971, Appendix 5(b).

3. Personal letter, 17 August, 1971, Appendix 5(c).

4. Personal letter, 30 July, 1971, Appendix 5(d).

dissenting respondents the general view amongst these M.L.A.'s about their own and their colleagues awareness of the need for decentralisation seems to be somewhat at odds with that expressed by the respondent Councils.

Now, if we assume that M.L.A.'s know what the level of awareness is and accept the majority view that awareness is satisfactory, why were councils so inclined to think otherwise? I think the answer lies firstly in the fact that communications between Parliament and councils are not good anyway, except through the efforts (or otherwise) of the local Member and secondly in the fact that the Government's decentralisation policy has been an overall failure to date and it has not been able to interest the Commonwealth in taking a more active part. Thus, as the metropolitan areas grow bigger it is quite easy for country councils to feel that the failure of decentralisation is due to the ignorance of city politicians. Also, of course, there is the fact that insofar as councils deal with the Department of Decentralisation and Development on decentralisation matters, its success or otherwise in individual cases will also be taken as a sign of political awareness. Finally, there is the point that probably, those M.L.A.'s who replied, placed a different connotation on the words "political awareness" than did the councils. Whereas a Member might well have interpreted the concept in the light of debates in the House, Party policies and general conversations, councils more than likely looked at it in terms of action. This then, is the problem, words are not being turned into action as councils well realise and as, I feel sure, do M.L.A.s if they would be honest with themselves.

The second question concerned whether or not Members' attitudes to the subject were determined along "party lines". With hindsight I can see where the question is probably irrelevant to some extent, since all Parties are committed to decentralisation of one kind or another and thus, any voting on the subject would be along "party lines" either for or against a particular motion. There are two points to consider here, of course:

- (a) that it is likely that a Member (of any Party) may privately disagree with a particular proposal and still vote for it or vice versa; and
- (b) with regard to the Government, where policy decisions are essentially Cabinet decisions, this would exert influence to a greater or lesser extent on Government Members' attitudes. Labor policy is, of course, a Caucus decision and even dissenters usually automatically vote with the majority decision.

I am inclined to the view that on general issues such as decentralisation, while attitudes would be individually determined - which was the consensus among the respondent M.L.A.s - voting would follow Party lines on policy grounds. However, on the specific issue of selective decentralisation, if it were ever introduced into the House, I would expect that individual attitudes to it might even override Party considerations and determine voting patterns, especially of those Government Members who were most confident of having a growth centre established within their own electorate.

The third question concerning selective decentralisation produced some rather startling results. The first was that the overwhelming majority of those who replied were in favour of the selective decentralisation / growth centre concept. Indeed there was a much more

positive acceptance than evidenced in the replies from councils, demonstrating once again the apparent lack of communication between the two levels of government. The opposition expressed to the concept (as outlined in the N.S.W. Development Corporation's report) by two A.L.P. Members is not of any great significance since it is based on condemnation of the Government's apparent attitude to it. Mr. Day, (Casino) probably summed it up when he criticised the report because:

- "a. It is totally inadequate in concept because the source of funding is restricted to the New South Wales Treasury and because of this
- b. It is politically impossible." ⁵.

At the same time, Mr. Renshaw (Castlereagh), rightly pointed out that the A.L.P. had already made selective decentralisation part of its policy (See Chapter 4) and had, in fact selected seven growth centres with the Bathurst/Orange region as the first to receive special assistance. He also pointed out that:

"in the meantime, for political reasons and naturally country parochial attitudes, no other Party has, as yet, made any definite statements".

Presumably, the other two A.L.P. members would, at least, agree with the A.L.P.'s official policy.

Of the Independents, Ald. H.C. Coates (Blue Mountains), a member of the Development Corporation, was, naturally enough, in complete agreement with it, while Mr. J.A. Lawson (Murray) had not read the Report on Selective Decentralisation when I interviewed him.

5. Personal letter, 17 August, 1971, Appendix 5(c)

However, the really interesting answers come from Government Members, who, as I stated above, overwhelmingly support the Report on Selective Decentralisation, with certain notable exceptions considered below. Mr. Mackie (Liberal, Albury) was most definite on the subject:

"In my belief selective decentralisation is the only answer".

At the same time, Mr. Fisher (Country Party, Upper Hunter) felt that "selective decentralisation must eventually be adopted". So it is evident that if this selection of Government M.L.A.'s is any guide there could well be a substantial number who are not only more favourably disposed towards selective decentralisation than are local councils but are also anticipating the introduction of a Government policy which, I believe, will never come about! This indicates a communication problem between Cabinet and Government backbenchers, for Mr. Davis Hughes (Armidale) clearly stated Cabinet's position:

"The Government is now aiming at decentralisation through regional development rather than a single growth centre in each region." ⁶.

If this is not sufficient indication of the Government's intentions then the remarks of Mr. Fuller which take the form of a consistent "no comment" (See Appendix 5(b)) - since the Report on Selective Decentralisation is still under "consideration" by Cabinet - surely tend to confirm this view.

Thus, Government backbenchers in country electorates are firmly in favour of selective decentralisation, while

6. Personal letter, 10 September, 1971, Appendix 5(e).

it is apparent that Cabinet is not. Day's ⁷. narrative of events at the Country Party's annual conference is indicative of pressures being applied at Cabinet level which are effectively by-passing backbenchers. Now, one wonders, why should there be such a "gulf" between Cabinet and back bench opinion?

The answer to this question should be looked at in conjunction with the reactions of Government M.L.A.'s to the question concerning the establishment of growth centres within their electorates. Surprisingly, the consensus of opinion was in favour of such establishment, although Mr. Singleton (Clarence), after agreeing with selective decentralisation in some cases, also felt that growth centres were not the answer and could be detrimental especially if one were not established in his electorate. I had, previously, thought that any survey might indicate that Government Members would be opposed to selective decentralisation and the growth centre concept because of possible repercussions from electorates if one town were chosen above others - and remember, that the State would probably only have the resources to properly develop one growth centre at a time. However, Mr. Mason (Dubbo) felt that this sort of suggestion was unreal and that any opposition within his own electorate:

"Would soon disappear in the face of the advantages that are apparent and would become more so when a growth centre was created". ⁸.

On the face of it, both selective decentralisation and growth centres appear to have been favourably received by Government backbenchers. However, the divergence of opinion between them and their Cabinet still needs to be

7. Day, loc. cit.

8. Personal letter, 10 August, 1971, Appendix 5(£)

explained. Several reasons which suggest themselves are that:

- (a) it must always be remembered that politicians are politicians and are thus able to make statements at any particular time according to the advantage they see in it for themselves. Thus, what has been conveyed to me by backbench Government members is, probably, a personal opinion at this time and is no indication of how they would vote if the matter of selective decentralisation came to be debated in the House. In the final analysis, no matter what one's personal opinion, the attitudes of both the electorate at large and the Cabinet will have a great influence on one's vote and as I have mentioned above a vote on the subject of selective decentralisation could open a wide split in the Government ranks;
- (b) following from (a) it may well be that at this time, Government members who are favourably disposed towards the growth centre concept are under the impression that such a concept would have general electoral appeal, once voters realised the advantages. However, I feel that, if this is the case, they have misjudged country electoral opinion, which, if it is along the lines indicated by local councils, could be expected to react against the Member who was not granted a growth centre within his electorate. Despite what Mr. Mason may feel about this matter, I am firmly convinced that parochialism is very widespread throughout the State and many towns are prone to bickering as it is. A good example of this is Bathurst and Orange,

and it is well known that both these cities are very jealous of any advantage gained by the other in decentralisation. It is equally well known that Mr. Cutler has to be very careful in this regard. Thus, we have a situation where industries wishing to decentralise in the area are largely directed to Orange, while Government departments etc. are directed to Bathurst (hospitals, teachers' colleges etc.). I also offer the following comment from Lismore City Council which is self-explanatory:

"One of the greatest problems which has confronted the Region over the past twenty-five years has been inter-town jealousy. This has caused fierce competition for whatever crumbs may appear in the way of decentralised industries with the result that none of the competing towns has met with any marked success." 9.

- (c) it may be tacitly accepted by Members that no matter what the opinion in their own electorates, Cabinet is not going to raise the issue of selective decentralisation in any case, so there is no chance of having to "stand up and be counted". If the subject of selective decentralisation were under the active consideration of Cabinet, I feel sure that Member's views would have been phrased quite differently and would have taken the Cabinet line in order to hide any apparent split in Government ranks; or, conversely,
- (d) communications between Cabinet and Government backbenchers may be so poor that my respondents, in particular, may have the idea that Cabinet is planning to implement the recommendations of the "Report on Selective Decentralisation". I propose

9. Personal letter, 22 July, 1971, Appendix 3(b).

this on the perhaps rather tenuous evidence of the reply of a well known Country Party Member (whose name I cannot divulge) and who holds a "blue ribbon" Country Party seat. He opposed the Report's recommendations but requested me to regard his views as confidential on the basis that he was a backbencher and did not participate in Cabinet discussions. This implies to me, that he, at least, believes that Cabinet is in favour of the growth centre concept and is prepared to implement it. For reasons which I have made quite clear above, I do not feel that the available evidence supports this assumption; and

- (e) there is always the possibility that the Government Members who have come out in favour of selective decentralisation and growth centres are, more or less, a "rebel" group and do not form a majority of country Members let alone have any influence on the views of city Members.

The above represents possible reasons why respondent M.L.A.s seemed to favour a policy which I am sure the Government has no intention of implementing. Certain interesting facts pertaining to Cabinet Ministers and their views have also been highlighted by the correspondence exchanged.

First, looking at Minister for Public Works Davis Hughes (Armidale), we find that he has indicated that the Government is not considering implementing growth centres but rather is thinking along the lines of "regional development". Is it coincidental that Armidale Council has written that it also "does not agree with the provision and nurturing of selected growth centres within the State"?

Then, let us take the case of two other Country Party Ministers, Mr. Cutler (Orange) and Mr. Crawford (Barwon). Mr. Crawford readily admitted that selective decentralisation is probably "the only way to make any real impact on the problem" but also raised the matter of certain difficulties which could arise if a growth centre were actually selected within his electorate. Such difficulties could occur because the electorate contains two towns of similar size, Moree and Narrabri. Moree Council has indicated that it favours a policy of selective decentralisation and feels that "Moree's location would be in favour of its promotion as a growth centre". Although Narrabri Council has not yet replied to my letter I would presume that they, too, would feel similarly and, at least, would not wish to see Moree chosen as a growth centre at their expense. Mr. Cutler (who has not replied) shares a similar problem with Bathurst and Orange, although only Orange is in his electorate. However, whereas Bathurst Council is in favour of selective decentralisation, the reply from Orange Council indicated to me that they favour something along the lines of the "regional development" proposed by the Government.

In any case, the point I wish to make is that there are very good electoral reasons why the three Country Party Ministers mentioned above (out of five in the Cabinet) would be reluctant to vote in favour of selective decentralisation and growth centres. Mr. Fuller's statement,¹⁰ mentioned in the previous Chapter, adds emphasis and credibility to this contention.

10. Webb, loc. cit.

The final question asked of M.L.A.s concerned whether or not the Commonwealth Government should be granting more decentralisation assistance. The unanimous response from Members of all parties was that they definitely should be! The following is a list of ways suggested by Members, in which the Commonwealth could help:

1. by offsetting the disadvantages of communications costs (especially telephone trunk call charges) suffered by country industries. That there is such a cost disadvantage is borne out by the Report on Selective Decentralisation, which showed that:

"telephone charges, on the other hand, are likely to be higher in small urban centres because a higher proportion of telephone calls will be external calls to agents, suppliers and clients outside the town".¹¹

Indeed the Report further indicated that a survey of 87 companies located in the country showed that 91% considered extra telephone costs to be a major disadvantage, while 96% of metropolitan firms surveyed felt that it would be a disadvantage if they relocated in the country and continued to serve their present market. The Report also showed that at least 50% of country firms surveyed felt that telephone inconvenience was a major disadvantage (due to business loss resulting from delays and time restrictions). The Commonwealth Government has not really done much in this regard so far, except listen to requests from the States and various other bodies. The recently announced loss of \$1.6m by the Postmaster General's

11. Report on Selective Decentralisation, op. cit. p60

Department for the financial year 1970/71, together with the current economic position (as seen by the Government) and the increased telephone charges announced in the 1971 Federal Budget certainly do not indicate any early Commonwealth action to reduce telephone costs for country industries;

2. by granting greater tariff protection to decentralised industries. Nothing much need be said about this except that tariffs are supposedly to protect economic Australian industries which would be disadvantaged by competing with overseas firms on the open market. It is difficult to see in what ways a firm decentralising from the metropolitan to a country area would suffer any greater overseas competition. Indeed a realistic approach might well be to reduce tariffs on raw materials etc. which would be used by country firms in order to lower their production costs relative to those of city firms;
3. by ensuring the uniformity of fuel prices throughout the metropolitan and country areas. The Commonwealth Government has operated a system of subsidies to maintain country prices at a set figure above city prices, but any subsidy system is somewhat unwieldy and it is difficult to see how it could be extended;
4. by granting taxation incentives to country industries. This, of course, would be a very great step forward in the cause of influencing city based industrialists to decentralise. However, it is most unlikely for two reasons:
 - (a) the Government has only, in the last Budget, increased personal taxation and discontinued investment allowances;

(b) the Government has not been keen to grant taxation reductions anyway after the small amount of success they had when introduced to the Northern Territory. Mr. Sinclair,^{12.} who was Minister for Social Services and representing the Commonwealth at a decentralisation seminar in October, 1965, made this point and the same situation would still apply.

In any case, the Commonwealth has recently ceded the right to impose payroll taxes to the States and I am of the opinion that if the N.S.W. Government were to grant concessions in this respect, progress could be achieved. Naturally, to be successful even these reductions would have to be centred around selected areas and thus, it is probably too much to expect that the Government will act;

5. by decentralising Commonwealth Government departments to a far greater extent than is the case at present. The State Government has at last woken up to the great advantages which would accrue from an intelligent policy of decentralising its own administration. One has only to look at Canberra to see the results of "concentrated" departmental decentralisation and it is feasible that if political considerations could be put aside, many of the Commonwealth and State departments now in Sydney could successfully be decentralised throughout a small number of selected centres.

The above represents the most important ideas proposed by the M.L.A.s in their replies and I do not really feel that

12. Department of Decentralisation and Development, Regional Development Newsletter, (Sydney, November, 1965), p7.

they showed much foresight except for the ones concerning tax incentives and (decentralisation of) departmental administration. The only way to prevent the recurrence of the present piecemeal approach, from an economic viewpoint, anyway, is to "pressure" the Commonwealth Government into giving direct decentralisation grants earmarked especially for that purpose and quite separate from the general run of loan funds. In this regard, Mr. Davis Hughes remarked in his letter that the Country Party had indicated in its policy speech prior to the last Federal elections that it wished to create a special source of finance specifically to help establish industry in the country. In the same letter, Mr. Hughes, with rare insight, stated that "decentralisation will never become a wholly effective reality until it becomes generally accepted as a national policy". I agree wholeheartedly with this, but I doubt very much whether the Country Party's best intentions will become reality under the present coalition.

As mentioned at the beginning of this thesis, in August, 1945, a combined State/Federal Minister's Conference in Canberra determined guidelines for joint action in matters of regional development and decentralisation. However, since the Liberal-Country Party coalition came to office in 1949, it has been consistently maintained that regional development and decentralisation is purely a State matter and it is not up to the Commonwealth to grant separate finance for this purpose. Brown recounts that throughout the 1950's and early 1960's:

"Refusals of direct assistance were generally accompanied by an outline of the Commonwealth efforts to achieve a more balanced growth and distribution of industry and population in

Australia through the expenditure of large sums on development projects such as beef roads, assistance to goldmining and the search for oil." 13.

History will surely recall that the major distribution success of this policy was in profits to overseas interests!

Other notable Commonwealth "achievements" occurred after the results of the 1961 Census showed that the drift to the cities was accelerating and as a result N.S.W. along with Ministers from other States were granted a round of consultations by Mr. McEwen, with the result that agreement was reached that the Commonwealth would discuss some of the major issues at professional officer level. The States also proposed that a Commonwealth Advisory Commission on Decentralisation be set up, but Prime Minister Menzies rejected this out of hand. With this slight encouragement, at least, the New South Wales Labor Government intensified its political activity as was evidenced by the speech in the Legislative Assembly of Mr. Nott (A.L.P. Mudgee, now Burrendong) in which he urged the Commonwealth to "honour the principles of joint responsibility" and also made other suggestions for Commonwealth involvement in decentralisation. 14.

However, with the election of the N.S.W. Liberal-Country Party Government in May, 1965, efforts to "pressure" and embarrass the Commonwealth ceased. Since that time there has been a notable lack of initiative by either the N.S.W. or Commonwealth Governments to return to the acceptance of joint responsibility as outlined in that Conference so many

13. Brown, Decentralisation, p1

14. See N.S.W. P.D., 22 September, 1964, p755-756

years ago. Indeed the only indications of joint Commonwealth/State involvement are the so-called "Private Costs Study" and "Public Costs Study" which were undertaken by N.S.W. and Victoria as a result of the first meeting of the Commonwealth - State Officials Committee (mentioned above) immediately preceding the 1965 N.S.W. elections. The studies have now been completed and it is to be hoped that whatever results they may show, the Government will act more decisively than it has in the case of the "Report On Selective Decentralisation".

While the Commonwealth Government continues to do nothing, the Federal Labor Party has indicated that it, at least, is aware of its responsibilities with regard to decentralisation. Out of the last Federal Conference in Launceston there emerged a new policy of contributing \$1 for each \$1 spent by the States on decentralisation. Thus, if a Labor Government had been in power in Australia, the N.S.W. State Government's expenditure on decentralisation of around \$5.7m in 1970/71 would have been raised to \$11.4m. Although even \$11.4m is a mere drop in the bucket compared with what is needed, it would, at least, have been more effective in its purpose than \$5.7m.

This rather lengthy Chapter has served to highlight the views regarding decentralisation held by a cross-section of country M.L.A.s. The interesting point has emerged that they were, generally, more firmly of the opinion that political awareness was widespread than were the respondent Councils, but this could well reflect an allegiance to the Parliament and a subjective assessment based on personal conversation and the frequency of debate. The matter of frequency of debate in the House will be examined in the next Chapter. However, I am more inclined to the view that there is not, as yet, a full awareness

amongst M.L.A.s of the full import of a determined decentralisation policy and further, I feel that this lack of awareness is one major factor which is working against the implementation of such a policy. It is apparent that those who consider themselves to be "aware" of decentralisation and the advantages of selective decentralisation do so out of their own convictions and this shows that they have, at least, taken the trouble to examine the subject and draw their own conclusions. However, I hasten to add that this "awareness" is not likely to be reflected in a vote against any Cabinet decision on decentralisation, if it appears likely that electoral support could be lost. On the other hand if certain Government Members could see electoral advantages it is quite possible that they would support selective decentralisation despite Cabinet's view, if a vote were taken. Although there was a strong feeling that electoral support would not be lost if growth centres were established, on the basis that people are not really all that parochial and would change their attitudes once the advantages became apparent, I feel that replies received from some M.L.A.s and Councils indicate the contrary view. Indeed, I have no doubt that the fear of electoral reprisals is yet another factor operating against the implementation of the New South Wales Development Corporation's recommendations. One fact that both respondent Councils and M.L.A.s were agreed on was that the Commonwealth Government is not doing nearly enough to help the cause of decentralisation. It is true that money has been spent on Northern Development, the Snowy Mountains Hydro-Electric Scheme and works undertaken by the River Murray Commission. It is also true that a wide range of

assistance has been given to rural industry. However, for all this aid, the results in terms of reversing the decline of country areas have been negligible. Both the Federal A.L.P. and the Federal Country Party have ideas about direct assistance for decentralisation purposes, but one finds it hard to believe that the Country Party's ideas will come to fruition if the coalition continues along the path it has taken since 1949, i.e. thrusting the responsibility for decentralisation squarely on the shoulders of the states.

DEBATE IN THE PARLIAMENT ON DECENTRALISATION

It emerged from the previous Chapter that those M.L.A.s who answered my letters were of the opinion that awareness of the need for and implication of decentralisation was fairly widespread amongst their colleagues. However, of course, if this were accepted, then it would be very difficult to adequately explain why a more active decentralisation policy has not been followed, especially since the 1965 State elections. Thus, given the present state of "activity" in decentralisation in N.S.W., I decided to take a look at the level of awareness in general, as reflected in Parliamentary debates since the 1965 State elections and especially since the Report on Selective Decentralisation was released. To do this I extracted from the index to "N.S.W. Parliamentary Debates" a list of all speakers on the topic of decentralisation since the elections and the results are reflected in Appendices 6(a) - 6(f). Not only the actual speakers are indicated, but information is also supplied about the Party, electorate and speech content of each individual speaker. I have relied largely on the skill of the compilers of the index in categorising these speeches and thus I am, perhaps, open to some criticism. However, the enormity of the task of reading each speech thoroughly and the fact that this is not, by any means, an empirical study, made it apparent that this method was adequate for my purposes.

The first piece of information which interested me was the number of speakers on the topic, their respective Parties and their electorates. For the time being I am only interested in debates occurring before the release of the N.S.W. Development Corporation's Report and a summary of

the results from this period appears below in Table 5.

Table 5 Number of Speakers on Decentralisation (Both Houses)

Party	Session				Total
	1965/66	1966/67	1967/68	1968/69	
Lib.	10	11	8	11	40
C.P.	7	6	11	5	29
Ind.	1		2		3
A.L.P.	11	5	6	7	29
Total	29	22	27	23	101
Country*	16	10	17	12	55
City	13	12	10	11	46

* Areas outside of Sydney, Wollongong, Newcastle and Gosford/Wyong.

An average of 25 speakers per session is indicated by the Table. When it is considered that most Members rarely speak on any subject, this number seems reasonably good. Perhaps more surprising is the fact that the number of speakers from city electorates or with city interests is not all that far short of the number from country electorates, which could indicate either a greater than expected awareness by city Members or a relatively lower level of awareness by country Members. However, I hesitate to draw any firm conclusions from this for two reasons. First, it seems to be generally true that those Members who show sufficient interest on one subject are those who are most interested in Parliamentary affairs and debate anyway. Thus, there is a "core" of Members who will speak on a variety of subjects at each and every Session. Secondly, there is the problem of attributing equal awareness to every speaker who happened to mention some aspect of decentralisation. Thus, the level of awareness might more accurately be measured by the subject matter of speeches rather than the actual number. Once again using the material extracted from the "N.S.W. Parliamentary

Debates" Index, I was able to compile a rough index of speeches according to subject matter as shown in Table 6. In this regard, I was especially interested to learn what proportion of speeches made in the Parliament were "parochial" (i.e. concerning a member's own electorate specifically) and what proportion were based on State or national considerations (i.e. concerning the more general and widespread implications of decentralisation policy, new towns, new states, Development Corporation, Commonwealth role, etc.)

Table 6

Form of Speech	1965/66	1966/67	1967/68	1968/69	Total
Address in reply	21	13	18	6	58
Adjournment	1	--	--	1	2
Budget; Estimates	16	8	8	14	46
Question	2	4	8	6	20
Other	1	--	1	2	4
Total	41	25	35	29	130

The Table shows that the 101 speakers in both Houses made some 130 separate speeches on the subject of decentralisation during the period under view. Nearly 50% of these (58) were made during the address-in-reply debate which begins each Session and it has been my observation that such speeches are generally "parochial" in nature. Indeed, I was only able to detect ten address-in-reply speeches which dealt with more general decentralisation topics such as New States, Commonwealth role and the Development Corporation, for example. Most country M.L.A.'s, insofar as they mentioned decentralisation at all, did so with specific reference to their own electorates, which, in itself is not a sin, since they are, after all, dependent on votes for their political survival. However, a cursory reading of selected speeches tended to give the impression that they were not really concerned with

decentralisation as an issue except as it applied to the speakers' electorates and it is this attitude, I am sure, that has been so effective in fostering the continuation of policies of dispersed decentralisation even where contrary evidence has proven it to be ineffective.

It must be remembered that long before 1969 and the New South Wales Development Corporation's report, economists such as Dr. G.M. Neutze had already been advocating the case for "concentrated" or "selective" decentralisation, while the experience of Canberra and overseas countries was also demonstrating the advantages of this concept. Thus, even at that time, for the person really involved in decentralisation, there was substantial evidence to support a different approach to decentralisation. But, parochialism, then, as now, prevailed.

