LEGISLATIVE ASSEMBLY

Thursday, 14 May, 1987

Mr Speaker (The Hon. Lawrence Borthwick Kelly) took the chair at 10.30 a.m.

Mr Speaker offered the Prayer.

PARLIAMENTARY PRIVILEGE

Mr SPEAKER: Order! Yesterday the honourable member for South Coast gave Notice of a Motion in which several private citizens were named. Although it is not within the province of the Speaker to prevent free speech, it is incumbent upon him to advise honourable members that they should not reflect upon private citizens unless they are satisfied that it is in the public interest to do so. In casting such reflections, members must accept full responsibility for their statements, and are answerable to their constituents. I draw the attention of honourable members to the grave repercussions that can flow from reflections, made under parliamentary privilege, on private citizens, who do not enjoy similar redress.

PETITIONS

The Clerk announced that the following petitions had been lodged for presentation:

Warilla Beach Toilet Amenity

The Petition of citizens of New South Wales respectfully sheweth:

That there is strong protest against the decision made by Shellharbour municipal council to build an additional toilet block amenity on parkland at Warilla Beach.

Your Petitioners therefore humbly pray:

That your honourable House will investigate this decision and take appropriate action to have the proposed amenity project abandoned, and consideration given to have modifications made to existing facilities already situated in the surf club to the satisfaction of the surf club members and residents.

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

Petition, lodged by **Mr Harrison**, received.

Ku-ring-gai Chase National Park

The Petition of members and friends of the North Shore Horse and Pony Association respectfully sheweth:

That, as from 1st March, 1987, the National Parks and Wildlife Service closed a large number of currently authorized horseriding trails in the Ku-ring-gai Chase National Park, and thus denied passive recreation opportunities to many constituents and members of the community.

Your Petitioners therefore humbly pray:

That your honourable House will ensure that this decision is immediately reversed.

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

Petition, lodged by **Mr Longley**, received.

Warringah Shire Sewerage

The Petition of citizens of New South Wales respectfully sheweth:

That the health, environment and amenity of areas of Bilgola Plateau, Taylors Point and Clareville Beach are seriously disadvantaged by lack of sewerage services.

Your Petitioners therefore humbly pray:

That the New South Wales Government will take urgent steps to connect the aforementioned areas to the sewerage system.

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

Petition, lodged by **Mr Longley**, received.

Warringah Shire Moorings

The Petition of citizens of Church Point, Bayview and areas of Warringah shire surrounding Pittwater, together with other boatowners and concerned citizens of New South Wales respectfully sheweth:

That the Maritime Services Board of New South Wales has formed a policy of conversion of existing swing moorings for boats moored in Pittwater and Sydney Harbour to fore and aft moorings, namely, moorings attached both to the front and rear of vessels, for the stated reason that many more moorings can be sited within a given space.

Your Petitioners therefore humbly pray:

That your honourable House will request or direct the Maritime Services Board either to reverse its policy or to limit the policy to areas which do not detrimentally affect either the environment or the interests of residents, boatowners, or other citizens, for the following reasons: greatly increased parking problems in roads around Pittwater; increase in numbers of dinghies around foreshores; extra expense to mooring holders of laying rear moorings; restriction of navigation around waterways; likely damage to boats due to weather and restricted navigation; and increased pollution of waterways.

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

Petition, lodged by **Mr Longley**, received.

Sydney Harbour Bridge Toll

The Petition of citizens of New South Wales respectfully sheweth: That Sydney Harbour Bridge is an integral part of Sydney's metropolitan main road system and, as such, should be toll free. Any toll on the Sydney Harbour Bridge discriminates against the residents and commerce of the North Shore. Sydney Harbour bridge toll collection impedes traffic flow, wastes time and increases fuel consumption and airborne pollution. As the proposed $1 toll, indexed, will substantially increase costs for many North Shore businesses, jobs will be threatened.

Your Petitioners therefore humbly pray:

That your honourable House will seek the introduction of legislation to abolish the toll on the Sydney Harbour Bridge, as a matter of urgency.

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

Petitions, lodged by **Mr Hay** and **Mr Longley**, received.

Prostitution

The Petition of citizens of New South Wales respectfully sheweth:

That we are opposed to the recommendations in the recently released report on prostitution, allowing brothels to be set up in shopping centres, and the continuation of street prostitution.

Your Petitioners therefore humbly pray:

That your honourable House does not support such recommendations.

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

Petition, lodged by **Mr Park**, received.

Sydney Harbour Bridge Toll

The Petition of citizens of New South Wales respectfully sheweth:

That although we do not necessarily disagree with the proposed plan to increase the Harbour Bridge toll from 20¢ to $1, we feel that this increase is unfair to courier drivers who will use the Sydney Harbour Bridge crossing up to ten times a day.

Your Petitioners therefore humbly pray:

That an alternative could be that all drivers who are in this situation could pay a subscription on a monthly or yearly basis, and receive an adhesive sticker which could be placed in a prominent position on the vehicle, and which would allow unlimited crossings for the Sydney Harbour Bridge.

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

Petition, lodged by **Mr Owen**, received.

Acquired Immune Deficiency Syndrome

The Petition of citizens of New South Wales respectfully sheweth:

That because of the dramatic spread of the AIDS disease in New South Wales, with more than 50 000 AIDS male carriers in Sydney, and because the AIDS cases are doubling every three months:

Your petitioners therefore humbly pray:

That the Parliament of New South Wales will take urgent steps to prevent the spread of the AIDS disease among homosexuals; will introduce urgent measures to prevent the spread of AIDS to the heterosexual community, especially through blood transfusions; will immediately close all AIDS disease centres, such as homosexual bath houses, brothels, and so on; will commence compulsory blood testing of the homosexuals in Sydney to locate and treat the AIDS carriers; will repeal the homosexual schedule of the Anti-Discrimination Act, 1983, and will repeal Mr Wran's private member's sodomy bill, known as the Crimes (Amendment) Act, 1984; and will institute a levy on all homosexual organizations, newspapers, clubs, bars, and so on, to pay for AIDS medical research and treatment.

Your Petitioners therefore humbly pray:

That your honourable House will protect our community from the AIDS epidemic, and will do all it can to promote the healthy heterosexual lifestyle, especially in our education system.

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

Petition, lodged by **Mr Park**, received.

Ellamatta Lodge

The Petition of residents of Mosman, in the neighbourhood of Ellamatta Lodge, 3 Ellamatta Avenue, Mosman, being a facility of the Mosman Community and District Hospital, respectfully sheweth:

That the Department of Health is considering a change of use for Ellamatta Lodge. Current use is as a halfway house, offering a residential rehabilitation program for people with a history of mental illness, with the aim of those persons acquiring the living and working skills necessary to function effectively in the community. Proposed usage is to relocate chronically ill mental patients from Macquarie hospital. These patients will be under continual heavy sedation, will require long-term care, and are unlikely ever to function effectively in the community. The change of use is detrimental to the amenity of the area, as it could lead to sedated inmates roaming the neighbourhood, resulting in probable trespass to private property, potential damage to private property, risk of assault to children, mothers and elderly residents, from sedated inmates who are not in full control of their faculties and who are subject to noise outbursts, disorientation, irrational behaviour and mental capacity being at large.

Your Petitioners therefore humbly pray:

That your honourable House will reconsider the change of use of Ellamatta Lodge, and will restrict that use to that which is suitable and in keeping with a facility attached to a community hospital in a closely settled residential area, being of low risk to adjacent residents.

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

Petition, lodged by **Mr Smiles**, received.

QUESTIONS WITHOUT NOTICE

LEGIONNAIRE'S DISEASE

Mr ANDERSON: Yesterday the Deputy Leader of the Opposition asked me a question without notice about legionnaire's disease. I now desire to provide supplementary information in response to that question. Last night the team of experts investigating the cause and extent of the outbreak of legionnaire's disease in Wollongong submitted to me a further progress report, the contents of which should be of concern to all members. Their advice to me is as follows: Clinical tests conducted have now confirmed that eighteen people have contracted Legionnaire's disease, three of whom have died. Test results are still awaited on ten other people currently in hospital with atypical pneumonia, but it is presumed, until shown otherwise, that they too have legionnaire's disease. Tests on two additional people who have died of respiratory infections in the Illawarra have shown no evidence of Legionnaire's disease.

[*Interruption*]

Mr SPEAKER: Order! There is far too much audible conversation in the Chamber. That applies particularly to the honourable member for Davidson.

Mr ANDERSON: The legionella bacteria has also been ruled out in the case of two further people who have suffered atypical pneumonia. The team of experts, lead by Dr Peter Christopher, my department's specialist in communicable diseases, has spent the past week conducting extensive epidemiological studies to ascertain the source of the bacteria. Late yesterday,

it became clear that two-thirds of the twenty-eight people who have or may have legionnaire's disease—that is those well enough to be interviewed—had all visited the same Wollongong location before becoming ill. Responses to the team's questionnaire showed that they had all been to the basement level and or third level of the new Gateway shopping centre. The shopping centre's air-conditioning plant cooling tower has outlets on to both of those floors. This location was the only common link identified by the people who have contracted, or are suspected of having contracted, the disease.

As soon as this epidemiological evidence became apparent, full tests of the water tower were conducted for the presence of legionella bacteria. It will be six days or so before the results of those tests are known. Nevertheless, the expert team decided that the water cooling tower should be immediately closed down and cleaned. Thus, the tower was shut down late yesterday so that it could be drained and thoroughly cleansed. The tower is being treated with high concentration chlorine, in accordance with the expert advice of the air-conditioning specialist members of the team. I am advised that the shopping centre will remain open during this twenty-four hour process and that, if the tower has been the source of the problem, there is now no further risk to people visiting this area.

Initial, inconclusive tests on this particular cooling tower were carried out last week, before any common link between the patients had been established. It is quite possible, despite the convincing epidemiological evidence now available, that the team may never be able to conclusively show the exact source of the outbreak. Thus the program, initiated by my department's expert team, to check and cleanse all commercial water cooled air-conditioning units, is continuing and will continue. The expert team will remain in Wollongong until this task is completed, and they are satisfied that there is no further threat to public health.

The Government is most concerned to ensure that any further similar outbreaks of legionnaire's disease are avoided. The Government will consider the introduction of new legislative provisions regulating standards for maintenance, cleaning and surveillance of all water cooled air-conditioning plants in the public and private sectors. The Government will be guided by the findings of the committee of the Standards Association of Australia, chaired by Dr Christopher, which is currently studying the health aspects of air-handling systems. I shall be guided also by the views of an inter-departmental working party originally set up by my department in 1984 to report on the presence of the legionella bacteria in the warm water systems of New South Wales' psychiatric hospitals.

Contrary to the inferences of the Deputy Leader of the Opposition, the recommendations of that working party were promptly acted upon. My department on 18th September, 1984, shortly after the release of the SAA committee's report, issued an eight-page circular to all public hospitals. I intend now to reconvene that working party and to issue terms of reference requesting it to advise me urgently on the adequacy of present standards for the construction or installation of water cooled air-conditioning plants. In the meantime, I appeal to all organizations within both the public and private sector who operate water cooled air-conditioning plants to ensure they are regularly and properly maintained. I urge the media and the people of Wollongong to remain as calm as possible about the present situation. I am assured by the Chief Health Officer, Dr Adams, and the expert team that there is now no danger to people visiting the shopping centre. Dr Adams is satisfied that every

effort that could have been or can be made to deal with this tragic outbreak has been and is being made.

All hospitals in the Illawarra are being asked to continue to screen all past, present and future patient admissions for any further indications of legionnaire's disease. Any member of the public or person working within the shopping centre who is concerned about their health should contact either their local doctor or the Illawarra Regional Office of the Department of Health. I commend the efforts of officers of my department and external members of the team who are working round the clock to minimize the threat to public health, and the laboratory workers both in Wollongong and Sydney. I commend the hospital staff who are nursing the sick. I commend the local members, including you, Mr Speaker, for their vehement interest in this matter and the well-being of their constituents.

Mr Greiner: Does that include the honourable member for Wollongong?

Mr ANDERSON: I said, all local members. I commend all sections of the Wollongong community, who have fully co-operated in this mammoth exercise. Most of all, I commend the community of the Illawarra for their responsible reaction to those difficult and most concerning circumstances.

COMMONWEALTH-STATE FINANCIAL RELATIONS

Mr GREINER: My question without notice is addressed to the Premier. Is it a fact that despite the announcement last night of cuts in grants from the Commonwealth and the cut in New South Wales borrowing capacity of $300 million to be announced at the Premier's Conference, the Premier has confirmed the exemption of all major bicentennial projects from the present freeze on letting contracts? On what basis are projects, with a current-year value of more than $300 million, including parks, gardens, museums and foreshore developments, given priority over roads, hospitals, school maintenance, and flood mitigation?

Mr UNSWORTH: I am pleased the Leader of the Opposition noted the statement last night by the Commonwealth Treasurer. What the Leader of the Opposition has been trying to do ever since Paul Keating made that statement has been to downplay it, just as John Howard sought to downplay what Bob Hawke, Paul Keating, and others in the Commonwealth Government are doing for Australia. That is the miserable, mealy-mouthed attitude typical of the Liberal Party in this country. What Bob Hawke and Paul Keating have done, with the indications in the statement last night, is to enable us to look forward to a substantially reduced Commonwealth budget deficit. What a contrast with the situation that Mr Keating and Mr Hawke took over after John Howard had been the Treasurer, with a secret deficit blow-out about which he was not prepared to tell the people of Australia during the 1983 election campaign. With such credentials the Leader of the Opposition has the temerity to stand up here and ask me about our future expenditures. If the Leader of the Opposition were not in such poor favour with John Laws he might have been listening to John Laws about half an hour ago and would have heard me explain to 20 per cent of Sydney's radio listening audience what we intend to do.

What we intend to do, and what the Treasurer intends to do, is to evaluate all the programs in which we are involved as a Government, for it is true that as a result of the statement of the federal Treasurer last night payments from the Commonwealth to New South Wales will be reduced. We will have a reduction in the financial assistance grants. We will have reduced access to borrowings as a result of the reductions in the global borrowing limits that will

be discussed at the Premiers' Conference and Loan Council meeting later this month. The Leader of the Opposition cannot diminish that situation. Let us look at the approach that we in Government adopt and the response of the mealy-mouthed Opposition. I have said, and the Treasurer has said, that we will re-evaluate our program and will ensure—

[*Interruption*]

Mr SPEAKER: Order!

Mr UNSWORTH: —we will ensure that our approach, the back-to-basics approach of ensuring the highest priority of commitment, to expenditure in health care, education and law enforcement. We will look at other programs, whether they be programs associated with the bicentenary or any of the other activities of government, evaluate them and determine their priority in the formulation of the 1987–88 Budget.

I suggest that the Leader of the Opposition would do well to watch the approach we make because when he is working for Rothschilds he may be required to give advice on investment in Australia. He may be required to give advice to some of those London bankers on whether they should be putting their money into the future of this country. I hope he gives the right advice because what Paul Keating is seeking to do and what we as a State Government are seeking to do, and are working with the Commonwealth to do, is to ensure that the future of our nation is secure. We are seeking to ensure that we take initiatives that will bring about reductions in interest rates, that we take initiatives that will bring about more investment in productive capacity. We want to see Australia's jobless put back into productive employment. That can best be achieved with the sort of economic strategies evolved by the Commonwealth Government, and the Commonwealth Treasurer, and supported by the New South Wales Government. Contrast that with the attitude of the Opposition. What have we seen in recent days in this Parliament? One of the most bizarre exercises that I have ever experienced in politics. One by one the Opposition has picked off the major companies that are investing in this country. They have picked off Civil and Civic, and Transfield last night. Who else have they had a go at? Thomas Nationwide Transport.

[*Interruption*]

Mr SPEAKER: Order!

Mr UNSWORTH: And Leightons. The list is endless. What we have on the Opposition benches are intellectual pygmies, political pygmies who, because they are thrashing around seeking some political opportunity or advantage, are attacking—

[*Interruption*]

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

Mr UNSWORTH: One by one they are attacking the companies that are willing to invest in this country. They are attacking the companies that want to create jobs. They are attacking the companies that are prepared to work with the Government to reduce the level of unemployment. Why are they doing that? Because, if a situation is a little different, they want to say that there is something wrong with it. I suggest to the Leader of the Opposition that he read the editorial columns of the *Sydney Morning Herald.* If he had bothered to read

them a couple of weeks ago he would have seen a very well written editorial—which I understand was written by Ross Gittins—in which the *Sydney Morning Herald* said that gone are the days when, if you are going to be entrepreneurial, you can follow the old traditional methods of competitive tendering. If an entrepreneur comes up with a proposal that has some prospect of success—

[*Interruption*]

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

Mr UNSWORTH: —and it is put forward to the Government and it has the potential to create growth and employment, government ought to be looking at it. These are the new sorts of initiatives that governments ought to be considering; they are the sort of initiatives that I have identified in the State development strategy—

Mr Greiner: Why not answer the question?

Mr UNSWORTH: I am answering the question but the Leader of the Opposition is too stupid to understand what he has been told. I can appreciate the predicament in which he finds himself. Every month when he picks up the *Bulletin*, more horror, and even he had to admit it to Dennis Shanahan, he finds he is not travelling too well. Every month when he picks up the *Bulletin*, which gives a fair measure of his performance, he realizes that the people of this State—

Mr Greiner: We will win the next election, that is what it says.

Mr UNSWORTH: You are not going to win the election because I can tell you this: you will be lucky to be here—

[*Interruption*]

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

Mr UNSWORTH: The Leader of the Opposition will be lucky to be still here by the time the next election comes along. The little clique down that side of the House, led by the honourable member for Camden, is plotting—

[*Interruption*]

Mr UNSWORTH: I understand that the Leader of the Opposition received a good education. Had he read Shakespeare, he would realize what these fellows are doing down in this corner.

[*Interruption*]

Mr SPEAKER: Order!

Mr UNSWORTH: We on this side of the House are not unobservant. We have noticed that the Leader of the Opposition is insecure in his position. He sits with that cabal down there trying to secure his position. You should not worry about the next elections, Nick; you will be lucky to be here.

Mr Greiner: Is the Premier going to answer my question now?

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

Mr UNSWORTH: The answer to the question of the Leader of the Opposition should be self-evident. I shall be investigating, as will the Treasurer, all the Government's programs.

ALLEGED POLICE CORRUPTION

Mr AMERY: I direct a question without notice to the Minister for Police and Emergency Services. Will the Minister inform me and the House of the Government's intentions with respect to the notice of motion given yesterday in the House by the honourable member for South Coast?

Mr PACIULLO: Yesterday, by way of notice of motion, the member for South Coast called for an independent investigation of matters concerning the growing of marihuana in the Goulburn police district, and implicated a number of officers. Since then I have had the opportunity of discussing the allegations contained in the notice of motion with Justice Stewart, chairman of the National Crime Authority, and Mr John Avery, the New South Wales Commissioner of Police, who has had the benefit of discussion with Major General Ron Grey, Commissioner of the Australian Federal Police. The commissioner has informed me that preliminary inquiries reveal that there was a police operation concerning plantations in the Bungendore area, which involved both State and Federal police. The operation did not involve the participation by police in the growing of crops, but access to an informant involved in the plantations. The operations were aimed at the principles behind the criminal enterprise.

As a result of the surveillance on the plantations, three arrests were made for drug offences, leading also to the clear-up of two of the most notorious murders this country has known and the charging of another ten persons with serious drug offences. The commissioner has informed me further that he has discussed the matters with Assistant Commissioner Shepherd, former Commissioner Abbott, former Executive Chief Superintendent Gallagher, and Inspector Cullen, who are incensed at the implications. They will co-operate with any inquiry into the allegations. In my discussion with Justice Stewart he indicated he would be happy to meet with the honourable member for South Coast in the light of his allegations. I have already conveyed Justice Stewart's offer to the honourable member who indicated his acceptance of this course of action. The Commissioner of New South Wales police, Mr Avery, and the Commissioner of the Australian Federal Police have indicated that every co-operation will be given to Justice Stewart. I suggest to the House very firmly that the matter should rest there at this stage.

MINISTER FOR INDUSTRY AND SMALL BUSINESS AND MINISTER FOR ENERGY AND TECHNOLOGY

Suspension of Standing Orders

Mr W. T. J. MURRAY (Barwon), Leader of the National Party [10.54]: I move:

> That so much of the standing orders be suspended as would preclude the consideration forthwith of the following motion:
>
> > That this House censures the Minister for Energy and Technology for his mismanagement of the Electricity Commission.

For the first time light has been shed on the State's most oligarchical monster, the Electricity Commission. The McDonell report has shown up enormous inefficiencies in and the incompetence of the Electricity Commission. By the Minister's own admission, senior officers of the commission have misled him, and he, in turn, has misled the House about the $65 million Ravensworth coal washery. Further, the commission, in its latest annual report to the Parliament,

misled the House about advice given concerning the washery. There are at least eight major areas where, it may be demonstrated, almost $570 million has been wasted in recent years. The Minister for Energy and Technology, however, audaciously seeks approval for yet another price rise in the cost of electricity to slug once again the consumers of electricity in New South Wales.

The Minister uses the tired old excuse that the cost of electricity in New South Wales is less than the cost of electricity in other mainland States. In proferring that excuse the Minister fiddles with the figures by using only the New South Wales Sydney domestic tariff figures when comparing electricity prices with Victorian and Queensland prices. He carefully avoids explaining that these costs are subsidized by the larger commercial and industrial tariffs. The Minister fails to explain also that Victoria has one tariff only and one distributing authority. New South Wales has twenty-six county councils and those councils, on the highlands and in the west, have tariffs far higher than the tariffs that exist in Victoria. He does not speak of Queensland's subsidizing residents supplied through New South Wales to Goondawindi. In any event, the Minister's argument is no excuse for the incompetence and inefficiency within the generating sections of the Electricity Commission.

Standing orders should be suspended to permit the House to debate some of the expenses involved in this whole sorry mess. The loss of the availability of generators has cost $35 million. Industrial stoppages have cost consumers in New South Wales almost $10 million. Work practices have cost as much as $80 million. Extravagant concessions, such as taxis, amount to payments of $20 million. Unnecessary investments in gas turbines amount to $130 million. Draglines have cost $135 million and the management bungles involved with coal washeries have cost $70 million. The Tullawarra Power Station cost $30 million and the Eraring Power Station, $60 million. These amounts add up to $570 million of bungling by this Government and this commission. Those amounts do not take into account the losses on sales to aluminium smelters and the additional costs associated with overborrowing. It might be suggested that $235 million of that figure is a one-off expense, but every year $335 million is lost in the operations of this dreadful Electricity Commission.

Standing orders should be suspended, for clearly the McDonell report shows that New South Wales is using only 59 per cent of available generating capacity. Other countries achieve from 75 per cent to 95 per cent generating capacity. New South Wales has increased the installation of generators by 10 per cent more than is necessary. That installation represents the supply of an additional 1 000 megawatts at a cost of $900 million at today's prices. The interest alone on this figure is $135 million a year. Industrial stoppages by the 11 000 employees in the commission's work force have resulted in an appalling figure of 15 000 man days lost, costing an additional $10 million annually at least.

The seventy-eight work practices that applied to the State Dockyard at Newcastle are also heavily embedded in the operations of the Electricity Commission unions. They have been used to exploit the commission, and other practices are being adopted to introduce the most extravagant feather-bedding imaginable in any industry. Only a full public inquiry will expose completely the extent of the rorts, the inter-union rivalry, the abuse of sick leave payments and overtime payments, and the doubling up of labour on jobs. A conservative estimate of the annual cost of these work practices is $80 million.

Standing orders should be suspended because when the New South Wales Government was extremely embarrassed by power blackouts in 1981 the unions cleverly extracted extraordinary concessions. One of the most flagrant of these was the use of taxis to transport shift workers to and from power stations. These concessions alone cost the consumers an estimated $8 million a year. Also, there was the demand by Elcom miners for a shift allowance of $56 per man per week. The miners were granted $65 per man per week, which was $9 more than was asked for. The cost of this to the taxpayers is $12 million annually.

Standing orders should be suspended to debate the unnecessary investments of the Electricity Commission. In 1982, in a panic move after the blackouts of 1981 the commission, at the Government's insistence, purchased twelve gas turbines at a cost of $130 million. These turbines are not in use, have never been used and have no use, because they are too costly to operate. The turbines should be sold to recoup the $130 million paid for them. The excuse that the turbines are to be used for a black start is not acceptable. It is absolute nonsense to give that excuse, and the Minister well knows it. Two drag lines at a cost of $35 million were purchased for the undeveloped Mount Arthur mine. One is still lying unused in boxes. The Ravensworth washery has cost the community $70 million. Because of the commission's failure to obtain approval to operate the Cooranbong open-cut mine, the Eraring power station operates at least 25 per cent under its capacity. There is insufficient coal at that open-cut mine. In effect, $400 million or a quarter of the cost of $1,600 million of the Eraring power station has not been used. That $400 million if invested at 15 per cent would return $60 million. Tallawarra power station near Wollongong has been kept open by the Government—and at the Government's insistence—to avoid the Government's being embarrassed by the lack of employment opportunities in the Wollongong area. For this, the taxpayer pays $30 million annually.

Standing orders should be suspended to enable the House to debate the decision to service the aluminium industry with power at a rate that is far less than it costs to produce. The indications are that base fuel costs are 2 cents per kilowatt per hour to supply coal to the power stations, yet the tariff to smelters is 2.3 cents per unit. That cost of 2 cents per kilowatt hour is only one-third of the production costs of power. Therefore the operations of Pechiney and Alcoa receive a massive subsidization. They are overseas companies and are being subsidized by the consumers of this State. To cover up the incompetence of the commission the Minister attacks the distribution sector. The problems in that sector are minor compared with problems in the Electricity Commission. The Minister hides behind staff, in a Pontius Pilate manner which would even make that man embarrassed.

The Minister promotes giveaways as a cure for the problems that have arisen. Those giveaways only incur further costs and eventually create losses. The Minister's huffing and puffing in his defence must stop. There must be a Royal commission with wide terms of reference into the operations of and the costs of this industry which is one of the foulest industries in this State.

Mr SPEAKER: Order! The time of the Leader of the National Party for speaking has expired.

[*Interruption*]

Mr SPEAKER: Order! I call the Minister for Industrial Relations and Minister for Employment to order.

Mr COX (Auburn), Minister for Industry and Small Business and Minister for Energy and Technology (11.4): I shall deal briefly with the gas turbines. This is the fourth time that the Leader of the National Party has raised this matter. I quote from a press statement I issued in April 1987:

> The gas turbines now play an important role in the power system by providing a reserve power generating capacity which can be quickly brought into service and also providing emergency restart power to restore the State's power grid. In the event of a total power system failure, as occurred in New York in 1965 and again in 1977, the New York incident prompted Con Edison to spend some $3 billion—

[*Interruption*]

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

Mr COX: I continue:

> —in facilities including over 2 000 megawatts of gas turbines to help avoid such recurrences and to minimize the duration of any future shut down.

[*Interruption*]

Mr COX: The Leader of the National Party does not like hearing this. In the press release I said further:

> Apart from system reserve requirements these units have the following benefits: at Koolkan these units have allowed deferment of some 330 Kv transmission line projects in the area north of Armidale with resultant cost savings of about $2 million. In the northern area stations shutdown and black start supplies for the local power stations. Some emergency supply would be available to Newcastle. Upper Hunter: Station shutdown and black start supplies for the local power station. Broken Hill: Emergency standby supply for Broken Hill in case of failure within the transmission system.

I think I have put those matters to rest for the Leader of the National Party. He does not like comparisons. I have said in this House that the Electricity Commission, like any other major organization, has deficiencies. The Government is dealing with that. The Government set in train the McDonell inquiry to look at the overall planning operations of the Electricity Commission. The Government is now bringing into being the recommendations from that inquiry.

[*Interruption*]

Mr SPEAKER: Order! The Leader of the National Party has spoken in this debate. He should allow the Minister to make his speech and cease interjecting.

Mr COX: Legislation I shall introduce into this House in this session will give a clear indication of the Government's resolve to accept the recommendations of the McDonell inquiry. I shall quote figures published in the annual report of the Electricity Supply Association of Australia for the year ending 30th June 1986. The figures relate to cents per kilowatt hours for consumers. For New South Wales the figure is 6.8¢ on a base of 100; Victoria is 7.7¢, a base of 112; Queensland 7.3¢, a base of 107; South Australia 8.2¢, a base of 120; Western Australia 9.6¢, a base of 141; Northern Territory 12.5¢, a base of 183. That demonstrates that the cost per kilowatt hour the Electricity Commission charges consumers is the lowest of any mainland commision. The Leader of the National Party does not like hearing this, and he will not like what I am about to say. The domestic electricity tariff increases between October 1983 and January 1987—and the consumer price index increase was 24.7 per cent—were 11 per cent. Business tariffs—

[*Interruption*]

Mr SPEAKER: Order! I call the Leader of the Opposition to order for the last time.

Mr COX: During this period business tariffs—bear in mind the CPI figure of 24.7—increased by 5.5 per cent. That has been completely ignored by the Leader of the National Party. I turn now to deal with comments about working days lost. The Leader of the National Party knows that through my efforts shift work was introduced into the Electricity Commission more than twelve months ago. The Leader of the National Party said that 15 000 working days are lost annually. Since shift work was introduced the number of working days lost for the twelve months to March 1987 was 7 830. The overtime work has decreased from 124 000 hours a month to 10 000. The Leader of the National Party is silent now. He mentioned Bayswater and Eraring power stations. No country in the world has built power stations the size of those stations on time and below the estimated cost. He does not like hearing this. He is talking about efficiency, but criterion of efficiency is how a plan operates. I shall deal with what happened when the coalition parties were in government.

I hate doing this but, like the movie "Educating Rita", it is difficult to educate the Leader of the National Party. Since 1976 only one 24-hour blackout has occurred in this State. In the years 1973 to 1976, the last three years before this Government attained office, how many blackouts do honourable members think occurred in this State? Thirty-six. The Leader of the National Party parades around the House and talks about the efficiencies of electricity commissions in other States. Let us compare the figures of employees per megawatt generating capacity. In 1982 New South Wales had 1.4 employees per megawatt generating capacity; Victoria had 2.08; and Queensland had 1.3. In 1986 the comparative figures were: New South Wales, 0.94; Victoria, 1.84; and Queensland, 0.97.

I am giving the Leader of the National Party yardsticks that he does not like. The Leader of the National Party does not tell the House that 220 000 rural domestic consumers have not had an increase in electricity charges for two and a half years. The Leader of the National Party should go back to Armidale and tell the people that 9 000 rural customers in that area have not had an increase in electricity charges for two and a half years. The question of maintenance has been raised. I requested the board of the Electricity Commission to produce a maintenance program to cover the next three years. This program will be carried out.

On the advice I have received, in 1989–90 Bayswater will be operating at 80 per cent; Eraring at 80 per cent; Liddell at 58 per cent; Munmorah at 57 per cent; Vales Point B at 74 per cent; and Wallerawang at 72 per cent. When the total rehabilitation of Liddell and Munmorah power stations is completed within the next two and a half years, by 1990–91 Bayswater will be operating at 80 per cent; Eraring at 80 per cent; Liddell at 75 per cent; Munmorah at 70 per cent; Vales Point B at 75 per cent; and Wallerawang C at 75 per cent. Those operating capacities will be above the international average.

The Leader of the National Party should not claim that nothing is happening in the area of electricity generating. Previously in the Parliament I mentioned the rehabilitation program underway at Munmorah and Liddell power stations. I do not propose to refer to that again. I have already told the Parliament that a report will be prepared within the next twelve months on the overall planning of future power stations. The report will become a public document. The new Department of Energy will review the document which

within two years will be presented to Parliament. It will then be reviewed every three years.

I have also said that the Electricity Commission should start researching dry cooling operations so power stations can be constructed in inland Australia where they should be built. National Party members never say anything on this topic. The Leader of the National Party mentioned county councils. Do honourable members know why he did that, and why he protects rural county councils? The reason is that most of the chairmen of rural county councils are members of the National Party. The difference in performance between urban and rural county councils amounts to $200 million. The Government does not agree to the suspension of standing orders.

Question—That standing orders be suspended—put.

The House divided.

Ayes, 30

Mr Baird	Mr Kerr	Mr Schipp
Mr Beck	Mr Longley	Mr Small
Mr J. D. Booth	Miss Machin	Mr Smiles
Mr Causley	Dr Metherell	Mr Webster
Mr Collins	Mr T. J. Moore	Mr Wotton
Mr Cruickshank	Mr W. T. J. Murray	Mr Zammit
Mr Fahey	Mr Owen	
Mr Fisher	Mr Park	
Mr Greiner	Mr Peacocke	*Tellers,*
Mr Hay	Mr Pickard	Mr Phillips
Mr Jeffery	Mr Rozzoli	Mr West

Noes, 52

Mr Akister	Mr Ferguson	Mr Neilly
Mr Amery	Mr Gabb	Mr Paciullo
Mr Anderson	Mr Harrison	Mr Petersen
Mr Aquilina	Mr Hatton	Mr Price
Mr K. G. Booth	Mr Hills	Mr Quinn
Mr Brereton	Mr Hunter	Dr Refshauge
Mr Carr	Mr Irwin	Mr Rogan
Mr Cavalier	Mr Keane	Mr Sheahan
Mr Christie	Mr Knowles	Mr Shedden
Mr R. J. Clough	Mr Langton	Mr Unsworth
Mr Cox	Mr McGowan	Mr Walker
Mr Crawford	Mr McIlwaine	Mr Walsh
Mrs Crosio	Mr McManus	Mr Whelan
Mr Davoren	Mr Mack	Mr Wilde
Mr Debus	Mr Mair	
Mr Doyle	Mr H. F. Moore	*Tellers,*
Mr Duncan	Mr Moss	Mr Beckroge
Mr Face	Mr J. H. Murray	Mr Wade

Pairs

Mr Cleary	Mr Caterson
Mr Mulock	Mr Dowd

Question so resolved in the negative.

Motion for suspension of standing orders negatived.

QUESTIONS WITHOUT NOTICE

(Resumed)

SARAJEVO INN OPENING

Mr BECKROGE: I direct a question without notice to the Minister for Housing and Minister for the Arts. Did the Minister in his ministerial capacity attend the official opening recently of the Sarajevo Inn in Crown Street Sydney? Is the Minister aware of attacks by senior Liberals on him and the federal Minister for Immigration concerning that opening? Can the Minister reveal what was behind those attacks and what has resulted?

Mr WALKER: Yes, I can do all those things. I am aware that the federal Liberal Party, or should I say the Howard faction of the federal Liberal Party, sought to attack the federal Minister for Immigration, the Hon. M. J. Young, who opened in the presence of myself and many community leaders the Sarajevo Inn at a function that was hosted by the Bosnia—Hercegovina Society of New South Wales. That was the type of smear by association attack that has become the trademark of the Leader of the Opposition in this place. Mr Cadman was the hatchet man. His dirty mission was to suggest that the federal Minister, and by inference all Yugoslav community leaders as well as the whole Yugoslav community, deserved to have their reputations and characters smeared and impugned because the restaurant was leased from a corporation which in turn had leased premises from a corporation which has as its director Abraham Gilbert Saffron.

It appears that in these days of guilt by association, parliamentarians are expected to do both a company search and a title search before they attend a restaurant to have a meal. The restaurant in question is known as the Sarajevo Inn. It was opened about two weeks ago after its present owners bought the restaurant business from Moro Investments Pty Limited, a company owned by Mr Andrew Moro. The present owners had no involvement with the building's owner, Oswin Holdings Pty Limited, or its director Mr Saffron, except through their solicitors in seeking consent for the transfer of the lease. In fact, a letter from Mr Saffron's solicitors, received by the lessee's solicitors on 5th May, states:

> We understand that your client may have entered into possession without our client's consent.

This letter was received almost a week after the official opening of the restaurant, which was attended by many eminent Australians. It provides concrete evidence that the new lessees of the property had no contact at all with Oswin Holdings Pty Limited or its director Mr Saffron other than through their solicitor, and then only for approval to be given for the assigning of the lease. But what is of greater importance to this House and to the Opposition is that the firm of solicitors dealing with this matter on behalf of Mr Saffron is none other than Collins Markham and Associates of Bondi. I do not have to spell out to honourable members just who Collins and Markham are. They are the uglies. They are the Nazi faction that the Leader of the Opposition refuses to expel from his party.

Ray Collins and Jim Markham are perhaps best known to eastern suburbs voters as Liberal Party aldermen on Waverley Council. They are close associates of that Nazi war criminal Lyenko Urbanchich. Last weekend Mr Markham was defeated by only a handful of votes, four votes, for Liberal Party preselection for Waverley. Of course, Ray Collins is the Liberal Party candidate for the federal seat of Phillip. He has publicly admitted that he has acted for Saffron on many occasions.

[*Interruption*]

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

Mr WALKER: In fact Alderman Collins acted as Saffron's solicitor in a well-publicized case between Saffron and his former lady friend last year. Honourable members would recall that the honourable member for Lane Cove is acting for that particular lady. The honourable member is on the other side of the case; but then he is on the other side of the Liberal Party. After the case ended Alderman Collins, to further his political career, made a statement to the *Eastern Herald* on 5th March, and denied that he would have any further involvement with Mr Saffron. The *Eastern Herald* article quotes Mr Collins. The report reads:

> "I will no longer represent Saffron, who has a number of property interests in the Waverley municipality". Collins said that as Saffron was being investigated by the National Crime Authority, he did not represent his client any more because he had won preselection for Phillip.

Mr Collins went on to deny that being a Liberal Party member and an alderman had led to any conflict of interest in relation to Saffron and his property interests in the municipality. He added that he could not remember when he refused to represent Saffron as a client, but he had done so. Unfortunately, alderman Collins was not being truthful with the *Eastern Herald* because to my knowledge he in fact continued to act for Saffron up to two weeks ago, some months after his public denials. I have in my possession a letter from Collins Markham and Associates, which contains the reference "RJC". I wonder who in Collins Markham and Associates RJC would be. The letter is dated 5th May and is addressed to the solicitors for the owners of the particular restaurant and states:

> Dear Sirs
>
> Re: Oswin Holdings Pty Limited Moro Investments Pty Limited sale to the Sarajevo Inn Restaurant Cabaret Pty Limited.
>
> We refer to previous correspondence. Our client agrees to the assignment. We understand that your client may have entered into possession without our client's consent.

Some months after Alderman Collins told the *Sydney Morning Herald* and the public that he had nothing more to do with Saffron—being a Liberal Party candidate; clean, decent and honest; finished with all that—he apparently wrote a letter as Mr Saffron's solicitor.

[*Interruption*]

Mr WALKER: The Deputy Leader of the Opposition interjects. It is all right to admit to acting for a particular client. After all, Sir Garfield Barwick and legal firms such as Sir Kenneth McCaw's firm, the late John Maddison's firm and, indeed, practically every leading firm of solicitors in Sydney have at one time or another acted for Mr Saffron. A number of senior judges now sitting on the bench did the same thing. This gentleman—a political party candidate—publicly denied that he acted for Mr Saffron, though privately he was taking Mr Saffron's shilling. The public should know about that. That is one reason

for the sorts of attacks that are being made. There is a great deal of chaos and disintegration within the Liberal Party and the National Party at the moment. That is having an unfortunate impact on some important policy areas. One is the Liberal dries' repudiation of the former bipartisan policy for a multicultural Australia. Until recently both of the major political parties—I do not include the National Party, because they are a mob of racists—the Liberal Party and the Labor Party, had a bipartisan policy on multiculturalism. However, in recent weeks there has been the uneasy spectacle of the Leader of the Opposition seeking to position himself on the extreme right of his party, with the uglies, by attacking—

[*Interruption*]

Mr WALKER: The Leader of the Opposition laughs. Recently in the Parliament the Leader of the Opposition attacked a grant by the Premier to a Greek church in the eastern suburbs. That was a shameful attack, which the religious leaders of the Greek church had to repudiate. No doubt that did not do the Leader of the Opposition any good within the Greek community. As well, it did not do our bipartisan multicultural policy any good. Then there were the recent attacks by the honourable member for Burwood—who won his preselection by, I believe, forty votes to three.

Mr Zammit: It was forty-four to three.

Mr WALKER: It is well known that there are a large number of uglies in the branches in his electorate.

Mr Pickard: They would be the three.

Mr WALKER: No, they are not the three. We know that there is a large number of uglies in those branches, because the honourable member for Burwood said so. The three members, of course, voted for the left-wing candidate in that preselection. The honourable member for Burwood attacked a grant to the Yugoslav community generally, in relation to some land at Chullora. He made that attack so that he could obtain the votes of the uglies in his preselection. Yesterday in this House the Leader of the Opposition—who, as I have said, has come a long way from the ghettos of Budapest—attacked the Aboriginal community in Australia. He made evil insinuations as to what might happen during the bicentenary celebrations. That was a dastardly act from a man who is a migrant, and should be proud of that. Rather, he is willing to associate himself with attacks on our ethnic communities. As well, Cadman, in the federal Parliament, has attacked the Bosnia-Hercegovina community in Australia.

It is interesting that this attack has been concentrated on the Yugoslav community. Honourable members know that the overwhelming majority of Yugoslavs vote for the Australian Labor Party. Similarly, we know that the overwhelming majority of Greeks in the New South Wales community vote for the Australian Labor Party. I suggest to the Opposition that there is no way that those groups will alter their vote to support the Opposition if the Opposition continues to denigrate support to ethnic communities and to denigrate our multicultural policies. The Leader of the Opposition, given his background, should be ashamed of himself. Instead of being proud of our country and our heritage, the Leader of the Opposition spends all his time knocking the bicentenary, knocking the great corporations that are trying to develop this State. Day after day, in order to obtain some small political advantage, he smears the reputations not only of corporations but also of important migrant communities in our State.

[*Interruption*]

Mr WALKER: The honourable member for Gordon should not interrupt me. He should not provoke me today. I warn the honourable member for Gordon that if he continues to provoke me, I might be forced to reveal to the House the full story about the Paspalum Princess.

[*Interruption*]

Mr SPEAKER: Order!

Mr WALKER: The honourable member for Gordon is being quite provocative, but I shall give the House only a hint: paspalum is a grass. I have always totally rejected smear-by-association tactics—

[*Interruption*]

Mr SPEAKER: Order!

Mr WALKER: I totally reject smear-by-association tactics. Honourable members who frequently have to attend functions should not be obliged—

Mr Pickard: The Minister is a disgrace to this House.

Mr WALKER: Does the honourable member for Hornsby want to provoke me, as well?

[*Interruption*]

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

Mr Pickard: If you are going to allow—

Mr SPEAKER: Order! I call the honourable member for Hornsby to order. I warn the honourable member that he is reflecting on the Chair.

Mr WALKER: I think we should send him to another prayer meeting. Honourable members who have to attend frequent functions at various premises should not be obliged to conduct title searches and company searches before they enter those premises; and then, if they do, be smeared by the Opposition's trying to take some cheap political advantage. I reject the behaviour of the federal member of Parliament, an associate of the Liberals in this Parliament, whose behaviour I reject also.

Mr SPEAKER: Order! The time for questions has expired.

ORDER OF BUSINESS

Mr SPEAKER: Order! I shall now go through the Business Paper for the placing or disposal of business. General business notices of motion.

Mr Hatton: I seek the leave of the House to make a brief statement.

Mr SPEAKER: Order! The honourable member does not need to seek leave. He can withdraw his notice of motion, if that is his intent.

Mr Hatton: I seek clarification on this matter. Arrangements were made that I seek the leave of the House to make a brief explanation.

Mr SPEAKER: Order! There is no provision in the standing orders for a member to make a statement about the withdrawal of notice of motion. The honourable member gave notice of the motion yesterday. It is in order for the member to withdraw the motion today. The motion is not yet before the House and the member does not require the leave of the House to withdraw it. As I understand, the honourable member seeks to withdraw the notice of motion. Is that the intention of the honourable member for South Coast?

Mr Greiner: On a point of order. The honourable member for South Coast has sought to handle this delicate matter in a bipartisan and responsible manner. Clearly it is within the province of the Attorney General, as Leader of the House, to move the suspension of standing orders to allow the honourable member for South Coast to make the short statement that he seeks to make. I suggest to the Attorney General that is the appropriate course to take.

Mr SPEAKER: Order! What purpose would be served by suspending standing orders, thus giving the honourable member for South Coast an advantage over all other honourable members of being allowed to make a statement? What would be the purpose of the statement?

Mr Hatton: On the point of order. Following discussions I have had with the Commissioner of Police I have now become aware that this matter is of national importance and there are reasons, of which the House should be aware, why it is necesssary for me, by agreement with the Government, to withdraw the motion. I understood there was agreement that I would be allowed to make a brief statement.