It became obvious during my reading of Parliamentary debates that the only times when Members showed any willingness at all to express themselves on wider decentralisation issues were during debates on the budget and loan estimates. Questions, both with and without notice also provided some degree of relief from parochialism. However, I must make it clear that even in these areas, the rule was for speeches to be aimed at defending or criticising Government decentralisation policy and loan allocations for the Department of Decentralisation and Development. Such speeches were essentially political in nature and with few exceptions did not do much to expand on wider concepts of decentralisation. There were exceptions, however, and it was pleasing to note that some Members were debating issues such as Commonwealth assistance, taxation zones, the work of the Murray Valley Development League, Regional Development Committees and the importance of road taxes in a decentralisation policy. However, I was only able to find less than 20 speeches in

the period which, on the face of it, appeared to be concerned with overall decentralisation policies. Perhaps the most frequently raised topic was that of Commonwealth financial assistance (or the lack of it) and it was interesting that several Members, from all Parties, had quite strong views on what the Commonwealth's role should be, albeit not nearly so explicit as Mr. L. Nott's speech "milestone", on 29th September, 1964¹. which was strongly critical of the Commonwealth's attitude and advocated a return to the principles of joint responsibility agreed upon at the 1945 Commonwealth/State Ministers' Conference.

Of greater relevance to this thesis are the Parliamentary Sessions coming after the release of the Report on Selective Decentralisation. An examination of Appendices 6(e) and 6(f) reveals that between 6/8/69 and 29/9/71, the latest period for which details are readily available at the time of writing, some 41 Members of both Houses spoke on the subject of decentralisation in one way or another. In line with previous experience, the period saw the return of the "same old faces", often to make the "same old speeches". However, one fact which immediately emerges from the summary of speakers is that there were also many new speakers. Although this would be largely due to an influx of new Members (to both Houses) because of by-elections and the 1968 and 1971 State elections, I also suggest that perhaps the Report on Selective Decentralisation itself played some part in this. There is no direct evidence to suggest this, since the Report itself was only mentioned a few times during the period, and as far as I am able to determine, not before October, 1969. However, it would

1. N.S.W. P.D., 22 September, 1964, p755 et.seq.

appear that with the Government "considering" the Report's recommendations, there was renewed interest amongst Members in trying to place the principal towns in their own electorates in a favourable light. This is, of course, only to be expected, since the Report itself had already received a great deal of comment both favourable and unfavourable at the local government level within country electorates. In October, 1969, Mr. Wotton (Burrendong), whose electorate had Mudgee as its major town, made a "pioneering" speech when he alluded to the growth centre concept in the following terms:

"I note from the report of the Development Corporation, a suggestion that growth centres should be built in various regions of our State. I sincerely hope that at least one centre will become a reality, and that the Government will have the courage to endeavour to expand at least one of these centres in this way." ².

He went on, referring to Wagga Wagga and Tamworth, both outside his electorate, that "it would be in the interests of New South Wales if at least one of them were developed as a growth centre." ³. One might have been forgiven for thinking that this speech was only the first in a line of speeches on the topic from both parties. However, my research indicates that the subject of growth centres and the Development Corporation's report was not mentioned again until August, 1971 and then by an A.L.P. Member of the Legislative Council. This was the Hon. L.D. Serisier who is playing a decisive part in determining the A.L.P.'s policy on the subject of selective decentralisation. On the eve of the 1971 State

2. *ibid.* 23 October, 1969, p1883.

3. *ibid.*

Election, the A.L.P. was increasingly critical of the Government's inaction on this issue, since there was an obvious chance to make political capital out of it. What part, if any, the A.L.P.'s proposals on selective decentralisation played in reducing the Country Party vote, is difficult to say. However, is it coincidental that the Bathurst/Orange region was nominated as the first growth centre and that Mr. Cutler (Orange) had his normally quite adequate majority severely reduced? The fact that Mr. Serisier, himself, lives at Orange is also significant, since it was he who influenced the selection of the A.L.P.'s growth centres. Indeed, Mr. Serisier has emerged as something of a "spear-head" in Labor's attack on the Government over its attitude to selective decentralisation and refusal to disclose specific details of decentralisation assistance granted. Being a Member of the Legislative Council he is in a perfect position to "tackle" the Minister for Decentralisation and Development, the Hon. J.B. Fuller.

The first "shot" in Labor's campaign appears to have been fired on 25/11/70, when Mr. Serisier received the answer to a printed question requesting detailed information on assistance granted to "failed" industries since May, 1965. On this occasion, Mr. Fuller, as part of his answer, threw up the usual "smokescreen":

"I regret that I am unable to give more detailed information but I am sure the honourable Member will acknowledge that financial details, particularly where unfavourable to a company, could affect future activities of the individuals concerned".⁴

The very next day, another of Mr. Serisier's questions concerning the amount of assistance given to each

4. *ibid.* 25 November, 1970 p8295.

of 42 nominated shires, municipalities and cities was again partly answered by Mr. Fuller in similar fashion:

"The dissection of payments sought by the honourable Member does not conform with those maintained by my department. I am nevertheless pleased to advise of the total amounts that have been allocated since May, 1965 towards country industries within the aggregation of areas nominated by him".⁵

The most interesting part of this process of questioning was that the questions themselves followed on from an attack made on the Government the previous month in part of Mr. Hills' loan estimates speech concerning the Department of Decentralisation and Development's allocation:

"Recently a well prepared, glossy brochure that was issued by the Minister for Decentralisation and Development attempted to indicate to the people that the department and the Government have been doing much to assist decentralisation and development. One would expect to find in this brochure details of the industries that have been helped by the Government."⁶

Indeed, as things stand at the moment, officers of the Department of Decentralisation and Development have actually been instructed that they are not to suggest any particular area to intending decentralising industrialists but merely to help where possible once the location has been chosen. This was conveyed to me by an officer of that Department, whose name I cannot mention, along with the fact that instructions have also been given not to disclose the details of financial assistance given to individual firms or towns because it is too "political".

5. *ibid.* 26 November, 1970, p8438.

6. *ibid.* 20 October, 1970, p6756.

Foreshadowing what he was to say in his coming rural policy speech Mr. Hills continued:

"This brochure also mentions selective decentralisation. What a beautiful description. But one would like to know when the Government is going to make up its mind about selective decentralisation Let us face it; this political potato is too hot for the Government to handle it is not game to make up its mind where this type of development will take place ... The expenditure involved would run into hundreds of millions of dollars - certainly not the allocation of \$2,500,000 that is provided for in these Loan Estimates." 7.

The next round from the Labor Party's decentralisation "gun" was fired, once more by Mr. Serisier, in the Legislative Council on 5th August this year, when he asked the following question without notice:

"I ask the Minister for Decentralisation and Development whether the Government proposes to implement the whole or any of the recommendations contained in the Ferrier report on selective decentralisation. If it is the Government's intention to implement some only of them, which ones does it propose to implement?" 8.

Mr. Fuller replied:

"I am indeed pleased that members are reading the report of the Development Corporation At this stage I am not saying whether the Government is in a position to go ahead with the recommendations in

7. *ibid.*

8. *ibid.* 5 August, 1971, p42.

relation to growth centres It must be remembered that should any government decide to proceed with the growth centre concept, the growth of a particular centre will depend basically on the interest of industry within Australia to establish enterprises in that area." 9.

The implication behind this is that apart from any other reasons, the Government would be unlikely to select any centre which was not already proving popular with industry, since it is quite possible that to make the growth centre concept work, penalties on city location as well as inducements to country location may be required. Since it is unlikely that a large number of like minded industrialists will, all of a sudden, decide to move to a selected centre, one can read into Mr. Fuller's statement further evidence that this Government will not announce any growth centres. Free enterprise is to be carried to its most absurd lengths even if it kills the country areas which might benefit from selective decentralisation! In this regard, it is interesting that there are also those within the Department of Decentralisation and Development who disagree with the growth centre concept and feel that the wise decisions of industrialists will save the day. It was even suggested to me that Albury is, in fact, a growth centre and will achieve self-sustaining growth to reach a population of, say, 200,000 before 2000 AD - all without the Government having to do any more than it is doing now. While I cannot agree with this, I can agree that decentralisation at present depends on industrialists' choices - and if they continue to choose as they are now doing, decentralisation will continue to mean a move to an outer suburb of Sydney.

9. *ibid.*

This leads me to what, I feel, is probably one of the most original and constructive speeches on the subject of decentralisation made before Parliament. I refer to that made by Mr. Mason (Liberal, Dubbo) before the Legislative Assembly in August this year at approximately the same time that Mr. Serisier was questioning the Minister in the Legislative Council. This speech suggested the very thing that Mr. Fuller and his free enterprise colleagues fear the most:

"Perhaps the time has come for New South Wales to gather courage and take the most unpleasant step of telling the people of this State that urbanisation is a serious problem and must be combated by firm penalty measures We might have to impose harsh penalties on urban employers." 10.

If the Government was, by this time, taking quite a "hammering" on its approach to decentralisation, more was to follow in the form of Mr. Hills' loan estimates speech on 2nd November. He showed clearly where the Opposition stood on decentralisation relative to the Government:

"As a fundamental plank of our Party's rural policy at the February election, we proposed the immediate injection of \$10 million into a Selective Decentralisation Scheme

But now the need must surely be obvious even to this Government, and at least \$20 million must be immediately utilised for this purpose with a \$ for \$ subsidy from the Commonwealth.

The Federal Labor policy is for such a subsidy". 11.

10. *ibid.* p98.

11. P.D. Hills, "Loan Estimates Speech", 2 November, 1971, p8.

Although it is hard to be dogmatic on the question, I suggest that the above indicates that political awareness (except at Cabinet level) concerning decentralisation and its wider implications is not as satisfactory as certain M.L.A.s have suggested. Rather the evidence appears to reinforce the opinions expressed by Councils in an earlier Chapter and definitely reinforces my opinion of the topic of decentralisation as being no more than a "political football". Generally speaking, speeches on the subject were parochial in nature, although there did seem to be an awareness by quite a few speakers of the need for greater Commonwealth assistance. However, all too often, speeches took the "you didn't do it when you were in power, so why criticise us" form and no really constructive evidence was presented which may have stimulated the interest of the majority of Members who have never mentioned the subject (at least since 1965). The situation did not alter greatly in the Sessions after the release of the Report on Selective Decentralisation, with the notable exceptions of Mr. Mason's surprisingly frank speech and the soundly based criticisms by the Labor Party. Although the Labor Party's criticisms were obviously aimed at gaining political capital and were a continuation of the "political football" game, at least both they and the Federal Labor Party do have a policy on Selective Decentralisation and so there is some hope for the future if these policies can ever be implemented. However, one must be careful to point out that what is said in Opposition is not always exactly what is done in Government.

I am reminded, for example, of the motion of Mr. Hughes (Armidale) in October, 1960, which urged the then

Labor Government to set up a Development Corporation with "authority to act in implementing vigorous decentralisation and development within the State." ^{12.} Any resemblance to the suggested Development Corporation and that actually established by the Askin Government is, of course, purely coincidental.

12. N.S.W. Parliamentary Debates, 25 October, 1960, p1432.

CESSNOCK - THE BACKGROUND

Cessnock has had a varied history starting from very humble beginnings and reaching its greatest heights with the discovery and mining of coal. The coal industry is now in decline in the area and so is Cessnock although this would be hotly contested locally.

Cessnock is now part of the South Maitland Coalfield and depends on coal for a substantial part of its livelihood, although, admittedly not as much as in earlier days. However, Cessnock was not always a coal mining town. It began as a staging-post village, which "served as a local centre for a group of viticulturists who settled in the Pokolbin hills following the Robertson Land Act of 1861".¹ Cessnock grew very slowly and at the 1901 Census its population was only 165. However, this situation was to alter drastically.

In 1886, Professor Sir Edgeworth David, whilst on a geological survey of the area, discovered high grade gas coal at a workable depth at Swamp Creek, near Abermain, six miles from Cessnock. The first of the large mines began operating here in 1903 as Abermain No. 1 (smaller mines having been opened in the district as early as 1887). In any case, after Abermain No. 1 was opened, many others were established in quick succession. An idea of the growth in the number of collieries may be seen from Table 7.

Table 7Collieries Operating on the South Maitland Coalfield

<u>Colliery</u>	<u>Opened</u>	<u>Closed</u>
East Greta 1	1888	1929
East Greta 2	1896	1929
Stanford Greta No. 1 (later Stanford Methyr)	1898	n.a.
Stanford Greta No. 2 (later Pelaw Main)	1901	n.a.
Heddon Greta	1900	n.a.
Hebburn No. 1	1901	1958
Abermain No. 1	1903	1960

1. M.T. Daly, The Growth of Newcastle's Regional Influence, Hunter Valley Research Foundation Monograph No. 25, (Newcastle 1966), p.2.

<u>Colliery</u>	<u>Opened</u>	<u>Closed</u>
Aberdare	1904	1960
Neath	1906	1961
Aberdare Extended	1906	n.a.
*Bellbird	1908	
Abermain No. 2	1910	n.a.
Aberdare South	1910	1929
Glen Ayr	1914	n.a.
Aberdare Central	1914	1961
*Pelton	1916	
Cessnock	1917	n.a.
(later Cessnock No. 2)		
*Hebburn No. 2	1918	
Ayrefield No. 1	1920	n.a.
Glen Main	1920	n.a.
*Greta Main	1921	
(later Maitland Main)		
Cessnock No. 1	1922	1959
Stanford Main No. 2	1922	1961
Abermain No. 3	1923	1960
Hill End	1924	1935
Ayrefield No. 2	1924	n.a.
Elrington	1924	1962
Millfield	1924	1955
Abernock	1931	n.a.
*Aberdare North	1951	n.a.
Aberdare West	1954	n.a.
*Aberdare Seven	1957	
(previously part Aberdare Extended)		
*Aberdare East	n.a.	
*Ayrefield No. 3	n.a.	

* indicates mine still operating at 30/6/70.

Sources: J.W. Delaney, Brief History of The Railway Now Known as South Maitland Railways, (Cessnock, March 1968)
Joint Coal Board 23rd Annual Report 1969/70

The effect on Cessnock's population of course, was remarkable. The population of 165 at the 1901 Census increased to 3,957 in 1911 and continued on its upward trend in line with the continuing development of coal mining.

During Cessnock's halycon days and up to the second world war at least, there was an aura of prosperity and a feeling that "whatever other mines might close, whatever other fields might become worked out, the Greta seams would go on forever." ².

2. A. Walker, Coaltown, (Melbourne 1945) p. 3.

The promise of economic prosperity and security certainly had an alluring quality in attracting miners to the South Maitland field and Cessnock in particular. Walker mentions that, for example, local miners who had come from Great Britain would send their pay sheets home, not only to be passed around amongst relatives and friends but also to be reproduced sometimes in English newspapers. This was a great inducement to British miners to come to the Cessnock coalfields as was the active recruitment of Scottish miners by the Scottish Caledonian Company, which pioneered the mining of the Cessnock area. All these factors ensured a ready availability of miners for the South Maitland field in general and a rapid population growth in the Cessnock area in particular. Within a short time of the establishment of the first colliery, Cessnock had shown rapid growth and, more importantly from the point of view of its future development and present difficulties, had almost completely supplanted its previous role of service centre with one of industrial town of national importance. It was indeed a one-industry town!

A major event with long term consequences in Cessnock's history was what is known as the "lock-out" of 1929/30 (or "strike" if you take the mine owners' viewpoint). Briefly, the incident occurred in the context of a declining world demand for coal during the 1920's, which substantially reduced exports. On the home front, coal mining profits were also being squeezed by the increasing use of oil for domestic purposes. As a result the owners sought to reduce production costs by demanding that the unions accept a reduction in pay of 12.5% as well as certain variations in working conditions. The miners refused to accept such proposals and, consequently, 8,500 men were dismissed in February, 1929. The dispute lasted some sixteen months, the longest ever in the district and had widespread immediate social and economic effects. Walker comments that it:

"Deepened immeasurably the antagonisms separating masters and men (and) also ruined many of the business houses within the town, and swallowed the savings of the thrifty members of the community making many lose heart to an extent that has permanently changed their relationships with Australian society as a whole".³.

The dispute took on the nature of a long and sometimes violent test of strength between the unions and the mine owners. An example was in December 1929 when the State Government attempted to work a local mine with non-union labour. According to Walker, "Cessnock immediately organised its protests and five thousand men marched from the town to picket the mine". In the ensuing clash with police many of the combatants were wounded by gunfire and one miner was killed. Another physical struggle occurred several days later, but no one was seriously injured on that occasion. An idea of the impact caused by this event is given by the fact that, even today, the killing of the miner and the actions of the owners and police is spoken of with some bitterness by people who were then only children. Indeed I have been told several stories of how groups of police hunted miners from house to house and beat them up as they found them. With the considerable odds stacked heavily against them, the miners decided to accept the wage reductions and altered employment conditions and went back to work in May, 1930. Perhaps the best statement of what the dispute meant to the local people is given in this comment made by a miner in Walker's book:

"Before the 'lock-out' we thought the immensity

3. *ibid* p.8.

of the coal deposits meant permanent security for us all. We then saw that Cessnock was gone for ever. It spoilt all our ideas of optimism and security. We all know now that things will slump again." 4.

This comment was one of great insight, for by the time the 'lock-out' had ended the world economic depression was well advanced and Cessnock, because of its dependence on coal was hit very badly indeed. By 1933, employment in the coal mines of New South Wales had fallen from 22,370 to 12,910. Although Cessnock was not alone in suffering the depression it was worse affected than most areas because of its dependence on coal. In addition, although most areas had recovered by the Second World War, Cessnock had not, even though the demand for coal was booming once more. There was, in Cessnock, what may be termed a "depression" psychology, which continued throughout the bad years of the 1950's and early 1960's. Cessnock is thus unique in that it was probably one of the first areas to be hit by the depression and the last to recover. This is precisely because of its dependence on the declining coal industry, which led to massive unemployment during the late 1950's and early 1960's and is still a problem today. The "depression psychology" lingered amongst the older miners because not only had they been through the depression years, but they had also been the people most affected by the large-scale unemployment in the area. Whereas younger workers were able to move away from the area to seek other jobs, they had to remain because of home and family commitments. It must be remembered that land values in

4. *ibid* p. 9.

Cessnock until this year were virtually the same as they were in the depression and thus, displaced miners could ill afford to sell up at prices which would be insufficient to gain a reasonable equity in a house elsewhere. The older miners also had the problem that they were unskilled for industries offering comparable wages and were too old to be retrained. Thus, they stayed in Cessnock and the "depression psychology" stayed with them. It has been said with reference to Cessnock that:

"Here the Depression came first and stayed the longest, resting on a strata of bitter industrial strife." 5.

By 1961, there were about 2,300 unemployed in Cessnock and the coal industry has declined even further since then. Local pits now employ only about 1,000 men (compared with 6,000 or so in the 1950's). However, the unemployment situation is not nearly so bad now due to:

"Massive injections of Government money for roads, buildings, drainage and other relief works, and by an aggressive council policy of attracting new industries, such as the big Alcan aluminium smelter". 6.

It is also noticeable that, with the upsurge in local employment and the return of some people who had left in the years of massive unemployment, the "depression psychology" has largely disappeared. Cessnock's current and immediate problems centre around maintaining its present position and hoping that the few remaining pits do not close in the near future. There is already a rumour that an existing pit may close before Christmas, since a number of

5. Alan Farrelly, "The Valley Towns", in Newcastle Morning Herald and Miners' Advocate, 25th September, 1971, p. 7.

6. *ibid*

men have recently been retrenched, and this is causing a great deal of concern. The relatively poor financial position of the Council is also of some concern at present, but there are indications that relief from payment of contributions towards main roads, benefits from the new payroll tax and a general increase in rate revenue (due to more realistic valuations by the Valuer General's Department) will ease this in coming years. However, there is no doubt that Council's problems will be hard to overcome, having as it does the largest municipality by area in the State.

Cessnock today, is thus, much different to the Cessnock of the great mining days. It has the appearance of a depressed area, the State Government recognises it as a depressed area (for purposes of the Country Industries Assistance Fund) and some of the older inhabitant's retain a "depression psychology". Perhaps the best indication of how the City appears to the casual observer is given in this description from the "Newcastle Herald and Miners' Advocate":

"... only a couple of hundred yards from the Town Hall are the decaying remnants of the old Aberdare Extended Colliery. Hundreds of acres just off the main street are vacant, except for rusting rails, derelict ramps, broken machinery, and a pitiless wasteland of what was once an open cut development." ⁷.

This description is at the heart of Cessnock's problems - coal is no longer King!

It is very easy to group Cessnock with other country towns in New South Wales under the heading of "declining", but this is incorrect, for Cessnock is a town (city) apart. The differences are numerous, but some of the more important ones are:

7. ibid

- (a) during Cessnock's history, its role has changed from a small rural service centre to a large industrial centre, once prosperous, now declining. Most other declining towns in the State are small and are, basically, rural **service** centres as they always have been;
- (b) whereas most country towns are declining due to the rural crisis and consequent population drift, Cessnock's rural district is quite sound (especially winegrowing). Cessnock's population losses have come as a result of mine closures;
- (c) Cessnock already has an industrial outlook and industrially structured workforce, where other country areas do not;
- (d) because of its size and past history, Cessnock has some institutions and services that smaller towns lack, e.g. technical college, chain stores, railhead (virtually abandoned apart from two poorly timed and patronised rail services per day) modern hospitals and airport;
- (e) Cessnock has to compete more or less directly with Newcastle (less than 40 miles away) not only for retail trade but for new industry etc.. For most other country towns the metropolitan regions are a distant "menace". However, a reasonable percentage of Cessnock's local work force commutes to Newcastle and suburbs each day. Other nearby industrial centres such as Kurri Kurri and Maitland also get their share of commuters. A study carried out by the Hunter Valley Research Foundation in 1968 showed that about 29% of the householders in Cessnock had their workplace outside Cessnock itself (If Kurri Kurri is ignored this percentage is 25%). 8.

8. D.M. Saunders, Town And District In The Hunter Valley Region, Hunter Valley Research Foundation Monograph No. 29, (Newcastle, 1968) Table IX.

- (f) since Cessnock is the biggest municipality in the State in terms of area, its local government problems are probably greater than those of smaller urban councils. The effects of the depression and post-war mining decline, from which land values have only now recovered, has accentuated these problems in that rate revenue has not really been adequate to provide acceptable services, particularly sewerage, throughout the entire area. However, it must be admitted that services centralised in the town itself, e.g. library, baby health centre, swimming pool, are second to none. Another problem facing the Council at present is that much of Cessnock's recovery has been due to direct Government spending e.g. Motor Registry, two hospitals, detention centre for boys and a State gaol (currently under construction). Although this has meant an increase in local employment opportunities, it has also meant a decrease in possible rate revenue, since Government institutions pay no rates. All Councils face this problem, of course, but I feel that it is especially important to Cessnock at its present stage of development (or stagnation if you like);
- (g) Cessnock is not a very attractive choice (for the present Government at least) as a venue for large scale decentralisation. It is a Labor stronghold and within Newcastle's sphere of influence more and more each day. I spoke with Alderman Bob Brown, a past Mayor and teacher at Kurri High School, and he was of the opinion that Cessnock was destined to become a dormitory suburb of Newcastle. This possibility also seems likely to me if the extent of industrial decentralisation continues along its present lines. A recent report in a local paper indicated that the Mayor is very

concerned at present that the Department of Decentralisation and Development has more or less ignored the area for the past two years. However, since this statement was made around local election time, it is not necessarily indicative that Council will take any positive action. Indeed, my talk with Alderman Brown convinced me that Council is more or less resolved to the unlikelihood of any constructive moves by the present State Government, having had certain proposals with regard to the acquisition of further industrial land turned down.

Some of the reasons why Cessnock is different to the run of the mill country towns in its problems have been outlined above. Despite these differences I have chosen Cessnock as a case study, partly because it was an early example of rural decline and partly because it has had a turbulent, but interesting, political history. Finally, it is an appropriate subject for investigation, since decentralisation has been actively pursued by local inhabitants and organisations as a solution to the mining decline and the large scale unemployment which it caused. A result of Cessnock's striving for decentralised industry was that, for the first time in this State and possibly in Australia, a Government took positive steps to concentrate industry in a specific area as well as spending considerable sums itself on public services such as hospitals.