Mr SPEAKER: Order! The Leader of the Opposition has sought some assistance from the Attorney General as Leader of the House. I call upon the Attorney General to speak to the point of order.

Mr Sheahan: On the point of order. No arrangement has been made with me on this matter. I understand that there has been discussion with another Minister on the way this matter was to be handled. My understanding, as Leader of the Government in this House, is that the honourable member for South Coast, in exchange for those discussions and having regard to the matters raised by the Minister for Police, would then withdraw his motion, I gave no undertaking that he could make a statement. I do not believe that he should be allowed to make a statement, and I will not accept the invitation of the Leader of the Opposition.

Dr Metherell: On the point of order, it is clear that there has been an agreement between the honourable member for South Coast and the Minister for Police. The Minister for Police acknowledged that fact across the Chamber. The Minister for Police also signalled a moment ago to the Attorney General to allow the honourable member for South Coast to proceed.

[*Interruption*]

Mr SPEAKER: Order!

Dr Metherell: He was making hand gestures to that effect. It is clear that there was an agreement between the two. It would set an ugly precedent in this place if the Attorney General were to churlishly depart from an agreement made with the Minister. The honourable member for South Coast is seeking the co-operation of the Government and is offering bipartisan support. He should be allowed to make his statement.

Mr SPEAKER: Order! The very statement by the honourable member for Davidson that it would create an ugly precedent is the reason I am endeavouring to clarify this matter. It would create a precedent if I allowed a member to make a statement while he is withdrawing a notice of motion, an action which does not need the leave of the House. That has never been permitted before, and I am not convinced that it should be permitted today. I offer the Minister for Police the opportunity, if he wishes, to tell the House whether there has been an agreement, contrary to the normal procedure under the standing orders.

Mr Paciullo: I wish to inform the House that I did have discussions with the honourable member for South Coast about his acceptance of the withdrawal of the notice of motion, subject to my informing the House in the manner I did earlier today. I cannot be certain that as part of that agreement any statement was to be made, though I do know there was an agreement that the motion would be withdrawn. On the question of agreement I was completely unaware of any problems and they were not discussed with me. That is the technicality of that arrangement being made.

I should also say, contrary to what the honourable member for Davidson said, that the gestures I made were not of the nature that the honourable member indicated.

Mr Hatton: Further to the point of order, I wish to emphasize two things: I do not and have never misled the House. On this occasion I state quite clearly that my understanding was that there would be opportunity to make a brief statement. I further indicated in the discussions that this matter was to be dealt with on a bipartisan basis, without any point-scoring, without any reflections and with respect for the Minister for Police. I act in good faith, I speak in good faith, and I expected the arrangement that I understood was made to be acted upon in good faith. I genuinely ask the Leader of the House to reconsider his attitude, so that the matter can be clarified and settled today in the manner in which I wish it to be settled. I am sure that it is in the interest of the Government and in the national interest that it be settled. Equally I am sure it is in the interest of the Minister for Police that it be settled.

Mr Sheahan: On the point of order. Clearly this is a situation where there is no opportunity under the standing orders for a statement to be made.

[*Interruption*]

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

Mr Sheahan: It is clearly a matter in which no statement can be made under standing orders and, more important, it is clearly a matter on which no statement should be made, in the public interest.

Mr SPEAKER: Order! A notice of motion was given yesterday by the honourable member for South Coast. I listened to its terms but I did not clearly understand its import. Later in the evening I had a fairly lengthy discussion with both the Second Clerk Assistant and the Clerk about the framing of the motion. Members are aware that the Speaker is responsible for the admission of questions on notice and motions to the business papers. I was aware that during the evening a large amount of public discussion on this issue occurred in the media, which is very dangerous when a member is putting a motion on the business paper.

The Second Clerk Assistant endeavoured to assist the honourable member for South Coast to change the framing of some of the terms of reference to bring them within the standing orders. Our discussion last night was to assist the honourable member for South Coast. All honourable members who wish to have a matter placed on the business paper are assisted in that way because it is their inherent right to place matters of general public interest on the business paper.

The purpose of my making a statement in the House earlier today was to put the burden of responsibility clearly on the shoulders of members who attack people from outside the House and name them in a motion. Those members may earn the censure of the public or their constituents for doing so. When I returned from a meeting of the Executive of the Commonwealth Parliamentary Association I was given a message that the Minister for Police had been on the telephone and had said that the member for South Coast would be withdrawing his motion. I rang and spoke to the Minister who said that would be happening. At no time did he tell me that any opportunity would be given to the member for South Coast or that any agreement had been made with him. It would be improper for the Minister to enter into an agreement with the honourable member for South Coast about making a statement to the House.

The Second Clerk Assistant has led me to understand that in the discussions designed to help the honourable member for South Coast to frame his motion for the business paper there was no indication that he would make a statement. If the member had spoken to the Clerk, the Clerk Assistant or to the Second Clerk Assistant or to me about the practices and precedents of this House, he would have been informed that there would be no opportunity for him to make a statement.

I therefore rule that it would be out of order for the honourable member for South Coast to make a statement. The honourable member now has the option of withdrawing his motion or leaving it on the paper. Is the honourable member for South Coast withdrawing his motion?

Mr Hatton: I shall leave it on the notice paper for future discussion.

SARAJEVO INN OPENING

Personal Explanation

Mr Greiner: I wish to make a personal explanation. I seek leave to make a personal explanation.

Mr SPEAKER: Order! Will the honourable member indicate the subject-matter of his personal explanation?

Mr Greiner: The remark made by the Minister for Housing that I attacked a grant to a Greek church.

Mr Walker: On a point of order: My point of order is that personal explanations are for the purpose of pointing out how one's reputation has been impugned and not for the purpose of taking political points and debating matters that have been raised earlier in the House.

Mr Kerr: On the point of order. The Leader of the Opposition was in the process of explaining how his reputation had been impeached by what the Minister for Housing said, and he should be allowed to continue.

Mr SPEAKER: Order! An honourable member wishing to make a personal explanation may rise and indicate to the Chair the matter which he wishes to explain, and the Chair may accede to that request. I asked the Leader of the Opposition to indicate the matter he wished to explain. He said that it related to his alleged attack on the Greek community. The Minister for Housing, in his reply to the question addressed to him by the honourable member for Broken Hill, made passing references to the Leader of the Opposition. The Leader of the Opposition must show that his integrity or position as a member of Parliament has been reflected upon or interfered with in some way. I do not intend to allow the Leader of the Opposition to debate the question or the basis of the question which was asked by the honourable member for Broken Hill.

Mr Greiner: I wish to state just two things: first, I reject out of hand the vicious slur by the Minister on me and later the honourable member for Hornsby, with respect to both religious and ethnic backgrounds. It does him no credit at all. It is a shame that the Premier does not live up to what he said when he became Premier.

[*Interruption*]

Mr SPEAKER: Order!

Mr Greiner: The statement that I attacked the Government's grant to the Greek archdiocese is totally untrue.

[*Interruption*]

Mr Greiner: On a point of order. Mr Speaker, the Premier has just interjected across the floor, "You are lying". I ask you to direct the Premier to withdraw that remark.

Mr SPEAKER: Order! Did the Premier make that remark the Leader of the Opposition refers to?

Mr Unsworth: Mr Speaker, I—

Mr SPEAKER: Order! I ask the Premier whether he said, "You are lying".

Mr Unsworth: Mr Speaker—

[*Interruption*]

Mr Unsworth: I am seeking to answer the Speaker. Mr Speaker, I did say, "You are lying", and I withdraw the remark.

[*Interruption*]

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

[*Interruption*]

Mr SPEAKER: Order! If members continue to interrupt me while I am speaking, I will have those interrupting removed from the Chamber.

SUSPENSION OF STANDING ORDERS

Mr SHEAHAN (Burrinjuck), Attorney General and Minister Assisting the Premier [11.52]: I move:

> That so much of the standing orders be suspended as would preclude the Water Supply Authorities Bill, Water Board Bill, Clean Waters (Penalty Notices) Amendment Bill, Water Legislation (Repeal, Amendment and Savings) Bill, being brought in and proceeded with up to and including the Minister's second reading speech.

[*Interruption*]

Mr SPEAKER: Order! I call the honourable member for Davidson to order. The question is, That so much of the standing orders be suspended as would preclude the Water Supply Authorities Bill, Water Board Bill, Clean Waters (Penalty Notices) Amendment Bill, and Water Legislation (Repeal, Amendment and Savings) Bill, being brought in and proceeded with up to the and including the Minister's second reading speech.

[*Interruption*]

Mr SPEAKER: Order! I inquire of the honourable member for Davidson whether as a member of this Chamber he seeks a division in his own right.

Dr Metherell: No.

Motion for suspension of standing orders agreed to.

DECLARATION OF URGENCY

Mr SHEAHAN (Burrinjuck), Attorney General and Minister Assisting the Premier) [11.53]: I declare that the following bills are urgent:

Industrial Arbitration (Tribunals and Delegations) Amendment Bill

Nurses Registration (Amendment) Bill

Co-operation (Further Amendment) Bill

Revenue Laws (Reciprocal Powers) Bill

Stamp Duties (Information Disclosure) Amendment Bill

Land Tax Management (Information Disclosure) Amendment Bill

Pay-roll Tax (Information Disclosure) Amendment Bill

Business Franchise Licences (Tobacco) (Information Disclosure) Amendment Bill

Business Franchise Licences (Petroleum Products) (Information Disclosure) Amendment Bill

Health Insurance Levies (Information Disclosure) Amendment Bill

Fair Trading Bill

Auctioneers and Agents (Finance) Amendment Bill

Question—That the bills be considered urgent—put.

The House divided.

Ayes, 48

Mr Akister	Mr Ferguson	Mr Neilly
Mr Amery	Mr Gabb	Mr Paciullo
Mr Anderson	Mr Harrison	Mr Petersen
Mr Aquilina	Mr Hills	Mr Price
Mr K. G. Booth	Mr Hunter	Mr Quinn
Mr Brereton	Mr Irwin	Dr Refshauge
Mr Carr	Mr Keane	Mr Rogan
Mr Christie	Mr Knowles	Mr Sheahan
Mr R. J. Clough	Mr Langton	Mr Shedden
Mr Cox	Mr McGowan	Mr Unsworth
Mr Crawford	Mr McIlwaine	Mr Walker
Mrs Crosio	Mr McManus	Mr Walsh
Mr Davoren	Mr Mair	Mr Whelan
Mr Debus	Mr H. F. Moore	Mr Wilde
Mr Doyle	Mr Moss	*Tellers,*
Mr Face	Mr J. H. Murray	Mr Beckroge
		Mr Wade

Noes, 32

Mr Baird	Mr Jeffery	Mr Pickard
Mr Beck	Mr Kerr	Mr Rozzoli
Mr J. D. Booth	Mr Longley	Mr Schipp
Mr Causley	Miss Machin	Mr Small
Mr Collins	Mr Mack	Mr Smiles
Mr Cruickshank	Dr Metherell	Mr Webster
Mr Duncan	Mr T. J. Moore	Mr Wotton
Mr Fahey	Mr W. T. J. Murray	Mr Zammit
Mr Fisher	Mr Owen	*Tellers,*
Mr Greiner	Mr Park	Mr Phillips
Mr Hay	Mr Peacocke	Mr West

Pairs

Mr Cleary	Mr Caterson
Mr Mulock	Mr Dowd

Declaration of urgency agreed to.

LEGAL PROFESSION BILL
LEGAL PRACTITIONERS (AMENDMENT) BILL
MISCELLANEOUS ACTS (LEGAL PROFESSION) AMENDMENT BILL

Third Reading

Bills read a third time

BUSINESS FRANCHISE LICENCES (TOBACCO) BILL
BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) BILL

Third Reading

Bills read a third time.

POLICE REGULATION (ALLEGATIONS OF MISCONDUCT) AMENDMENT BILL

OMBUDSMAN (AMENDMENT) BILL

Second Reading

Debate resumed from 6th May.

Mr KERR (Cronulla) [12.1]: I lead for the Opposition in this debate. The Opposition supports the bills. This is timely legislation in regard to some fundamental investigations that are being carried out at present. If this type of legislation had already been in place, public confidence in the administration of justice and in criminal investigations could have been restored. The Government has acted responsibly and has been responsive to the suggestions of the Ombudsman. The Ombudsman's office was established by the previous Liberal Party-Country Party Government. The utility of that office has been greatly expanded since then. The Ombudsman's office has a particular place in the policing of this State and the accountability of law enforcement.

The Minister is to be congratulated on responding to the call of the Ombudsman. In his second reading speech the Minister said that there is an agreement between the police and the Ombudsman to investigate matters within a reasonable time. The Minister outlined previous difficulties because of the uncertainty in the timing and framework of an investigation. If the Ombudsman has that disadvantage, the public of New South Wales is also at a disadvantage. The public is entitled to accountability. When matters relating to investigations of citizens of this State are raised publicly or privately, those matters should be investigated expeditiously. Public confidence will then be restored in the criminal investigation processes of this State. The Opposition supports the measures and hopes that the Minister will monitor this legislation. If the time limits are found to be arbitrary, the Opposition hopes amendments will be made to the legislation.

Motion agreed to

Bills read a second time and passed through remaining stages.

AIR TRANSPORT (AMENDMENT) BILL

Second Reading

Debate resumed from 12th May.

Mr WEST (Orange) [12.6]: In speaking to this bill I draw to the attention of the House the fact that it will affect New South Wales air services, but neither the Minister for Transport, who is responsible for the administration of this legislation, nor the Minister for Tourism, who also has some responsibility for it, is present in the House. That is a sad reflection on the importance that the Government places on this legislation, which will make probably the most significant changes to air route licensing in twenty years. The principles that the Government has adopted flow from the report of the review of New South Wales air services. The Government commissioned the review, which was conducted under the chairmanship of Mr Riley, who has been involved in the airline industry for some time. He was a former chairman and managing director of East West Airlines. He has much expertise in route licensing and providing services to the people of New South Wales.

The committee inquiring into air services did an excellent job. Unfortunately the Government has not adopted all its recommendations. Some of the recommendations are important and significant. It has taken more than twelve months from the time the report was brought down to introduce the bill. Because of the importance of this legislation the Government should have moved far more quickly. The bill adopts the principle of moving from a totally regulated licence granting system to the principle of regulated competition. Though many people may have preferred New South Wales to adopt a total deregulation, it must be accepted that this State has not sufficient population in many areas to warrant a deregulated market-place on air routes.

The vastness of New South Wales and the isolation of some population centres obviously indicates that deregulation would not work. Only the heavily populated areas would get adequate air services. The remote areas and the less densely populated areas of the State would have no air services. The Government's concept in principle is recognized and accepted by the Opposition, particularly by the National Party. The Opposition will be closely watching the licensing procedures. The implementation of these procedures will be the test whether consumers get a better service than they have now. It is most important that consumers be given a better deal and service.

One of the other major changes proposed by the bill is the replacement of the Air Licensing Advisory Committee within the Department of Motor Transport with an Air Transport Council, and the appointment of key personnel to serve on that body. The Opposition does not oppose these changes. The bill provides that the person appointed as chairman of the council should have a knowledge of the air industry. I suggest that the Government appoint Mr Riley as the inaugural chairperson of the proposed committee. Mr Riley headed the review committee whose report led to the introduction of this legislation. His appointment as chairperson of the council would be an acknowledgment of his many hours of work and consideration in the preparation of the review committee's report, and would allow him the opportunity to continue with his work and implement the many recommendations made by the committee.

The Opposition does not agree entirely with the appointment of consumer representatives on all boards. However, in the case of the proposed Air Transport Council, provided a political appointment is not made but a person with a genuine interest in consumer affairs is selected, the Opposition believes such a representative would have a significant contribution to make. In the past the major airlines in this State have operated on timetables to suit them and not the public. That has been to the detriment of the industry. I acknowledge that East-West Airlines and Air New South Wales have worked to expand considerably the market in this State, and have endeavoured to provide a service to many areas. However, they have become lethargic in key areas of service. This is obvious when one considers scheduling arrangements, timetables, and pricing policies.

I believe I am one of the most fortunate country members of Parliament. I have access to the model service from the Central West provided by Hazelton Air Services Pty Limited. The type of service provided by Hazeltons is only of advantage when one is within a certain distance of Sydney. The system would not work in isolated areas. In many isolated regions of the State, airline operators are not providing a service at times to suit the public. The proposed Air Transport Council should look at the question of licensing operators to take people from country towns to a major provincial city, from which they could travel by air to Sydney. The concept of the hub and spoke was considered by the review committee. By and large, the Government has not completely

adopted that concept, but the principles could apply in certain rural areas of the State if the Government genuinely wants to provide an adequate service.

Many rural areas of New South Wales do not have an adequate weekend air service. One can fly in on a Saturday morning but cannot leave until Sunday evening. Many people may wish to travel to and from a country town on a Saturday or a Sunday. Tourists would welcome the opportunity of being able to take such flights. They often do not want to be compelled to catch an early morning or late afternoon flight. It often suits them better to do their travelling later in the day. Obviously the Government is looking at regulated competition on the major routes to achieve that. I have some reservations on how far competition can be introduced on the major routes. Though some companies are prepared to invest heavily in equipment and servicing of aircraft, huge costs are involved. Many routes will simply not generate the amount of traffic necessary to justify the enormous investment required.

The review committee has recommended a number of regional centres where regulated competition could apply. However, in the end it is a question of whether there will be sufficient passengers to justify that action, and whether it will ultimately benefit the consumer. It is significant that the review committee did not really address the problems of Sydney (Kingsford-Smith) Airport. The Government has continually walked away from the problem of Sydney airport. Time and again the National Party has claimed that many of the problems at that airport could be overcome by the provision of a second short parallel runway. The Government continually denies the National Party's claim. It does not believe that such a proposal will work and claims that a second runway would have an adverse impact on nearby residents.

A second runway at Sydney airport would not have that result but would allow more small aircraft up to the size of Fokker Friendships to use the airport. The noise factor involved in the operation of smaller aircraft is much less than with huge jets which use the existing runway network. More particularly, a second runway would allow more international and interstate traffic to move in and out of the airport without delays. It is embarrassing to sit in a small commuter aircraft and see an international Boeing jet waiting in line for clearance. That is a total waste of money. Large jets probably burn up the same amount of fuel while waiting for a clearance as smaller aircraft would use in ten short trips. With a second parallel runway into Botany Bay, small aircraft and large international aircraft could take off together, with considerable cost savings. The capacity of Sydney airport would be expanded considerably.

Another way of approaching the problem would be to upgrade radar facilities at the airport. The existing radar facilities are inadequate to cope with the amount of traffic. Last year I went overseas. On one of the flights I was invited to the flight deck of a British Airways jet. The aircrew informed me that Australian air traffic controllers go beyond their duties of regulating air movements in and out of airports, and tend to act as policemen. Compared with other countries, Australia appears to be unduly severe on aircraft movements. I realize that Australia has an admirable air safety record which must be maintained. No one wants to see that record blemished, because it attracts local and international passengers. These problems must be addressed if traffic is to flow satisfactorily.

One other problem is high domestic fares. I suppose it could be argued that competition will reduce fares on domestic services in New South Wales. Though it will have some influence on the reduction of fares, competition will not reduce fares significantly. Instead, fuel costs and airport charges must be

addressed. They are two of the main costs and charges being borne by aircraft operators within Australia. Of course the principal costs relate to the financing of operators and aeroplane maintenance costs. Maintenance is an all important factor to enable the Australian aviation industry to protect its safety record. Measures to assist in the reduction of costs and maintain safe services must be considered.

Another concern expressed to me is the lack of adequate consultation with operators before these measures were introduced. Everyone seems to be in the dark about what will happen. Perhaps the Minister, in reply, could say what discussion took place with operators. It seems there have been some behind-the-door negotiations with perhaps one or two of the larger operators in this State. For some time I have been concerned that Air New South Wales and East West Airlines have attempted to dominate the provision of air services in New South Wales. That is despite the fact that Aeropelican Air Services, which operates from Newcastle, has one of the best services between metropolitan regions and country business districts. Hazelton Air Services have been pioneers in opening up many country areas of New South Wales. Such firms ought to be given the opportunity to establish services. Travellers do not always want transport by large aeroplanes; they do require frequent flights. If some of those aims can be achieved, that will go a long way to providing for the needs of the consumer.

Another matter I refer to is the removal of licence requirements for air freight services. That licensing requirement has been a farce in this State for some time. If those licensing requirements are not being policed, as I think all would agree has been the case, there is no point having a licensing system. Though the Commonwealth has some responsibility in that respect, the fact remains that the Government and the responsible department have not been policing those requirements and thus it is better to remove the provisions from the statutes. Air freight operators will regulate themselves. They need to maintain their aircraft and continue to provide attractive services. I see no problem in that provision in the bill. The Opposition will closely monitor the effects of this legislation and how the Air Transport Council administers the guidelines and principles enunciated in the report of the review committee. The implementation of the measures will be the determinant of results and benefits for the consumer in New South Wales.

Mr WILDE (Parramatta) [12.26]: I support the Air Transport (Amendment) Bill, which provides for the development of more competitive air services in New South Wales, particularly in areas of comparatively heavy traffic. All honourable members are aware of the need to improve intrastate air transport services. Because of the present regulatory system there has been an obvious lack of competiton and real incentive for operators to improve their services. Many of their aeroplanes, though no doubt safe and airworthy, are quite old and not particularly comfortable for passengers. That militates against expansion of services as travellers are not attracted to flying in some of the existing aircraft, particularly the old aircraft that are slow compared with units available but not used by operators.

The bill provides also for extended licence tenures for airline operators, the deregulation of air freight operations, and the establishment of the Air Transport Council to advise the Minister on matters affecting the State. Those changes follow a review of New South Wales air services conducted in 1985–86, initiated by the former Minister for Transport. Most of the recommendations of that review body have been accepted. Of particular importance was its recommendation to provide more competition to cater for the tourist market,

which continues to develop. That is even more important in the light of indications that have been given by the federal Government that it intends to review the two-airline policy. The thrust of the measure is to provide a system of regulated competition rather than to continue the existing system under which operators are granted exclusive rights over particular routes. Complete deregulation is not provided. It is considered that full deregulation would bring about an unsatisfactory state of affairs in that there would be more competition for the favoured routes between major centres of population within the State, inevitably leading to denial of much-needed but economically unattractive air services in some more closely settled country centres. Obviously there must be something of a carrot and stick provision.

I am sure that the provision of services to the more sparsely populated areas of the State will be considered when licences are granted for the more favoured routes. Obviously it is necessary that full services be provided throughout the State. The aim is to encourage the development of competitive intrastate air services that are more attuned to the needs of the consumers than are the present services. To achieve that object, certain provisions in the present legislation are to be deleted. Previously the registration body had to take into account whether an area was served or was likely to be served by other air services. That no longer will be a matter to be considered. Obviously the more attractive areas are already served. If that requirement precluded the consideration of other applications, obviously it would defeat the purpose of the proposed legislation. In addition, it will no longer be necessary to consider whether an area is served or is likely to be served by other forms of public transport, for example by road or rail. It is necessary to consider more than simply whether public transport is available to a particular locality. A variety of public transport must be available to a locality. An existing efficient road transport service, for example, should not preclude the licensing of an air service to a location.

The bill will provide for additional matters to be taken into account in the granting of licences. They include the provision of adequate insurance of the aircraft, the operator, the pilots and the passengers; and, the ownership of or extent of the applicant's right to operate the aircraft used by the licensed applicant. One important provision of the legislation is to give Australian Airlines the right to operate intrastate air services, subject of course to its application meeting the licensing requirements and receiving the approval of the Minister. I believe that Australian Airlines will provide substantial and prompt improvements to intrastate services. Australian Airlines is a major operator with a large fleet of available aircraft. I am certain that airline will immediately take advantage of the opportunity provided by this proposed legislation to move into a number of new routes within the State, and provide a better service than is available at present.

The tourist industry will be assisted by the provisions of this legislation. Australian Airlines, as an Australia-wide operator, has access to a much greater range of passengers than is available to the airlines which at present operate solely in New South Wales. Australian Airlines will have the opportunity to provide tourist oriented packages that will assist not only that airline's business but also the development of the tourist industry in New South Wales.

Another significant provision of the legislation is the deregulation of air freight services. It is unrealistic that airfreight should be regulated, though other forms of freight transport have virtually no restrictions imposed upon them. Air freight is a fast growing part of the air transport industry. Air freight is now advertised equally with passenger services. Deregulation of the air freight market

will give greater flexibility in the use of aircraft, allowing freight forwarding to be conducted at times that are not attractive for passenger travel. Obviously that will result in more economic operations and allow a wider use of aircraft. This legislation will result in considerable benefits to the State and to the airline industry.

The Air Transport Council will replace the present advisory committee. I welcome the wide-ranging membership of that committee, comprising an independent part-time chairman with knowledge of the airline industry, a representative of the Minister for Transport, a representative of the airline industry, a consumer representative, a representative of the Minister for Tourism, and the secretary of the Ministry of Transport. The council will be serviced by a full-time executive officer and support staff from within the Ministry of Transport. I am confident the Minister will appoint first-class representatives from each of those areas, and that the council will take account of the factors mentioned by the honourable member for Orange, who spoke on behalf of the Opposition. This bill will enable new and improved air services to operate within this State in the near future.

Mr W. T. J. MURRAY (Barwon), Leader of the National Party [12.37]: Tha National Party supports the legislation. The tying up of airports by major companies has on many occasions caused severe problems throughout country areas of New South Wales. Many country centres do not have an adequate air service. The opening up of routes in New South Wales by Australian Airlines will create competition. However, considerable responsibility there will devolve upon the Air Transport Council. Though I advocate opening up routes and creating competition, I do not want the operators to be bankrupted, resulting in the loss of all services. In considering the licensing of various companies—rather than the planes, as provided by the present legislation—the council will have to determine whether an operator can maintain a service that is capable of operating at a profit. To open up and let everyone free-wheel is to provide only a partial solution to the problem. In such a complex area as air navigation, that could result in the loss of all services. Unfortunately, at present some airlines have the sole right to certain routes, thereby tying up those routes. As a result, the passengers on those routes service the airline, rather than the airline servicing the passengers. Airlines of New South Wales is an example of that.

Mr Beckroge: Hear! Hear!

Mr W. T. J. MURRAY: I am glad that the honourable member for Broken Hill, who also flies with that airline, agrees with me. In my electorate the towns of Coonabarabran, Coonamble and Walgett are serviced only by Airlines of New South Wales. They have only three services a week; two of those services take three hours to go to Coonamble, Coonabarabran and Walgett; the other, operating on Sundays and stopping only at Coonamble takes two hours, and is a reasonable service. If Airlines of New South Wales considers that a particular route does not warrant the operation of F-27's, it should use smaller planes. However, if it chooses not to do that, it should allow other operators to provide a service to the public. Those operators should be allowed to fly other planes into, say Dubbo, and provide a reasonable service, which all areas of New South Wales are entitled to.

I do not accept that in places like Moree and Narrabri, for example, which for two-sevenths of the week have no air passenger service at all—Friday to Sunday night—the service should be tied up by Airlines of New South Wales, preventing any other group from operating a service, say, on a hub and spoke basis, across to Tamworth on the weekend. If there are insufficient passengers

to warrant the use of an F27 aircraft, then let some other body provide a service on those days when the present airline is not operating. Presently we have tie-ups, a lack of service, and services running late—I was delayed at the airport for five hours recently. That delay was not occasioned by weather. I accept the problems associated with weather, but I do not accept regular delays when planes are running up to five hours late. That is beyond the pale so far as I am concerned.

Service to the community must be the basis for the operation of air services. If airlines are to be given a licence for three years, which in my view is a vast improvement on the one-year licence, then so be it. Nevertheless, I do not believe that one airline should be allowed to tie up the airport and thus prevent other airlines from providing a service. Commonsense competition must be available in these country areas. Some people are of the opinion that this freeing up of air services will result in substantial reductions in fares. There is no way that will happen. Australian Airlines will probably operate, for example, the Sydney, Broken Hill, Adelaide flights. If they do, two operators will be going through Broken Hill and I would imagine that would reduce the fares to Broken Hill. But let us not forget that a number of the more popular runs, such as Sydney to Wagga Wagga, Sydney to Coffs Harbour, and to a certain extent Sydney to Casino, provide the income by which many of these airlines subsidise their less patronized routes. With competition there will be tight financing of operations, a competitive fare structure and, as a result, possibly an increase in fares to some of the smaller centres. A reduction in the size of aircraft could well be considered.

The federal Government is to withdraw its subsidy to operators of country airports, in my electorate the Moree Plains shire council. As a result there will probably be a $1.50 per head increase in charges by the council in respect of the operations of the Moree airport. That increase will be passed on through the fare structure. I acknowledge the need for a balance, but ratepayers should not have to pick up the total costs of having an air service to the town. Councils must meet some part of the maintenance and handling costs, over and above the 50 per cent they have had to meet in the past. The development of an airport is essential for tourism, business and the development of any town in the State.

In speaking to this measure I would be remiss if I failed to mention the ability of aircraft to use the flight facilities at Mascot to provide air services to country New South Wales. The Sydney (Kingsford-Smith) Airport at Mascot has become clogged to a frightening extent. The costs to airlines of having aircraft in holding patterns north, south, east or west of the airport are enormous. That adds a further component to the fare structure, created by the lack of capacity of the runways and radar systems at Kingsford-Smith airport to meet the demands of airline services. It is no use spending thousands of millions of dollars on airports at Wilton or some other place around New South Wales, when the cost of putting in another runway and improved radar at Mascot would be much less. Sydney (Kingsford-Smith) Airport is strategically placed. It is a tremendous benefit to this city for that airport to be so close to the city of Sydney. People are able to get in to the city, do their business and get out again. This is vital not only for the future of Sydney but the rest of this State. Consequently, we should ensure that an additional runway is built at Kingsford-Smith airport. I realize that many people jump up and down and complain about the noise problem. My daughter attended a school called Danebank at Hurstville, and I have spent a lot of time with friends in that area. Consequently, I have some idea of the noise component. However, the noise of aircraft engines is being reduced. In addition, it is possible to bring aircraft

in from angles other than over the city of Sydney; those flight paths must be utilized by the creation of additional runways.

The air freight provisions of the legislation are vital so far as country New South Wales is concerned and will ultimately be of tremendous benefit. In the northwest of the State up to five firms make overnight deliveries of small freight to my home town of Moree. With the extension of freight services one could well see a freight service with one aircraft operating backwards and forwards to Sydney in the late evening or overnight. That would speed up the availability of spare parts and so on, which today takes time and adds to costs.

Generally speaking the National Party has no objection to this legislation. The people on the council will be responsible for the functional part of the legislation. I hope that those who will be appointed will recognize the needs of country New South Wales, of the airlines industry, of Kingsford-Smith airport and as a result achieve the best result for all concerned.

[*Mr Deputy-Speaker left the chair at 12.48 p.m. The House resumed at 2.15 p.m.*]

Mr AMERY (Riverstone) [2.15]: If the achievements of this Government since it was elected to office in 1976 were listed, air transport initiatives would figure high on that list. I do not assert that the Government's air transport policy was responsible for its taking office. The Government has opened up the State to tourism for people living within and without New South Wales. The Government has improved rail transport dramatically and has modernized the State's freeways and roads. This legislation will bring about a freeing up of the air transport industry, and will promote competition between the various airlines, which will, as part and parcel of the Government's program, sponsor the development of strategies to improve tourism throughout the State. Aircraft are used extensively by overseas visitors to Australia, particularly tourists from the United States of America and Japan.

The honourable member for Orange and the Leader of the National Party said in their contributions to this debate that they supported a second runway at Kingsford-Smith airport. There can be no doubt from listening to those contributions that if the Opposition were ever elected to office, a coalition government would sponsor the construction of a second runway at Mascot.

Mr West: To the improvement of all.

Mr AMERY: The honourable member says, "To the improvement of all". Doubtless all honourable members acknowledge that Kingsford-Smith airport is being used to its full capacity, but I reject the notion put forward by the Opposition that the solution to the problems is a second runway at Mascot. I believe firmly that the solution to Sydney's long-term air transport problems is the construction of a second airport at Badgerys Creek. The Opposition tends to forget that the federal Government has made a decision in this regard. A coalition government would not proceed with an airport for Sydney's west; rather it would extend the capacity of Kingsford-Smith airport in an endeavour to have it cater for even more aircraft than it is catering for at the moment. If that proposal were accepted there would be more aircraft flying over the suburbs that surround Mascot airport, which would add to the pollution problems faced already in those suburbs. With more aircraft using the airspace over Mascot, the unfortunate possibility of a disaster occurring would be increased.

The Opposition has clearly stated its policies in this regard. Honourable members representing the electorates of Drummoyne, Kogarah, and Rockdale should take note of that policy statement and get the message across to their constituents that if a coalition government were elected to occupy the Treasury

benches in New South Wales, the likelihood is that a second runway would be constructed at Mascot. I, as a Government supporter, urge honourable members representing the inner city electorates to highlight this policy and caution their constituents about the dangers of electing a coalition government.

Honourable members will recall that earlier this week the Minister for Tourism commented about the Government's programs for promoting tourism throughout the State and for encouraging tourists from interstate and overseas. The Government is endeavouring to provide services that will encourage tourists to revisit, and to promote by word of mouth New South Wales as the tourist State of this nation. It was by no coincidence that only a few days ago this House debated the promotion of Sydney's airways as the prime vehicle for tourism. That promotion forms part of the Government's strategy for improving that aspect of its airways policy.

It has been well documented that by the end of the century the majority of Sydney's residents will live west of Parramatta. At the moment people residing in the western suburbs of Sydney do not have an airport facility close by. Recently I visited Goulburn to attend the passing out parade of police trainees at the Police Academy. Other members who attended that parade travelled via aircraft from Mascot. It would take not too much time to deduce that I, as a resident of Rooty Hill, did not travel by aircraft. At that time of the morning it would take me in the order of an hour-and-a-half to reach the airport and only two hours to travel by road to Goulburn. People living in the western suburbs of Sydney are disadvantaged. The Government should be doing all it can to support the federal Government's proposal to construct an airport at Badgerys Creek.

Mr West: The airport will be an international airport, not a domestic airport.

Mr AMERY: The honourable member for Orange has said that the airport will be an international facility. No doubt that will be its major function, but the proposed airport will improve air travel facilities for the people of western Sydney. Recently I was speaking to the endorsed Labor candidate for the electorate of Minchinbury, Mr Greg Lucas, and he brought to my attention a number of issues raised by constituents about the proposed airport at Badgerys Creek. There is some disquiet at the federal Government's, perceived, delay in resolving whether an airport is to be situated at Badgerys Creek and whether affected property-owners will be adequately compensated. As the federal Government's economic statement was made only yesterday, it is too early to analyse what budgetary restraints there will be on the planning of an airport at Badgerys Creek. According to a news report it is difficult to assess the effects of the economic statement.

The *Sydney Morning Herald* acted responsibly in its reporting of the economic statement. I am somewhat confused by the article in the *Daily Telegraph* on the effects the economic statement will have on western Sydney areas. The *Daily Telegraph* quoted the comments of Mr Alan Green of Kings Park. It is a pity that he was portrayed as a typical example of a western suburbs resident, because he is the campaign director for the Liberal candidate for the federal seat of Greenway, and he signs himself as a Liberal candidate for the Blacktown city council. We shall have to wait a little longer for an adequate assessment of the effects of the economic statement, and how it will affect the future of Badgerys Creek. It is the responsibility of the federal Government to get its act together in regard to the proposed airport at Badgerys Creek.

The Government and the Minister should be congratulated for introducing this bill. The Government recognizes there has been much disquiet by consumers about air services in New South Wales, particularly the number of airlines that will use various air routes. This bill will open up competition for many air routes in New South Wales. It will give Australian Airlines an opportunity to compete for passengers travelling on those routes. In the long term air fares will be stabilized and competition will encourage the main airlines to use larger aircraft on those routes. In the long term New South Wales will benefit from a more competitive industry.

I am sure most members would be aware that Australians travelling overseas have a wide variety of airlines to choose to travel by, particularly in the United States of America. In the United States of America the airlines offer very competitive prices. Unfortunately, that may not be able to be achieved in New South Wales and Australia—not because there is not deregulation, as the honourable member for Orange would have us believe. Because of the population of the United States there is a large competitive market for air travel. Consumer demand for air travel in the United States ensures that airlines operating in that country are able to offer cheap travel. Australian and New South Wales airlines' overheads are probably higher than in the United States of America. Australia has stringent training programs for airline staff and strict maintenance programs. That is to the credit of airlines operating in New South Wales and Australia. Although these programs of training and maintenance result in higher costs of air travel in Australia, they also provide greater safety for air travellers. I shall not deal with other aspects of the bill but merely say that the Government in introducing this bill acknowledges that air travel is the future way to tour New South Wales. The Government is keeping air travel abreast of the most impressive improvements to rail and road transport throughout the State. I support the bill.

Mr SCHIPP (Wagga Wagga) [2.26]: I wish to speak briefly in this debate. I join with the honourable member for Orange and the Leader of the National Party in giving what I would call qualified support to the partial deregulation procedures provided for in this bill, and to use a pun, attempts to keep our feet on the ground. As the honourable member for Riverstone said our population is minuscule compared with the population of the United States of America. Therefore we should not kid ourselves that there is a catchment of people who will be seeking to travel on additional aircraft provided on New South Wales air routes. One of the problems is that if there are more operators on inland routes, the peak timetables for air travel will be congested. Trying to land in Sydney is only one problem—and I shall deal with that later. There is also the problem of duplication of air services to some areas. Planes could be operating half empty. All members would be aware of the enormous cost involved when aircraft operate with many empty seats. We must be careful not to go overboard in saying that this bill is the answer to the maiden's prayer for air services in New South Wales. My assessment is that regular users of air services in New South Wales may have to pay increased fares. I am not referring to the person who can afford to go on the standby list or take up other bonus options for travel. I am referring to those people who have to travel at times to suit their business agendas. They could be in for hefty increases in fares through the increased competition and the lack of market for air services.

I am concerned that we may see a lowering of aircraft standards. A regular jet service has been introduced in my electorate of Wagga Wagga. The cost of providing that service is very high if aircraft are not fully patronized, as they are at present. The Wagga Wagga route is one of the more profitable in this State, but Mr John Hutchison, the manager of Air New South Wales has

informed me that it is a break-even route. There is not much margin to reduce airfares or keep that type of aircraft in service if it is not being fully patronized. Air New South Wales has ordered a number of F50 aircraft as a means of lowering the noise factor.

The honourable member for Orange mentioned noise factor and problems of using Sydney airport without causing disruption to local residents. I cannot understand how the Government can bury its head in the sand and keep talking about establishing another airport at Badgerys Creek. Everyone knows it will be twenty-five years or more before an airport is established at Badgerys Creek. I do not think the honourable member for Riverstone will be using commuter aircraft from Badgerys Creek to travel to Goulburn, for example. One will still need to travel to Sydney airport to connect with another service. The proposal to establish a second airport at Badgerys Creek is a response to the growth in the tourist market. Members of the public should not hold their breath waiting for that to happen.

Considering the results of studies on noise levels and the advisability of aircraft taking off and landing over water, the only sensible proposal is the construction of another runway at Sydney airport. I doubt that the honourable member for Riverstone has ever had to sit, for forty-five minutes on occasions, in an aircraft circling Camden awaiting permission to land at Sydney airport. I have experienced that recently. On one occasion the pilot announced that four unscheduled international flights were arriving at Sydney airport, and for that reason our local flight was delayed. I realize that the delays to the international flights could have occurred elsewhere, but it is unsatisfactory that country commuters should be the ones to suffer.

A short, close-spaced, separate runway could be provided at Sydney airport to cater for country commuter services at a relatively low cost. The result would be a greatly increased capacity to handle air traffic. In the recent Rockdale by-election the Premier said he would take action to relieve the congestion at Sydney airport. The people should be told the truth. Mr Gary Punch, the federal member for Barton, adopts scare tactics and spreads falsehoods about the likely effects of a second runway at Sydney airport. Local residents would gain some relief from aircraft noise if people would stop playing politics and do the right thing.

Mr Amery: You told the truth.

Mr SCHIPP: I thought the honourable member for Riverstone was a fair person. He should go into the rural areas and admit that country people have to suffer in attempting to struggle through the congestion at Sydney airport. The work practices at the airport should be looked at closely. I hope the proposed Air Transport Council will do that. On arrival at the airport, passengers are frequently delayed while staff adopt work to rule tactics. We cannot put the cart before the horse and open the skies to increased traffic without looking at the whole situation. On the positive side, competition is good. The Liberal Party and the National Party are pledged to the principle of competition and choice. However, competition is good only when markets exist to cope with it.

I realize that the legislation is not totally regulating though it takes a step in that direction. The proposed council will need to ensure it does not go overboard. We must look at the possible growth of feeder services which will allow isolated country commuters to travel to larger centres and join jet aircraft services to Sydney. I know that is not a popular concept but it may be the right way to go if the number of aircraft using Sydney airport is to be reduced.

Deregulation will result in a considerable increase in the number of aircraft using the airport. Wagga Wagga has a daily service to Sydney leaving at 8.15 a.m. and arriving at 9.00 a.m., which is a quick trip. But it is no use if for half an hour or so the aircraft is prevented from landing because of congestion on the ground.

I hope the legislation will lead to improved offpeak air services to rural areas. The honourable member for Orange spoke about weekend services. Until recently my electorate was served only with an early morning flight on Saturdays and no return flight until the Sunday. A midday flight has now been introduced on both Saturdays and Sundays, designed to cater for tourists. This flight arrives in Sydney about 10.00 p.m. or 11.00 p.m. Passengers can connect with ongoing flights and do not need to arrange overnight accommodation in Sydney. I made a short report to the review committee about this matter because I believe that a centre the size of Wagga Wagga, with an urban population of around 50 000, should not be isolated over a weekend.

Night services should be available on both Saturdays and Sundays, in addition to morning services. I cannot understand why some of the smaller commuter airlines have not provided better weekend services to country areas. I understood that air services on country routes on weekdays were closed to outside competition, but an application could be made to provide a service if a need was shown. I attempted to encourage one of the smaller commuter airlines to consider the potential of improved country weekend air services, but that has not eventuated.

Opportunities exist for the carriage of freight on some passenger aircraft which are not fully utilized. This should lead to improved freight services to and from country centres. The Leader of the National Party spoke of the urgency of obtaining spare parts for agricultural machinery. The ratio of passengers to freight must always be borne in mind. The airline company servicing my electorate is Air New South Wales. I do not join in the criticism that has been made of that airline. I have found the staff to act always fairly and generously. They have always been courteous and have assisted with changing bookings and arranging bookings at short notice. The airline has attempted to maintain proper standards, despite restrictions imposed by the appointment of air traffic controllers at Wagga Wagga airport. I do not agree that that was a necessary part of the upgrading of the airport.

The smaller country airline services have developed their routes in depressed times in the past. It is all very well to say now that things are great for those companies, but one must not forget the difficulties they had in the past. In the drought of 1978–81, aircraft on country services were often poorly patronized. I have travelled on a Fokker Friendship with only two other passengers. The smaller companies maintained their services during difficult times. Air hostesses often told me that it was a regular thing to have only six or eight passengers on a fifty-two seater aircraft. When things were bad the companies did not pull out and wait until the position improved. The time is right to look at deregulation, but we must not keep out the operators who have been the mainstay of providing air services for country people. Air transport is vital in Australia. Improved air services may, of course, lead to a loss of patronage on the railways. That will need to be guarded against.

I hope the Government and the proposed new council will look at these matters responsibly and produce answers of benefit to all users of air transport in New South Wales. We must not take a lopsided approach and believe that tourists must have first priority. Rural people pay their taxes in this country;

they should be the beneficiaries of improved air services. I support anyone, politicized or not, who calls for an upgrading of Sydney airport. That would be to the advantage of local residents, but the Government seems to have a blind spot when it comes to the question of constructing a second runway at Sydney airport.

Mr FACE (Charlestown) [2.39]: I shall speak briefly to this bill, which is important for most parts of the State, but especially country areas. The explanatory note to the bill states that one object of it is to amend the Air Transport Act to remove certain limitations on the granting of air passenger licences in order that more than one licence may be granted in respect of any one route. I am the first to agree that the industry will take some time to settle after the implementation of that measure. It may well be that some operators will fall by the wayside as a result of the competition engendered by the provision. Care must be taken in granting of these licences. If not, services could be worse than they are at the present time. This is something that the Government should review in the fullness of time. Certainly, it should monitor the effects of the bill.