CHAPTER 8

CESSNOCK - A STUDY IN DECENTRALISATION

The previous Chapter outlined some reasons why Cessnock is different to other country towns and also made the point that it is now a City and a Municipality which can expect little future benefit from large-scale decentralisation even though it has certain advantages which could qualify it as a growth centre (which indeed it was when the coal market was expanding and both coal and profits were easily won). However, Cessnock's decline started after the Second World War and so did efforts to halt the decline. Cessnock's problem was then, and still is, replacing the mining industry with others capable of absorbing the unemployment generated by colliery closures and providing suitable employment for young people, especially females. But Cessnock's problems are somewhat unique because virtually from the first, when it was realised that coal was declining, decentralisation of industry to the area was seen as a solution. Indeed, throughout the fifties and early sixties, Cessnock and its people were most impressive in the way they fought for decentralisation of industry - a way which, I feel certain, has never been tried by any other N.S.W. town. Of course, when Cessnock's problems were beginning and throughout the fifties at least, what rural problems ~~existed~~ were considered to be only short term and country towns in general could see an unlimited future for themselves. Cessnock, however, could not; its problems were real and so were the solutions it sought.

After the boom years of the Second World War, it was realised that not only were markets for coal diminishing in the normal course of post-war re-adjustment, but it was also facing competition from a new power source - oil.

At the same time, of course, collieries were being opened in other areas of the state and supply was increasing. As the profit position of colliery owners worsened, the effect was relayed to the local community as pits began to close and a continuous union/employer struggle was started. However, it was not until the early 1950's that there was a full realisation of the possible future of the area and steps were taken to find remedies for the situation. The coal mining industry, being one of national importance had previously enjoyed the sympathetic understanding of the Commonwealth Government to a greater extent than perhaps any other industry. When the Joint Coal Board was set up after the Second World War it was invested with three statutory funds established under the authority of the Coal Industry Acts of the Commonwealth and New South Wales Parliaments. Of particular importance to the coalminer was (and still is) the Welfare Fund, the purpose of which "is to provide a means by which the Board can assist financially such projects as it considers will benefit the mineworker in the three fields of (a) his health and safety (b) his domestic welfare and (c) the welfare of the community in which he lives." ¹. The Fund was initiated in 1947 by a contribution of \$140,000 from the Commonwealth Government. Each year since then, both the Commonwealth and State Governments have contributed, the Commonwealth's contributions being greater until 1954, as shown in Table 8.

1. Joint Coal Board 23rd Annual Report, (Sydney, November 1970) p. 161.

Table 8, Government Contributions to Welfare Fund

Year Ended	Commonwealth Government	State Government
1947	140,000	
1948	103,000	103,000
1949	280,000	136,004
1950	560,000	140,000
1951	540,000	140,000
1952	516,400	140,000
1953	460,000	140,000
1954	182,400	140,000
1955-1958	140,000 each year	140,000 each year
1959-1961	120,000 each year	120,000 each year
1962-1963	100,000 each year	100,000 each year
1964-1965	90,000 each year	90,000 each year
1966-1967	70,000 each year	70,000 each year
1968-1970	65,000 each year	65,000 each year

Source: Joint Coal Board, 23rd Annual Report, Sydney
November, 1970 p. 163

Assistance from this fund was especially beneficial to Cessnock miners in the period of re-adjustment following the war. However, by the early 1950's, when Cessnock's problems were far from over, the Commonwealth's contribution to the Fund was falling until by 1955, it was only 25% of what it had been in 1950. This prompted Mr. J.W. Crook, State Member for Cessnock, to observe that as a result of the falling Commonwealth Government contribution "the (Joint Coal) Board has refused to pay grants-in-aid to local mining communities for the purpose of setting up amenities and maintaining their shires and municipalities in a reasonable condition." ². This situation continued as did the rising unemployment and Mr. Crook once more indicated his concern:

2. N.S.W. P.D., 26 August 1953, p. 317.

"If unemployment on the coalfields continues to increase at its present rate there will be a serious displacement of miners. If by-product industries were established there would be plenty of labour to operate them The solution is to set up other heavy industries in the coalmining districts. There is plenty of coal, water and labour. What more is needed?"³. But still no industry came.

By this time the idea of shifting new industries to the coalfields was beginning to receive wider support with the Council involving itself in the issue. By January, 1956 Council was discussing the formation of a committee to press for the establishment of a power station at Ellalong Lagoon, only a few miles from Cessnock. But this was not to be and the application was refused in August, 1957. The feeling at the time was that the power station idea had been vetoed by coal-mine owners, who could see the price for their coal falling even further if local demand were stimulated and closed pits reopened. Commenting on the refusal of the application, Alderman Blair of Cessnock Council stated that "if there is to be no power station in this area it will be because of the people who sell the coal."⁴. The already strained relations between the local miners and colliery owners were becoming more so and even the N.S.W. Labor Government was feeling the backlash of local opinion. At a public meeting in February 1956, for example, the following motion was carried:

"We in Cessnock demand more consideration from our Labor Government, otherwise new affiliations or

3. *ibid* 8 September, 1954 pp. 299-300

4. N.M.H., 1 August 1957, p. 12.

new parties must be sought We are treated this way because Cessnock is a safe Labor seat." 5.

There was no immediate response from the Government and the local employment situation continued to worsen, as a "lock-out" at the Bellbird colliery got under way. This "lock-out" was similar to others on the coalfields in that miners had been presented with a list of 24 proposed changes in their working conditions. Obviously, they could not agree and were given 7 days notice. This situation further worsened the relations between miners and owners and Mr. Crook probably summed up local feeling after the "lock-out" had been in progress for some 15 weeks when he laid the blame squarely on the company controlling the colliery, since "Because of its greed for profit, it has snatched the coal nearest the surface". 6.

As the unemployment situation worsened, there was a great deal of public agitation towards initiating a "self help" programme. The first manifestation of this was the setting up, in July, 1957 at a meeting convened by the Kurri Kurri Businessmens' Club, of a committee to seek the establishment of secondary industries at Kurri Kurri. This was the beginning of a campaign which, in the 1960's, was to achieve some success in decentralising industries and providing local employment. The second local "success" during this period was the offer by the Coal Conservation Fund of a £150,000 loan at 1% to establish a gasworks at Cessnock. The Council accepted this and also decided to request a further £250,000. Even though this was something of a breakthrough in the establishment of new local employment opportunities, nevertheless there was a lot of

5. ibid 21 February 1956, p. 4.

6. N.S.W. P.D. 30 May 1956, p. 205.

opposition. First of all there were those who thought that the money could be better spent elsewhere and argued that the establishment of such a service:

- (a) would use little coal unless very large and therefore create little employment;
- (b) would not mean an automatic move by secondary industry into the area, since most industries had switched to electricity; and
- (c) would not serve a great local demand, since people would not change from electricity to gas and therefore rates would rise in order to support an uneconomic utility.

The gasworks proposal was also held up when Caledonian Collieries Ltd. objected to the site chosen for it.

However, in November, 1957 a site was finally chosen at the junction of Aberdare Road and the main road between Cessnock and Kurri Kurri and the construction of the gasworks was commenced.

While these minor successes were being achieved there was increasing pressure being put on the N.S.W. Government, which by this time had realised that the situation on the Northern coalfields was critical and that local people were determined to exert pressure in order to alleviate it. In February, 1958, the Premier, Mr. Cahill promised that on a visit to the U.S. later in the year, he would tell of the advantages of establishing on the northern coalfields, however, he warned that despite pressure for the Government to set up industries on its own behalf (both inside and outside Parliament) this could not be done. The very next month, however, a deputation comprising delegates from the Miners' Federation, the Council, the Kurri-Kurri Advancement Committee and a committee appointed by the Cessnock A.L.P. Branch, visited

the Premier but with no concrete results. Four months later, a public meeting was held at which signatures were called for on a petition prepared by the Combined Unions' Committee urging the establishment of industries at Cessnock. The petition, which was to be given to the Premier at Cessnock, urged the Government to:

- (a) announce Wallis Creek as a definite site for a power station and begin construction as soon as possible;
- (b) announce definite steps for the establishment of factories as outlined in a report from the N.S.W. Institute of Technology. Briefly, this report favoured the setting up of chemical and coal by-product factories in the area and the question of the chemical works themselves had already been endorsed by the State Government and by Dr. Evatt, who had promised to include it in his election policy speech.

The unemployment situation continued to be serious and this was highlighted by the Newcastle Morning Herald of 13th August, 1958 which carried a notice announcing a ballot at the Cessnock office of the Commonwealth Employment Service to select 180 mineworkers for employment on the Charlestown sewerage scheme. Bearing in mind the unemployment situation as well as the fact that the poor state of local roads made it virtually impossible for out of work miners to commute elsewhere for employment, the Mayor and Deputy Mayor were appointed by Council to see the Premier in September, 1958 and discuss various suggestions for improving the unemployment situation. The suggestions included:

- (a) the construction of a flood free rail route between Minimbah and Morisset;

- (b) the development of construction work on the Kulnura Road;
- (c) the sewerage of Branxton;
- (d) the establishment of industries; and
- (e) the commencement of a water conservation programme at Congewai.

These suggestions were first to be discussed at a rally to be held at the Cessnock Sportsground. Once again pressure was being put on the Labor Government by solid Labor voters but this time something was done. In October, 1958 Minister for Local Government Renshaw promised the deputation that he would consider providing funds for the reconstruction of the Cessnock-Wollombi Road out of a grant made by the Commonwealth for the relief of unemployed miners. Thus, although no success had been met, as yet, with decentralising industries, at least steps were being taken to alleviate the high unemployment rate.

In 1959, it seemed as though all the public meetings, deputations and threats to find new Party affiliations had met with success, for the Premier announced approval for management consultants, Personnel Administration Pty. Ltd. to survey industrial opportunities in Cessnock. The Company's terms of reference included the tasks of:

1. defining industries capable of being sustained by Cessnock;
2. defining industries which could be sustained with Government and other assistance;
3. specifying the extent and form of assistance required;
4. recommending ways of implementing any recommendations; and
5. making any further recommendations considered desirable and associated with industrial promotion.

While the survey was being undertaken, however, the Council was far from inactive. After being advised by the Joint Coal Board that it had no funds to grant for the construction of a shorter route between Cessnock and Newcastle, since it could not vary the programme approved by the Minister for Highways, Council decided to go straight to the Federal Government. With this in mind, yet another meeting was held, this time at Cessnock Town Hall in June, 1959. The feeling of this meeting was that the problems of the northern coalfields were worthy of a State Parliamentary Select Committee investigation. With this in mind, resolutions were passed concerning matters worthy of consideration by such a committee, including: 7.

- (a) development of a coal based oil and chemical industry and the construction of a power station;
- (b) adequate assistance for decentralising industries;
- (c) relocation of existing road and rail links to suit Cessnock's needs;
- (d) an early start on planned works such as the Cessnock mental hospital and gaol;
- (e) the immediate construction of a road link from Cessnock to Newcastle;
- (f) investigation of the long run problems of the Hunter Valley and the need for establishing a power and fuel corporation along the lines of the Tennessee Valley Authority; and
- (g) the sending of a delegation to Canberra as soon as possible to seek assistance.

This was further evidence of the interest shown by local people in "self-help" through pressuring a Labor Government which was slowly taking steps to effect decentralisation

7. N.M.H. 26 June 1959, p. 3.

of industries to the coalfields. In April, 1960 for example, Mr. S. Angus of the Department of Industrial Development told a meeting of Cessnock Rotary that there was a good chance that two industries would be established locally. However, before this came to fruition, the results of the industrial survey commissioned by the Government the previous year were released. The Government could, perhaps, have used the survey as a guide to general decentralisation policies in the same way that the Report on Selective Decentralisation was intended to be used. However, such, apparently were the political pressures emanating from Cessnock, that it was considered wise to leave no doubt in anyone's mind that the survey was of Cessnock and for Cessnock. The first page of the survey itself made this point clear:

"Although the Survey deals specifically with the Cessnock area, it raises wider problems of industrial decentralisation. The particular difficulties of the coalfields require special treatment and hence the recommendations in this Report cannot be applied generally." 8.

The survey came to a number of general conclusions, all of which were not acceptable to local people:

1. the report made the rather obvious comment that there was both social and economic justification for attracting new industries to Cessnock, especially since its resources, both human and municipal, were under-utilised;
2. it was determined that industry selected its location according to at least 10 factors of varying importance. These factors were labour, markets, transport, raw

8. Personnel Administration P/L, Industrial Survey of the City of Greater Cessnock, (Sydney, October 1959) p. 1.

materials, availability and suitability of industrial site, water supply and waste disposal, linked industries, utility services, amenities and administrative costs. The survey was favourably impressed by the availability of labour in the Cessnock area and the facilities for training this work force (i.e. the Technical College). Other favourable factors included a good water supply and waste disposal facility and the ready availability of all sorts of recreational, cultural and educational facilities. It was also noticed that "the local costs of electricity and gas may be regarded as one of the site features and will with some industries have some bearing on location".⁹ The Cessnock area was also considered fortunate in having a plentiful supply of industrial land (especially at Kurri Kurri) and the survey commented that "much Crown Land is available and privately owned land is very moderately priced".¹⁰ The report also highlighted certain disadvantages of the area which would have proven most unattractive to industry and which would be hard to overcome. These included the barely adequate road system "linking" the area with Sydney and Newcastle and the consequent relative isolation as well as the increased administrative costs arising from the need to make trunk calls etc. This latter, of course, is still a very contentious issue and is one area in which it seems the Commonwealth Government could act decisively. In any case, after considering all the above factors, it was suggested that the best chance of success lay in attracting industries producing products which:

9. *ibid* p. 16.

10. *ibid* p. 13.

- (a) could be largely sold locally (including Newcastle);
 - (b) would satisfy a dispersed market (e.g. agricultural machinery);
 - (c) would not be too susceptible to fashion changes; and
 - (d) would require a minimum of after-sales service (unless the local factory was a branch of a Sydney company);
3. following from (2) it was decided that there were only 2 or 3 industries which could be economically sustainable in the area without requiring any great outside assistance. These were:
- (a) engineering machine shops especially in view of the ready market for this type of industry in the collieries. With this in mind, the Joy Manufacturing Company of Rosebery (who manufactured 90% of all colliery machinery at that time) was contacted with a view to establishing on the northern coalfields. However, although the Company was quite favourably disposed to the idea, they were reluctant to take any immediate action and so Cessnock missed out;
 - (b) brickworks, which could be Government operated if no private manufacturer were willing to establish; and
 - (c) cement works, since there were, at that time, none at all in the Newcastle region and the cost of delivery from Sydney was quite high;
4. despite (3) the survey also indicated that there was a range of industries which could be successfully established with outside assistance. These industries were footwear; garments; handbags; leathersgoods;

costume jewellery; utility crockery; hand tools; fountain pens; surgical dressings; cosmetics; rubber-wear; sewing machines; agricultural equipment; solid and corrugated cartons; prams and strollers; tubular furniture; garden furniture; confectionery; car batteries; kitchenware; lampshades and light fittings - and all had a number of things in common i.e.;

- (a) their output could be absorbed in the Newcastle area;
- (b) economic manufacture was possible on a small scale;
- (c) relatively little skilled labour was required;
- (d) transport charges would represent only a small percentage of total costs; and

5. Where assistance was to be given, the fundamental problem would be to find out the approximate limits set by State and Local Council finances. When assistance had been officially approved, a major publicity campaign should then be undertaken.

In addition to the above general conclusions, the survey also suggested that an "industrial foundation" be set up "as a community project addressed to the businessmen of the area".¹¹ The aims of such a foundation would include assisting the establishment of new industries and helping already established industries to expand.

The industrial survey was considered by Cessnock Council in April, 1960 and, as mentioned above, there were differing views on whether it was of any real value or not. The Mayor was quoted as saying that "the industrial foundation would prove to be the council".¹² He went on to make the point that there were no big industrialists on

11. *ibid* p. 50

12. N.M.H. 14 April 1960, p. 14.

the coalfields since those who controlled the collieries lived in the cities and were not very interested in the welfare of the local people anyway! The Miners' Federation also expressed its dissatisfaction with the report and although the newspapers of the day were not terribly clear as to the reasons, it is, perhaps, understandable when one remembers the effort which had been put into organising public meetings, deputations and petitions in order to pressure the Government into establishing local heavy industry using coal by-products. Nowhere in this survey were such industries mentioned and there was a great deal of local disillusionment since it was apparent that without such industries, the coal-mining sector would decline even further. It is conceivable that many people would also have felt personally "snubbed" by the Government which had already come out in support of the establishment of such coal consuming industries.¹³ However, what resentment there was did not last long for in August of 1960, the Premier (Mr. Heffron) announced plans to build a 200 employee factory extension for the Casben company which had already been operating at Weston for 14 years. Two months later, it was announced that another company, Eastern Industries Pty. Ltd. would establish at Cessnock. In a commendable spirit of co-operation, Caledonian Collieries Ltd. had made land available for the factory and the Cessnock Workers' Club had provided temporary premises in Vincent Street for the company. At the same time it was announced that two State owned mines and one private mine were to be opened to supply coal to the new Vales Point power station and displaced mineworkers in the Cessnock area were to be given first preference in the new jobs. The Mayor could well comment that "the outlook for Cessnock is as bright as ever".¹⁴

13. *ibid* 23 July 1958, p. 3

14. *ibid* 15 October 1960, p. 6

However, this statement was a little premature, for economic conditions deteriorated again and Cessnock's decentralisation hopes were severely affected by the Commonwealth Government's credit squeeze. Eastern Industries which had been loaned £35,000 by the State Government, was forced to abandon temporarily its factory plans due to a substantial fall in orders. The Member for Cessnock, Mr. G.H. Neilly, reflecting the concern felt in the community raised the matter in the Legislative Assembly, asking:

"Would the Premier, having in mind the decentralisation of industry in New South Wales, ask the Prime Minister to assist the textile industry so that this Government may implement its decentralisation programme".¹⁵

At the same time, the Council's works programme was also being severely affected as unemployment grants were cut from £317,000 to £217,000. Nevertheless, even with this reduced amount, a works programme to employ 80 men was suggested as follows: ¹⁶.

"Cessnock-Wollombi Road £91,000 (16 men for 8 months)"
Cessnock Drainage Works £54,000 (30 men for 9 months)"
Kurri Kurri Drainage Works £36,689 (17 men for
12 months)" and

Weston Drainage Works £35,311 (17 men for 12 months)".

With the unemployment level rising again and the local economy being badly hit there was a fall off in activity towards decentralisation, no doubt in the knowledge that there was very little industrial expansion anywhere, let alone in Cessnock. In the final months of 1961, there was widespread speculation that three more local mines, Aberdare Extended, Aberdare No. 7 and the Bridge's Hill

15. N.S.W. P.D. 13 September 1961, p.763.

16. N.M.H. 3 August 1961, p. 13.

workings at Cessnock would close, thus further accentuating the unemployment problem. This was partly another instance of ill-will between colliery and community, since permission had been given to Caledonian Collieries to work Bridge's Hill only after they had promised to open a new mine. However, with the Bridge's Hill workings to close, there was little hope of this promise being kept and the Mayor was prompted to comment that "Bridge's Hill was only a means of giving the company a breathing space". 17.

By early 1962, the Council was pressing for a special officer of the Commonwealth Unemployment Service in Newcastle to work in liaison with the Cessnock district officer and keep him informed of the job opportunities in Newcastle. It was becoming quite apparent that attempts to bring industry to Cessnock had not so far been successful and the only way to ease the local unemployment crisis was to find jobs for the men outside the coalfields. This preoccupation with unemployment problems was to continue for 2 years and it was not until the beginning of 1964 that the Council once more became fully involved with decentralisation. In January of that year the Mayor announced that the Kurri Kurri Industrial Estate of 80 acres, which had been purchased four months earlier with a £35,000 unemployment grant from the State Government, was almost ready for industry to take up options. The decision to purchase the land was a brave one for the Council to make, since the diversion of unemployment project money came in for some sharp criticism. However, the future benefits had seemed worth it to the Council and it could well be construed as a last desperate effort to make the decentralisation of industry to Cessnock a reality - something that the area had been fighting for since the

17. *ibid* 2 November 1961, p. 8.

end of the Second World War. With the Industrial Estate nearing completion companies were invited to take any amount of land up to the total 80 acres depending on the type of industry and the number of men it would employ. To overcome the legal problems surrounding the gift of the land, a fee of £1 in perpetuity was to be charged. Not only had the Council spent the £35,000 unemployment grant on purchasing the land, it had also raised an additional loan of £40,000 to develop it and connect it with the available services. Council also planned to provide a road link with Weston, giving some idea of the enormity of the commitment. However, the Council was confident that it had made the right decision and, indeed, the Mayors' pronouncement that "once we get one, many of our problems will be over other industries will follow"¹⁸. summed up the optimistic mood of that body. Within six months the first industry for the industrial estate was announced. In June, 1964 Mr. Renshaw announced that a loan of £40,000 at 4½%¹⁹ had been granted to enable Carapark Industries to shift their factory from Mayfield, a Newcastle suburb. Although this was not really decentralisation as we might like to think of it, it did create local jobs for some 80 persons and to this extent vindicated the State's action. Indeed, looked at objectively, the cost to the State of employing 80 local men was far less than the \$217,000 it had cost in 1961 to employ a similar number of men on public works. As more industries decentralised to the estate, this relative cost would fall even further and there is no doubt that with the high unemployment still existing in Cessnock at the time, the employment of even 80 men was a major achievement.

18. *ibid* 8 January 1964, p. 2

19. *ibid* 15 June 1964, p. 4

While the establishment of the first industry on the industrial estate was important, another event which was also of considerable importance to the community was the full development of the Elrington Engineering Works at Kearsley, just a few miles from Cessnock. The Elrington company had commenced building in 1963 without Government assistance on the site of the Elrington colliery which had closed in 1962. Its workforce of 73 was also a handy contribution towards lessening local unemployment, which, it must be remembered, was only declining very slowly from a level of about 2300 in 1962/63.

In February, 1965, another industry joined Carapark Industries Pty. Ltd. on the estate, in the form of stainless steel product manufacturers, A.E. Truscott and Sons, who had been given a Government loan of £52,000 at 4½%.²⁰ The reason why they were given the loan is, of course, confidential to the parties involved in negotiations at the time and probably will never be known. However, I would suggest that the closeness of the 1965 State elections and the fact that Cessnock Council was asking for further assistance in developing the Kurri Kurri estate, probably were motivating factors. The then Department of Industrial Development and Decentralisation was most positive in its efforts to direct industry to a chosen location such as Kurri Kurri (unlike the present situation where industrialists are never directed to one town in preference to another).

At this stage, it might be a good idea to have a look at the effectiveness of decentralisation in Cessnock and more particularly the effectiveness of the decentralisation campaign waged more or less continuously, both inside and outside Parliament since the early 1950's. The situation after the 1965 elections is, of course, another matter and will be considered below.

20. *ibid* 25 February 1965, p. 19.

The first point is that Cessnock held a rather unique political position relative to other country towns. Not only was it a force to be reckoned with in negotiations with the State Labor Government but it also was able to command a great deal of attention from the Federal Liberal-Country Party Government. One would be naive if one did not assume that any favours accorded Cessnock were given to gain political advantage. To my mind the political advantage was to be gained in not unduly upsetting the Miners' Federation which, as far as the Labor Party was concerned, ensured a continuing Party monopoly on the seat both in the Federal and State Parliaments and provided the sitting Members and for the Liberal-Country Party avoided the danger of a power struggle and drawn out strikes. The situation was bad enough in any case as pit after pit closed down, largely, I suspect due to the profit motives of colliery owners, and so the Commonwealth Government was most generous in its contributions to the Joint Coal Board's funds (until 1954 at least) and its provision of unemployment benefits and grants for the coalfields. Indeed, the then Minister for National Development, Senator Spooner, was always quite sympathetic towards the plight of the coalfields and always indicated that he was willing to do what he could to help in their rehabilitation.

However, it was at the State level that remarkable results were achieved. The efforts of the Members for Cessnock and Kurri Kurri in the Legislative Assembly must, at times, have come close to embarrassing the Government, as did the threats made at that meeting back in 1956, to seek new affiliations or new parties. While it is hardly feasible that the new party sought would have been the Liberal Country Party it is quite likely that there could have been a great deal of local support, at an election, for either a Communist Party or left wing Independent Labor

candidate. It must be remembered that although the sitting Member for Cessnock, Mr. Neilly, gained endorsement largely because he was able to prevent an outright Communist takeover of the Miners' Federation in his position as General Secretary, the Communist influence in the Federation was still very strong. The Government was also under pressure on several occasions from N.S.W. Annual Labor Party Conferences to nationalise the State's mines, while the Miners' Federation, too, had made it quite clear that this is what it wanted, although it was not willing to press the point so long as efforts were made to provide local employment for displaced miners. One could imagine that if the Labor Government had been less than responsive to local demands, a more politically militant Miners' Federation could have seriously embarrassed them. As it was, the Federation was one of the guiding hands in the demands for decentralised industries (especially those which used coal products) and this fact made a big impression on the Government. Often, in a "blue-ribbon" seat only the bare essentials necessary for maintaining electoral support are readily given. However, if one looks at the situation in Cessnock, where the Labor Government, apart from making substantial grants for unemployment relief works, also initiated the geriatric Hospital at Allandale, the gaol at Cessnock, the Yawarra Boys' Home at Kurri Kurri, provided over \$100,000 in loans to establish the first two industries on the industrial estate and raised no objection when a £35,000 relief grant was used to buy industrial land to be sold for £1 a lot to industry, then it is clear that all this represented much more than bare essentials. It was to the credit of the Council, the Miners' Federation and various other local bodies that they were able to unite and send deputations etc. to the Government. However, what made the difference was the potential threat from the Miners' Federation itself.

In the words of Mr. J. Harman, President of the Cessnock State Electoral Council of the Labor Party:

".... although we reside in a "blue ribbon" Labor seat, Labor has always faced up to its responsibilities and the community has benefited a great deal." ²¹.

In facing up to its responsibilities, the Labor Government in its decentralisation work around Cessnock could be said to have started a mini-programme of selective decentralisation with Cessnock as the growth centre!

By the end of May, 1965, the Newcastle Morning Herald reported that the full 80 acres on the industrial estate had been occupied and as well, Elrington Engineering had expanded with Government assistance. However, it appears from later reports that, in fact, only about 40/50 acres had been occupied and it was not until 1968 that the full 80 acres were taken. A revival in the demand for coal had caused a number of men to return to local mines and the local economy was becoming quite stable once more. It is not clear what influence the newly elected Liberal-Country Party Government had on the filling up of the Kurri Kurri Industrial estate, since information like this is, for political reasons, not available. However, the timing would suggest to me that the previous Labor Government was largely responsible for initiating these establishments.

As we now know, the new Government, acting on an election promise, reorganised the Department of Industrial Development and Decentralisation and made it a full Department of Decentralisation and Development, and more importantly, "assistance to decentralised industry was considerably expanded and diversified". ²². With the rural crisis becoming even more apparent and the drift to the cities also increasing, it was obvious that Cessnock,

21. Cessnock Advertiser, 6 August 1970, Supplement, p. 17.

22. Brown, Decentralisation, p. 4

no longer able to rely on the assistance of a Labor Government, would have to stand in line along with other country towns. Although the assurance from Mr. Fuller that loans of up to 100% of the cost of land and factories would continue was welcomed, it seemed to the Council that the time was again opportune to press for greater Commonwealth involvement in the issue of decentralisation. The Council therefore decided to ask Mr. Fuller to lead a deputation of representatives from large country centres to discuss the subject of decentralisation with the Federal Treasurer, Mr. McMahon. The Government, of course, did not undertake to do this, but there was certainly every reason why the Council should think that they would at the time. In the first place, Mr. Fuller had suggested in a speech made at Newcastle that the Federal Government should give tax concessions to country industries and also had been publicising his Government's activity in decentralisation and urging Councils to be more active. The Mayor, Alderman Brown, commented at the time that "it would appear that now the Minister for Decentralisation has taken up this suggestion we should be able to make some progress towards its implementation".²³ However, apart from a conference in September, 1967 between country mayors and deputies representing some 500,000 people, party whips and some country Parliamentarians, nothing of any consequence was done. The Mayors and their deputies were part of the Country Mayors' Development Committee, the formation of which was sponsored by Alderman Brown and aimed to "catch the attention of the Commonwealth Government and ultimately to break down its resistance to involvement with the States in the financial cost of encouraging

23. N.M.H. 16 June 1966, p. 6

industry to establish in non-metropolitan areas".²⁴

Once more, the energy of Cessnock Council was shown.

It is interesting that the Council which had been so active in promoting the idea of decentralisation on the coalfields and, indeed, in the State as a whole, should not have had much at all to do with what is probably the largest decentralised industry in the Cessnock local government area i.e. Alcan Australia's smelter at Weston. Indeed, it is very much a mystery to what extent Alcan was given assistance by the Government to build its aluminium smelter, since such information is unavailable. However, I do know that the major reason why Alcan chose to establish in N.S.W. rather than in Queensland near its supply of bauxite was because the Government offered cheap power from the Liddell power station. How cheaply the electricity is being supplied is not known and, probably, never will be known. Even questions asked in the Legislative Assembly have failed to disclose the price. Mr. Hills, for example, is one who has attempted to find out and failed:

"When the Opposition sought from the Minister for Local Government and Highways information as to the price being charged this company by the State Government, the representatives of the people, we were not given any details. We do not even know whether electricity is being given away."²⁵

It could, of course, be politically dangerous for the Government to release such information, since it could well form the basis of a campaign requesting a common, lower electricity tariff throughout all country areas as an aid to decentralisation - at a time when the State

24. *ibid* 23 October 1967, p. 2

25. N.S.W. P.D. 20 October 1970, p. 6760

Electricity Commission has just announced an increase in bulk charges for electricity to operate from January, 1972.

Whatever the concessions granted, it is certain that the Government had arranged for Alcan to establish in the Newcastle area. However, in spite of what may be claimed by the present Mayor of Cessnock, the decision to locate at Kurri Kurri was one of "third" best for the company, which for various reasons had to abandon attempts to establish at Port Stephens or Kooragang Island, the two most favoured locations. The following extract from a speech by Mr. Neilly throws some light on the subject:

"I said to the Minister for Decentralisation and Development. 'Do you know how you got this land in Kurri? Because the Labor government built power houses' The Minister said, 'You do not know how lucky you were. If the oyster farmers at Port Stephens had not complained, it would have been there'." 26.

Other events too, have confirmed that the Council was unaware until virtually the last minute that Alcan was going to establish in the district. First, my conversation with Alderman Bob Brown of Kurri Kurri certainly indicated this. Secondly, I asked the question of an official from the Department of Decentralisation and Development and he indicated that the Alcan decision came as a great shock to the Council. Nevertheless, once the Company's intentions were known, the Council co-operated magnificently (under pressure from the Government, I suspect) and went so far as to threaten the resumption of certain parcels of land which Alcan was not able to purchase. What had happened, of course, was that local people, anticipating that Alcan's move would raise land prices,

26. *ibid*, 9 August, 1967, pp298-299

refused to sell. In any case Alcan was successfully established and now provides employment for some 300 men and from the Council's viewpoint the establishment was a lucky decision for them. Certainly there has not been a spectacular movement of industry to the area under the present government and Alcan's presence has in some degree, made up for it.

If Cessnock has not had the same interest shown in it by the present Government that was evident under the Labor Government, this is not all that surprising. First, of course, the rules of the game are different now and no centre, no matter how needy it is, receives special attention. Secondly, the Liberal-Country Party would be unlikely to favour special attention being given to a "blue-ribbon" Labor electorate in any case. Thirdly, the Government has already been placed in an embarrassing position by having to complete projects started by Labor in the area and then use one of these projects, the Liddell power station, to attract an industry which otherwise would almost assuredly have been located in Queensland. The Government is very sensitive to any suggestion that it might have been favouring the Cessnock area, especially from within Liberal electorates which have not done so well (although, admittedly these would not include any major ones) and is sticking fast to its policy of non-disclosure of details of assistance given to individual industries and areas.

So, for the reasons mentioned above, I rather feel that as far as decentralisation is concerned, Cessnock has become a forgotten City, for the area still has unfavourable psychological overtones for city metropolitan industrialists and it is certain that even if the growth centre concept were implemented, it would not be Cessnock

which would be chosen, despite its advantages (as I see them at any rate). The former president of the Newcastle Branch of the Liberal Party, who along with 25 other members resigned earlier this year summed up the situation aptly when he expressed the view that as far as the Askin Government is concerned, "nothing should be done north of Gosford, except in Government-held electorates". 27.

27. Daily Mirror, 17 November 1971, p. 13

CHAPTER 9

DECENTRALISATION IN CESSNOCK - SUCCESS OR FAILURE?

As the last Chapter showed, Cessnock has for many years been active in promoting itself as a centre for decentralised industry and, up to a point, was able to exert pressure on the previous Labor Government of N.S.W. fairly successfully. However, it is probably not widely known that the very existence of a separate Decentralisation Department owes much to the situation which developed in Cessnock during the 1950's and the pressure applied by that community for remedial action to be taken. One of the motivating forces behind such projects as the Kurri Kurri Industrial Estate, for example, was the fervent desire of local organisations that Cessnock should not become merely a dormitory suburb of Newcastle. The employment opportunities at Newcastle had always been attractive to the locally unemployed. However, this attraction was not fully developed until the Buchanan Road through Kurri Kurri to Newcastle was completed in 1961, cutting approximately 20 minutes off the journey time previously applying. Thus, in order to discover whether or not decentralisation has been successful in Cessnock, the effect of new industry on the establishment of Cessnock as a dormitory of Newcastle has to be considered as well as the effect on population losses.

With regard to population, my interview with Alderman Bob Brown of Kurri divulged that, generally speaking, actual population losses had been eliminated in line with the more stable conditions of the remaining local mines, the effect of new local industries and Government institutions and of course, the relative ease of finding employment in Newcastle and commuting there each day. However, while this is the case, it is disturbing to find

that Cessnock is being particularly hard hit in the current wave of growing unemployment. Indeed, recent newspaper reports indicate that registered unemployment could be as high as 500 with only one local vacancy for each 29 applicants. There is also a good chance that another local mine, Hebburn No. 2 could close before Christmas or such are the rumours coming from people in close contact with the colliery. If this happens, not only will it add to the local unemployment, but it will also be another severe blow to local confidence in the coal mining industry. The tragedy of the situation is that there are still substantial reserves of coal in the Cessnock area, which cannot be mined using present methods. Mr. Jim Comerford, Northern Districts President of the Miners' Federation has been quite vocal on this subject and lays the blame squarely on the shoulders of the colliery owners:

"They used cheap, inefficient methods, not caring that for every ton they took out, they left four tons behind, impossible to recover." 1.

According to Mr. Comerford, although some 500 million tons of coal have been extracted from the Northern Field, there are still 2,000 million tons left, just waiting for a new technique which can recover them. Mr. Comerford is quite insistent that the Cessnock area provides the only source of quality coal in Australia. However it will not be able to benefit to any great degree from the expected increase in demand from the export market particularly, which the Joint Coal Board estimates will take 24,500,000 tons in 1974/75 compared with 12,028,000 tons in 1969/70. 2.

1. N.M.H. 25 September 1971, p.7

2. Joint Coal Board 23rd Annual Report, (Sydney, November 1970), Table 73, p.152.

Thus, it can be safely assumed that any expansion in local employment will not come from the mines. However, there seems little hope that such expansion will come from industry, either. In the first place, there is no room for further expansion on the Kurri Kurri Industrial Estate and as Mr. Neilly recently commented:

"It is essential that a further industrial site should be developed to attract the interests of companies seeking to expand or begin operations." ³.

Indeed, the Council have had this in mind and attempted to purchase some Crown land for this purpose. However, as Alderman Brown informed me, the present Government would not agree to this, preferring to sell such land direct to any industrialist who might be interested. Naturally the price charged by the Government would be in line with similar industrial land in the area and if the industry concerned was able to obtain finance from an outside source, a very nice profit would be made. Although the suggestion was made that the Council itself could apply to buy the land in the same way as an industrialist would, it was feared that the price which would be asked by the Government would be prohibitive.

If we look at the industries already established locally, as outlined in Appendix 7, we find that there is not much room for expansion here, either, since most are essentially small scale and satisfy local demand. Thus, if local demand does not rise, then expansion does not take place and local demand cannot rise unless more people move into the area. So it is apparent that what decentralisation has taken place has not really affected the long term employment prospects of the Cessnock area,

3. Cessnock Advertiser, Supplement 5 August 1971, p.3.

but has served mainly to employ a proportion of the local unemployed. There seems very little chance that further unemployment due to mine closures will be absorbed locally and thus, the choice will be either to leave the area or remain, commuting to Newcastle and its suburbs each day.

Earlier surveys undertaken in the area showed that in 1965 8.6% of Cessnock's male workforce commuted to Newcastle each day, while the corresponding figures were 38.2% for Abermain and 23.6% for Kurri Kurri-Weston. 4. Although there are no later figures available that I know of, my own observations and general conversation would indicate that the percentage applying to Cessnock, at least, is increasing, due to the relative boom in heavy industry around Newcastle and its suburbs. Although there is now a regular bus service from Cessnock and other centres in the area, the main form of travel still seems to be by means of the shared car system, which was outlined by Holmes in "The Suburbanisation of Cessnock Coalfield Towns 1954-1963". At that time Holmes also saw the possibility of what he termed a more permanent phase of suburbanisation arising in the coalfields towns if there were no revival in employment. During such a phase, he said:

"There will be a progressive depopulation and de-urbanisation of the smaller and outlying townships. However, the larger centres may be assisted by their size and their provision of accepted suburban amenities, but also because of functional diversity in the case of Cessnock and better access to Newcastle, in the case of inner towns." 5.

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4. D.M. Saunders, Town and District In the Hunter Valley Region, Hunter Valley Research Foundation Monograph No. 29, (Newcastle 1968), Table X, p.44.
 5. J.H. Holmes, "The Suburbanisation of Cessnock Coalfield Towns, 1954-1963", in Australian Geographical Studies, 3, (1965), p. 125.

Although much of what Holmes was talking about has happened in the Cessnock area, it is probably still too early to tell whether a "permanent phase of suburbanisation" has been embarked upon. The employment situation has most assuredly revived since 1964, but I do not regard this as a permanent revival and would expect the degree of suburbanisation of Cessnock and its environs to increase as further mines close. Places like Kurri Kurri, of course, may already have entered this stage because it is relatively nearer to Newcastle. However, I do not think that suburbanisation is a fitting role for Cessnock and I am a little disheartened by the apparent acceptance of this trend by both the local people and the Council.

Possibly Cessnock's real chance for future independence lies in an expansion of the tourist industry, built around the local vineyards. However, for this to happen, Cessnock would have to rely on the good graces of both Federal and State Governments for assistance not only in attracting hoteliers (the area has only 1 motel), but also in providing express train services to the railhead and a civil air service to the airport. If this were to happen though, it might appear that the Government was implementing a selective decentralisation policy - and that would never do!

So, it seems that the long struggle in Cessnock to achieve worthwhile decentralisation has been in vain. To become a suburb of Newcastle is its fate and there is nothing at present which suggests that this will not occur. Cessnock is reasonably well assured of a stable future, but to my mind with all of its existing facilities and industrial outlook, it would have been an excellent "experimental" growth centre. If any town ever tried to help itself it was Cessnock. But politics has passed it by in recent years.

Prior to the recent local government elections the Mayor of Cessnock, Alderman Brown, was bemoaning the fact that the Department of Decentralisation and Development had not shown any interest in Cessnock for the past two years. Cessnock to-day commands no political advantage for any Party especially the Government which is already politically embarrassed about the number of Labor initiated projects it has had to complete in the area. However, it is heartening that the Council has endorsed the Report on Selective Decentralisation, even though it knows that Cessnock will never be a growth centre of this Government's choosing.

THE DECLINE OF N.S.W. COUNTRY TOWNS -
A REASSESSMENT

This thesis was not designed to prove that the population of N.S.W. is extremely urbanised. This has been proven by people other than myself and a quick look at census statistics since World War II will confirm the point. The drift of population from country areas has mainly been due to the worsening rural situation and the increasing capitalisation of the rural sector. Although the population loss was initially borne largely by the rural areas (except in special cases such as Cessnock), a situation has arisen where adjacent urban areas too have begun to lose population. While the country areas are losing population, however, the metropolitan regions are gaining it to such a degree, that in Sydney, at least, there is a great deal of evidence that this trend should be reversed if the problems facing the City are not to be compounded. It is only through a policy of effective decentralisation that the population problems of both country and metropolis can be solved. Although definitions of the term decentralisation vary, I use the term to denote any policy designed to (a) employ country people in their own locality and/or (b) induce people to move from the metropolitan complex to seek employment in country areas. There is no one way to do this and generally speaking, whether it is a secondary industry or Government Department which achieves this objective, it does not matter. It is important to realise, however, that decentralisation policies may have two distinct effects on population. They may either provide local employment for country people and thus slow down the drift of population or they may induce people to move away from the metropolitan regions and repopulate the country

areas as well as checking the population drift. It is clear that if the population problems of the metropolitan regions are to be solved and if there is to be any substantial long term growth in country towns, there must be a redistribution of population between city and country.

It is also clear that the existing policy of dispersed decentralisation, i.e. giving more or less equal incentives to industries to establish in any town, no matter what its growth prospects are, has failed in its aim of repopulating country urban areas and has also been unsuccessful in stopping the population drift from country areas. As the Report on Selective Decentralisation stated:

"A comparative evaluation compiled on a State-wide basis demonstrates conclusively the absence of any significant positive correlation between this dispersed assistance to decentralised industry and the population growth of those centres which have been most assisted." ¹.

It is reasonable to say that to a large degree, the policy of dispersed decentralisation has persisted despite evidence, even prior to the N.S.W. Development Corporation's report, that such policies were unlikely to maximise the benefits accruing to country towns. Dr. G.M. Neutze, for example, was advocating the advantages of "concentrated decentralisation" as early as 1963, while the experience of other countries was also demonstrating the advantages of such policies. However, the evidence which I have collected suggests that during the office of the Labor Government in N.S.W., the relatively low importance attached to decentralisation was due largely to lack of

1. Report on Selective Decentralisation, p2.

information concerning alternative decentralisation policies as well as a general disinterest among politicians, industrialists and local councils who had not really begun to realise the full implications of a long-term rural decline. Admittedly, the Labor Government should have intensified its efforts towards the end of its term, in the light of the disturbing trend shown in population growth by the 1961 Census. However, it is probably fair to say that by creating the Department of Industrial Development and Decentralisation they were at least reacting to certain pressures in the community. Indeed, the granting of Departmental status to the former Division in 1963 was a direct result of the difficult situation which Cessnock, a Miners' Federation and Labor stronghold, found itself in with the decline of the coal mining industry and the extraordinarily high unemployment rate. At any rate, the strengthening of the Decentralisation portfolio within the organisational structure enabled considerable effort to be put into solving Cessnock's immediate problems and some success was achieved. As I have mentioned previously, it is, perhaps possible to view the aid given to Cessnock by the Government as a "mini-programme" of selective decentralisation geared to employing people locally rather than have them move away from the area. However, of course, even the Labor Government's decentralisation initiatives in the Cessnock area were only gained after a great deal of political pressure had been applied, which at one stage included the threat (by meetings of Cessnock people) to seek new Party affiliations.

The election of the Liberal Country Party to office in 1965 was widely considered as a move which would drastically alter the orientation and effectiveness of decentralisation in N.S.W. The new Government started well by re-organising the Department of Industrial Development and

Decentralisation into the Department of Decentralisation and Development and by passing the State Development and Country Industries Act in 1966. This act also authorised the setting up of the Development Corporation of New South Wales, an ambitious project which, to decentralisation-minded people must have held great promise for an increase in the effectiveness of decentralisation policies. The establishment of such a Corporation had been a part of Liberal Country Party thinking for a number of years whilst in opposition. However, the reality of the Corporation was nothing like what Mr. Hughes (C.P., Armidale) had in mind when he urged the Labor Government in October, 1960 to:

"form a Development Corporation with a full-time organisation and authority to act in implementing vigorous decentralisation and development within the State." 2.

As things stand now, the Corporation merely "advises the Minister and the Government on development projects." 3.

The question poses itself, then, what has happened to the proposed "vigorous decentralisation and development" within N.S.W. and why has not the Government heeded the Development Corporation's recommendations on selective decentralisation? The reasons, as outlined in previous Chapters include the following:

1. local councils themselves do not appear to be in complete agreement with selective decentralisation for fear that they might not get as much of the "icing on the cake" as they have been used to;

2. N.S.W. Parliamentary Debates, 25 October, 1960, p1432.

3. Department of Decentralisation and Development Pamphlet M271, Direct Assistance to Industry in Decentralised Areas, (Sydney) p1.

2. the present state of politics in N.S.W. is working against it, not only because the Country Party especially is worried about the electoral repercussions of selecting one centre in preference to others, but also because there is no evidence of any widespread political awareness about the necessity for decentralisation and selective decentralisation in particular. Many M.L.A.'s have shown themselves to be interested in the subject only on a "what's in it for my electorate" basis and seem to be unaware of the wider implications of an effective decentralisation policy. Others are content to wait until the Commonwealth Government supplies the finance for this purpose - and this appears likely to be quite a long wait if the present coalition Government remains in power; and
3. there are vested city interests such as property developers and other business people and some economists, such as Davidson, who are against the implementation of a policy of decentralisation in any form. Evidence of this sort of attitude is given in an article by Jeremy Webb:
"On balance of evidence so far, existing cities, if somewhat better managed and financed than at present, could well be the most efficient locations for the nation's major productive resources and the best environment in which to obtain an improved quality of life to which most people aspire." 4.

4. Webb, loc. cit., p20.

Such a statement, however is in complete contrast to the conclusions of the Report on Selective Decentralisation⁵ and, to my mind, is based on unsound reasoning.

Thus, not only has dispersed decentralisation failed, but the situation in N.S.W. at present does not augur well for any future implementation of a more effective decentralisation policy. The Government has, of course, recently divided the State into nine administrative regions instead of the previous twenty with the purpose of fostering greater local autonomy in its own administration which could lead to increased private investment. It is also in the process of setting up a Regional Advisory Council in each area which "will have full time staff supplied by the Department of Decentralisation and Development and will be assisted with substantial grants for approved regional promotion and research."⁶ The Regional Advisory Councils will, in the words of Mr. Fuller, "provide a valuable medium for disseminating information and advice from central government agencies to the regional communities."⁷ This is, at best, a very half-hearted effort at effective decentralisation, since even if such councils are given statutory backing, which is at present being rumoured in the Department of Decentralisation and Development, I cannot envisage that they would receive any substantial financial autonomy, which is the only way they will be able to significantly effect the level of decentralisation in this State. One must also remember, of course, that local councils would not easily give up what limited powers they have to the Regional Advisory Councils and thus, the Government could

5. For a summary of these conclusions, see Chapter 2 of this thesis, pp20 - 22.

6. 1971 Rural Policy Speech of the Liberal Country Party Government of New South Wales (Sydney, January 1971) p16.

7. Statement for Press, Radio and T.V., "Regional Organisation", by the Hon. J.B.M. Fuller M.L.C. (Sydney 16 July, 1971) p1.

well find that this issue is as politically dangerous as selective decentralisation. The Shires Association of N.S.W., at its 1967 Annual Conference, for example, proposed that the interests of decentralisation would be better served through local government rather than the then existing Regional Development Committees. So far as I know, this view still holds today and would also apply to the Regional Advisory Councils.

Decentralisation in this State has failed to stop the general drift of population to the metropolis although it has stabilised the populations and economies of a number of larger towns. It is inevitable that many smaller towns will continue to decline and it is also inevitable that even the larger ones will not show substantial population growth under present policies. To encourage such growth, the Government should:

1. implement the recommendations of the N.S.W.

Development Corporation on selective decentralisation, which, to begin with would require no more than a reallocation of public funds which would otherwise be spent on metropolitan services. The Labor Party, in its 1971 Policy Speech, has nominated seven growth centres of which the Bathurst/Orange region would be the first to receive selective assistance. The Government, so far, has not nominated any growth centres;

2. use the recently delegated payroll tax to enlarge the preferences available to country industry. This is quite feasible and can be applied equally to all country areas. However the Government has not even mentioned it as far as I am aware. I imagine that city manufacturing interests would not be happy to see a differential payroll tax in operation and naturally, by weight of dollars they do have a great

deal of influence on our "free-enterprise" State Government. In my view, not only should the cost disadvantages of country establishment be eliminated but there should even be an effort made to apply a cost advantage to decentralising firms at least if they establish in nominated growth centres and other selected large towns. This appears to be unlikely under the present Government;

3. use crown land to actually develop industry in the same way as the new towns of South Australia (and in a similar fashion to Canberra). Such a method has also worked overseas in America and Britain, for example, although the American new towns have been privately developed. I do not favour private development of new towns in Australia, in that private interests rarely seek to maximise the benefits accruing to the community as a whole since this is in conflict with the profit motive. The development of new towns could also form part of the Commonwealth Government's national decentralisation policy, if it had one. There has been a lot of discussion about new towns or cities recently, by people such as Stretton and the idea has a great deal of appeal. First, it would ensure that the greatest possible population was diverted from the metropolitan regions in the shortest possible time by creating desirable places to live and work. Secondly, it could overcome many of the political difficulties inherent in selective decentralisation since new cities would not necessarily have to be placed in existing electorates - new electorates could be formed as in the case of Canberra. There is also the fact that new towns/cities would not set a

political precedent - the Government could point to Canberra and the South Australian new towns;

4. penalise manufacturers who set up in the metropolitan areas rather than move to the country.