Services in country areas have degenerated. There is substance in the suggestion of the honourable member for Wagga Wagga and the Leader of the National Party of having small commuter services in some country locations, especially at weekends, rather than no service at all. Perhaps we should accept that part of the well put together and timely report which recommended a service using a small commuter aircraft in a major centre rather than have no service at all. That may ease the traffic congestion at Mascot airport. In some areas of the State, especially on the North Coast, there is very little air passenger service at all. The services provided are, to say the least, limited. I give the House a good example of that by telling what happened to me over a booking with Eastern Airlines. If that company intends to continue to operate as it is, and do what it says it will if the bill is passed, it will need to lift its game, judged on my experience with that organization.

As I have said in this place from time to time, personal experiences lead to investigation of what is happening to others or in other places. Operators often cite running costs to explain lack of services. They claim that to run some services would lead to ruination of their companies. Quite frankly, one would be better off having no service at all than some of the irregular services provided throughout the State at the present time, on the pretext that the operators have the right to provide services where and when they like.

As I said earlier, it seems that some operators will go out of business as a result of the competition encouraged by this measure. Though that is unfortunate, it may be better for commuters in the long term. Some operations are just hanging on and are not assisting in the provision of services to outlying country areas. The Hunter region has these problems because of its geographic location. The honourable member for Newcastle and I probably receive more complaints about air services than does any other honourable member, because of the paucity of services to and from Newcastle. At one end of the town is Aeropelican Air Services, with which I mostly travel. It runs a good service. However, that company has been confronted with problems in recent times. It has less commuter traffic, though more oncarriage, as a result of recent events such as electrification of the rail line to Newcastle, the cost of operating an air service as compared with rail services, and the good road that exists between Sydney and Newcastle, to be further upgraded and made even more attractive.

Some people, influenced by the petrol tank syndrome and other considerations, think carefully before undertaking a journey, taking into consideration the cost of travel for them and their families. That has adversely affected the Aeropelican company. Its business has not increased for some years. In fact, commuter traffic has decreased. Aeropelican is perhaps fortunate that that has been offset to some extent by an oncarriage increase.

On the other side of Newcastle are a multiplicity of airlines that have operated in and out of Williamtown for many years. It is a wonder that any of them have survived, because the volume of traffic is inadequate to support them. They also suffer from the matters I mentioned in relation to the Aeropelican service, such as proximity to Sydney and geographic location. Those problems will not be resolved easily, because the business just is not there. I repeat, one would be better off with no service at all rather than being in doubt as to whether a service will or will not operate. That is occurring at present with small operators, especially those operating from Williamtown airport. The very day the Minister announced that he would be introducing this bill all sorts of comments were made by persons in the airline industry. I do not propose to refer to all those comments, for they could be expected from those who were hoping to get a bigger slice of the air traffic cake. Some could see advantages in rationalization of services.

Mr West: People with vested interests.

Mr FACE: Yes, most have vested interests. One such operator is Eastern Airlines which, it is said, runs services to twenty-one towns including Parkes, Forbes and Cowra and is considering expanding its services to Taree, Kempsey, Merimbula and Cooma. That operation cannot even run its present services. Whether these measures will assist that company remains to be seen. The *Newcastle Herald* of 12th May reported on a survey. It carried an article entitled "Prospects good for Aviation". That survey, run each year, gives information about what is going on in the region. Most of what it says is true. However, some is fanciful thinking on the part of those in business. The article mentions Aeropelican Air Services. Singleton Air Services, to its credit, tells the truth. It says that things have not been good, with several changes in ownership taking place in recent years.

The managing director of Eastern Airlines, Mr John Ralph, tells us how good his services will be. I am waiting to see what will happen, because I will tell the House of an incident involving me over the Easter weekend. I had to be in Maclean on the North Coast on Good Friday, 18th April, and return home on the 19th. I had been holding an Eastern Airlines ticket since 14th April for my return flight from Coffs Harbour. That flight had been confirmed on 8th April. It was not a standby arrangement. I had imagined that because I was holding a ticket the service would be provided. What happened to me is indicative of what is occurring throughout New South Wales at the present time.

To my absolute amazement, on Maundy Thursday at 2.55 p.m. my office received a telephone call from my travel agent informing me that my flight had been cancelled. My secretary, who conveyed that information to me, was staggered. So was I. After holding a ticket for so long, this came as a bolt out of the blue. I had made many arrangements around that visit, and to cancel those arrangements would have inconvenienced many people. I checked immediately with Eastern Airlines in Sydney. I spoke to a Mr Craig Carr, who told me he was the logistics officer, with control over flights. I told him what had occurred and said it was completely unsatisfactory. His reply was, "We have the right to cancel flights". I said: "I have been holding a ticket for days. Do

you think it is fair to cancel the flight at such short notice?" I said that I was not the only person involved, that another airline was involved and various other arrangements had been made.

Mr Carr repeated his right to cancel the flight, adding that I was the only person booked to fly on that aircraft. That is consistent with what the honourable member for Wagga Wagga said. Mr Carr does not mention the times that his flights are fully booked, which I have observed from my journeys with that airline. I asked Mr Carr, "Are you not providing a service?" This brought the usual response of small airlines, that is, that their operations are borderline and if some unprofitable services are not curtailed, they will go out of business. I said: "What you are saying is that you are not providing a service. You provide it only when it is profitable to do so". Mr Carr's reply was that he had cancelled the flight himself just after midday the day before. I repeat, that was Wednesday. I said: "That's great. Why did it take you till this afternoon, one day later, to inform my agent that the flight had been cancelled? If I had been told about it, I could have made some alternative arrangements".

Other people could well find themselves in the same situation. If reasonable notice is given, alternative arrangements can be made. This is not an isolated instance. I am informed it occurs regularly with Eastern Airlines. Passengers are not informed of cancelled flights until the last minute. The company waits as long as possible to ascertain whether it can fill sufficient seats to make a flight profitable. As I shall outline later, no information is provided of alternative flights. I said to Mr Carr that no matter what he said, I was left without a flight. He replied that he did not know anything about my arrangements. I told him I am a member of the transport committee of the New South Wales Labor Party, I hold certain positions, and intended to do something about the matter—though not against Mr Carr personally. The situation was entirely unsatisfactory to me, as no doubt it would be to anyone else. He immediately wanted to opt out of the conversation and said I should speak to someone else, and said he would arrange for the general manager of the company, Mr Andy Anderson, to ring me.

Subsequently Mr Anderson telephoned to say he had been told I was unhappy about what had happened. I outlined my conversation with Mr Carr and said that I intended to take the matter further. I repeated to Mr Anderson what Mr Carr had said about the company running a service only if it was profitable. I said if that were so, if people cannot depend on a service, and if the company had to walk a tightrope whereby it regularly had to cancel flights at the last minute, it might be better if the company went out of business. Then, their customers would not be inconvenienced. I said further to Mr Anderson that as this had happened to me, no doubt it had happened to others. As the honourable member for Wagga Wagga said, many of Eastern Airlines' customers are regular passengers.

The Government is making a concerted effort to promote tourism in New South Wales. One can imagine the impression that a tourist would have if inconvenienced by being stranded at a country airport. Mr Anderson said he was very sorry that this had happened. He could only reiterate that some flights were not profitable, and the only thing that was keeping his company in business was its right to cancel some flights. I told him if that were so, his company might as well not be in business at all. He told me he had checked with Airlines of New South Wales and that there were seats available on their flight out of Coff's Harbour. I told Mr Anderson that my staff also had checked with Airlines of New South Wales, and I had no doubt that the only reason Mr Anderson had rung me was because I had created a commotion. I told him that if his staff

had told me that there was an alternative flight available with Airlines of New South Wales, my inconvenience would not have been as great. I asked why his staff had not provided me with that information. Having told Mr Anderson of my conversation with Mr Carr as to the time that the flight had been cancelled, Mr Anderson told me that the flight had been terminated a little after mid-day. I asked him why it had taken so long to notify my agent; and pointed out, again, that obviously other people must also have been inconvenienced. The first I heard of the cancellation was at 2.50 p.m. on the day prior.

Mr Schipp: Some passengers might have had to meet a medical deadline.

Mr FACE: That is correct. I told Mr Anderson that, quite frankly, many people, including the Chamber of Commerce in Newcastle, had expressed concern about some of the flights between Newcastle and Tamworth, which only ran occasionally and were subject to cancellation. He said, once again, his company was conducting a borderline operation, and on that point the conversation concluded. If that company can provide only that type of service, perhaps its licence should be terminated. It is undesirable that the company should continue to operate flights only when it suits them. I am not concerned so much about myself as about elderly people, and people with medical conditions. Though these people may have purchased a ticket on a particular flight, the company makes not the slightest effort to advise of alternative flights if that flight is cancelled. That is a consumer affairs problem. Many students attend private boarding schools in the New England area. I am told that they receive the same run-around from time to time. I am concerned that, according to the newspaper articles, this company wants to operate additional services. I am in favour of the industry acting responsibly and the market-place being allowed to find its own level. However, it is completely unsatisfactory for a company to advertise a flight, its passengers buy tickets and make their arrangements, and at the last minute for them to be told that the flight has been cancelled.

This problem has important ramifications for the tourist industry. If there is to be a viable tourist industry in New South Wales, airline operators cannot be permitted to operate services only when it suits them. I have spoken of this matter with the Minister for Tourism and the Minister for Consumer Affairs. Unfortunately the Minister for Consumer Affairs does not have the power to do anything about this problem. However, she has advised her federal colleague of it. This legislation is our only hope to prevent companies such as Eastern Airlines—I emphasize that that is not the only company that operates in this way—operating flights only when it is profitable for them to do so. I repeat that if that is how they conduct their business, they should not be in business in the first place.

The matters raised by the honourable member for Wagga Wagga and the Leader of the National Party are particularly valid to the consideration of the allocation of licences. Rather than there be no service at all provided to some country towns, I advocate the spoke-wheel system as set out in the comprehensive oncarriage report, with flights to intermediate centres and oncarriage to the ultimate destination. Such a system could be achieved by negotiation between the various companies whereby, say, each could forward the other's passenger baggage. That would provide a reasonable chance of survival for the less viable companies. At present a nucleus of people believe that the purchase of an aircraft is the magic answer to huge profits. From what I have seen and heard, there is little profit to be made by some airline operators. Consequently people in the country areas of New South Wales who rely heavily on aircraft for travel are disadvantaged.

I would hope that the authorities take these matters into account in the allocation of licences. If these companies are allowed to continue to operate, and to cancel their flights, they should be required to provide information about alternative flights. Their customers certainly should not be left in a small country town, such as I was, with no way out other than by hiring a car and facing, perhaps, a very long drive to their destination. Though Airlines of New South Wales had a flight out of Coff's Harbour on the occasion I instanced Eastern Airlines did not make that information available to me. Eastern Airlines' reponsibility finished, as far as they were concerned, when they told my agent that the flight had been cancelled. Yet, according to newspaper articles, including an article written by Peter Grimshaw, this company is seeking additional services throughout the State.

I am concerned with the plight of passengers flying in and out of Sydney and Newcastle who have medical conditions. Train or car travel would not be a suitable alternative to those people. One can imagine the emotional distress to a cancer patient travelling from the country on being told at the last moment that the flight had been cancelled. I ask the acting Minister for Transport to make my views known to the relevant officers. It is apparent to me and others in the aviation industry that many airline operators are hanging on by the seat of their pants. The sooner they are made to provide a service, or forced out of the industry, the better it will be for the travelling public of New South Wales.

Mr PARK (Tamworth) [2.59]: As the honourable member for Charlestown said, this is an important bill. I welcome the opportunity to speak briefly, but mainly in support of my colleagues on this side of the House. Generally the Opposition supports the principle of deregulation at the State level. I urge the Minister for Transport, through the acting Minister, to speak immediately with the federal Minister for Aviation with a view to deregulation being effected at federal level as soon as possible. The New South Wales Minister should urge the federal Minister to follow the lead given by this State, and deregulate the two-airline agreement at the national level.

In particular I want to refer to East-West Airlines. That company has always been based in Tamworth and I am more aware of its activities. East-West Airlines is not afraid of competition. In fact, it has survived and expanded in the face of healthy competition from bus companies, XPT rail services and improved highways. In my view it is not realistic for East-West Airlines to have to accept direct competition from major airlines within New South Wales and not be able to compete against those major airlines outside the boundaries of the State. The ideal, I suppose, would be to have synchronization at this time between the State legislation and similar federal legislation. An effective and viable air service network round Australia, linking the capital cities, and linking country centres with capital cities and with one another, is vital to our future, to the expansion of our industrial and commercial enterprises, and to the development of our tourist industry.

Many centres in New South Wales warrant, or in the future will need, a direct link with Mascot. For that purpose some are best joined in a combined ongoing route operation. Other towns are unable to support a direct link with Mascot and, as has been mentioned, those centres need to be included in commuter operations to link up with the main air route centres. As the honourable member for Orange and the Leader of the National Party also said there is a need at this time for the construction of a second runway at Mascot to handle all aircraft up to Fokker Friendship F27 or similar standard. The honourable member for Riverstone criticized the National Party for enunciating this policy. I suggest that a second runway, catering for the smaller aircraft,

would not necessarily increase noise levels. I believe it would reduce them. In the first place, most aircraft proceeding out of Mascot under full load and full power, when naturally the highest levels of noise are achieved, depart over Botany Bay and not over housing development. The second point is that with the present density of air traffic at Mascot, a lot of aircraft, particularly smaller aircraft, are put on holding patterns, generally in the metropolitan area for periods up to a half an hour; sometimes larger aircraft are also caught up in this situation. A second runway to cater for lighter aircraft would normally obviate the need for this procedure.

I agree that we should be looking at an improved set of procedures for aircraft services at Mascot, as apply in other major airports in other countries of the world. There is room for such improvements to be effected without in any way reducing the level of safety, which has always been a feature of air travel in this country. The honourable member for Riverstone said also that the National Party was opposed to a second major airport at Badgerys Creek. That is not so; but we feel that major development is a long way off and in the interim a second runway at Mascot would solve the problems for many years to come.

The long-term planning of East-West Airlines in this State depends largely upon its ability to compete without, as well as within, the borders of New South Wales. I might refer briefly to a few events. I know East-West was licensed federally in 1981 to service routes to Perth via Ayers Rock and to Melbourne and Hobart out of New South Wales. On those two routes they effected a fare which was substantially less than any other fares applying at the time. In that regard they virtually pioneered the cut fare process in this country. Last year East-West Airlines survived a challenge by Ansett against its licensing as a major intrastate operator in Queensland. There are naturally links between Queensland and New South Wales in terms of having two separate intrastate operations under the one East-West Airlines umbrella. In about September 1986 Mr Justice Lockhart of the federal court upheld in principle the right of East-West Airlines to operate within Queensland. His hearing of this case was completed in February 1987 and his handing down of details regarding the number of aircraft and routes is now awaited.

Item (10) of schedule 1 to the bill inserts section 10 into the principal Act, under which the Air Transport Council will determine applications and licence fees which shall be by order published in the Gazette. One might be excused for wondering what licences may cost in the future. I know licence fees are reasonable at present but there could be steep increases. As the honourable member for Orange said, the fare structure in this State needs to be overhauled. I suggest that any increase in costs, such as licence fees, must result in higher fares. In Western Australia licence fees are determined as 1 per cent of gross revenue. If that formula were adopted in New South Wales it would result in a large increase. In schedule 2 the transitional provisions generally provide for air passenger licences now in force to continue in force until a new licence has been applied for and granted under the amended provisions. The way that provision is framed, only one licence might be approved for a particular route. This seems to contradict the object quoted at the beginning of the bill that more than one licence may be granted in respect of any one route. I ask again for the acting Minister to confer with the Minister and press him to suggest to the federal Minister that he deregulate the federal air transport industry, in accordance with the deregulation which is being carried out in this State.

Mr AKISTER (Monaro), Minister for Corrective Services and Assistant Minister for Transport [3.8], in reply: I thank all members who have participated for their contributions to the debate. It has been a fairly wide-ranging debate, not often as relevant to the bill as it might have been but nevertheless interesting. Time and again honourable members opposite have referred to the necessity, as they see it, for a second runway at Mascot airport and have said that all the fears held by local people, local representatives, are ill-founded, as if noise pollution and danger do not matter; so long as the small country aeroplanes can fly into Mascot, then everything else should be disregarded. When I hear these arguments I am reminded of what happened when the Commonwealth Government was trying to find a training camp for the army. When all those army units for the defence of Australia were looking to take their noisy tanks, noisy artillery and huge transporters into a country region to use an area for a training ground, what did we hear? We heard that it was terrible; the noise, pollution and danger to country people would be so great that this should not occur. The very factors which they say are not important to a million and a half people who live and work round Mascot, were absolutely important to several hundred people in the country.

The arguments of the Opposition lack merit, weight, and sincerity. The honourable member for Orange suggested that behind-closed-doors negotiations have been conducted with large operators about the limited deregulation of the air transport industry. On behalf of the Minister for Transport, who is unable to contribute to this debate today, I reject any suggestion that surreptitious negotiations have taken place. Far from being sinister, the negotiations with operators, local councils and interest groups have been frank and honest. Mention was made also of the time taken for this legislation to be introduced to the Parliament since the production of a report almost twelve months ago. The Minister extended the time for the receipt of submissions so that every opportunity was given to interest groups to contribute towards a comprehensive overview of the wishes of the citizens of New South Wales about this important legislation. The twelve month delay was contributed to also, in some way, by the federal May inquiry recommendations, which were taken into account during the drafting of the legislation.

Mr Deputy-Speaker, in your contribution to the debate you referred to short notice cancellations of regular service aircraft. The department has received correspondence from you and it is investigating the matters you raised. In the near future steps will be taken to prevent a recurrence of this activity. It is important to understand that the deregulation that has occurred has been controlled. An open-slather approach was not adopted. It may be that in the short term an open-slather approach would provide lower airfares and more services, but in the long run the air transport industry in country and metropolitan New South Wales would be devastated. The deregulation aspects have been considered carefully to prevent unwarranted, unnecessary, and undesirable practices. I commend the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

BILLS RETURNED

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

Motor Traffic (Road Safety) Amendment Bill
Crimes (Road Safety) Amendment Bill
General Traffic (Road Safety) Amendment Bill
Bail (Amendment) Bill
Community Welfare Bill
Children's Court Bill
Children (Care and Protection) Bill
Children (Criminal Proceedings) Bill
Children (Community Service Orders) Bill
Children (Detention Centres) Bill
Miscellaneous Acts (Community Welfare) Repeal and Amendment Bill

PROBATION AND PAROLE (PAROLE BOARD) AMENDMENT BILL
PRISONS (RELEASE ON LICENCE BOARD) AMENDMENT BILL

Formal stages and first reading agreed to.

Second Reading

Mr AKISTER (Monaro), Minister for Corrective Services and Assistant Minister for Transport [3.14]: I move:

That these bills be now read a second time.

These bills have been introduced at the request of the Chief Judge of the District Court. The Chief Judge has expressed concern at the amount of time required to be spent by judges as chairman and deputy chairmen of the Parole Board and as chairman and deputy chairmen of the Release on Licence Board. With the increase in the number of cases now going before these boards, judicial members have found that the work involved, as members of these boards, has seriously interfered with their judicial duties. In the case of the Parole Board, where the board expresses its intention not to release a prisoner to parole, the board is required to conduct a public hearing. Since 1985 these review hearings have been held on both a Monday and Friday. In 1985 there was in total 49 days upon which cases were considered at review hearings. In 1986 the total number of days was 61 and in 1987 until the end of April, 28 days have been used to meet the Board's case load in conducting review hearings.

Currently the Parole Board is meeting four days a week with a judicial member present on three days. Honourable members will appreciate the increase in time that members of the Parole Board and the judicial members are required to give to this important work. The same applies to the Release on Licence Board. This board meets under the chairmanship of a judge once a month. In addition a subcommittee of the board chaired by the judge visits every institution once every six months to hold discussions with the staff and life sentence prisoners. Generally a visit lasts between one and three days. Honourable members will therefore see that the time required to be devoted by the judicial chairman or deputy chairman of the Release on Licence Board is quite considerable.

The amendment to the Probation and Parole Act 1983 varies the constitution of the Parole Board by providing for a substitute chairman and deputy chairman of the board instead of two deputy chairmen. It will also permit the appointment of a retired Supreme Court or District Court judge as chairman, substitute chairman or deputy chairman of the board. Such retired judge must be under the age of 72 when appointed and may only continue in office until the age of 72 years. It is proposed that the substitute chairman will act as chairman if the chairman is ill or absent. The deputy chairman will act

as substitute chairman and exercise the functions of the chairman if both the chairman and substitute chairman are ill or absent.

The amendment to the Prisons Act varies the constitution of the Release on Licence Board by providing for a substitute chairman of the board instead of a deputy chairman. It will also permit the appointment of a retired Supreme Court judge or District Court judge as chairman or substitute chairman of the board. Only a retired judge under the age of 72 years can be appointed by the Minister. Once the retired judge reaches the age of 72 years he is deemed to have vacated his office. If the chairman and deputy chairman are both absent or ill and are therefore unable to carry out their duties, the Minister may appoint a judge or retired judge to act as chairman of the board during the illness or absence of both the chairman and substitute chairman.

Honourable members will note that in both bills the present judicial members of both boards are deemed to have vacated their offices upon commencement of the amending legislation. I pay tribute to the dedicated work and the contribution that has been made by Judge J. K. Ford, Q.C., Chairman of the Parole Board, and his two deputy chairmen, Judge Smyth, Q.C. and Judge Ducker. I pay tribute also to Judge A. D. Collins, Q.C., who recently retired as Chairman of the Release on Licence Board. Judge Collins was the first chairman of the board. His dedication established the board as a highly respected institution in the criminal justice system. I also thank Judge H. Cooper, who has acted as chairman of the board in recent months for his contribution to the workings of the board. I commend the bills.

Debate adjourned on motion by **Mr Park.**

MISCELLANEOUS ACTS (SEX DISCRIMINATION) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr HILLS (Elizabeth), Minister for Industrial Relations and Minister for Employment [3.20]: I move:

That this bill be now read a second time.