This, surprisingly enough has even been suggested by a Liberal M.L.A., Mr. Mason, in a speech to the Legislative Assembly on the 5th August this year. He outlined the way in which this is handled in Paris, where the French Government:

- (1) imposes a levy on Paris industry to make up the large deficit incurred by public transport systems in shifting commuters each day. This has had the effect of encouraging employers to shift their businesses away from the metropolitan area; and
- (2) imposes a floor space tax. Thus, any organisation building in the metropolitan area of Paris for either commercial or industrial purposes, has to pay a tax on the floor space to be used by employees.

British decentralisation policy has also had some success by imposing direct controls on the location of economic activity. A useful summary of these is to be found in a paper by J. Rhodes and A. Kan entitled "British Regional Policy and Some Implications for Australia" which was presented to the ANZAAS 43rd Congress in Brisbane in May this year. The British system works through the issue of Industrial Development Certificates (IDC's) and Office Development Permits (ODP's). Any manufacturer who wishes to construct a new factory or extend an existing one by more than 10,000 sq. ft. must apply for an IDC, which is extremely hard to obtain if he wishes to locate outside one of the specially designated Development Areas. It is interesting

that this system was first used in 1947 and has been in operation ever since regardless of which Party was in power. In 1964, the British Government also imposed direct controls over the location of new office buildings, which require the issue of an ODP before premises over 10,000 sq. ft. can be constructed.

However, it is important that controls such as these should be seen as inducements and not penalties by prospective manufacturers and office developers. Controls over the location of industry have been rejected by Government spokesmen in N.S.W. from time to time on the basis that the "free enterprise" system would suffer and that industries would be lost to other States if such controls were introduced. However, this would not happen if it were ensured that industry, when forced to establish outside the metropolitan area, received sufficient concessions to cover cost disadvantages and, if possible, gained significant cost advantages.

The above has summarised my thoughts on where decentralisation has failed in this State and what steps are necessary to correct this failure. It is certain that if this Government or one which might replace it does not implement a "carrot and stick" approach to decentralisation, the future of N.S.W. country towns is not bright and indeed neither is that of the metropolitan areas. It is inevitable that many towns continue to stagnate or decline, but it is neither inevitable nor desirable that no town should grow into a city with, say, a population of 250,000 - 500,000. Two final points should also be emphasised.

First, on present indications, effective decentralisation in this State will only become a reality under a Federal Labor Government based on its stated policies.

Secondly, since the present Government in N.S.W. is too worried about electoral repercussions to implement selective decentralisation, it could at least, consider controls on city industry and bigger concessions (especially taxation) for country industry. However, once again, it would appear that only the Labor Party is organisationally and politically equipped to do this - and they have yet to be returned to power. There is, thus, an inescapable conclusion that if Liberal Country Party politics is the main barrier to effective decentralisation, the Labor Party provides the only apparent hope for its successful implementation.

APPENDIX 1(a)

CENSUS POPULATIONS OF SELECTED MUNICIPALITIES

Population (A) 10,000 -	1947	1954	1961	1966	Movt. 1961-66	Movt. %
ALBURY	15,966	19,299	22,983	25,212	2,229	9.7
ARMIDALE	9,029	10,186	12,875	14,990	2,115	16.4
BATHURST	13,628	16,089	16,938	17,220	282	1.7
DUBBO	10,205	12,009	14,118	15,568	1,450	10.2
GOULBURN	17,311	19,193	20,544	20,849	305	1.4
GRAFTON	12,585	14,964	15,526	15,944	418	2.7
CESSNOCK	37,510	38,729	35,281	34,517	- 764	-2.2
LISMORE	16,014	18,312	18,935	19,740	805	4.3
LITHGOW	14,461	15,128	14,229	12,813	- 1,416	-10.0
MAITLAND	23,622	25,676	27,353	28,424	1,071	3.9
ORANGE	15,680	18,247	18,977	21,000	2,023	10.7
TAMWORTH	12,781	15,701	18,984	21,682	2,698	14.2
WAGGA	16,168	19,235	22,092	25,939	3,847	17.4
<hr/>						
(B) below 10,000						
CASINO	6,698	7,844	8,091	8,498	407	5.0
CONDOBOLIN	2,616	2,840	3,150	3,569	419	13.3
COOMA	2,289	6,566	8,716	9,101	385	4.4
COOTAMUNDRA	5,250	5,760	5,939	6,207	268	4.5
DENILIQUIN	3,668	4,704	5,575	6,269	694	12.4
GLEN INNES	5,453	5,842	5,771	5,754	- 17	- 0.3
GRENFELL	2,425	2,584	2,360	2,375	15	0.6
GUNNEDAH	4,567	5,434	6,885	7,522	667	9.7
INVERELL	6,530	7,514	8,209	8,411	202	2.5
KEMPSEY	6,470	7,600	8,016	8,173	157	2.0
MOREE	5,106	5,502	6,795	7,774	979	14.4
MUSWELLBROOK	4,039	5,635	5,717	6,288	571	10.0
NARRABRI	4,355	4,957	5,423	5,953	530	9.8
NYNGAN	1,802	2,257	2,414	2,584	170	7.0
SINGLETON	5,070	5,850	5,758	6,187	429	7.4
TAREE	7,060	9,068	10,050	10,559	509	5.1
TENTERFIELD	3,046	3,268	3,105	3,258	153	4.9
<hr/>						
SYDNEY	1698844	1938016	2303464	2539627	236163	10.3
NEWCASTLE	129477	137428	142574	143061	487	0.3
WOLLONGONG	62960	90852	131754	150208	18454	14.0
GOSFORD	18700	25132	34162	42872	8710	25.5
WYONG	10195	13187	18872	24631	5759	30.5

CENSUS POPULATIONS OF SELECTED SHIRES

TENTERFIELD	}		4,514	4,524	3,976	3,564	- 412	-10.4
BOOLOROO		TENTERFIELD	3,099	3,739	3,814	3,860	46	1.2
BOOMI			2,925	3,101	2,914	2,695	- 219	- 7.5
CANOBOLAS (ORANGE)			5,664	6,097	6,016	5,647	- 369	- 6.1
COCKBURN (TAMWORTH)			4,714	5,234	4,488	4,662	174	3.9
PEEL			5,321	5,746	5,616	5,387	- 229	- 4.1
WINDOURAN	}		468	707	823	823	-	-
CONARGO		DENILIQUIN	947	1,764	1,994	2,030	36	1.8
COPMANHURST (GRAFTON)			2,504	2,556	2,509	2,378	- 131	- 5.2
DUMARESQ (ARMIDALE)			2,726	2,935	2,877	3,216	339	11.8
HUME (ALBURY)			3,001	3,440	3,206	3,127	- 79	- 2.5
JINDALEE (COOTAMUNDRA)			2,210	2,351	2,235	2,122	- 113	- 5.1
KYEAMBA	}		3,744	4,462	4,841	5,646	- 805	-16.6
MITCHELL		WAGGA	2,628	3,610	4,018	3,874	- 144	- 3.6
LACHLAN (CONDOBOLIN)			5,052	5,953	5,976	5,793	- 183	- 3.1
MACINTYRE (INVERELL)			4,057	4,335	4,117	3,940	- 177	4.3
MACLEAY (KEMPSEY)			8,446	8,361	7,917	7,516	- 401	- 5.1
MANNING (TAREE)			12,321	12,414	11,721	10,754	- 967	- 8.3
MULWAREE (GOULBURN)			4,481	5,063	4,900	4,441	- 459	- 9.4
NAMOI (NARRABRI)			6,909	7,660	7,730	8,360	630	8.2
PATRICK PLAINS (SINGLETON)			4,381	4,597	4,413	4,825	412	9.3
SEVERN (GLENN INNES)			4,867	4,381	3,726	3,698	- 28	- 0.8
TALBRAGAR (DUBBO)			2,687	2,889	2,954	2,906	- 48	- 1.6
CUNDURIMBA	}		3,157	3,305	3,134	2,777	- 357	-11.4
TERANIA		LISMORE	6,922	6,691	6,020	5,141	- 879	-14.6
TOMKI (CASINO)			3,580	3,399	3,051	2,702	- 349	-11.4
WEDDIN (GRENFELL)			2,983	3,390	3,173	2,832	- 341	-10.8

NOTES TO APPENDICES 1(a) & 1(b)

- (i) all population figures come from Regional Development Newsletter February, 1967 and relate to boundaries as delimited at 30th June, 1966.
- (ii) all shires, towns and cities extracted from N.S.W. Government publication "List of Municipalities, Shires, County Districts, Urban Areas, 1971".
- (iii) towns and cities in brackets refer to those in Appendix 1(a) which are headquarters for shires in Appendix 1(b).

DEVELOPMENT CORPORATION OF NEW SOUTH WALESTERMS OF REFERENCE FOR SUB-COMMITTEES
CONSIDERING THE QUESTION OF CONCENTRATED
VERSUS DISPERSED DEVELOPMENT

(The "11 points" adopted at the second meeting of the Corporation, on 12th July, 1966.)

-
- (1) Definition of alternative policies: the distribution of decentralised activity over a wide number of centres versus the concentration of resources in selected regional growth centres.
 - (2) The attitude of industry towards location in country centres of varying size (a large centre being defined as a city of between 100,000 and 200,000 people).
 - (3) The comparative costs of services in large and small centres.
 - (4) The comparison between centres of the impact of the establishment of educational, institutional and cultural facilities upon their growth and stability; the attractiveness of larger centres for public administrative purposes; and the scale of facilities available in towns of varying size.
 - (5) The comparative advantages of concentrated versus dispersed development in terms of transportation by road and rail.
 - (6) The comparative impact of telephone charges, land tax, local government and other charges as between the two types of development.
 - (7) The impact of a large centre of population and industry upon its surrounding region.
 - (8) The extent of financial and other resources likely to be needed to accelerate the growth of a centre to the point of "self-generation".
 - (9) The comparative attractiveness of large and small centres from the viewpoint of private investment.
 - (10) The classification of industries likely to be attracted to a major centre and the advantages or otherwise of encouraging a diversity of particular industry types.
 - (11) The concept of developing a major centre in a completely new location.

A GUIDE

TO THE NEW SOUTH WALES

STATE DEVELOPMENT

AND COUNTRY INDUSTRIES

ASSISTANCE ACT, 1966

**PROCLAIMED
TO COMMENCE
ON 1st MAY 1966**

Issued by
Department of Decentralisation and Development
127-131 Macquarie Street
Sydney, N.S.W.

STATE DEVELOPMENT AND COUNTRY INDUSTRIES ASSISTANCE ACT, 1966

The main object of the Act is to encourage and assist the establishment and expansion of country manufacturing, processing and wholesale distributing industry. Country industry is defined as that operating wholly outside the County of Cumberland, the City of Newcastle and the City of Greater Wollongong.

Development Corporation

The Act provides for the setting up of a Development Corporation consisting of the Director of the Department of Decentralisation and Development and not less than six or more than twelve other members to be appointed by the Governor who will also appoint the Chairman. (Section 4 Sub-sections 1, 4, 5, 6) Corporation members will hold office for three years and may then be reappointed (Section 4 Sub-section 2) Casual vacancies can be filled by the Governor but the person appointed holds office only for the balance of his predecessor's term. (Section 5 Sub-section 3). A person of or over seventy years of age is ineligible for appointment. (Sub-section 3)

The Corporation will decide for itself the procedure for calling and conducting meetings but shall observe quorum arrangements. (Sub-sections 7 and 8)

Members appointed by the Governor will not be subject to the Public Service Act and will not be considered as holding office or place of profit under the Crown. (Sub-sections 9 and 10)

The powers of the Corporation extend to the appointment of committees of its own members and other persons to conduct investigations and inquiries and to report the conclusions to the Minister or the Corporation. (Section 6 sub-section 1)

The powers and functions of the Corporation extend, with the Minister's approval or at his request, to the preparation and submission of plans or schemes for industrial and economic development of the State, including the expansion or development of particular industries. The Corporation has power to conduct inquiries into all aspects of economic and industrial development, including the attraction of overseas industry and investment to New South Wales and the decentralisation of industry. (Section 8 sub-section 1)

Application for loans, grants, subsidies or guarantees may be submitted to the Corporation by the Minister for report. (Sub-section 2)

Finance

A Country Industries Assistance Fund established under the Act is made up of the balance of the Decentralisation Fund as at the date of commencement of the Act, money voted by Parliament, money borrowed by the Minister and repayments on loans made by the Minister from the Country Industries Assistance Fund. (Section 12 sub-section 1)

The Fund will be used for grants, loans, subsidies, payment under guarantees, costs of administration and interest payment on borrowings. (Sub-section 2)

Interest received on loans made by the Minister from the Country Industries Assistance Fund will be paid to Consolidated Revenue. (Sub-section 3)

Before the Minister can borrow money for any purpose under the Act he must have the consent of the Treasurer and the approval of the Governor. (Section 13)

The Minister has power to issue debentures, bonds, inscribed stock and other securities to secure repayment with interest of money he borrows. (Section 15)

Provision is made for the mode of payment and exemption from stamp duty of these securities and repayment is guaranteed by the Government. (Sub-sections 4, 5 and 6)

The Minister may accept trustee and other investments from any company, council or body incorporated in New South Wales and authorised to invest moneys. (Section 16)

Powers of the Minister

The powers of the Minister enable him to grant or lend money, pay subsidies, to provide guarantees alone or jointly with another party for the purchase of land and buildings, for the construction or alteration of buildings or the purchase of plant, machinery and equipment for country industry. Co-operative societies and credit unions are excluded from guarantees.

The Minister alone or jointly with another party may guarantee the payment of rent of a country industrial building or by agreement with a council receive reimbursement from the council of part of moneys paid by the Minister under a guarantee. (Section 20 sub-section 1)

Any application for a grant, loan, subsidy or guarantee may be referred by the Minister to the Development Corporation and the Corporation's report must be taken into account in the decision of the Minister which is final. (Sub-sections 2 and 3)

The Minister can apply certain conditions to loans, etc. and he may make loans either alone or jointly with a local council. (Sub-sections 4 and 5)

Loans made jointly by the Minister and a council are subject to conditions on which they agree at a rate of interest fixed by the Treasurer. (Sub-section 6) Guarantees on loans given by the Minister may cover interest charges and expenses, and expenses incurred in enforcing payment of the guaranteed debt, compound interest, etc.

Security for the principal debt must be provided by the borrower and the creditor may not enforce the guarantee against the Minister until he has exhausted his claim on the security. The creditor cannot dispose of his rights under the guarantee without the Minister's written consent. (Section 21 sub-section 1)

The Minister on the other hand is limited to a guarantee maximum of 90% of the value of the borrowing (land, buildings, plant and machinery, etc.). The total of guarantees given by the Minister is a matter for the Treasurer's approval. (Sub-section 2)

The powers of the Minister to acquire land for country industry or for housing industrial workers may be by purchase, lease, exchange or resumption. Resumptions will be effected under the appropriate sections of the Public Works Act. (Section 23 sub-sections 1, 2 and 3)

The Minister may plan the use of the land acquired setting part aside for factory buildings, some for housing and he may dedicate reserves to be vested in the local council or trustees for public recreation purposes. (Sections 24 and 25)

The Act gives the Minister power to erect factory buildings for country industry on land he acquires or to alter or extend these buildings. (Section 27 sub-sections 1 and 2)

The Minister may sell, lease, exchange or otherwise deal with any real or personal property acquired, and he can grant easements or rights-of-way. (Section 28)

Plant machinery and equipment may be acquired by the Minister and made available to country industry. (Section 29)

The Minister may grant or lend money to councils to acquire and improve industrial land for country industry, to erect, extend or alter industrial buildings and housing for country industrial workers. (Section 30 sub-section 1)

Councils by agreement with the Minister can also erect buildings for sale, lease or exchange to country industry on land vested in the Minister but not on public roads, reserves or on land held in trust for some other purpose. (Section 30 sub-sections 1, 2 and 3)

The Minister may agree to lend money or defray part or all of the cost to develop country industrial land by providing roads, water, gas, electricity, sewerage for factories or for housing for industrial workers.

Where loans are involved under this section approval of the Treasurer must be obtained (Section 31 sub-sections 1, 2 and 3) and interest rates fixed by the Treasurer. (Section 33)

The carrying out of surveys and investigations can be commissioned by the Minister to encourage the development of country industry. (Section 32)

Arrangements between the Minister and the Rural Bank are provided for so that the Bank will carry out architectural, valuation and legal services, handle loan repayment arrangements, and act as the registry for the issue of securities (bonds, debentures, etc.) by the Minister.

Powers of Local Government

The Act amends the Local Government Act, the Government Guarantees Act and the Capital Debt Charges Act.

A new Part XXIIb - Industrial Development - (Section 475 (o) and (p), of the Local Government Act provides that for the purpose of stimulating industrial establishment and expansion councils may lend money to industry, acquire land and buildings within or outside their areas, erect, alter or extend industrial buildings on any land within or outside their areas, or lend money to other persons - either the owners or lessees of land within or outside council's area - to erect industrial buildings. However and except where joined with the Minister of Decentralisation and Development in such an agreement

The Minister for Decentralisation and Development, Mr. J. B. Fuller, introducing the Bill, said:
"The Bill is aimed mainly at the development and growth of sec-

ondary industry in country centres and more particularly at the manufacturing sector . . ."
"The Bill aims at persuasion of an order never before attempted in

Australia . . . so that at one stroke a solution to the problem of both centralisation and decentralisation is available."

councils must obtain the approval of the Minister for Local Government.

Councils may enter into agreements with the Minister for Decentralisation and Development for the payment to him of part of any moneys paid by him under guarantees to country industry; to join with him in making loans to country industry, and to receive from him grants or loans in respect of the acquisition and improvement of lands for use by country industry and the provision of services. (Section 35 sub-section 1 (c))

Councils are empowered to acquire land within or outside their areas as industrial sites and to erect, alter or extend industrial buildings on these sites. (Sub-section 1 (d) and (e))

Industrial buildings may be built by councils on any land vested in the council, except public roads, reserves, or land held on trust. (Sub-section 1 (f))

As previously explained, Councils must have the approval of the Minister for Local Government in writing before exercising any of these industrial development powers, except where prior agreement has been reached with the Minister for Decentralisation and Development. (Sub-section 2)

Powers of Councils to Dispose of Property

Section 518A of the Local Government Act is amended by a provision permitting councils to sell land for industrial sites in country areas, as well as for housing and on a first or second mortgage basis. Where a second mortgage is involved the amount must not exceed 20% of the value of the land and house or 30% in the case of the land and an industrial building. (Sub-section 2 (c))

A new paragraph after Section 519 gives councils power to lease premises for industry for periods of twenty-one years or longer but not exceeding ninety-nine years.

A lease of more than twenty-one years may be granted by councils covering industrial premises or housing only with the consent of the Minister for Local Government or where councils enter into an agreement with the Minister for Decentralisation and Development. (Sub-section 2 (d))

Treasurer's Power to Grant Guarantees

Under a new section 3a (1) of the Government Guarantees Act the Treasurer either alone or jointly with some other person (this includes councils) may issue a guarantee in favour of a bank or any other person (co-operative societies and credit unions excepted) to cover the acquisition of land and the erection, alteration or additions to industrial buildings and the acquisition of plant, machinery and equipment for country industries. (Section 37 sub-section 3a (1))

These guarantees must not exceed 90% of the value of land and buildings concerned or of the alterations and additions or of the plant and machinery, etc. and the relevant valuation to be obtained in a manner satisfactory to the Treasurer. (Sub-section 3a (2))

An agreement between councils and the Treasurer may require repayment to the Treasurer of part of any money paid under guarantee. (Sub-section 3a (3))

Amendment to Capital Debt Charges Act

The Capital Debt Charges Act, at the end of the Schedule has had added the date of commencement of the State Development and Country Industries Assistance Act, and the constitution of the Minister for Decentralisation and Development as a corporation sole and notification of the State Development and Country Industries Assistance Act.

26th July, 1971.

Mr.,
Town Clerk,

Dear Mr.,

I am in the process of completing a thesis for the degree of Master of Economics, concerning political attitudes to decentralisation in N.S.W., particularly at the local government level.

In view of your Council's activity in promoting decentralisation, I would appreciate any general comments you may have on the subject and your answers to the following questions:

1. Is your Council in favour of the decentralisation programme at present being carried out by the N.S.W. State Government? If not, what would be your attitude towards a policy of even more "selective" decentralisation i.e. concentrating on, say, two or three "growth centres" within the state and providing the bulk of financial assistance to them? This could entail either the establishment of new centres or the promotion of existing ones.
2. Has your Council submitted any proposals concerning possible changes to the current decentralisation policy to the Government and, if so, what was the reaction?
3. In the opinion of your Council is there sufficient political awareness about the subject of decentralisation? Would you please comment particularly on the attitudes of local businessmen and on those of the local member.
4. Does your Council feel that the State Government is doing enough (both financially and politically) to further the cause of decentralisation? Should the Commonwealth Government also be taking a more active part in decentralisation?

Should you be kind enough to answer the above questions, I assure you that the answers will be regarded as strictly confidential. I would, however, appreciate it if you would indicate which comments, if any, I may quote (with appropriate reference) in my thesis.

I take this opportunity to thank you for your co-operation in anticipation of an early reply.

Yours faithfully,

KEVIN WALSH B.Ec.

*The Council of the City of Lismore**Council Chambers,
Molesworth Street, Lismore, N.S.W.*

TELEPHONE 2691

P.O. BOX 23A, LISMORE. 2480

ALL COMMUNICATIONS TO
BE ADDRESSED TO
THE TOWN CLERKREFERENCE: BCS/TW/2262322nd July, 1971.

Mr. K. Walsh, B.Ec.,
C/- Commonwealth Savings Bank Head Office,
Corner Martin Place and Pitt Street,
SYDNEY. 2000

Dear Mr. Walsh,

Your letter of 30th June, 1971 requested general comments on the subject of decentralisation as it relates to the policy adopted by Lismore City Council. I trust that the following comments will be of some value to you and, following them, I shall try to answer your questions to the best of my ability.

Over the many years that decentralisation has been talked, it has become increasingly apparent that, due to its relative isolation from Sydney, the Richmond Valley is going to have to depend either on Brisbane firms or the development of existing local firms for industrial expansion and the creation of employment opportunities in the field of secondary industry. That being so, the Council has, for some years now, tended to concentrate its attention more upon the fields of tertiary industry and education. This has ^{not} limited success in the establishment of the following -

- (a) A Commonwealth Office Block which houses a number of Commonwealth Government Departments but in which the only significant decentralisation which has been promoted is that of the Taxation Department, wherein there are now some fifteen or so employees. The Divisional Engineer's office, Postmaster-General's Department, is also located in Lismore but that has been here for a long time;
- (b) The establishment of a Teachers' College in 1970 which in its first year had an intake of 150 students and in its second year a further 150. It is proposed in due course to shift this College ten miles out of Lismore to a rural site where it is expected to grow into a multi-purpose College of Advanced Education;
- (c) The State Government has stated that it intends to establish a State Office Block in Lismore and a number of State Departments are investigating expansion of their activities in Lismore. This is being actively canvassed by the Council also through the State Public Service Board.

It is recognised that the form of decentralisation which the Council is now concentrating upon has had a marked effect upon the development of Armidale in the last twenty years and, if similar results can be achieved in Lismore, it should have the effect of lowering the cost of provision of municipal services by spreading the cost over a greater number of ratepayers and at the same time providing job opportunities particularly for people in "clean" industries. Unfortunately, it does nothing for those who are trade-minded. However, there are excellent technical college facilities in Lismore and this in itself is encouraging the development of existing secondary industries, particularly in the engineering field.

One of the greatest problems which has confronted the Region over the past twenty-five years has been inter-town jealousy. This has caused fierce competition for whatever crumbs may appear in the way of decentralised industries with the result that none of the competing towns has met with any marked success. It is my own considered view that the sooner the Councils of the three municipalities in the Region get together or are subject to direction in respect of development planning, the sooner the Region will begin to prosper in all fields of industrial activity. What I am suggesting is that regional planning is fundamental to success and regional planning without statutory authority to direct industries of a certain type to a certain location within the Region as a whole, would be a fruitless experiment.

Nothing other than "talk" has yet taken place in this direction but perhaps something will begin within the next few months. Certainly the climate is much more favourably disposed to it than it has ever been before. Of course, there must be local opposition based on the same sort of inter-town jealousies as have always existed. These still exist within the framework of the separate local government authorities and will continue to present a problem but one which, I hope, will not prove insurmountable.

Now to your questions.

1. The State Government has not yet accepted the principle of selective decentralisation even though the Development Corporation has strongly recommended it.

The Council considers that selective decentralisation is the only way in which balanced development throughout the State can be achieved. The suggested number of six growth centres is probably quite appropriate although the Victorian experience would seem to indicate that it may be too many. However, Victoria is a much smaller State.

Growth centres which, it would be expected, would receive special consideration by the Government for decentralisation of its own activities as well as special incentives, should be larger areas such as I have referred to earlier, for example, the whole of the Richmond Valley, not just Lismore or Casino. If that principle is adopted, then the establishment of new centres would scarcely be necessary. The objective could be achieved by the development of existing towns and villages on a broad scale.

2. Council has not itself submitted any specific proposals to the Government in relation to its current decentralisation policy other than to emphasise its opinion that the most likely avenue for success in this area is education and tertiary industry, including decentralisation of Government Departments themselves, or if you like, "autonomous regionalisation".

3. The Council has sure cause to doubt whether there is sufficient political awareness about the subject of decentralisation although it is improving. All country members of Parliament are acutely aware of it but metropolitan members seem to be at least partially insulated from the subject. Perhaps it is that they can see their own areas growing so rapidly that they just don't understand that this growth rate is not State-wide.

The metropolitan press at least is beginning to play up decentralisation as an answer to deteriorating environmental conditions in the City caused by pollution of all types. The most significant of these, of course, is air pollution and ground pollution caused by too many people and too many cars in confined space. It seems to me that only within the last three or four

Mr. K. Walsh, B.Ec.,
SYDNEY.

-3-

22nd July, 1971.

years has the metropolitan press acknowledged that decentralisation of population is a worth-while answer to the growth problems of the metropolitan area.

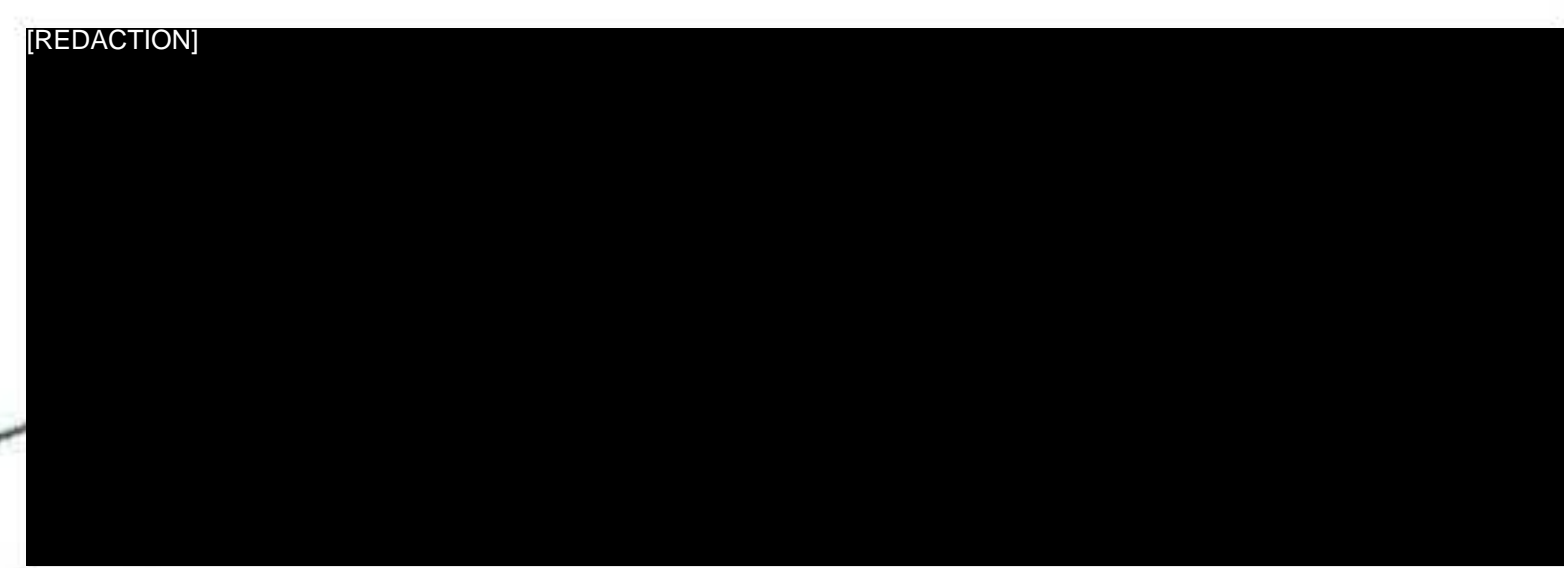
Local business people and the local members of Parliament, both at State and Federal levels, are extremely decentralisation conscious and there is a fairly free flow of ideas and discussions to further the prospects of decentralisation and development of the Richmond Valley.

4. I think I have expressed the Council's viewpoint about whether the State Government is doing enough but perhaps I should add that most of the Government's "doing" so far has consisted of "talking".

Financially, the State is so dependent upon the Commonwealth Government that it can do little more than it is doing without a substantial release of funds by the Commonwealth and that, of course, means Commonwealth participation. However, the Commonwealth up to the present has been noticeably inactive and in fact seems almost to have opposed decentralisation by declining at all times to assist by way of taxation concessions in country industries, telephone concessions, and so on. These are matters which are commonplace in overseas countries but which the Australian Government, for reasons best known to itself, seems to consider impossible.

I don't think I have said anything in this letter which I would not want you to use in your thesis and I trust the comments I have offered will be of some value.

Yours faithfully,



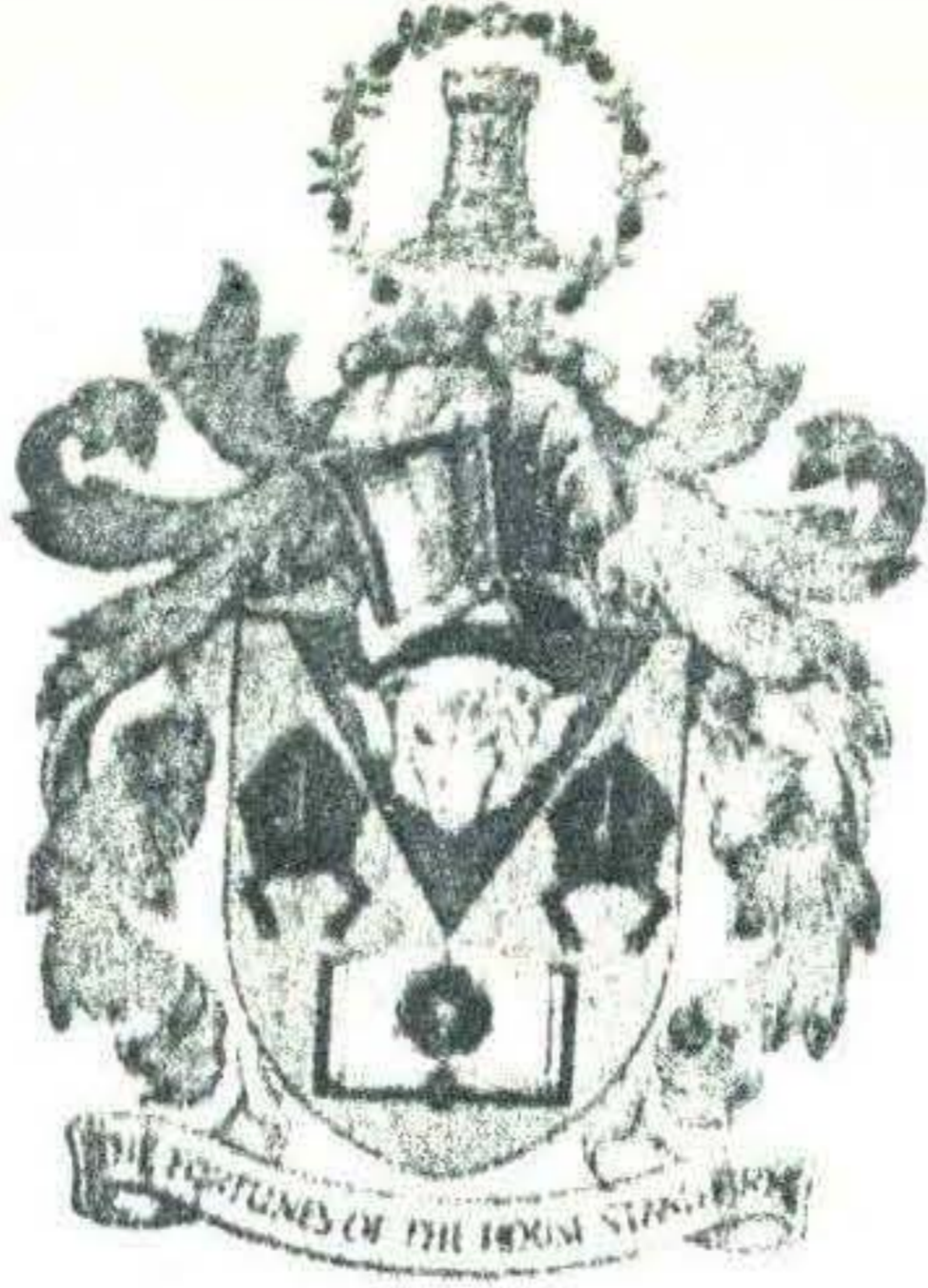
(B.C. Stevens)
TOWN CLERK.

THE COUNCIL OF THE CITY OF ARMIDALE

APPENDIX 3(c)

COUNCIL INCORPORATED 1863

CONSTITUTED A CITY 1885



TELEPHONE 2266
BOX 75A, P.O.
ARMIDALE 2350
COUNCIL CHAMBERS
RUSDEN STREET
ARMIDALE.

ALL COMMUNICATIONS TO BE
ADDRESSED TO THE TOWN CLERK.

PLEASE QUOTE IN REPLY

REFERENCE RAB.FH.P5

26th July, 1971.

Mr. K. Walsh,
C/- Commonwealth Savings Bank,
Head Office,
Cnr. Martin Place and Pitt Street,
SYDNEY. 2000.

Dear Sir,

Further to your request of 7th instant I wish to advise as follows:-

1. Council does favour the policy of decentralisation, particularly in the form announced by the Hon. J.B. Fuller, M.L.C., Minister for Decentralisation and Development, on his recent visit to Armidale. Council does not agree with the provision and nurturing of selected growth centres within the State; rather would it see and ask to be encouraged the natural growth of any centre of prominence and as far as possible without detriment to neighbouring smaller towns.
2. The answer is no.
3. I feel sure that there is adequate political awareness of the subject of decentralisation particularly when the history of the present portfolio is traced. The local Chamber of Commerce favours decentralisation and is also supported by the Member for the electorate of Armidale.
4. It is considered that both State and Federal Governments could do more to bring before industry in the capital cities and metropolitan centres (e.g. Newcastle and Wollongong) the need to further their expansion in the country areas not only to improve those areas, but to prevent the major centres becoming over-populated, over-industrialised and over-polluted.

Of necessity the foregoing information is brief and general in terms. No objection is held to the quotation of any of the answers to your questions.

Yours faithfully,

[Redacted signature]

TOWN CLERK.



THE COUNCIL OF THE
CITY OF WAGGA WAGGA

INCORPORATED 1870

TELEPHONE 2025
ALL COMMUNICATIONS TO BE
ADDRESSED TO THE TOWN CLERK,
P. O. BOX 20,
A SEPARATE LETTER SHOULD BE
FORWARDED FOR EACH SUBJECT

CITY COUNCIL CHAMBERS,

WAGGA WAGGA, N.S.W. 2650

6 August 1971.

When replying please quote
Ref. No. D. 30.

Mr. Kevin Walsh, B.Sc.,
C/- Commonwealth Savings Bank Head Office,
Chr. Martin Place and Pitt Street,
SYDNEY .. 2000.

Dear Sir,

I refer to your letter of 8th ultimo, wherein you sought answers from this Council to a number of questions relating to decentralisation etc..

Your letter has now been submitted to and considered by the Council - the questions having been carefully examined in the light of the Council's policy, opinions and desires - and I have been granted authority by the Council to submit the following information in reply to your questions :

1. Yes - with reservations.
With regard to selective decentralisation, the Council is of the opinion that no action should be taken towards the selection of one particular centre for development, and is firmly convinced that the State Government should name a number of centres throughout the State as centres for growth and development. Such action was taken by the Victorian State Government a few years ago.
2. No. However, the Council in 1970/71 prepared a comprehensive submission entitled "A Submission in Support of a Case for Selective Decentralisation". Copies of this publication have been supplied to all members of the State Cabinet, also certain other Parliamentarians, representatives of Government Departments, members of the Development Corporation of N.S.W., and others. Whilst many congratulatory letters have been received acknowledging receipt of the publication, no indication has yet been received as to likely results of the case presented.
3. The Council feels that, as a result of the many conferences, seminars etc. with the theme of decentralisation held in recent years, and the publicity given the whole question, if there is not a political awareness of the crisis for decentralisation, there certainly has been ample opportunity for Parliamentary representatives to be fully acquainted with the whole question.

So far as awareness on the part of local businessmen and the local Member is concerned, the Council is confident that the local community as a whole is fully appreciative of the benefits which would accrue to the area by decentralisation policies, and that the Council in pressing its claims is fully backed by the majority of local businessmen as well as the local Parliamentary representative.

4. The State Government per medium of the Department of Decentralisation and Development has been of great assistance to the Council in recent years, and the Council has received the utmost courtesy and co-operation from officers of the Department. It is freely admitted that the Department is somewhat restricted in its endeavours by the finance allocated to it by the State Government in any one year, and it has to contend with the claims of the whole State.

In the Council's opinion, it would be of considerable benefit if the Commonwealth Government came to the fore in decentralisation by making substantial grants to the States for this purpose.

: x :

Mr. K. Walsh.

6/8/77.

It will be quite in order for you to quote any of the above comments in your thesis.

I would mention that copies of the Submission on Selective Decentralisation as published by the Council are available for purchase from this office at \$10.00 per copy - postage 50 cents extra.

Yours faithfully,

A large black rectangular redaction box covers the signature area.

(W. R. Ellis)
Town Clerk.

WRE/DL.

The Council of the Municipality of Condoholin

APPENDIX 3(e)

ALL COMMUNICATIONS TO BE ADDRESSED TO
THE TOWN CLERK
POST OFFICE BOX NO. 119
CONDOBOLIN, N.S.W., 2877
TELEPHONE NOS. CONDOBOLIN 53 & 223

COUNCIL CHAMBERS.

CONDOBOLIN, N.S.W., 2877

3rd September, 1971.

PLEASE QUOTE NO. C.19 IN YOUR REPLY

YOUR REF. NO.

DOS.LS

Mr. K. Walsh, B.Ec.,
C/- Commonwealth Savings Bank,
Head Office,
Cnr. Martin Place & Pitt Streets,
SYDNEY. N.S.W. 2000.

Dear Mr. Walsh,

I acknowledge receipt of your letter dated 24th August, 1971, seeking general comments which may assist you in your studies for a degree of Master of Economics, and have pleasure in supplying the following comments which I hope will be of assistance to you.

1. My Council is not in favour of the decentralisation programme at present being carried out by the N.S.W. State Government nor is it in favour of a policy of "Selective" decentralisation. It is considered that the centres being selected as growth centres are already suitably served by industry and that by creating further industrial complexes within these centres will only create a problem for the future years. My Council considers that, if the N.S.W. State Government was genuine in its attitude towards decentralisation and not prepared to give lip service to the title that is at present being given thereto, it should encourage and finance throughout the country areas of N.S.W., industrial complexes of such a nature that could be self supporting within that individual country centre, inclusive of ancillary services required, but that in actual fact only one of such type of industry be assisted to decentralise.

My Council considers that there is little purpose in pursuing decentralisation if one is only going to encourage small factories and industries to set up, function for a short period of time and then fail because of economic viability. Happenings such as this have occurred throughout the State in the past and have created immense problems to the local communities, for they suddenly lose an employment factor and in addition, many of the associated services that have been established in the town in co-operation with such industry or factory are forced out of business.

2. Council has, over a period of time, submitted various proposals directly to its Local Government Association, Department of Decentralisation and through the Regional Development group. Some of these proposals have been towards direct assistance by way of various reductions in cost that face an industry in establishing in a country area, such as freight, telephone charges, housing and a certain percentage tariff protection on commodities that are being produced in country areas. Very little, if anything, has been done in these particular matters facing the decentralisation of a industry.

x.

3. My Council is strongly of the opinion that there is insufficient political awareness of the subject of decentralisation, whereas conversely local business men and, to a lesser degree, local members are acutely aware of the necessity of decentralisation.

Councils in the metropolitan areas of Sydney, Wollongong and Newcastle are definitely aware of the problems that confront them today because of the fact that industry has developed beyond their capacity to supply essential services not only for the industry but for the associated housing that comes with development and which makes even greater demands on social and essential services.

A definite case in question in regard to population explosion in the western suburbs of Sydney may be taken in the case of Blacktown City Council which at present has an approximate population growth of 10,000 per annum and which to that Council is proving to be a crippling economic problem. They ~~themselves~~ themselves have openly stated at a recent conference of Local Government authorities that it is essential the the government decentralise, as quickly as possible, industries and other major development concerns to ensure that the viability of Sydney as a metropolis continues, for in their council area alone this growth rate makes the provision of arterial roads, water, sewerage, electricity and other associated services impossible to keep abreast of and in time must in itself create a bottleneck in providing access from the country to the city or vice versa.

4. Most definitely my Council does consider that the State Government is not doing enough financially and politically to further the cause of decentralisation. My Council considers that the time for planning of decentralisation was 20 years ago, but that it is not going to achieve anything by decrying this factor now. However, it is essential that the government accepts the challenge presently facing New South Wales and in turn the Commonwealth Government joins the State Governments in ensuring that decentralisation in the true meaning of its word is undertaken within the next 10 years failing which it is considered that the economic problems associated with this huge complex of industries, factories, associated services will become beyond the economic viability of New South Wales and eventually Australia.

It may well be considered that my Council is being parochial in its attitude towards decentralisation but by the same token it considers that the State Government is being equally parochial in allowing the developments that have taken place in the Sydney, Wollongong and Newcastle areas. One must readily acknowledge that a seaport is eventually your export gateway, however, it appears futile to have the rural products that are being exploited in country areas transported to the city for treatment and production when in actual fact those raw materials could be manufactured into the saleable article in the country areas and then transported to the seaboard for subsequent disposal. One would then have a smaller transport problem for it is much cheaper and easier to transport a finished article than to transport a bulk item for subsequent manufacture, and with the event today of the huge sized aeroplanes the essential requirement of a seaport in years gone by is no longer a problem. For here in itself we have a further problem created in the metropolitan areas in that the Government is now faced with a huge bill to find a second alternative airport for the Sydney area whereas there are in many country centres today adequate facilities at much cheaper cost available for the construction of a central airport.

8.

It seems ludicrous to me personally that we have international airports at Sydney and Melbourne possibly capable of handling jumbo jet services and huge influx of people and yet neither of them can economically operate of their own free will without huge government assistance. Would it not be more feasible to have a central international airport located in a country area and provide all the necessary facilities required with an international airport and from there a radiation of internal domestic airlines could transport the passengers to their ultimate destination for I feel sure that many of the passengers that arrive at an international airport do not have a particular destination thereat but eventually or immediately even transfer to an alternate aircraft to take them to such places as Brisbane, Canberra or South Australia.

I congratulate you on your efforts in attempting a thesis such as decentralisation in New South Wales for it is such a subject that has a wealth of problems, hopes and room for a controversial and sweeping attitude of change.

Yours faithfully,



(D.P. O'Shea)
ACTING TOWN CLERK.

ALL COMMUNICATIONS
TO BE ADDRESSED TO
THE TOWN CLERK

APPENDIX 3(f)

P.O. BOX No 227
TELEPHONE No. 52 1377



Town Clerk's Office,
Council Chambers,
Balo Street,
Moree, 2400.

16th September, 1971.

The Artesian
Baths
are
Renovated
for the
Treatment of
Rheumatism,
Arthritis,
Nerve Complaints,
etc.

Mr. Kevin Walsh,
C/- Commonwealth Savings Bank,
Head Office,
Martin Place,
SYDNEY. NSW. 2000

Dear Mr. Walsh,

I acknowledge your letter of 24th August, 1971, and apologise that an earlier reply has been delayed by my prolonged absence in Sydney at an Equity Court hearing.

To answer your questions:-

- (1) Council does favour a policy of more "selective" decentralisation as envisaged. Moree's population growth over the past decade has averaged just under 3% although this figure fell slightly in 1969 and 1970. Council feels that Moree's location would be in favour of its promotion as a "growth centre".
- (2) Council has not submitted any specific proposals concerning possible charges but has fully supported moves by the "NSW Country Mayors' Development Committee" and other Councils toward this end.
- (3) I would say that local business men and the Local Member are fully acquainted with decentralisation and some local manufacturers have availed themselves of freight concessions made available by the Department of Decentralisation and Development.
- (4) Council is of the opinion that the Commonwealth should take a more active role in decentralisation, both politically and financially. State programmes could also be accelerated but are restricted through the limited finance available for this purpose.

Moree, by reason of its location some 410 miles from the large manufacturing areas, has little chance of attracting industry to this area. A large unskilled labour force is readily available among the aboriginal population and the town is of sufficient size and standard to attract skilled labour should this be needed. The town has an adequate water supply, by mid 1972 should be 85% sewerred, and has first class public amenities and facilities, comparable or even better, than other large country centres.

I have no objection to the use of my comments in your thesis. I have lived in Moree for 13 years and can fully appreciate its potential.

Yours faithfully,

[REDACTION]

(OWEN J. JONES)
TOWN CLERK.

OJJ/AMT



*Council Chambers
Tenterfield 230*

1059/71 TL/LP

Mr. Kevin Walsh, B.Ec.,
C/- Commonwealth Savings Bank,
Head Office,
Corner Martin Place & Pitt Street,
SYDNEY. N.S.W. 2000.

Dear Mr. Walsh,

Your letter dated 26th July, 1971 is acknowledged and the reason why I haven't replied to it sooner is that I thought it would be more appropriate to place it before Council for the comments of Aldermen before attempting to answer it myself.

You may surmise from the above that this Council has never expressed any particularly strong feelings about decentralisation other than to be generally in favour of both the State and Federal Governments giving the utmost encouragement to private industrialists and governmental departments to establish business undertakings or departmental regional offices in country towns.

Tenterfield is a town of some 3,400 people, it has all facilities such as water, sewerage and electricity but its small size and isolation from markets make it very difficult to put forward a strong case why private enterprise should establish new businesses in Tenterfield in favour of larger towns and cities closer to both raw materials and markets.

The Council has supported moves by medium sized towns in New South Wales to have the Government's present thinking of developing a selected few centres changed to a policy of assisting all country towns to obtain a share of the decentralisation benefits. When discussions on decentralisation come before Council there seems to be a division of opinion whether a town like Tenterfield would obtain any benefit from a Government policy of developing a selected number of towns and cities throughout the State to say a population of 100,000 persons. The nearest towns to Tenterfield Tamworth to the south 190 miles and Lismore to the East, 103 miles and Armidale to the south 120 miles - if any of these towns were

developed as a selected region, it could not be expected that any particular benefits would accrue to Tenterfield. I think however, that the general thinking of this Council is that it would be better for the State Government to develop a selected number of cities than to try and increase in size all the existing towns.

From my observations the one thing that everyone seems to be almost unanimous about is that the metropolitan area made up of Newcastle, Sydney and Wollongong and often referred to as N.S.W. has become over populated and almost unmanageable as far as traffic and Local Government services are concerned and whatever particular policy the State Government may have relating to decentralisation whether its a selective few or all country towns, the sooner a wholehearted and realistic programme of containing the size of these three cities and encouraging the people to live in the country under conditions which are infinitely better in most cases than city conditions, *the better it will be for the whole State*

I hope I have been of some assistance to you in giving you these opinions but I would again stress that this Council has not actively participated in any decentralisation movement.

Yours faithfully,

REDACTION
[Redacted Signature]

Town Clerk:

PRESS STATEMENT

July 6, 1971

REGIONAL ORGANISATION

The Premier, Mr. Askin, said today that Cabinet, on the recommendation of the Minister for Decentralisation and Development and Vice-President of the Executive Council, Mr. Fuller, had endorsed a proposal that the State be divided into nine regions and that these regions be adopted by the Government for all administrative and developmental purposes.