The amendments being introduced by this bill will ensure that relevant acts under my administration are consistent with the provisions of the Commonwealth Sex Discrimination Act 1984. This Act requires, among other things, that non-discriminatory language is used in all legislation, both federal and State. In examining the operation of the Commonwealth Sex Discrimination Act, officers within my Department of Industrial Relations and Employment have identified certain isolated provisions in legislation under my administration which could be termed discriminatory to the employment of women and, therefore require amendment. The relevant amendments have been considered by the tripartite Occupational Health, Safety and Rehabilitation Council in order to ensure that the changes proposed are consistent with applicable health and safety issues. The council supports the proposed amendments. The general approach of the Government in this matter was signalled at large to other governments, unions and business and women's organizations at the Commonwealth-sponsored National Conference on Legislative Restrictions to Women's Employment which was held in October last year. That conference evidenced a firm commitment from all participants to the goal of equal employment opportunities for women in Australia and produced useful suggestions for the achievement of that goal.

The amendments proposed to the Industrial Arbitration Act will remove certain provisions which allow for the different treatment of males and females. The social attitude implicit in the need for the Industrial Commission under these provisions to oversight the establishment of hostels for women workers and to regulate the overseas employment contracts of females is now outdated. The Industrial Arbitration Act clearly calls for amendment to allow similar treatment for both sexes and this bill is designed to achieve this. Similarly, the Factories, Shops and Industries Act contains provisions which discriminate against women in allowing regulations to be made prohibiting or restricting their working in factories and in rural or local government industries. Section 71 of that Act also requires amendment to render it consistent with the Sex Discrimination Act. The imposition of parental liability in the case of the illegal factory employment of juniors should have regard to a common age threshold of sixteen years for juniors, unlike the present provision which stipulates differing ages for males sixteen years and females eighteen years. The provisions of schedule 1 (2) to the bill correct such anomalies in the Factories, Shops and Industries Act.

The proposed amendments to the Coal Mines Regulation Act, Mines Inspection Act and Mines Rescue Act will leave the way open for the general employment of women underground in mines and for their participation in mine rescue corps. As for the amendment to the Miners' Accident Relief (Supplemental) Act, this is in the nature of removal of discriminatory language in the payment of disability or death allowances to eligible persons. In conclusion, the removal of the discriminatory provisions to be effected by this bill will reinforce the policy of this Government to enhance the employment status of women. I commend the bill and table explanatory material for incorporation in *Hansard.*

Miscellaneous Acts (Sex Discrimination) Amendment Bill

Clause 1. Short title.

Clause 2. Commencement provisions. Substantive amendments to mining legislation relating to female employment below ground in mines and female membership of mines rescue corps (Schedule 1 (1), (5) and (6)) will be the subject of delayed commencement involving Gazette notification of the Governor's proclamation. The remaining admendments will commence on the Act's assent.

Clause 3. Provides for the amendment of the Acts specified in Schedule 1 in the manner set out in that Schedule.

Clause 4. These savings provisions specifically preserve in force Regulation 2 of the Lead Regulations (made under the Factories, Shops and Industries Act, 1962) and certain other existing regulations made under Acts being amended by the proposed Act.

Schedule 1 (1). Provides for the amendment of the Coal Mines Regulation Act 1982 to remove a discriminatory regulation-making power with respect to the employment of females in underground coal mines.

Schedule 1 (2). Provides for the amendment of the Factories, Shops and Industries Act 1962 so as—

(a) to ensure that regulation-making powers concerning the employment of persons in factories or in rural and local government industries do not discriminate against women; and

(b) to make 16 years the age for both males and females until which a parent or guardian of a young person can be guilty of an offence if the young person is employed in a factory contrary to the provisions of Division 7 of Part III of the Act.

Schedule 1 (3). Provides for the amendment of the Industrial Arbitration Act 1940.

Item (3) (a) ensures that the Industrial Commission of New South Wales is empowered to assist in the establishment of hostels, clubs and libraries for both male and female workers.

Item (3) (b) allows for a regulation-making power with respect to regulating certain employment contracts equally for both sexes.

Schedule 1 (4). Provides for the amendment of the Miners' Accident Relief (Supplemental) Act 1966 so as to remove a distinction in the payment of an allowance to males and females.

Schedule 1 (5). Allows for the removal of the prohibition on female manual work below ground in mines to which the Mines Inspection Act 1901 applies and enables the employment of female probationers, trainee apprentices and indentured apprentices above ground at those mines.

Schedule 1 (6). Effects amendments to the Mines Rescue Act 1925 to allow for female membership of mine rescue corps.

Debate adjourned on motion by **Mr Fahey.**

WORKERS' COMPENSATION BILL

COAL MINES REGULATION (WORKERS' COMPENSATION) AMENDMENT BILL

COMPENSATION COURT (AMENDMENT) BILL

CONSTRUCTION SAFETY (WORKERS' COMPENSATION) AMENDMENT BILL

DANGEROUS GOODS (WORKERS' COMPENSATION) AMENDMENT BILL

DEFAMATION (WORKERS' COMPENSATION) AMENDMENT BILL

FACTORIES, SHOPS AND INDUSTRIES (WORKERS' COMPENSATION) AMENDMENT BILL

INDUSTRIAL ARBITRATION (WORKERS' COMPENSATION) AMENDMENT BILL

MINES INSPECTION (WORKERS' COMPENSATION) AMENDMENT BILL

MISCELLANEOUS ACTS (WORKERS' COMPENSATION) AMENDMENT BILL

OCCUPATIONAL HEALTH AND SAFETY (WORKERS' COMPENSATION) AMENDMENT BILL

POLICE REGULATION (SUPERANNUATION) (WORKERS' COMPENSATION) AMENDMENT BILL

PUBLIC HEALTH (WORKERS' COMPENSATION) AMENDMENT BILL

WORKERS' COMPENSATION (BUSH FIRE, EMERGENCY AND RESCUE SERVICES) BILL

WORKERS' COMPENSATION (DUST DISEASES) AMENDMENT BILL

Formal stages and first reading agreed to.

Second Reading

Mr HILLS (Elizabeth), Minister for Industrial Relations and Minister for Employment [3.26]: I move:

That these bills be now read a second time.

This legislation, which will apply to work-related injuries occuring on or after 1st July, 1987, represents the most important and comprehensive reforms affecting the workers' compensation system since the scheme was introduced more than sixty years ago. Major reform of the present system was made imperative because of its failure to provide fair and equitable benefits to injured workers at a cost the community could sustain. In brief, the system as we know it now is virtually out of control. This lack of control has resulted in the escalation of legal and medical costs, and in the prolonged duration of claims. It has developed because of the increasing diversion of resources, both human and financial, to the litigious nature of dispute settlement rather than to rehabilitation and meeting the ongoing needs of genuinely incapacitated workers. So serious was the cost escalation that payments increased from $349 million to $838 million in the period 1980–85, an increase of 140 per cent, with similar increases predicted over succeeding years so as to almost double in four years. No system can sustain cost increases of such magnitude. Obviously, this State's economic development and capacity for job creation was under threat. The position of industry was made abundantly clear in the submission of the Metal Trades Industry Association, which stated:

> Workers' compensation costs in New South Wales have increased to a much higher level than other States and this factor alone is driving investment away from New South Wales to other States. This results in factory closures and job losses.

Not only are costs increasing, but also the needs of long-term victims of workplace injuries and disease are often not adequately met, while short-term victims are often over-compensated. Other difficulties facing injured workers include the delays caused by an adversary or court-based system, the uncertainty in assessing compensation for seriously injured people, the difficulty in managing large lump sums awarded, and the lack of any real commitment to, and incentive for, rehabilitation.

The legislation builds upon the firm foundations established by this Government following my introduction in 1983 of the Occupational Health and Safety Act and major amendments to the workers' compensation scheme in 1985. The Occupational Health and Safety Act for the first time encompassed all workers, including those employed by the Crown, and for the first time placed the onus squarely on employers to provide a safe working environment for all employees and visitors at a place of work. A whole new safety performance machinery was established under that Act, which gave the Government's safety inspectors new authority and new challenges, and assembled technical expertise in the widest range of disciplines. In addition, it provided a back-up monitoring process in the form of the Occupational Health, Safety and Rehabilitation Council.

These measures, supported by the establishment of workplace safety committees, have led to many lives being saved, as illustrated by a reduction in the number of deaths from 306 in 1981–82 to 218 in 1984–85, the lowest since at least 1965. Similarly, the total number of reported workers' compensation claims reduced 20 per cent from 279 842 cases in 1981–82 to 223 069 in 1984–85. On the other hand, the 1985 workers' compensation reforms attacked cost problems in the system, deriving from the administrative inefficiencies of insurers and brokers and the delays in dispute resolution. The

underlying thrust of those reforms was to complement the accident prevention measures embraced by the Government in the enactment of the Occupational Health and Safety Act.

The 1985 reforms brought about four major changes: introduction of a system of maximum insurance premiums; linking premiums to the occupational health and safety performance of employers as reflected in the cost of claims; eliminating the hidden cost of brokerage from insurance premium costs as well as excessive administrative charges; and reducing court delays and legal costs through the introduction of commissioners. In developing proposals to reform the workers' compensation system, expert actuarial advice was sought to identify the underlying causes of cost escalation. Without exception, actuarial advice indicated that proper control did not exist under the present system. In respect of the underlying causes of cost escalation, two eminent independent actuaries in their advice to the Government said:

> The present workers' compensation system has been exhibiting a lack of control for many years in that claim payments have continued to increase every year at rates far in excess of levels of wage inflation.
>
> Two major contributing factors to this lack of control are:
>
> (i) the existence of common law and access to redemptions; and
>
> (ii) the existence of section 11 (2).
>
> Introduction of effective control is essential to containing workers' compensation costs. Experience with the present system indicates that control cannot be achieved while the above two factors are in place.

If there is an overwhelming theme in discussions about accident compensation systems, it is that common law fails to meet the needs of the seriously injured and diverts scarce resources from those requiring care to vested interests. The system of redemptions and common law encourages an overuse of the medical and legal professions, resulting in unnecessarily high service costs. Just as importantly, the lump sum orientation of the present workers' compensation system acts as a positive disincentive to rehabilitation, because the overriding emphasis of the present system is to focus on the negative aspects of the victim's injuries and not on how that person can get back to a useful role in society.

In stark contrast to the present position, the new system will emphasize prevention of accidents in the first instance, the effective rehabilitation of injured workers, and fair compensation to be provided to workers, regardless of fault. This positive direction by the Government will ensure that effective control will be implemented, thereby containing costs and redirecting funds back to the genuinely incapacitated. The new system has enabled a cost objective of an average of 3.2 per cent of wages to be set. This represents a 16.2 per cent reduction on the present average premium rate of 3.82 per cent. For reasons I shall outline later, the reduction in premium rates with some industries will be higher than others. In assessing the achievability of this cost objective, the actuaries have made a number of observations, the most important of which states:

> The reforms proposed under the revised system have the potential to effect control. They could also achieve the desired cost levels, provided that there are major changes in attitude of both employers and workers, well designed legislation ensuring the effectiveness of controls and incentives and systematic and successful rehabilitation.

Quite significantly, the cost objective of 3.2 per cent does not take into account the effects that initiatives in the occupational health and safety area will have on workplace injury and disease, and, in turn, on the costs of the system as a whole. Just as importantly, the success of initiatives in occupational health and

safety should not be measured only in terms of their effects on premiums. Not only do safer workplaces result in lower premiums, but they also result in savings because of cuts in machine downtime, in disruption to production, and in losses of skilled personnel.

As mentioned, occupational health and safety, together with rehabilitation, constitutes a central feature of the reforms. It is now apparent that penalties provided under the Occupational Health and Safety Act and associated legislation should be made more realistic in providing a deterrent to corporations and individuals who fail to observe their responsibilities. The Act presently provides a maximum penalty of $5,000 for individuals and $50,000 for corporations. This will be doubled to $10,000 and $100,000 for those failing to observe the general duties to ensure the health, safety and welfare of their employees or other persons at the workplace.

Other penalties under the Act, together with fines under associated occupational health and safety legislation, will also be doubled. Fines will similarly be increased under the workers' compensation legislation as part of the Government's overall strategy to reduce abuses under the system. Offences against the Occupational Health and Safety Act may currently be proceeded with before industrial magistrates or the Supreme Court in its summary jurisdiction. In the case of industrial magistrates, the Act limits the maximum penalty which may be imposed to $5,000 and penalties in excess of this amount must be recovered in the Supreme Court. In keeping with the general increases in penalties described earlier, it is necessary to raise the industrial magistrate's jurisdiction to $10,000. Furthermore, the bills provide for the industrial commission in lieu of the Supreme Court to deal with offences where penalties are sought in excess of $10,000.

The provision concerning the Industrial Commission hearing safety matters is an important one, as the commission has a particular expertise in dealing with workplace issues. Occupational health and safety is a familiar area for the Industrial Commission, as all appeals against the decision of the Chief Industrial Magistrate and industrial magistrates on occupational health and safety matters are heard by the Industrial Commission. The decision of the commission in these matters is final. The provision is merely a logical extension of the commission's role in occupational health and safety matters. Another important consideration is the fact that the Industrial Commission enjoys the same legal status as the Supreme Court, and in this context prosecution cases would be heard only by judicial members of the commission.

The Factories, Shops and Industries Act currently makes provision for proceedings in respect of an offence against the Act or regulations to be taken and prosecuted by a secretary of an industrial union of employees or employers. Similar provision will now be incorporated in the Occupational Health and Safety Act. Other equally important amendments to the Occupational Health and Safety Act are to provide the following: to widen the existing regulation-making powers under the Act; to require an employer to make available information, about any research, testing or examination of any plant or substance for use at work, to employees at a place of work; to provide for the development of industry codes of practice on a bipartite or tripartite basis through the Occupational Health, Safety and Rehabilitation Council; to impose comparable duties on persons in control of workplaces in non-domestic premises with respect to the health and safety of persons: to render enforceable the obligations on employers to provide training for workplace committee members; and to facilitate proof of departmental records in legal proceedings.

Having laid the appropriate legislative framework for the operation of an effective and efficient occupational health and safety system, the Government is determined to provide the appropriate administrative backing which is required to make the intent of the legislation successful. Accordingly, additional inspectors will be provided by the Government, thus emphasizing its total commitment to prevention of injury occurring in the workplace. A number of other measures will provide further support; for example, a comprehensive injury and illness information system will be funded which will allow the activities of the safety inspectorate to be targeted. A major hazards prevention unit will be established to strengthen the State's capacity to prevent the occurrence of major industry disasters.

One area of commonality amongst the parties involved in the workers' compensation field is rehabilitation. Each of the major parties, employers, unions and the professions, recognize that rehabilitation should play a central role in workers' compensation if costs are to be effectively reduced. It is widely recognized that rehabilitation has not been properly emphasized in the New South Wales workers' compensation system. There are many reasons for this, the most important of which is the inherent disincentive to rehabilitation that exists under the present system due to common law, redemptions, prolonged litigation and unnecessary adversarial procedures. As a result, only a few insurance companies or employers have seriously concerned themselves with rehabilitation, and the injured worker is left to his or her own devices, with very little likelihood of vocational or social rehabilitation ever being undertaken. Even if there did exist a rehabilitation structure, the delays caused by prolonged litigation result in a deterioration of the injured person's condition to the point where rehabilitation is no longer successful.

The Government's rehabilitation initiatives complement the new benefit structure by further removing existing disincentives to effective rehabilitation and providing a realistic framework for its implementation. The philosophy behind the initiatives is to encourage employers and workers to establish rehabilitation plans and procedures before an accident, rather than after. The primary emphasis is on work-based rehabilitation, rather than institutional rehabilitation. It does not require a huge bureaucracy to service it. Of course, for those whose injuries require more extensive treatment, access will be provided to specialist rehabilitation treatment.

Rehabilitation, being almost totally neglected up to now, will require a phasing-in process. Accordingly, employers, both public and private, will be required to have in place within twelve months of the enactment of the legislation an approved rehabilitation program. For this to be successful, both employees and management will be involved in developing rehabilitation programs from guidelines issued by my administration in conjunction with the administration of my colleague the Minister for Health. Rehabilitation service providers will be identified and accredited jointly by the State Compensation Board, the Occupational Health, Safety and Rehabilitation Council of New South Wales and the Department of Health.

Many larger employers have the capability and resources to develop their own internal rehabilitation program. Some have already done so. Of course, for those employers who are unable to implement internal programs such as small employers, assistance will be given by the board and the council, to identify appropriate service providers in their location. To ensure the earliest recognition of cases requiring rehabilitation, a standard work-injury medical certificate will be developed for use by doctors diagnosing and treating work injury. In terms of how medical services will be affected by rehabilitation and the reforms

generally, discussions will take place between the medical services committee which is representative of the profession as a whole, and the Government.

On the matter of costs, the initial expenditure of developing workplace rehabilitation programs will be borne by employers. The recurring cost of fees for the treatment of workers under any such program will be regarded as claims costs and compensible under the workers' compensation legislation. This will not interfere with an injured worker's right to choose his or her doctor or other health professional. Where formal retraining is the only alternative to achieving a return to work, vocational retraining costs will be met from funds allocated by the State Compensation Board, as they are now. Just as reduced accidents and injury in the workplace mean reduced costs for employers, so an earlier return to employment by employees who have recovered from their injury will also mean reduced costs for employers.

The cost of rehabilitation servicing must be kept under control so as to ensure that over-servicing does not occur. Otherwise it is possible that uncontrolled cost blowouts will result in this important field. Despite the crucial role of occupational safety and rehabilitation to which I have just referred, the question of benefits has attracted the most public comment and concern. That is to be expected, as benefits directly affect those injured at the workplace. This Government shares that public concern, after all, society has a responsibility to provide the best possible care and support to any person injured in the course of contributing to the wealth of that society.

Following the release of the Government's workers' compensation green paper in September last year, extensive discussions followed, and written submissions were received from all interested parties. They included the Labor Council and major unions, employer groups, the Law Society and the Bar Association, the Insurance Council of Australia, specialized insurers and self-insurers, and others who have a vital interest. As a result of those discussions, and detailed examination of various reform options, a benefit structure has been developed that ensures equity and fairness, while correcting abuses, excesses and inequities apparent in the present system. This could only be made possible through the abolition of the right to apply common law and redemptions provisions. I have already described the adverse effects on the system arising out of common law and an increasing use of redemptions. On this important point the actuaries have said:

> It should be noted that a system which retains elements of common law and redemptions has little potential for controlling costs unless it is accompanied by a major reduction in benefit levels to workers generally.

The Government would not and could not accept a position where benefit levels to those genuinely in need would be reduced, by eliminating common law and redemptions, the Government not only has removed a major disincentive to rehabilitation but also has enabled an increase in benefits under the table of maims and in post—twenty-six week benefit levels. The basic benefit structure under the legislation includes weekly payments, lump sums for permanent impairment, and meeting the ongoing needs of incapacitated workers related to medical, hospital and other treatment that may be necessary.

Weekly benefits for totally incapacitated workers are to be retained at the current award rate during the first twenty-six weeks of incapacity, subject to a maximum limit of $500 a week. Following the first twenty-six weeks of incapacity, weekly payments will be increased for those with dependents, as an example, the weekly rate for a worker with spouse and one child will be

increased from $213.60 to $227. A worker with a spouse and four children will receive $353 a week, compared to the current rate of $268.20.

Weekly benefits for partially incapacitated workers will generally be set at pre-injury earnings subject to the $500 upper limit, less post-injury earnings. That is commonly referred to as make-up pay. The legislation provides benefits also for partially incapacitated workers, which are designed to promote their return to work. If an employer fails to provide employment to a partially incapacitated worker, benefits are payable at the worker's award rate, subject to the $500 limit, for up to four weeks. During that initial period, the worker will be required to make genuine efforts to seek suitable employment. If, during that four-week period, the worker obtains suitable employment—other than employment provided by the employer liable under the legislation—the partial incapacity entitlement for the balance of the four weeks will not be subject to the normal post-twenty-six week limit. That arrangement will be an incentive for the worker to obtain work during that period.

As an inducement for an employee to undertake rehabilitation, the worker's award rate, subject to the limit, will be payable for a further period of up to twenty-six weeks, if the worker undertakes approved rehabilitation training. On completion of such training, an additional period of up to four weeks will be paid at this benefit level while the worker is seeking suitable employment. Partially incapacitated workers who are unable to undertake rehabilitation, and who cannot find work because of their injury may qualify for total incapacity level benefits, for up to thirty weeks, if they establish to the State Compensation Board that suitable employment is not reasonably available.

In other circumstances where the partially incapacitated worker is unemployed, or post-injury earnings do not otherwise reflect what the worker is fit to earn, compensation payments will be calculated according to the difference between award earnings prior to the injury and an appropriate post-injury award rate. These provisions, particularly when considered in the context of other benefits, which I shall detail now, will provide a level of assistance to injured workers that is not only equitable but also sustainable in terms of cost.

In addition to the weekly payments, lump sums for permanent injuries, under what is termed the table of maims, have been revised to provide for a greater range of permanent injuries at a higher level than currently provided for. Additional permanent injuries for which compensation will be payable include permanent inpairment of the back, neck and pelvis, and the incurable loss of mental powers involving inability to work. The amount for each injury is to be expressed as a specific percentage of $80,000. For example, the loss of both hands under the new table of maims constitutes an amount equivalent to 100 per cent of $80,000, compared to the existing benefit of $41,300. For the total loss of a foot, the compensation is 65 per cent of $80,000, that is $52,000, compared to the existing benefit of $18,350.

A regulation-making power will also be provided under the legislation to enable insertion of permanent injuries not presently contained in the table of maims. In this regard, an independent medical committee will be formed to consider the inclusion of additional permanent injuries to the table, injuries which may involve internal organ damage, and so on. Such regulations will apply by 1st July. A further benefit is to be payable for actual pain and suffering, resulting from a permanent injury, which is mentioned in the table of maims and for which compensation of at least 10 per cent of $80,000 is payable.

This additional amount will be set at a maximum of $40,000. It will be assessed on a individual basis and the maximum amount will be provided in the most serious cases. Other cases will be determined according to their relative severity. The present benefit that applies to a dependent child of a deceased worker, is to be increased from $31.10 a week to $45 a week for each dependent child, while the lump sum payable to the dependents of a worker who dies as a result of a work-related injury is to be increased from $62,000 to $80,000. Honourable members should also be aware that all amounts to which I have referred, including weekly benefits and amounts payable under the table of maims, will be subject to indexation.

In addition to the benefits I have described, the following injury related expenses also will be provided for: medical expenses, hospital expenses, ambulance expenses, modifications to a home or vehicle, and other related rehabilitation expenses. These provisions are in keeping with the emphasis of the reforms on rehabilitation and meeting the on-going needs of the long-term incapacitated. The expenses to which I have referred will be contained by means of criteria specified in the legislation. Individual cases exceeding that criteria will be assessed on their individual merits.