"In the Government's Rural Policy Speech at the last elections we undertook to institute a system of common administrative regions," said Mr. Askin.

"The adoption of the proposed regions represents a major step towards establishing a common pattern of balanced development of the State.

"The regions will replace the present confused pattern of conflicting areas and districts adopted over the years by the various departments and authorities for their own purposes.

"They are based on the recommendations of an inter-departmental committee comprising senior officers of the Department of Local Government, the Treasury, the State Planning Authority and the Public Service Board, chaired by the Director of the Department of Decentralisation and Development.

"The regions recommended by the inter-departmental committee have already been adopted by the Government Statistician and will be used in this year's census.

"They will be recognised progressively by all State departments and it is hoped they will come to be recognised increasingly by Commonwealth authorities as well.

"Our underlying objective is increased decentralisation of administration on a co-ordinated basis," Mr. Askin said.

The Premier said the Government had adopted in principle a further recommendation of the Committee that regional advisory councils be established in each non-metropolitan region and in the Hunter and Illawarra sub-regional districts of the overall metropolitan region.

"The composition of the regional advisory councils and their mode of selection will be the subject of further consideration by Cabinet," he said.

"The objective is to give regional people a greater sense of identity and a better informed voice in the planning and development of their areas.

"The regional councils will exercise an advisory role - they will not usurp the powers of local government councils," Mr. Askin said.

The Premier added that the Minister for Decentralisation and Development would make a further statement next week elaborating on the regional proposals.

"Public participation in the choice of regional names will be invited through the press and radio with a view to promoting the maximum degree of public recognition of the regional concept," he said.



NEW SOUTH WALES
MINISTER FOR DECENTRALISATION AND DEVELOPMENT

D.71/584

Dear Mr. Walsh,

14 OCT 1971

I refer to your letter of 16th September, 1971, seeking information which would assist with the writing of a thesis on the problems of country towns with special reference to the political aspects.

In reply, I wish to inform you that decentralisation is an important plank in the Government's platform and a large part of the State's budget is directed to the development of country areas.

The strong emphasis placed on the promotion of decentralisation is demonstrated by the action of the Government upon assuming office in May, 1965, in appointing the State's first full-time Minister for Decentralisation and Development. Since that time success has been achieved in assisting the establishment or expansion of no less than 560 industries in some 150 country centres by the provision of \$32.5 million. It is conservatively estimated that this has resulted in more than 60,000 people being retained in country areas of the State who would otherwise have had to move to the coastal city complex in search of economic security.

The amount so expended from the Country Industries Assistance Fund is nine times the total amount spent on decentralisation in the last seven years of Labor Government.

It is recognised that a need exists to assist towns which are not capable of attracting or sustaining major manufacturing plants and, in accordance with the Government's policy, an examination is being made of the scope for extending the scale of help to those activities in the nature of tourism, education and research, which would generate population growth and economic expansion.

Further, expenditure in country areas on public works which are complementary to industrial decentralisation, such as education facilities, water conservation, town water and sewerage services, hospital buildings, and roads and bridges, has risen substantially since 1965. Some notable country developments completed in that period, in progress, or proposed, are enumerated below:

- * Two out of three new teachers' colleges erected have been at Goulburn and Lismore.
- * Mitchell and Riverina Colleges of Advanced Education have been established at Bathurst and Wagga Wagga respectively.
- * Many of the State's major works in progress at sixty-eight primary schools and fifty-nine high schools and further major new projects at thirty-five primary and forty-seven high schools are in country areas.

2.

- * Many of the technical colleges completed, costing a total of \$26 million, have been in country centres.
- * Blowering, Burrendong, Menindee and Wyangala water storages have been completed.
- * Carcoar and Pindari Dams were begun and have been completed.
- * Final works are being undertaken on Lostock and Toonumbar Dams and the Copeton Dam is well advanced.
- * \$53 million have been spent on town water and sewerage schemes with plans for further expenditure of \$32 million in the next three years - thirty-one subsidised schemes were completed in 1970-71 and over one hundred schemes were in progress or were planned to start in 1971-72.
- * Hospital projects expected to be completed in 1971-72 include ward blocks and associated services at Armidale, Nowra, Broken Hill and Tenterfield, whilst additional facilities are planned for hospitals at Katoomba, Griffith, Deniliquin and Tweed Heads.
- * Subsidies to country councils totalling \$9 million spent or committed have enabled several hundred bridges to be built or put in hand.

The foregoing examples indicate the Government's determination to bring about maximum balanced development within the limits of available resources.

Much more could be achieved if the Commonwealth were to shoulder its responsibility by providing funds for decentralisation.

The Commonwealth, however, has consistently maintained that decentralisation is primarily the responsibility of the States. Yet as far as New South Wales is concerned, our limited financial resources and the need to recognise priorities in fields such as education and public health leave little to be applied to the promotion of decentralisation on the scale necessary to make substantial progress. As rapid decentralisation will not occur naturally in the face of the economic and technological pressures operating in favour of centralisation, it is inescapable that only the Commonwealth, with its access to major financial sources, is in a position to provide the initial injection of the large amounts of public funds needed to actuate a large-scale programme.

With reference to your question about the proposal to divide the State into nine regions, I desire to inform you that this is a parallel development to the matter of selective decentralisation. Copy of relevant press statements relating to regional organisation are enclosed and should assist in clarifying your thoughts on the steps taken by the Government to institute a system of common regions within the State for all administrative and developmental purposes.

3.

As far as the implementation of the recommendation of the Development Corporation for the establishment of regional growth centres is concerned, this matter is still receiving consideration by the Government. Accordingly, I regret that I cannot comment further on the subject at this stage.

I trust that this letter will help with your research but if there are any other aspects relating to my administration on which advice is desired, please write to me again.

Yours faithfully,

[REDACTION]

JOHN B. FULLER
Minister for Decentralisation
and Development.

Mr. K. Walsh,
c/- Commonwealth Savings Bank
Head Office,
Cnr. Martin Place and Pitt Street,
SYDNEY.
N.S.W. 2000

28th July, 1971.

Mr.,
M.L.A.,
Parliament House,
SYDNEY. N.S.W. 2000

Dear Mr.,

I am currently completing a thesis for the degree of Master of Economics concerning political attitudes to decentralisation in N.S.W.

I would appreciate it if you could give me any general comments you may have on the subject and also answer the following questions.

1. Do you feel that there is sufficient political awareness of decentralisation amongst Members and your own constituents in general?
2. In your opinion, to what extent are Members attitudes to decentralisation directed along "Party Lines"?
3. What are your views on selective decentralisation and particularly the N.S.W. Development Corporation report currently being examined by Cabinet?
4. What effect would the establishment of "growth" centres have on your electorate, particularly if one such centre was not established within its boundaries?
5. Do you feel that the Commonwealth Government should be doing more towards promoting decentralisation?

I realise that demands upon your time are great and thank you for your co-operation, in anticipation of an early reply.

Yours faithfully,

KEVIN WALSH B.Ec

APPENDIX 5(a)

LIST OF M.L.A.'s WRITTEN TO

<u>Name</u>	<u>Electorate</u>	<u>Party</u>	<u>Major Cities/ Towns</u>
Mr. R.A. Brewer	Goulburn	C.P.	Goulburn
Mr. J.H. Brown	Raleigh	C.P.	Kempsey
Mr. W.A. Chaffey	Tamworth	C.P.	Tamworth
Ald. H.G. Coates	Blue Mountains	Ind.	Lithgow
The Hon G.R. Crawford	Barwon	C.P.	Moree/Narrabri
The Hon C.B. Cutler	Orange	C.P.	Orange
Mr. D. Day	Casino	A.L.P.	Casino
Mr. R.B. Duncan	Lismore	C.P.	Lismore
The Hon W.C. Fife	Wagga Wagga	Lib.	Wagga Wagga
Mr. C.M. Fisher	Uper Hunter	C.P.	Muswellbrook/ Quirindi
The Hon Davis Hughes	Armidale	C.P.	Armidale
Mr. J.A. Lawson	Murray	Ind.	Deniliquin
Mr. G.C. Mackie	Albury	Lib.	Albury
Mr. J.M. Mason	Dubbo	Lib.	Dubbo/Parkes
Mr. S.G. Mauger	Monaro	Lib.	Cooma
The Hon M.A. Morris	Maitland	Lib.	Maitland
Mr. G.H. Neilly	Cessnock	A.L.P.	Cessnock
Mr. L.M. Nott	Burrendong	A.L.P.	Gunnedah
Mr. C.G. Osborne	Bathurst	C.P.	Bathurst
Mr. J.B. Renshaw	Castlereagh	A.L.P.	Nyngan
The Hon W.F. Sheahan	Burrinjuck	A.L.P.	Cootamundra
Mr. Matthew Singleton	Clarence	C.P.	Grafton
Mr. J.H. Taylor	Temora	C.P.	Condobolin

C.P. = Country Party

Lib. = Liberal Party

A.L.P. = Australian Labor Party.



SYDNEY

11th October, 1971.

Mr. K. Walsh, B.Sc.,
C/- Commonwealth Savings Bank,
Cnr. Martin Place & Pitt Street,
SYDNEY.

Dear Mr. Walsh,

I am enclosing a long letter I have received from the Minister for Decentralisation and Development in answer to a number of questions you asked in your letter of 24th August, 1971. I must apologise for the delay in obtaining these answers for you.

I thought it would be a good idea to seek some advice from my colleague, the Minister for Decentralisation and Development, on the points that you have raised. From my own point of view, the Department of Railways and also the Department of Motor Transport are very greatly concerned with decentralisation. Indeed, both departments have established regional offices throughout the country areas and as Minister for Transport I feel that this move towards decentralisation has greatly assisted the departments in their operations.

I hope the information I have provided is of assistance to you.

Yours faithfully,

(REDACTION)

(M. A. Morris)
Minister for Transport



NEW SOUTH WALES
MINISTER FOR DECENTRALISATION AND DEVELOPMENT

D.71/584

Dear Mr. Morris,

29 SEP 1971

I refer to your recent request for my comments on the correspondence addressed to you by Mr. K. Walsh, C/- the Head Office of the Commonwealth Savings Bank, Sydney, who is seeking information which would assist him in the completion of his thesis concerning political attitudes to decentralisation in New South Wales.

Dealing seriatim with the questions posed in Mr. Walsh's letter, I would be inclined to think in respect of (1) that Parliamentary Members are generally aware politically of the issues relating to decentralisation, particularly those who represent non-metropolitan electorates, in which the topic is, of course, of prime importance. Probably few subjects have had more written or said about them over the years in the various media than decentralisation within the State; in Parliament, certainly, the time spent in debating matters which touch upon decentralisation and development in country regions would ensure a substantial awareness in this regard by all Members. More recently, perhaps, I think there are encouraging indications of an increasing awareness of decentralisation as a solution to the mounting problems of metropolitan expansion.

As for the political awareness of constituents, it would be difficult to generalise in view of the varying levels of consciousness of the subject.

At one end of the scale there is a high degree of awareness, noticeably among those who are members of organisations the objectives of which include local development, e.g. local government bodies and community advancement associations. At the other end of the scale, there is probably minimal concern except in general terms that "they (presumably the Government) should do much more about decentralisation", or where a personal involvement exists. A worker, for example, may be unable to obtain employment without the inconvenience of moving residence, or the transfer of a student-child to a place where higher education is available may necessitate a similar move subsequently by the family in order to maintain it as a social unit.

With reference to (2) regarding the extent to which the attitudes of Parliamentary Members to decentralisation are determined on "party lines", it is probably fair to say that decentralisation is a bi-partisan issue in that all N.S.W. political parties support decentralisation as a policy objective. Whilst this common goal may exist, some differences of approach are observable in its achievement, particularly in the quantum of funds allocated to bring about increased industrial decentralisation. In financial terms, this is demonstrated by the provision of approximately \$32.5 million over the past six years by the Government to promote the establishment or expansion of 560 industries in country centres as compared with an amount of \$3.6 million spent by its predecessors over the preceding seven years.

In addition, expenditure in country areas on public works which are complementary to industrial decentralisation, such as education facilities, water conservation, town water and sewerage services, hospital buildings, and roads and bridges, has risen substantially since 1965. Some notable country developments completed in that period, in progress, or proposed, are enumerated below:

2.

- * Two out of three new teachers' colleges erected have been at Goulburn and Lismore.
- * Mitchell and Riverina Colleges of Advanced Education have been established at Bathurst and Wagga Wagga respectively.
- * Many of the State's major works in progress at sixty-eight primary schools and fifty-nine high schools and further major new projects at thirty-five primary and forty-seven high schools are in country areas.
- * Many of the technical colleges completed, costing a total of \$26 million, were in country centres.
- * Blowering, Burrendong, Menindee and Wyangala water storages have been completed.
- * Carcoar and Pindari Dams were begun and were completed.
- * Final works are being undertaken on Lostock and Toonumbar Dams and the Copeton Dam is well advanced.
- * \$53 million have been spent on town water and sewerage schemes with plans for further expenditure of \$32 million in the next three years - thirty-one subsidised schemes were completed in 1970-71 and over one hundred schemes were in progress or were planned to start in 1971-72.
- * Hospital projects expected to be completed in 1971-72 include ward blocks and associated services at Armidale, Nowra, Broken Hill and Tenterfield, whilst additional facilities are planned for hospitals at Katoomba, Griffith, Deniliquin and Tweed Heads.
- * Subsidies to country councils totalling \$9 million spent or committed have enabled several hundred bridges to be built or put in hand.

The foregoing examples are cogent indicators of the Government's determination to continue to give country development the highest priority within the limits of available resources.

As far as Government Members are concerned, it could be said that their attitude to decentralisation was reflected in their endorsement of the programme enunciated in the 1971 Rural Policy Speech, in which Balanced Development, Regional Development and Tourism, to mention a few sections related to the growth of country areas, were featured prominently.

With regard to (3), you will be aware of course that the question of selective decentralisation, following upon the submission of the report of the Development Corporation of N.S.W., is still receiving the consideration of the Government. I don't think I can comment further on the subject at this stage.

Turning to (4), one would need to consider separately the effect of a growth centre in Maitland electorate and the effect of growth centres established externally.

In the former case, obviously, increased funds from the public sector would be channelled into the area resulting in the provision of a range of services, public works, etc. necessary to generate accelerated development. In short, the greater stimulus so provided would bring about corresponding advances in the rate of growth in the secondary and tertiary sectors with associated economic

3.

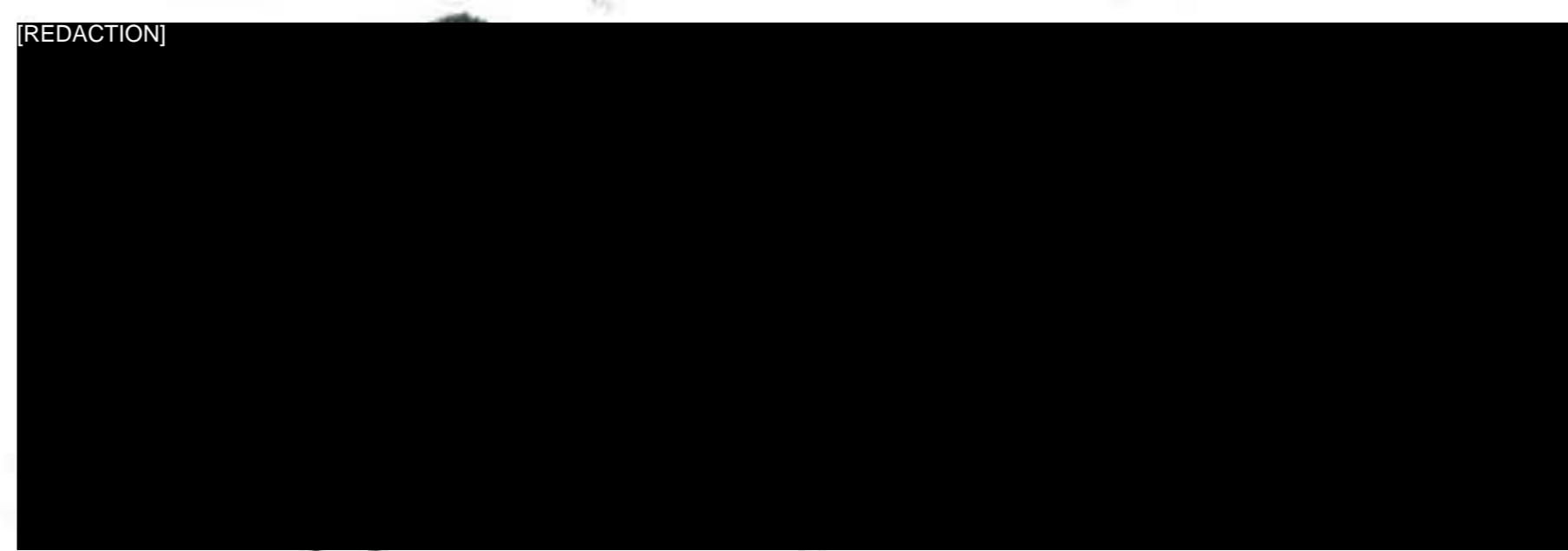
ains in the region. It needs to be emphasised of course that any such Government aid would be additional to and not in lieu of the existing forms and extent of assistance to country areas generally.

In the case of a growth centre being established outside the boundaries of the Maitland electorate, probably there would be little impact in view of the de facto position which Maitland has occupied for years as a viable centre despite its close proximity to Newcastle - second city of the State and a large heavy industry complex.

With regard to (5), I think it can be justifiably contended that the Commonwealth Government has done insufficient to promote decentralisation effectively itself or to underwrite the endeavours of the State. The Commonwealth has consistently maintained that decentralisation is primarily the responsibility of the States, yet so far as New South Wales is concerned, our limited financial resources and the need to recognise priorities in fields such as education and public health leave little to be applied to the promotion of decentralisation on the scale necessary to make substantial progress. As rapid decentralisation will not occur naturally in the face of the economic and technological pressures operating in favour of centralisation, it is inescapable that only the Commonwealth, with its access to major financial sources, is in a position to provide the initial injection of the large amounts of public funds needed to actuate a large-scale programme.

As you know, formal discussions of varying intensity relating to decentralisation between the Commonwealth and the States have been proceeding since 1944. Over the last seven years increased emphasis has been given to the subject by the establishment of joint Commonwealth/State committees and the identification of a series of complementary research studies. Basically, these studies have been directed towards identifying the diseconomies of excessive centralisation with a view to establishing the economic justification for decentralisation as a public policy objective. There is, however, much to be said for the view that sociological considerations, although difficult to quantify, may ultimately be as important as economic factors. Whatever the outcome of the present Commonwealth/State enquiries, it seems unlikely that the full potential of decentralisation will be realised unless the Commonwealth faces up to its responsibility and makes available the funds necessary for the purpose.

Yours faithfully,



JOHN B. FULLER
Minister for Decentralisation
and Development.

The Hon. M.A. Morris, M.L.A.,
Minister for Transport,
S Y D N E Y.



LEGISLATIVE ASSEMBLY OF NEW SOUTH WALES
 PARLIAMENT HOUSE
 SYDNEY N S W 2000

17th August, 1971.

K. Walsh, Esq., B.Ec.,
 C/- The Commonwealth
 Savings Bank,
 Cnr. Martin Place and Pitt St..
 S Y D N E Y. 2000.

Dear Mr. Walsh,

I wish to acknowledge your letter of the 28th July regarding Decentralisation and am happy to give you my thoughts on this very important subject.

First, let me address myself to your questions:

1. There is no awareness of the most urgent need for massive decentralisation measures in Australia by politicians generally. Most Members are obsessed with the needs of people in their own electorates in the way of traffic congestion; pollution; price of land; facilities such as more ports, bigger aerodromes; schools; hospitals, etc., without any real realisation that these problems are the direct product of centralisation policies in a few coastal cities.

My own constituents, and the constituents of most country areas are most aware of the need for decentralisation. Hence the Country Party have to pay at least lip service to this desire.

2. All Parties give voice to the need for decentralisation but amounts voted to achieve it and the importance of such a programme gets lost in the pressing needs to alleviate existing problems created by natural centralisation as outlined in answer to Question One.
3. My criticisms of the report on selective decentralisation by the Development Corporation are:-
 - a. It is totally inadequate in its concept because the source of funding is restricted to the New South Wales Treasury and because of this
 - b. It is politically impossible.

This naturally follows on to your question - -



K. Walsh, Esq..

- 2 -

4. Savage political repercussions would follow selection of proposed growth centres outside the electorates of Members of a Party which make the decisions.

As most of these electorates are held by the Country Party, it is obviously much harder for them to make decisions on growth centres than the Labor Party who can pick only those areas where they are already represented or have a chance of winning.

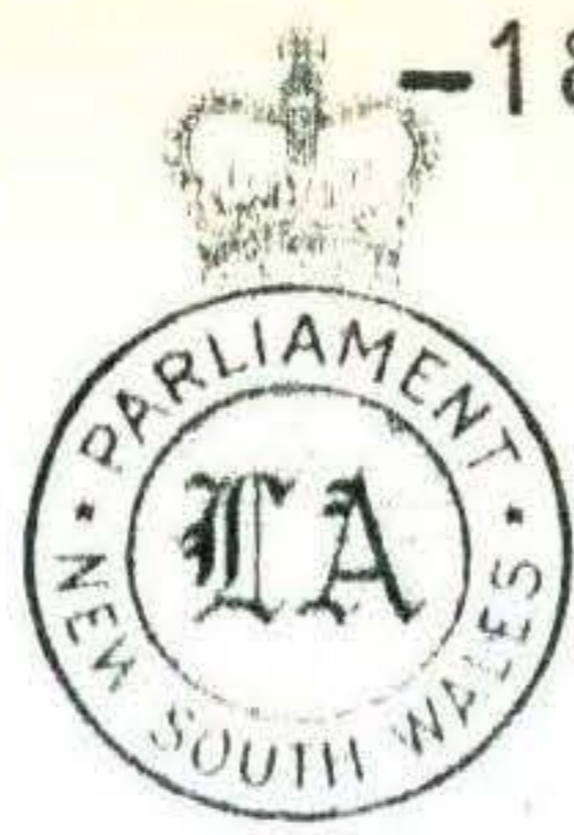
5. An effective decentralisation policy depends very largely indeed upon Commonwealth Government participation; both in the way of financial assistance to encourage secondary industry to establish itself away from its existing markets in the cities and also to co-ordinate planning in each State, to effectively control further industrial expansion, within or adjacent to large cities.

Some further general comments:

- a. The Country Party, although trying to represent itself as a "middle of the road" Party in Country Areas, is, in fact, just as conservative if not more so, than the Liberal Party.

Most Country Party Members, if not all, would be most disturbed to have located in their electorates say 3,000 industrial workers and their families whose traditional political loyalties are to the Labor Party.

- b. People will live anywhere there are decent employment opportunities, eg. - Mt. Isa.
- c. Service industries and amenities naturally follow population and would require no incentives.



K. Walsh, M.L.A.

- 3 -

-
- d. Massive incentives and planning are necessary to get non-indigenous industries to establish outside metropolitan areas, to provide the foundation upon which new growth centres may be based.
 - e. The cost of such a programme is insignificant when compared to the costs of centralisation - e.g. \$170^M million for 14 miles of Warringah Expressway; \$135 Million for the Eastern Suburbs' Railway; probably another \$200 Million for additional ports and port facilities, cost of pollution control, etc..
 - f. The problem is getting a real political awareness of the need, because the Country Party will not lead it for the reasons I have outlined and other political Party Members are prompted by the immediate pressures of their electorates rather than by a long range and national view.

I trust these comments are of some assistance.

Yours faithfully,



D. Day, M.L.A..
Member for Casino.



LEGISLATIVE ASSEMBLY OF NEW SOUTH WALES
 PARLIAMENT HOUSE
 SYDNEY. N S W. 2000

30th July, 1971.

Mr. K. Walsh, B.Ec.,
 C/- Commonwealth Savings Bank,
 Head Office,
 Cnr. Martin Place & Pitt Street,
Sydney. N.S.W. 2000.

Dear Mr. Walsh,

I acknowledge receipt of your letter of the 28th July. As you are aware, this is the week before Parliament Opens and as I have a visit to the country scheduled for next week, the answer to your problems will not be a researched one but one "off the cuff."

Question 1. I feel that there is an acute awareness for decentralisation amongst my constituents. Whether it is general amongst Members of Parliament is a subject that I would prefer not to pass judgment on because, in my opinion, decentralisation is or has become almost a catch-cry like the word "Mesopotamia". In fact, I would say that it has become a political football and nobody can tell in which direction the ball will land when kicked by so many who proclaim their dedication to this philosophy.

Question 2. I think Question 1. answers this problem.

Question 3. I have not yet had the opportunity to peruse fully the current report being examined by Cabinet on New South Wales development as a corporation. My own opinion is that it will be a difficult task for any corporation to carry this matter out to a conclusion satisfactory to all concerned because of the conflicting interests and the diversity of production in the different areas of the State. I think you will find that the areas proposed would probably be more political than economic and logical.

Question 4. I have no objection to growth centres but I do believe that some of the growth centres that have already been foreshadowed in newspaper articles indicates that those towns

30th July, 1971.

would want to swallow up both development and resources of neighbouring towns whose potential for development is seen as being most worthy of cultivation. In my view, unless watched with care and an impartial view taken by the corporation, it would mean the disembowelling of many country towns.

Question 5. I feel that the Commonwealth Government should be doing more towards the promotion of decentralisation and should make available moneys through the Central Banking system towards this end. I might state that decentralisation is not being materially helped in the present circumstances of a sick rural economy by the failure of Governments to recognise that the overburdening load of interest causes inflation and the higher the interest rates which banks are demanding - tends to just do that. In my view, interest rates should be lowered to stop inflation.

Closer settlement in country towns, which now seems to have become unpopular, with the theory of get big or get out developing in political circles, would have a detrimental affect on the growth of decentralisation.

If you take two towns in the South-Western District of New South Wales - Tumut and Young - the benefits of closer settlement in those towns is clearly apparent by the business activities and the general prosperity that is apparent compared with towns landlocked by large estates.

In my view, the greatest help to decentralisation at the present time would be for both the Commonwealth and State Government (in all States) to co-operate in relieving the lessees from the Crown of lands held either under Returned Soldier Settlement, Closer Settlement or other forms of tenure, by remitting present interest indebtedness and interest payments for five (5) years to enable them to get on their economic feet.

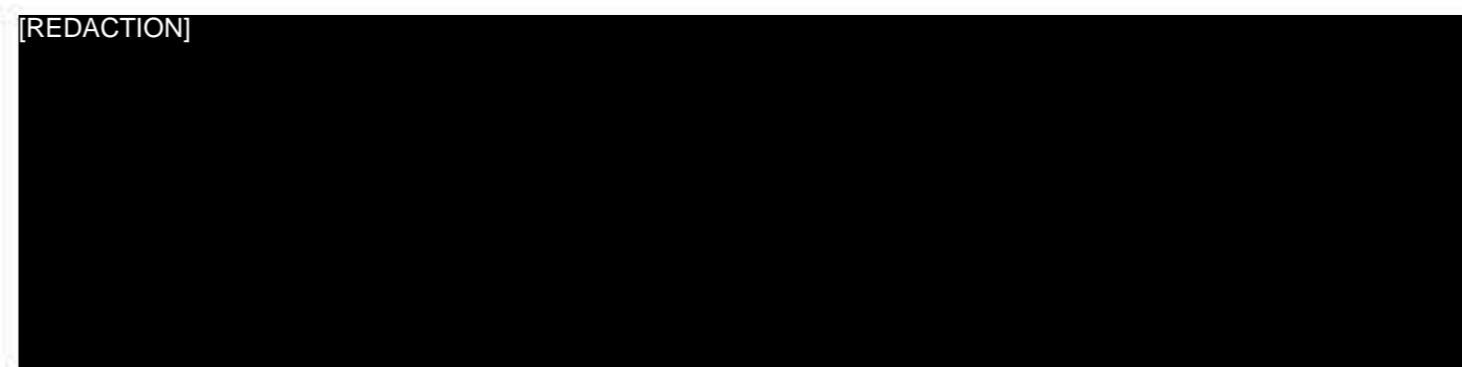
To me, to hand over money by Commonwealth to the States for distribution under a basis by which interest payments will still be charged over a period of 40 years or whatever they set, is only toying with the problem and would in no way promote decentralisation.

One of the unfortunate trends of Government policy today is to erode some of the decentralised activities in some towns and centralise them on towns that have already a fair proportion of Government controlled activities. For instance, Wagga Wagga seems to be receiving all the Government activities and more, from surrounding towns.

30th July, 1971.

I do not think I can help you any more at this stage before Parliament meets and I hope you are able to obtain some inspiration from what I have said.

Yours sincerely,



(W.F. Sheahan)
M.L.A. for Burrinjuck.



10 SEP 1971

Mr. Kevin Walsh, B.Ec.,
C/- Commonwealth Savings Bank,
Head Office,
Cnr. Martin Place and Pitt Street,
SYDNEY. N.S.W. 2000

Dear Mr. Walsh,

In reply to your letter of 28th July, 1971, I am setting out hereunder for your information my views on various aspects of decentralisation, which I hope will be of assistance to you in the completion of your thesis.

Decentralisation

In a free enterprise society, one of the main roles of governments is to provide facilities which will assist both in production and future development. Because of this, the Government of New South Wales has made decentralisation one of the key components of its overall policy. While the development of secondary industry is a matter of fundamental importance, we should nevertheless, never lose sight of the fact that the great primary industries still supply most of our overseas funds, and are the backbone of the economy.

The potential problem of too great a concentration of population in a few coastal centres has been recognised for more than a quarter of a century. Only, however, since the present Government's decentralisation policies were put into effect was any serious effort to grapple with the problem in New South Wales.

There are strong economic reasons to justify striving by a government to influence population away from the main metropolitan centres. It has been reliably projected that Sydney's population will grow to about 6 million by the year 2000, a figure which is not far short of New York's present population. At that time the annual growth rate may be at a level not far short of 100,000 people a year.

There are two sound reasons for a policy of balanced development in New South Wales. First - there is strong evidence that an overgrown city is far more costly to service than a medium sized centre. Second - population, particularly young people in search of employment, is drifting fairly solidly from country areas to the coastal cities - mainly to Sydney. In the last 10 years, as a result of this sort of movement, Sydney's population has increased by 500,000 - equal to a city the size of Perth.

If we look for reasons for the kind of unbalanced development we have found in Australia, it should be remembered that industrial development and population growth have not followed any pre-determined plan. Industry's decision to concentrate in the capital cities has been the result of perfectly free choice, and with full regard to the economic factors of location. The fact that a city location is so often chosen on the basis of natural conditions favourable to industry, is indicative of the nature of the problem concerning the achievement of decentralisation. Basically, industry has found city location attractive because of proximity to markets and sources of raw materials and labour.

The Government believes that a better balanced distribution of population can be achieved by strengthening the economy of country regions, by accelerating their rate of population growth and improving employment opportunities - especially for young men and women leaving school.

In reply to your specific questions:-

1) Political Awareness

Because of the fact that decentralisation is one of the Government's key policies, there is, of course, a very keen awareness of decentralisation among members of the Government. The fact that there are five Country Party members in Cabinet has allowed the case for decentralisation to be very strongly represented. Insofar as my own constituents are concerned - yes, I believe that, generally speaking, they regard decentralisation as a strong political factor, and certainly one which would have an influence on their vote at the ballot box.

2) Attitudes to Decentralisation

Decentralisation is a policy which is supported by all parties. I suppose it is only natural that city members should have a different personal attitude towards it than country members, but the fact remains that as a coalition Government we are very much committed to a policy which will ensure the balanced, integrated development of New South Wales as a whole. As you are aware, the Government created the Development Corporation, which has done excellent work in advising the Government on measures to achieve balanced development. As a matter of Government policy, and with the full support of all members of the Government, many important steps have been taken towards the achievement of decentralisation, and you are no doubt aware of these. The major impetus to decentralisation must come from diverting industry from the metropolitan area, and the Government is extending its already comprehensive research programme in an attempt to identify the re-location costs of specific groups of industries. A number of important new policy developments were announced in the Government's 1971 Rural Policy Speech.

3) Selective Decentralisation

The report of the Development Corporation on selective decentralisation has posed problems of political delicacy to the Government. In recent years, the principle of focusing non metropolitan urban growth in regional growth centres has been widely acknowledged throughout the world. The Development Corporation has indicated that, in its opinion, the promotion of growth centres offers the only prospect of bringing high order facilities, comparable with those of metropolitan Sydney, within reasonable reach of the non-metropolitan area of the State.

A growth centre may perhaps best be defined as a centre which has reached the stage of "self-generation". This is the stage when a centre becomes capable of attracting sufficient investment to retain, without assistance, its natural increase, and its share of migration.

In essence, the first basic point in the Development Corporation's argument was that there are at present no urban alternatives to the Sydney - Newcastle - Wollongong complex elsewhere in the State which are capable of offering the necessary economic and sociological attractions.

The second basic point was that, given a regional growth centre, the benefits would spill over into the surrounding region and that people would be retained at least within the region, who would otherwise drift to the cities.

The growth centre concept still leaves room for specialisation within a region, and for the emergency of "second-tier" towns, complementing the major centre. Irrespective of any decision by the Government, there is scope for some degree of selectivity by a process of evolution.

Notwithstanding the degree of assistance which might be forthcoming at Government level, clearly the extent of Local Government expenditure would be a major factor in the establishment of a growth centre. Public sector investment at all levels would be needed in order to attract and stimulate investment by the private sector. Ultimately, a good deal would depend upon the willingness of a local community to support increased local expenditure upon improving the local environment, in providing housing and industrial estates, and in improving community facilities generally.

The implications of increased local expenditure, are obviously something for rate payers to consider.

4) Effect of Growth Centres on the Armidale Electorate

The Government is now aiming at decentralisation through regional development, rather than a single growth centre in each region, and this question therefore becomes largely hypothetical.

The prospect of regional growth depends on regional administration, and nine administrative regions have recently been declared by the Government.

Regional Advisory Councils are to be set up composed of the top heads of Government Departments in the region, together with representatives of Local Government, as well as members appointed by the Government. The Council will represent overall industry, commerce and tourism, as well as Government and Local Government of the region. We hope that this new approach will develop the regional concept, and a sense of competition between regions.

5) Commonwealth Assistance towards Decentralisation

In the Country Party's Policy Speech prior to the last Commonwealth elections, it was indicated that the Country Party wished to create a special source of finance, earmarked to help establish industry in the country.

I believe that this is a major breakthrough, because decentralisation will never become a wholly effective reality, until it becomes generally accepted as a national policy.

You have, of course, entered upon a complex topic, but I hope that the thoughts I have expressed will be of some assistance to you in the completion of your thesis.

Yours faithfully,

[REDACTION]

Minister for Public Works.



LEGISLATIVE ASSEMBLY OF NEW SOUTH WALES
PARLIAMENT HOUSE
SYDNEY N.S.W. 2000

10th August, 1971.

Mr. K. Walsh, B.Ec.,
C/- Commonwealth Savings Bank,
Head Office,
Cnr. Martin Place & Pitt Street,
Sydney. N.S.W. 2000.

Dear Mr. Walsh,

In reply to your letter of the 28th July
I offer the following comments to your questions:-

1. It is doubtful whether there is "sufficient" awareness of decentralisation. However, there is undoubtedly a growing concern among Members, particularly among city Members, who are beginning to become acutely aware of the complex problems generated in a meglo city. There are difficulties in getting the message over to constituents who by and large, are very parochial in their outlook and limited in their thinking and who see decentralisation as building up their own particular area.
2. I think there is very little directing of attitude along party lines. In this regard I enclose a copy of a speech I delivered in Parliament as a Liberal Member and this should speak for itself.
3. I am an advocate of selective decentralisation. My own view is that if a start could be made on one centre only rather than the five as projected by the corporation, that it would be a step worth taking. The problem is so dramatic in its implications that I cannot conceive, as you will see in my speech in the House, that any form of decentralisation other than one that is directed or selected, will work.
4. This seems to be the bogey that so many people are

10th August, 1971.

putting up against a selective decentralisation. However, I believe it is an unreal one. I may be coloured in this by the fact that in Region 3, which takes in most of my Electorate, there is general unanimity and, in fact, the main advocates for Dubbo to be made a growth centre are the leaders of the outlying communities; e.g. the President of the Cobar Shire.

On the other hand, in a centre in my Electorate such as Parkes which finds itself in a Region with four or five major centres, there is strong opposition in the local community to a growth centre.

However, it is my opinion that this is shallow opposition and would soon disappear in the face of the advantages that are apparent and would become more so when a growth centre was created.

5. Yes, the Commonwealth has within its power some major ways of boosting decentralisation, such as equalising telephone charges, taxation incentives and of course, general financing of major country projects.

I hope that these brief comments are helpful.

Yours sincerely,

[REDACTION]

(John M. Mason.)
Member for Dubbo.

SPEAKERS ON DECENTRALISATION SINCE 1965
ELECTIONS 1965/66 SESSION

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
K.G. Booth	A.L.P.	Kurri	a
R.A. Brewer	C.P.	Goulburn	a
J.H. Brown	C.P.	Raleigh	est.
Hon. C.A.F. Cahill	A.L.P.	Manly	a
J.A. Clough	Lib.	Eastwood	a + budget
W.F. Crabtree	A.L.P.	Kogarah	est.
R.A. Dunbier	Lib.	Nepean	a
R.B. Duncan	C.P.	Lismore	a + adj.
G.F. Freudenstein	C.P.	Young	a + est.
Hon. T.P. Gleeson	Ind.	Mullaley	a (new states)
A.J. Grassby	A.L.P.	Murrumbidgee	a + est. (Murray Valley Development League)
F.H. Hawkins	A.L.P.	Newcastle	loan est.
R.O. Healey	Lib.	Wakehurst	budget
M.W. Hough	Lib.	Wollongong-Kembla	a + est.
Hon. Davis Hughes	C.P.	Armidale	est. + q (Development Corp. Integration of Departments)
E.H. Humphries	Lib.	Gosford	a
R.J. Kelly	A.L.P.	East Hills	a
G.C. Mackie	Lib.	Albury	a (Commonwealth role) q (Murray Valley Development League)
H.C. Mallam	A.L.P.	Dulwich Hill	a + est. + p.o.
J.M. Mason	Lib.	Dubbo	a + est.
S.G. Mauger	Lib.	Monaro	a + est.
T.P. Murphy	A.L.P.	Concord	est. (Commonwealth role)
G.H. Neilly	A.L.P.	Cessnock	budget (Commonwealth role)
F.L. O'Keefe	C.P.	Upper Hunter	a
J.B. Renshaw	A.L.P.	Castlereagh	est. (Commonwealth role: Petrol price; taxation zones) a
J.B. Southee	A.L.P.	Blacktown	a (Commonwealth role)
J.H. Taylor	C.P.	Temora	a (Commonwealth role)
J.L. Waddy	Lib.	Kirribilli	budget (financial allocations)
Hon. E.A. Willis	Lib.	Earlwood	a (Govt. Policy)

1966/67 SESSION

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
Hon. R.W. Askin	Lib.	Collaroy	a
Hon. R.A.A.F. de Bryon-Faes	Lib.	Balgowlah	q (Joe White Maltings Ltd.)
D.B. Cowan	C.P.	Oxley	a
E.D. Darby	Lib.	Manly	budget
K.R. Doyle	Lib.	Vaucluse	q (effect of road taxes)
G.F. Freudenstein	C.P.	Young	loan est. (Country Industries Assist- ance Fund)
Hon. J.B.M. Fuller	C.P.	Coolah	q (Joe White Maltings Ltd.)
Hon. Eileen Furley	Lib.	Mosman	a
A.J. Grassby	A.L.P.	Murrumbidgee	est (Commonwealth Assistance Country Industries Assistance Fund)
Hon. F.M. Hewitt	Lib.	Mosman	a
M.W. Hough	Lib.	Wollongong- Kembla	a + budget
Hon. Davis Hughes	C.P.	Armidale	est. + loan est.
J.G.T. Jackett	Lib.	Burwood	a + budget
H.F. Jensen	A.L.P.	Wyong	a
G.C. Mackie	Lib.	Albury	a
Hon. J.J. Maloney	A.L.P.	Bexley	a
J.M. Mason	Lib.	Dubbo	a
Hon. M.A. Morris	Lib.	Maitland	q (Road Tax)
T.P. Murphy	A.L.P.	Concord	loan est.
F.L. O'Keefe	C.P.	Upper Hunter	a (Development Corporation Secondary Industries' Co-ordin- ation Committees)
IA. Punch	C.P.	Gloucester	a
Hon. J.A. Weir	A.L.P.	City(n.a.)	a

APPENDIX 6(c)1967/68 SESSION

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
Hon. R.W. Askin	Lib.	Collaroy	a + q
Hon. A.D. Bridges	Lib.	City(n.a.)	q (Oberon)
J.H. Brown	C.P.	Raleigh	budget (Regional Development Committees)
H.G. Coates	Ind.	Hartley	a
D.B. Cowan	C.P.	Oxley	a
R.B. Duncan	C.P.	Lismore	a (Commonwealth Concessions) q
Hon. J.B.M. Fuller	C.P.	Coolah	q
Hon. T.P. Gleeson	Ind.	Mullaley	a
Hon. Davis Hughes	C.P.	Armidale	q + loan est.
E.H. Humphries	Lib.	Gosford	a
D.B. Hunter	Lib.	Ashfield- Croydon	a
J.G.T. Jackett	Lib.	Burwood	a
S.B. Jones	A.L.P.	Waratah	budget
R.A. McCartney	A.L.P.	Hamilton	a
Hon. H.J. McPherson	A.L.P.	Wagga Wagga	a
G.C. Mackie	Lib.	Albury	q (Albury-Wodonga)
H.C. Mallam	A.L.P.	Dulwich Hill	p.o.
Hon. J.J. Maloney	A.L.P.	Bexley	a
S.G. Mauger	Lib.	Monaro	a + loan est.
C.G. Osborne	C.P.	Bathurst	a + loan est.
L.A. Punch	C.P.	Gloucester	loan est. + q
J.B. Renshaw	A.L.P.	Castlereagh	a + loan est.
Hon. F.W. Spicer	C.P.	Parkes	a + q
J.H. Taylor	C.P.	Temora	a
Hon. E.K.E. Vickery	C.P.	Boggabri	a
W.R. Weiley	C.P.	Clarence	a (soft drink industry)
Hon. E.A. Willis	Lib.	Bardwell Park	budget

APPENDIX 6(d)

1968/69 SESSION

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
Hon. R.W. Askin	Lib.	Collaroy	loan + budget
R.A. Brewer	C.P.	Goulburn	a (telephone charges)
J.A. Cameron	Lib.	Northcott	a (new towns)
R.F.J. Coady	A.L.P.	Drummoyne	p.o.
Hon. C.B. Cutler	C.P.	Orange	budget
E.D. Darby	Lib.	Manly	est.
Hon. J.B.M. Fuller	C.P.	Coolah	q (Cootamundra Flour Mill)
A.J. Grassby	A.L.P.	Murrumbidgee	est.
M.W.J. Hough	Lib.	Wollongong	est.
Hon. Davis Hughes	C.P.	Armidale	budget + est + q (Development Corp. New State Capital Regional Planning)
D.B. Hunter	Lib.	Ashfield	q (new state capital)
J.G.T. Jackett	Lib.	Burwood	q
H.F. Jensen	A.L.P.	Wyong	est.
L.B. Kelly	A.L.P.	Corrimal	est.
G.C. Mackie	Lib.	Albury	est (Mountain Maid Foods Co-op Ltd.)
Hon. R.W. Many-Weathers	Lib.	Casino	a (Balanced Development)
J.M. Mason	Lib.	Dubbo	est. (Sawmilling Industry) q (Regional Planning)
S.G. Mauger	Lib.	Monaro	adj.
W.G. Petersen	A.L.P.	Kembla	est.
J.B. Renshaw	A.L.P.	Castlereagh	q (Cootamundra Flour Mill) p.o.
Hon. G.H. Sutherland	A.L.P.	City(n.a.)	a
J.H. Taylor	C.P.	Temora	a
R.C.A. Wotton	Lib.	Burrendong	a + loan

APPENDIX 6(e)

1969/70/71 SESSION (6/8/69 - 13/1/71)

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
Hon. A.A. Alam	A.L.P.	Mosman	a
Hon. R.W. Askin	Lib.	Collaroy	budget: loan est.
L.J.F. Barraclough	Lib.	Bligh	a
Hon. J.G. Beale	Lib.	South Coast	budget: loan est.
K.G. Booth	A.L.P.	Wallsend	q (N'castle State Office Block)
L.F. Bowen	A.L.P.	King Randwick	a
R.A. Brewer	C.P.	Goulburn	a
J.H. Brown	C.P.	Raleigh	a
Hon. J.E. Cahill	A.L.P.	Yagoona	a
J.A. Cameron	Lib.	Northcott	est.
W.A. Chaffey	C.P.	Tamworth	est.
D.B. Cowan	C.P.	Oxley	est.
Hon. C.B. Cutler	C.P.	Orange	a
E.D. Darby	Lib.	Manly	a
Hon. Margaret Davis	Lib.	Coogee	loan est.
Hon. G.F. Freudenstein	C.P.	Young	budget est.
Hon. J.B.M. Fuller	C.P.	Coolah	q
Hon. Eileen Furley	Lib.	Mosman	a
P.D. Hills	A.L.P.	Phillip	a: loan est.
M.W. Hough	Lib.	Wollongong	a: budget: est.
Hon. Davis Hughes	C.P.	Armidale	est: loan est: q
D.B. Hunter	Lib.	Ashfield	budget
J.G.T. Jackett	Lib.	Burwood	a: est: loan est.
L.A. Johnstone	A.L.P.	Broken Hill	m
R.A. McCartney	A.L.P.	Hamilton	est.
G.C. Mackie	Lib.	Albury	m
J.M. Mason	Lib.	Dubbo	est: loan est: m
Hon. P.H. Morton	Lib.	Mosman	q
G.H. Neilly	A.L.P.	Cessnock	est.
F.L. O'Keefe	C.P.	Upper Hunter	a
L.A. Punch	C.P.	Gloucester	budget
Hon. B.B. Riley	Lib.	Killara	a
Hon. L.D. Serisier	A.L.P.	Orange	q
Hon. P.M.M. Shipton	Lib.	Wahroonga	q
Hon. L.A. Solomons	C.P.	Tamworth	a
J.H. Taylor	C.P.	Temora	a
Hon. E.K.E. Vickery	C.P.	Bellevue Hill	a
R.C.A. Wotton	C.P.	Burrendong	est.

APPENDIX 6(f)

PART SECOND SESSION 1971 - (5/8/71 - 29/9/71)

<u>Speaker</u>	<u>Party</u>	<u>Electorate*</u>	<u>Remarks</u>
Hon. L.D. Serisier	A.L.P.	Orange	q
J.M. Mason	Lib.	Dubbo	q
Donald Day	A.L.P.	Casino	q

NOTES TO APPENDICES - 6(a) - 6(f)

A.L.P.	Australian Labor Party
Lib.	Liberal Party
C.P.	Country Party
Ind.	Independent
a	Speech during address-in-reply debate
est.	Speech during debate on estimates for Minister for Decentralisation and Development
adj.	Speech on adjournment of House
q	Question asked by Member or answered by Minister or his representative.
p.o.	Point of order
m	motion
*	Place of living in the case of M.L.C.s

Category	Town							Total
	Cessnock	Bellbird	Kearsley	Pokolbin	Kurri-Kurri	Weston	Branxton	
Joinery	1		1		1			3
Cordials	3							3
Knitteds	1							1
Newspapers	2							2
Clothing	4				1	1		6
Brick and Pipe	1				1			2
Collieries	4	1					1	6
Printing	1							1
General Engineering	3				1	1	1	6
Cement	2					1		3
Bakers	2				2			4
Structural Steel	1	1	1		1			4
Sawmilling		1					1	2
Vineyards				10				10
Furniture					1			1
Other					1 (M.A.N. Diesel)	1 (Alcan)	1 (Co-op Dairy)	3
	25	3	2	10	9	4	4	57

SOURCE: "LOCATION OF INDUSTRY IN N.S.W. COUNTRY AREAS" - PUBLICATION NO. M333
DEPARTMENT OF DECENTRALISATION AND DEVELOPMENT MAY, 1971

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Cessnock Advertiser - Cessnock/Maitland
6 August, 1970, Supplement. Such supplements
are inserted annually and provide an extremely
useful commentary on local problems and prospects.
Unfortunately, copies of the newspaper are not
available at the N.S.W. Public Library, nor to
my knowledge, at any other Sydney library.

Newcastle Morning Herald and Miners' Advocate,
Newcastle, 1954-1971. The 1961-1965 editions
are particularly interesting since they refer
to the period during which Cessnock Council was
most actively pursuing the decentralisation of
industry, for example, by establishing the Kurri
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is accessible at the N.S.W. Public Library.

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(iv) OFFICIAL - GOVERNMENT

(a) Commonwealth

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