The right to redeem the whole or any part of future weekly benefits by a lump sum is to be replaced by a right to commute. This right to commute is to be restricted to those injured workers aged fifty-five years or over, or in circumstances specially approved by the Board. This provision recognizes that a commutation of a weekly payment may, in some circumstances, be beneficial to an incapacitated person, as the lump sum may be used, for instance, for a business venture or relocation from a remote part of the State. Not only will workers be assured of fair and equitable compensation, but also they will under the legislation be given protection against unfair dismissal while on workers' compensation. Nothing is more devastating to a person who has been injured at the workplace than to be dismissed from employment while attempting to recover from injuries.

In keeping with the emphasis on rehabilitation, and stressing the responsibilities of all the parties involved in the workers' compensation area, a prohibition will be placed on the dismissal of a totally incapacitated worker within the period of total incapacity, up to a maximum period of six months from the date of injury, unless it is certified medically that the worker is permanently unable to resume duties in his or her former employment. Workers whose employment is terminated outside that period of total incapacity and who are certified fit for their previous work will have a right to apply to the Industrial Commission for reinstatement.

In the introduction of an effective occupational, safety, rehabilitation, and compensation system, it is just as important to put in place a system of dispute resolution that resolves disputes with a minimum of delays, a minimum of legalism, and a minimum of costs. In accordance with that policy, workers' compensation commissioners are to be given wider jurisdiction. Under the legislation the senior commissioner will be able to refer cases to the compensation court. This will allow judges to hear complex and important matters. The present system of appeals from a commissioner to a judge will remain. The power of individual commissioners to refer questions of law to a judge will also be retained. The resolution of disputes through conciliation will be extended by the use of review officers, who will assist in the disposal of disputes at an early stage without recourse to a formal hearing process.

Provision is to be made to require prompt payment of claims for weekly payments of compensation and for reference to a review officer of any dispute as to the liability to pay, or continue to pay, any such compensation. Matters that cannot be resolved through conciliation will be referred to commissioners for hearing. As honourable members are aware, workers' compensation disputes in many cases, if not the majority, involve medical issues. To ensure that medical issues are resolved both fairly and expeditiously a greater use of independent medical panels will be made. The right of injured workers to present their own medical practitioner's assessment of injury of disability will remain.

Turning to the insurance arrangements that will exist under the new system, the main bill provides for licensing provisions and the introduction of new detailed provisions for the establishment of statutory funds by insurers. These are an integral part of the Government's policy to control the level of workers' compensation premiums and to protect policyholders generally from the possible failure of an insurer. The bill provides for insurers to establish and maintain statutory funds into which all premiums, and any other amounts referable to workers' compensation policies of insurance are to be paid.

The aim of these provisions is to isolate and secure premiums for the benefit of employees and employers. The statutory funds provisions have been adapted from the Commonwealth Life Insurance Act. That Act has been instrumental in maintaining the financial health of life insurance companies. Under the new system licences will be issued to new corporations and existing insurers will remain responsible for the run-off of old claims. These arrangements will be closely monitored by the State Compensation Board. The statutory funds structure will not be applied to specialized insurers and self-insurers. In their case licence conditions will be applied in order to secure funds for the future payment of benefits to claimants.

The reforms contained in these bills provide for a cost objective of 3.2 per cent of wages to be set for the new system. This is a 16.2 per cent reduction on the present average premium rate of 3.82 per cent. These savings, together with the application of cross-subsidization in calculating premiums, will result in significant reductions in premiums for some industries, particularly in the manufacturing sector. The new system of premium calculation will pool industries into twelve groups, with each group having the one common premium rate. Importantly, there will still exist a strong incentive for safety, as actual premiums will be adjusted according to an employer's safety performance.

Furthermore, a joint computer facility is being established by the State Compensation Board and the Department of Industrial Relations and Employment to enable speedy and effective scrutiny of—workplace registrations, wages declarations, and accident and disease statistics. Substantial fines will be imposed on employers failing to meet legislative requirements, as in the case of improper wages records, which will be subject to penalties of up to $5,000 and the doubling of the premium avoided. This aspect of the legislation will form part of the Government's commitment to reduce fraud.

Because of the extent of the reforms to the workers' compensation system and safety legislation, which I have just outlined, it is essential that close monitoring be undertaken of the new system, particularly in the early stages of development. In recognition of the social and economic importance of the reforms as a whole, a tripartite committee will be established to allow for a joint employer, trade union, and Government input to monitor the efficiency and effectiveness of the new system.

In conclusion, the new system lays a solid base upon which cost levels can be contained and in some cases reduced. However, an assured success cannot depend solely on legislation. It will require the active participation and commitment of those who work within the system; workers, employers, insurers, the professions, the Government's safety inspectors, and other associated Government services. After more than twelve months of extensive public discussion and submissions we will together redirect the system back to the path it was originally intended to go—a system which emphasizes occupational safety, rehabilitation, and compensation, in an atmosphere of reduced legalism and adversarial proceedings. I believe that when the community fully understands the total concept of the reforms, it will be encouraged in the knowledge that significant measures are being implemented which are designed to save life and limb at the workplace and which provide the care and support required by injured workers. I commend the bills and table explanatory material detailing their terms.

Debate adjourned on motion by **Mr Fahey.**

MOTOR VEHICLES TAXATION (AMENDMENT) BILL

MOTOR VEHICLES TAXATION MANAGEMENT (AMENDMENT) BILL

STATE ROADS (MOTOR VEHICLES TAXATION) AMENDMENT BILL

TRANSPORT (MOTOR VEHICLES TAXATION) AMENDMENT BILL

Formal stages and first reading agreed to.

Second Reading

Mr BRERETON (Heffron), Minister for Public Works and Ports and Minister for Roads [4.10]: I move:

That these bills be now read a second time.

The purpose of the bills is to improve administrative procedures for the collection of motor vehicle taxation; to reduce the unlawful evasion of this tax; and to provide a mechanism for the recovery of additional road maintenance costs due to increased load limits. The bills represent the first major change covering the collection of motor vehicles tax in thirty-five years. They will streamline the administrative procedures and provide an estimated extra $2 million for road construction every year by eliminating the possibility of tax evasion. The will ensure also that the taxpayers of this State are not required to pay for the increased road maintenance costs that will result from increased wear and tear on our road system due to the new truck load limits.

The current tax arrangements are based on the principle that those using our road system should contribute directly to the funding for maintenance and improvement. This principle is recognized in the existing statutory arrangements that provide for weight tax and a weight levy, which contribute funds directly for roadworks in this State. This was established in legislation as far back as 1923. Although that principle remains sound, with the passage of time the existing arrangements have resulted in a system that is complex and difficult to administer. It also has some inequities and is open to the potential for evasion. With these bills, the Government proposes a new scheme that will streamline the administrative procedures and combine the present weight tax and tax levy into a single rate. The new system provides for a flat rate structure in four basic groupings. These groupings are vehicles under 975 kilograms; 976 kilograms to

1 150 kilograms; 1 151 kilograms to 1 500 kilograms; and 1 501 kilograms to 2 500 kilograms.

These categories for cars have been selected to conveniently group most of the existing vehicle makes into small, medium, large, and luxury vehicle categories. The bills will standardize also the business use surcharge at 60 per cent which overcomes the existing variable arrangements where the surcharge varied between 40 per cent and 90 per cent. This action by the Government will streamline administrative procedures in the Department of Motor Transport saving millions of taxpayers dollars and improving customer services. In moving from a sliding scale system to a flat rate structure it is natural that some vehicle tax rates will rise, while others will fall. However, the changes will be small and overall. The total revenue received from the motoring public will not change.

The new flat scale system will only mean changes of a few dollars. For example, in the small vehicle range, a Honda Accord, which at present has a combined tax levy of $94.65, will under the restructured system be taxed $92.00. On the other hand, the tax on a Toyota Corolla sedan will rise from $78.90 to $82.00. In the large car range the rate for a Holden Commodore is about $99.00 and a Ford sedan is $112.00. Both vehicles under the new arrangements will be taxed about $107.00 These figures are based on the current rates that will be automatically indexed at the end of the financial year in line with existing legislation. I point out that the new system will maintain the present distribution of motor vehicle taxation between country and city areas. At present the weight tax is allocated 20 per cent to city and 80 per cent to country. However, the tax levy is allocated equally between country and city areas. The combined effect is that 28 per cent of the funds go to the city, and 72 per cent go to country areas. This remains the same under the new arrangements.

The second major provision of the bills relates to tax evasion. A recent Public Service Board audit has shown that a small percentage of vehicles registered in private names are actually company cars, which should be registered as business vehicles. Company cars and business vehicles must pay a business surcharge since they make far greater use of our road system causing greater wear and tear than private cars. In future, company-owned vehicles will automatically be registered under business use unless the owner can demonstrate that there is a legitimate reason for private registration. This will eliminate evasion and provide an additional $2 million a year, which will go towards new road-building. However, the existing concessions such as those for charities and farmers will be maintained.

I would point out also that the existing concession arrangements serve to provide a subsidy to the rural industry in excess of $20 million—a recognition of this Government's commitment to easing the burden of the farming community. The bills also provide a mechanism for the Commissioner of Main Roads to issue an excess vehicle weight permit. This will become effective only after arrangements have been finalized to recoup the additional costs to the road system caused by a vehicle's increased load. The last main provision of these bills is to revise the existing penalties for various offences under the existing legislation.

As I have said, this is the first major overhaul of this legislation in thirty-five years. Existing penalties are an ineffective deterrent. In some cases, they are as little as $10 for the non-payment of rates, which is totally unrealistic in today's terms. These penalties have been increased from a maximum of $200

to $500 for infringements against the Act. Similarly, the maximum penalties under the State Roads Act have been increased to reflect current values. In conclusion I point out that the provisions contained in these bills are not aimed at increasing motorists' taxes. The reorganization of the existing arrangements will introduce greater equity and cost saving without adding to the overall costs to the motorists. However, additional revenue for roadbuilding estimated at $2 million a year will be provided by eliminating tax evasion of the business surcharge. I commend the bills.

Debate adjourned on motion by **Mr Phillips.**

PRINTING COMMITTEE

Twenty-sixth Report

Mr Mair, as Chairman, brought up the Twenty-sixth Report from the Printing Committee.

Mr SPEAKER: Order! It being 4.15 p.m., pursuant to sessional orders business is interrupted.

PRIVATE MEMBERS' STATEMENTS

ROAD ACCIDENT STATISTICS

Mr ROGAN (East Hills) [4.15]: In 1985, 1 067 people were killed as a result of motor vehicle accidents; 36 923 persons were injured. Of particular concern to me, and I am sure to all members of this House and the community, is that of the 1 067 persons killed, 223 were pedestrians—almost one-quarter of the total. Similarly, of the 36 923 persons injured, 4 006 were pedestrians—approximately 15 per cent of the total. When one breaks these figures down, one finds that of the pedestrians killed, thirty-five were under nine years of age and eighty were over sixty years of age. Of those killed, fifty-four were over the age of seventy. More than half the number of all pedestrians killed were either under nine years of age or over sixty years of age. Pedestrians killed who were over seventy years of age—fifty-four in number—made up 24 per cent of the total. Of all pedestrians injured, 708 were over sixty years of age, 392 of whom were over seventy, and 697 of whom were under the age of nine.

The figures that I have referred to are 1985 figures and are the latest available. In 1985 twenty persons only were killed on pedestrian crossings. My purpose for raising this matter is to highlight the unacceptable number of pedestrians that are killed on our roads each year and to call for a total reversal of the thinking of traffic authorities, police, and Government advisers. The Deputy Premier and Minister for Transport, the Hon. R. J. Mulock, initiated a study with the Traffic Authority, in conjunction with the Ministry of Transport, for a master plan of the city business area. The study will analyse the needs of pedestrians, and identify opportunities for further improving traffic operations to enable better access to the city by public and private transport, recognizing the demands for better pedestrian movement and other environmental considerations. The Minister outlined those functions to the House in an answer to a question without notice on 29th April. In its eighth report, the Staysafe committee made reference to pedestrians. The report reads:

> The speed of traffic is often a problem for pedestrians.

Roundabouts for example are being built without pedestrian crossings; indeed, existing pedestrian crossings; are sometimes removed to make way for vehicles on roundabouts.

The Traffic Authority's Provisional Guidelines for Local Area Traffic Management (1983) illustrates a roundabout on page 31. Not only are there no pedestrian crossings shown, but the kerbs are to be mountable by vehicles, contrary to the accepted practice of insisting upon non-mountable kerbs, for the safety of pedestrians.

The report of the Staysafe committee further states:

Samdahl (1986) reviewed neighbourhood road safety programs. He found—

"that 25 to 35 percent of total casualty crashes and casualties in N.S.W. occur on local streets. A similar percentage of pedestrian casualties occur on local streets, which also account for almost 45 percent of cyclist casualties. During the 1982 to 1984 period, there were an estimated 19,000 casualty crashes with 27,000 persons injured or killed on local streets."

"The problem is particularly acute for pedestrians and cyclists, who are the most vulnerable. Children in particular account for 40 percent of all casualties, 60 percent of pedestrian casualties and 85 percent of all cyclist casualties . . . "

I am pleased that my colleague the chairman of the Staysafe committee is particularly looking at this problem. We as a society and a community must put people before motor vehicles. Attitudes must change. Pedestrian crossings must be considered priority safety zones at which the rights of pedestrians are paramount. Though I do not wish to become known as the member for pedestrian crossings, the opposition by traffic authorities and police to the installation of these zones must change. First we must have an educational campaign and closely look at the penalties that are applicable.

Mr SPEAKER: Order! The honourable member has exhausted his time for speaking.

COAL INDUSTRY DISPUTES

Mr PICKARD (Hornsby) [4.20]: Coal industry disputes in this country will continue to arise while the federal Government gives in to State government and union pressure to retain a redundant Coal Industry Tribunal. Tuesday's edition of the *Sydney Morning Herald* quoted the Australian Bureau of Statistics report on industrial disputes as follows; "The figures show coalmining as having the worst industrial relations record in the country." For the twelve months to January 1987 coal industry disputes have increased to 10 750 working days lost per thousand employees, compared with a mere 246 in all other industries. Today the industrial relations bill was tabled in federal Parliament. It aims to reform Australia's outdated industrial relations law along the lines of the Hancock report's recommendations. Last July the federal Minister for Industrial Relations, the Hon. R. Willis, went on record saying that he supported the major findings of the Hancock committee, including the need to abolish special industrial tribunals such as the Coal Industry Tribunal. The Coal Industry Tribunal was to be absorbed within the framework of the mainstream arbitration system. That has been the recommendation of the coalition parties. Senator Evans backed the Hon. R. Willis in his statement on this matter. They supported the Hancock reform.

However, commensense reform has been nipped in the bud by the New South Wales Government's refusal to co-operate. Federal legislation has skirted the issue. The coal strikes—or stopwork meetings, I think they are called—once again show that this Government and the tribunal have bowed to union threats and pressure and no action has been taken against the unions. This is at a time when the industry is in dire trouble—as is this State. The two industries that

keep this State afloat economically are the agricultural and mining industries. Both those industries are in dire straits largely because of industrial action. Time and again the Coal Industry Tribunal has proved itself to be anachronistic and destabilizing. As can readily be deduced from the latest figures of the Australian Bureau of Statistics, the tribunal has in no way decreased strikes in the coal industry—in fact, its existence has had the reverse effect. The Coal Industry Tribunal has forced through huge benefits packages for miners but has never insisted that miners keep their side of agreements. Average weekly earnings figures, due to be released this month, will show New South Wales coalminers are to receive a weekly wage in excess of $800.

The news from Japan regarding steaming coal price negotiations is very gloomy. Is the Minister aware that we are facing a billion dollar loss in coal contracts? Last year coal contracts were worth $5 billion but contracts will be only worth $4 billion dollars this year. Will the Minister and the Government guarantee that these appalling stoppages will become "history" and not continue? Last year miners received $90 million worth of benefits in return for a supposed two-year period of industrial peace. Since then there have been more than 130 stoppages in the industry. Is the Minister prepared to bite the bullet and reassess the damaging roles of both the Coal Industry Tribunal and the Miners' Federation on the health of the New South Wales coal industry and the State itself. Unless this is done, I believe this Government will not be able to pull this State out of its present and continuing economic crisis and the standard of living and jobs of people will be threatened.

RYDE SCHOOL CROSSINGS

Mr McILWAINE (Ryde) [4.25]: I raise a matter of very serious concern in my electorate, the safety of pedestrians, particularly schoolchildren travelling to and from school. I have a letter from Ryde council of 25th February in reply to a letter from Mrs Aitchison, secretary of the parents and citizens association of the Meadowbank Primary School requesting a pedestrian supervisor or lollipop person for the pedestrian crossing on Belmore Street, Ryde. The letter reads:

> There have been more and more incidents on this crossing, just before Christmas a child had her school bag knocked out of her hand by a car which didn't even bother to stop. Only last week a concerned motorist rang the school and asked where our lollipop person was, she was driving down Belmore Street at 8.20 a.m. when a car narrowly missed a small child. Luckily the motorist had good brakes. There have been incidents every couple of weeks,

In all those instances someone should have been substantially fined. The parents and citizens association is obviously concerned and wants something to be done. The response of the council and the Ryde traffic committee has merely been to acknowledge there is a problem and a need for a pedestrian crossing traffic supervisor. That is set out in the Council's letter of 25th February as follows:

> Council is unable to take any further action in this matter.
>
> As previously conveyed to you in the letter from the Minister for Police and Emergency Services dated 4th February, 1986, the position is being monitored by the Police. A further letter, dated 24th July, 1986, has been received from the Minister, stating in part that "the Commissioner of Police, Mr Avery has mentioned that the position at Meadowbank Primary School will be carefully monitored and the needs of the school will be borne in mind when considering any future allocation of additional Crossing Supervisors."

I have said previously in this House that the mere allocation of a pedestrian crossing supervisor will not ensure that children will be able to safely cross a road. Even with a supervisor—for instance, outside the Ryde shopping centre—cars travel through and nearly knock the supervisor over. There is a need to do more than merely say that there ought to be a pedestrian crossing supervisor. Not only is this school affected but other schools in the area are affected, such as Rydalmere East, Ermington West, and St Theresa at East Denistone. Those schools do not qualify for school crossings, particularly Rydalmere East and St Theresa. They have not even got the new type school crossings. Further consideration should be given to the installation of these crossing areas.

The answer lies in a complete review of schools in heavy traffic areas where no pedestrian crossings are provided. A pedestrian refuge should be established in each of those situations. If no pedestrian crossing is installed, at least a refuge should be provided. I support the statement of the honourable member for East Hills that a change of attitude to pedestrian crossings is necessary. On page 15 of the eighth report of the Staysafe committee, mention was made of Adelaide Street, West Ryde, where children were observed running across the street. I use that as an illustration of the problem that exists outside Meadowbank Primary School and at other pedestrian crossings in the area where supervisors should be appointed.

I ask the Minister for Transport to look at the provision of suitable pedestrian crossings and review the requirements of schools in the Meadowbank area. I ask the Traffic Authority to relocate the pedestrian crossing outside Meadowbank Primary School towards the south, and establish a pedestrian refuge in association with the crossing. If the crossing is relocated towards the corner of Constitution Road, where traffic makes a right-hand turn, children will be crossing behind the line of traffic and will not be exposed to the danger that now exists.

Mr SPEAKER: Order! The honourable member's time for speaking has expired.

GOVERNMENT HOUSING CONTRACTS

Mr BECK (Byron) [4.30]: I wish to raise the urgent matter of the non-payment to subcontractors who have been working on the construction of public housing in the Byron electorate. The builder responsible for the construction of the dwellings is James Flowers of 32 Garrett Street, Maroubra. Mr Flowers has a contract to build three homes at Mullumbimby and eight homes at Kingscliff on behalf of the Department of Housing. The non-payment of subcontractors' accounts was first brought to my notice by Mr Kevin Teale of Mullumbimby who is owed more than $5,000 for painting work he performed on some of these houses, and by Mr Bob Thompson of Ocean Shores who is owed money in connection with his bobcat and tipper hire service.

I have made representations to the Department of Housing at Coffs Harbour and the office of the Minister for Housing. I have been advised that the department is unable to establish contact with Mr Flowers. Departmental officers have even called at his home. I have also been advised that many other subcontractors have not been paid for their work. I understand these contractors have been owed money for more than four months. All these subcontractors have submitted accounts to the builder by certified mail. The subcontractors I mention are all local tradesmen. One wonders why a Sydney builder was awarded the contract to erect these houses when so many reliable local builders could do the work.

The houses in question are incomplete, causing further delays for families in need of a home. This week I was contacted by Mrs Susan Lever who informed me that about two months ago she was promised occupancy of a house at 47 Morrison Avenue, Mullumbimby, in two weeks' time. Mrs Lever has had to move to a caravan park. She has paid the bond money, a fee for connection of power, and rent in advance on the house. She has purchased furniture and is compelled to drive her children a long distance to school while waiting to take up residence in her new premises. This is causing her severe inconvenience. I have been informed that similar circumstances apply to the other two homes being erected in Mullumbimby.

I ask the Minister for Housing to make an urgent decision to have these houses completed by a local builder and arrange payment to the unpaid subcontractors, as departmental officers cannot locate the Sydney builder. The three homes at Mullumbimby are close to completion, but the eight houses at Kingscliff are not far advanced. In some cases only the frames have been erected. Some contractors are now beginning to remove the aluminium windows from these houses. The carpeting has been removed from one of the houses and this will create an enormous problem for the Department of Housing.

I am concerned about eleven departmental houses being erected in my electorate. There is a massive waiting list of people wanting public housing in the area. I request the Treasurer to pass on this information to the Minister for Housing so that urgent consideration can be given to this problem. In making this statement, I do not intend to reflect on the officers of the Department of Housing at Lismore and Coffs Harbour in the way they are carrying out their duties. Those officers are being completely co-operative. I request that this problem of the non-payment of subcontractors' accounts, and the completion of urgently needed public housing in my electorate, is rectified without delay.

INTERNATIONAL AIRPORT ACCOMMODATION REFERRAL SERVICE

Mr FACE (Charlestown) [4.35]: I wish to raise a matter which should be of great concern to this State. It comes under the jurisdiction of the federal Government but affects tourism activities in New South Wales. I refer to a service located at the international airport for the allocation of accommodation to tourists visiting Sydney and other parts of New South Wales. Over the past twelve months I have conducted some inquiries into this service, following conversations I had with people in the hospitality industry. The results of my investigation have been startling. The service operates from a counter at the international airport. It is conducted by a company known as Travellers Information Services Pty Limited, trading as Quality Vending Pty Limited, and operates under some sort of tender awarded by the federal Department of Transport.

Without wishing to appear emotional, the operation has all the hallmarks of a rort. From my investigations, apart from the other major city hotels, the Sydney Hilton is consistently given preference by the employees of the service. I contacted a travel consultant stationed on the west coast of the United States of America who advised me that many complaints are made about overseas visitors, particularly Americans, being directed to expensive hotels in this city. There are dozens of budget priced motels around the city of Sydney. I contacted one such motel, requesting information on the number of people referred by the airport accommodation service. The operator of the motel has been registered for many years with the service. He advised me that in the past three weeks not a single person had been referred to his premises by the accommodation service. The only people seeking accommodation at his motel

are those who demand to be referred there because they know the motel provides accommodation at reasonable prices.

The Tourism Commission of New South Wales should conduct an inquiry into this matter. In 1988 hundreds of thousands of visitors are expected to come to New South Wales. On a recent evening at about 9.30 p.m. I went to the airport to observe the accommodation service for myself. At that time of the evening many flights were arriving. I heard the girl say to inquirers, "There are only five rooms left in the whole of Sydney at $110 a night at the Hilton". I telephoned three motels, all of which informed me they had adequate accommodation. It is easy to understand why the accommodation service acts as it does. Why promote a room worth $50 to $70 a night when the commission on $110 or $120 at the Sheraton–Wentworth, the Sydney Hilton, or The Regent of Sydney will be so much higher? Visitors to this city come from all levels of society. Sydney is the gateway to Australia, but what a way to greet travellers. The problem needs to be identified and action taken. The service is operating without competition; it is a case of take it or leave it.

Those offering budget accommodation have been asking for some type of competition for the accommodation referred service. At least another kiosk could be set up. The budget operators should be able to set up throughout the whole of New South Wales and become part of the industry. International tourists who have had to pay top money for their accommodation complain about it. That problem has been identified on the west coast of America. I have witnessed these problems. I do not know much about Travellers Information Services Pty Limited, I have nothing against that company, but it has no competition.

It is curious that tourists are told that only five rooms are available in the whole of Sydney. Obviously, someone has been instructed to seek a higher commission or is receiving a sling. The operator I have asked to do checks for me has been out there for three weeks. He has not received one solitary person through the service. His motel has been less than half full, even though he is offering accommodation at $50 to $70 per night for double and family rooms in close proximity to the city. The Ministers and members of Parliament, regardless of political persuasions, know that a substantial part of our economy depends on tourism. Mascot is the gateway of Australia, and something should be done about this matter.

Private members' statements noted.

HUMAN TISSUE (AMENDMENT) BILL

DRUG MISUSE AND TRAFFICKING (AMENDMENT) BILL

Formal stages and first reading agreed to.

Second Reading

Mr ANDERSON (Penrith), Minister for Health and Minister for the Drug Offensive [4.42]: I move:

That these bills be now read a second time.

The three main purposes of the Human Tissue (Amendment) Bill are to introduce controls over commercial blood collection agencies or organizations carrying out artificial insemination; restrict liability for the transmission of acquired immune deficiency syndrome or other prescribed disease through blood or semen donations; and further protect the identity of blood donors from

disclosure. The measures are aimed at ensuring that blood and semen donation are as safe from contamination as possible, within the technology and knowledge currently available. The legislation is also aimed at ensuring adequate supplies of blood continue to be donated through the Red Cross Blood Bank. The amendment to the Drug Misuse and Trafficking Act is necessary for the smooth implementation of clean needle and syringe distribution programs aimed at minimizing the spread of acquired immune deficiency syndrome among intravenous drug users.

I turn first to the Human Tissue (Amendment) Bill, and the provisions for controls over commercial blood banks and organizations carrying out artificial insemination. At present there are no statutory requirements relating to the operation of a commercial blood bank. In practice, any individual could establish a business to take blood from people who might be concerned about the risk of receiving contaminated blood through the regular Red Cross blood supplies. The services offered by the Red Cross Blood Bank are, in almost every way, better than those offered by any private concern. The Red Cross has been testing all blood donations since mid-1985 using the very latest technology, and the service now is as safe as it is possible to be in providing blood to a patient. Leading acquired immune deficiency syndrome experts have publicly stated that there is no longer any cause for concern about infection from acquired immune deficiency syndrome in accepting any of the Red Cross blood products.

The Government has no objection to any private organization establishing a commercial blood bank provided that its services meet the same high standards as the Red Cross Blood Bank's. Thus, the legislation prohibits any organization other than the Red Cross, the Commonwealth Serum Laboratories, public or private hospitals or area health services, from carrying on a business of supplying blood, blood products or semen, unless the organization has been authorized by the Secretary of the Department of Health. The penalty for operating such a business without an authorization is a maximum fine of $10,000. The legislation also provides for the issue or refusal of an authorization and, in particular, specifies the grounds on which an application for an authorization may be refused. The secretary may impose conditions or restrictions when issuing an authorization. The conditions may be subsequently varied, or the authorization may be revoked if the organization has failed to comply with a condition of the authorization. The legislation provides for the appointment of inspectors and includes powers of entry, and inspection and seizure and analysis of suspected contaminated goods. These powers are similar to those provided under the Pure Food Act 1908. Because of the potential for a very serious public health risk should an organization be suspected of providing contaminated products, provision is included for the Supreme Court to grant an injunction restraining a person from carrying on a business of supplying blood or semen without a valid authorization.

I turn now to the provisions which give limited legal protection against certain criminal and civil proceedings against blood donors, suppliers of blood or blood products or persons carrying out blood transfusions. Similar protection will also be given to semen donors, suppliers or persons carrying out artificial insemination. From July 1985, as one of a series of measures to screen out donations from AIDS-infected persons, blood and semen donors in New South Wales have been required to sign a certificate concerning their health. The certificate records the name of the donor and his or her donation number and requires donors to certify, amongst other things, that to the best of their knowledge they have no reason to believe that they have AIDS.

Under the proposed legislation, legal proceedings will not lie against donors except where a donor knowingly signs a false certificate. Approved organizations that receive, store and supply blood, blood products or semen will have a defence to negligence actions providing they ensure a donor's declaration is obtained, the material has been tested and shown to be uncontaminated, and reasonable steps have been taken to supply uncontaminated material or prevent the use of material which may be contaminated. The proposed legislation will also provide a defence against negligence actions for persons—such as medical practitioners—and organizations such as hospitals which carry out blood transfusions and artificial insemination provided the blood or semen has been supplied by an approved supplier. The provisions are in line with legislation adopted in other States following the May 1985 Australian Health Ministers' conference, which considered proposals for the introduction of legislation to protect the Red Cross Blood Transfusion Service from legal proceedings relating to transmission of AIDS by blood transfusion. The legislation will establish on a statutory basis the measures which would generally constitute a defence at common law in a negligence action.

The proposed legislation will not be retrospective, that is, it will not affect proceedings arising out of events occurring before the legislation is proclaimed. Although the legislation will not prevent a person from taking action against the Red Cross or other bodies in a case where there has been genuine negligence, say, in not testing blood for the presence of AIDS antibodies, it will protect the supply of blood by limiting any spurious cases from being brought against donors. In particular, protection of blood donors from legal proceedings, except in the case of a false declaration being made, is an important measure in encouraging members of the community to donate blood.

The Human Tissue (Amendment) Bill includes one more important measure aimed at safeguarding voluntary blood donations, and this is aimed at protecting the identity of blood donors from disclosure. The Blood Bank of New South Wales is organized and staffed by employees of the Australian Red Cross Society and is supplied, of course, by blood donated voluntarily be members of the public. Since the introduction of the provisions relating to donor certificates in 1985, the Blood Bank has had numerous expressions of concern from donors about the need to keep information on the certificates confidential. The Human Tissue Act 1983 already provides a penalty of $1,000 for persons, including employees of hospitals, who disclose information which would lead to the identity of a donor becoming publicly known—other than in certain specified circumstances, including legal proceedings. The proposed legislation places the same restrictions on employees of the Australian Red Cross as employees of hospitals in the disclosure of information relating to donors.

Finally, I turn to the Drug Misuse and Trafficking (Amendment) Bill, which is cognate with the Human Tissue (Amendment) Bill. The number of cases of acquired immune deficiency syndrome transmitted through the use of shared needles and syringes has risen dramatically in recent times. In November, 1986, there were 25 cases attributed to intravenous drug use. By May, 1987, this figure had risen to 91. The amendment to the Drug Misuse and Trafficking Act will mean that drug users participating in various schemes to encourage addicts to use clean needles and syringes will not risk arrest and prosecution for having done so.

The clean needle and syringe distribution programs are of crucial importance in stopping the spread of acquired immune deficiency syndrome and there should be no impediment to users participating in the scheme. It is proposed, therefore, to exempt needles and syringes from the operation of section 11 of the Drug Misuse and Trafficking Act, so that possession of these items will not be an offence even if the person intends to use them to administer illegal drugs. However, very few prosecutions for this offence are brought by themselves. Usually such charges are only laid where the equipment is found on a person, together with prohibited drugs. Of course, possession and use of prohibited drugs will continue to be an offence.

This legislative change is in line with a resolution unanimously endorsed by both the Australian Health Ministers' conference and the Ministerial Council on Drug Strategy in April. That resolution urged the Commonwealth, States and Territories to consider removing any legal impediments to the increased availability of needles and syringes and the introduction of needle and syringe exchange programs. The legislation before the House represents another important component of the Government's response to the acquired immune deficiency syndrome epidemic. It is necessary to ensure that, despite the acquired immune deficiency syndrome outbreak, there is an adequate supply of blood for persons requiring blood donations from the Australian Red Cross Society. The legislation will also minimize the potential for spreading of acquired immune deficiency syndrome through contaminated blood supplies from commercial organizations and will enable the implementation of programs aimed at decreasing the spread of acquired immune deficiency syndrome amongst intravenous drug users. For the information of honourable members I table a detailed explanation of the bills. I commend the bills.

Debate adjourned on motion by **Mr Phillips.**

CHIFLEY UNIVERSITY INTERIM COUNCIL BILL
UNIVERSITY AND UNIVERSITY COLLEGES (AMENDMENT) BILL
EDUCATION COMMISSION (FURTHER AMENDMENT) BILL

Formal stages and first reading agreed to.

Second Reading

Mr ANDERSON (Penrith), Minister for Health and Minister for the Drug Offensive [4.50]: On behalf of the Minister for Education, I move:

That these bills be now read a second time.

In April last year the Minister brought before the Parliament a bill to establish the University of Western Sydney Advisory Council. That was the first legislative step in this Government's resolve to establish an autonomous university in Western Sydney. Since that time the advisory council, representatives of the University of Sydney, the federal Labor Government, the Premier and a number of other key people have worked diligently to ensure that the university became a reality. In March this year the Government selected an outstanding site for a university, comprising 83 hectares at Werrington Park near Penrith, with additional adjacent land to be progressively acquired for the use of the university. The site was the most suitable in terms of accessibility, cost and size. Shortly after that decision the Premier reached an historic agreement with the Prime Minister to establish an autonomous university by

no later than 1996. That agreement provides for a university college in western Sydney to take in students in 1990 as the first stage. The initial Commonwealth Government contribution will be an amount of up to $10 million in 1989 with ongoing funding to cover salaries and recurrent needs. To permit an early start to construction, the State will advance funds that will be refunded by the Commonwealth.

The University of Sydney accepted the Minister's offer to have responsibility for the management and academic decision-making of the university college. The remaining decision that needed to be made before this package of legislation could be developed and brought forward was the selection of a name for initially the university college and finally the university. The name of Ben Chifley is an appropriate one to be associated with a university in western Sydney. He was a working man who epitomized many of the best traditions of the Australian Labor Party. He is closely associated with the western edge of the new university's catchment area. A university situated right on the western railway line could be named after no better person. The Government had no hesitation in adopting the name Chifley University College, to become in a few short years Chifley University.

It is true that the New South Wales Government has supported and argued for the immediate establishment of a university in western Sydney. It is true also that the existence of a university is ultimately dependent upon Commonwealth funding being provided. The Minister believes that the agreement reached with the Commonwealth reflects the desire of both governments to establish an autonomous university as soon as is practicable. There is no uncertainty. The independent Chifley University will be a reality no later than 1996.

Since the earliest announcement of the intentions of both the federal and State governments to support a university presence in western Sydney, the University of Sydney has shown considerable interest in the proposal. The University of Sydney is already active in the western Sydney region. Its most conspicuous interests are in medicine and dentistry at Westmead, in veterinary science and agriculture at Camden and Cobbitty, and in electrical engineering at Fleurs. The university has already acted as parent to another fine institution, the University of New England. No better foundation could be provided to Australia's newest university in western Sydney than the support and guidance of Australia's first and finest university.

The establishment of the Chifley University will have an enormous influence on the region. Apart from the physical benefit of the development, the university's enduring impact will be on the educational and cultural life of the population of western Sydney. It will encourage more students and parents to consider the benefits of a university education. It will raise secondary education retention rates. It will help meet the increasing demand for higher education places in the region; indeed, it will stimulate that demand. It will improve employment opportunities and foster a greater diversity of employment expectations in young western Sydney residents. It will overcome the disincentive effect of the present problem of geographical inaccessibility of Sydney's existing universities for western Sydney residents.

I shall not repeat the statistics on the relative disadvantage that New South Wales suffers in the allocation of higher education places other than to say that the establishment of Chifley University will provide a clear opportunity to assist a region severely affected by that disadvantage. The Government firmly believes that the increase in places at Chifley University College and Chifley

University should not be at the expense of other higher education institutions in the State, and particularly not of those already in the region. As I shall shortly detail, the legislation will provide a specific responsibility in the planning of the Chifley University for consideration of the needs of western Sydney residents. That is not to say that the university will limit its scope to western Sydney. A university must establish credibility and develop excellence in the world at large. The guidance of the University of Sydney in this matter will be invaluable.

I turn now to the detailed provisions of the bills. The Chifley University Interim Council Bill provides for the establishment of an interim council to plan for the Chifley University as distinct from the Chifley University College. The council will be a corporate body comprising up to twenty members. The Vice-Chancellor of the University of Sydney, the chief executive officer of the interim council and the principal officer of the college, when appointed, will be *exofficio* members. There will be fourteen members appointed by the Minister for Education. Of these, five will be nominations of the Senate of the University of Sydney and five will have associations with western Sydney. After the college has enrolled it first students in 1990, there will be provision for memberhip of the council by two staff members and one student member. The term of office of the appointed members will be for a period not exceeding four years. In the case of the elected members a staff member shall hold office for a period of two years, and a student member for a period of one year. One of the members appointed by the Minister will also be appointed by him as president.

The interim council will be responsible for determining the general education objectives, and planning the future educational profile of the Chifley University. In carrying out this function it will have a particular regard to the needs of the residents of western Sydney and will liaise with other tertiary institutions in the region. In consultation with the University of Sydney the council will be responsible for the physical planning of the site of the college and of the university and will supervise the erection of any buildings on the site.

The council will closely consult and collaborate with the University of Sydney. It will advise the university in its management of the college prior to autonomy. The purpose of bringing separate legislation to provide for the roles of the interim council and the University of Sydney is to delineate between the need to establish immediately the basis of planning for the autonomous Chifley University—the function of the interim council—and the need to begin the college in 1990 with a solid academic base—the function of the University of Sydney. A major component of the interim council's activities will be to report to the Minister for Education on the form of governance, legislation and resources necessary to establish Chifley University. It will also advise on the arrangements for transition from college to university. It will generally promote the welfare and best interests of the Chifley University.

This bill provides also for the general operation of the interim council, the establishment of committees and the delegation of functions. The chief executive officer of the council is to be appointed by the Minister for Education. Schedule 3 details the provisions in relation to that position and, in particular, the preservation of rights of any person holding that position. The bill further provides for the repeal of the University of Western Sydney Advisory Council Act 1986. I take this opportunity to record the personal gratitude of the Government and the Minister to the members of the advisory council. The short time that the council has existed is a measure of its success. I join with the Minister for Education in recording the brief but significant involvement and

contribution of the late the Hon. Mr Justice Murphy to this initiative. The fine efforts of the former Deputy Premier, Jack Ferguson, as acting president of the University of Western Sydney Advisory Council, are also worthy of public recognition.

The University and University Colleges (Amendment) Bill serves two purposes. First, it specifies the role of the University of Sydney in the management of the Chifley University College. Second, in an unrelated matter, it provides for the variation of trusts held by or on behalf of the University of Sydney that have become inoperable for various reasons. In relation to the Chifley University College a new part VIIIA is included in the University and University Colleges Act, 1900. It enables the Senate of the University of Sydney, with the consent of the Minister for Education, to establish and maintain the Chifley University College. The senate will manage the college and superintend its affairs and concerns. The senate has an unfettered responsibility for the academic standards of the college. As with the Chifley University Interim Council Bill, there is provision in this amending bill for consultation between the senate and the interim council. The senate may delegate any of its functions to the interim council and the Minister expects that as autonomy draws nearer the senate will utilize this provision. The legislation also provides for the University of Sydney to make by-laws relating to college activities.

The other concern of this bill which does not relate to the Chifley University College concerns the variation of trusts held by or on behalf of the University of Sydney. The university is experiencing cases where trusts have become inoperable. The effect of inflation over more than one hundred years has reduced the value of some trusts to the extent that they are no longer able to meet the original intention of the donor. There are trusts for which the original purpose has long been achieved. There are trusts where limitations on beneficiaries have been so strict as to preclude any beneficiaries. This bill provides for a new part IVA to be included in the University and University Colleges Act, 1900. The main provisions of this part are that where a prize from a trust is an amount of money and the senate resolves that the value has been so affected by inflation that it no longer reflects the intentions of the donor, then the senate may request the Minister for Education to vary the amount of the prize. The Minister must be satisfied that it is just and equitable to effect the variation before determining to do so.

In respect of other trusts the legislation allows the senate to request a variation of the terms of the trust. The Minister for Education may determine to vary the trust if he is satisfied that it is just and equitable to do so and has the concurrence of the Attorney General. In making such a determination, regard must be had to the exent to which it is necessary to depart from the original terms of the trust and to what appear to have been the general intentions of the donor in creating the trust. Some bequests to the University of Sydney go back more than 100 years. While it is true that the university could apply to the courts for variation of the terms of the trust, litigation can be expensive. When the capital of a bequest is small, it could easily be eaten up in legal expenses. Provided the Attorney General is involved in determining just and equitable arrangments for varying a trust, the procedures in the present draft legislation are eminently sensible.

The third bill in this package is the Education Commission (Further Amendment) Bill. This bill allows for an Acting Chairman of the Education Commission of New South Wales to be either a full-time or part-time member of the commission. With the establishment of the University of Western Sydney Advisory Council the Minister recognized the need for the highest level of

support for the council. The Minister therefore asked the Chairman of the Education Commission, Dr Rawlinson, to play a leading role in negotiations leading to the present legislative proposals. Dr Rawlinson's service and experience have been of great value in this initiative. The Minister intends to relieve him from the burden of the Education Commission so that he can devote all of his energies to the interim council.

These bills are the second stage in the legislative process to establish an autonomous university in western Sydney. The third and final stage will be the Act of Incorporation of Chifley University. The importance of the bills is that they provide for the management of an actual site and of actual students and staff. All this is the nucleus of the university to be established by 1996. The structure of the bills in providing responsibilities for both an interim council and the University of Sydney is in recognition of this timetable. I table an outline of the provisions of the bills to assist honourable members. I join with the Minister in commending the bills.

Debate adjourned on motion by **Mr J. D. Booth.**

TRANSPORT ACCIDENTS COMPENSATION BILL

MISCELLANEOUS ACTS (TRANSPORT ACCIDENTS COMPENSATION) AMENDMENT BILL

Formal stages and first reading agreed to.

Second Reading

Mr K. G. BOOTH (Wallsend), Treasurer [5.5]: I move:

That these bills be now read a second time.

The proposed legislation, which will replace the current third party motor vehicle insurance scheme, represents, together with the legislation on worker's compensation, one of the most significant reforms undertaken by this Government. It is without doubt the single most important reform to motor accidents compensation in the history of the State. The legislation has been developed to address the problems which are besetting the current scheme, namely: the alarming cost escalation in third party premiums; the inadequate compensation of the seriously injured; the lengthy delays in settlement of compensation; and the lack of effective rehabilitation of the injured. The new transport accidents compensation scheme, TransCover, is the product of extensive consideration and consultation.

The proposed legislation draws heavily on the excellent work done by the New South Wales Law Reform Commission on a transport accidents compensation scheme for New South Wales. The Commission placed considerable emphasis on public consultation with interested parties. This approach was furthered by the release of the Government's green paper on transport accident compensation and the receipt of submissions and representations from a wide cross-section of the community. The result of this extensive consideration and consultation is a scheme that will ensure fairness and affordability, while correcting the inequities and delays of the present system. TransCover will start on 1st July, 1987, and will extend coverage to accidents involving public transport vehicles. The scheme will not be retrospective. People involved in transport accidents before 1st July, 1987, will have their claims dealt with under the current common law system.

The new scheme will be administered by the Government Insurance Office as agent for the Government and will be operated quite separately from their commercial activities. Before I turn to an explanation of the provisions contained in the bill, I would like to outline the urgent necessity for the fundamental overhaul of the existing system. Though the provision of adequate care and support is of central importance to a successful compensation scheme, it is essential that we do not lose sight of the fact that the Government has a responsibility to the community to control unnecessary costs. The current third party scheme has reached a critical point. Claims payments are accelerating at a rate far in excess of premium income. As a result, the Third Party Fund, from which compensation for injuries sustained in motor vehicle accidents is paid, is being depleted at an alarming rate. The fund was reduced by $111 million in 1984–85 and a further $180 million in 1985–86.

So serious is the cost outbreak, that if nothing is done to reverse this trend, the fund could be exhausted within a few years. If this should happen, the provision of reasonable compensation could be placed in jeopardy. If the current scheme were maintained, as some critics of our reforms have demanded, premiums would need to increase by more than 23 per cent each year, well into the future. As it is, because of the high cost of claims outstanding under the current scheme, premiums for 1987–88 will still have to be increased by 23 per cent from 1st July, 1987, to cover the cost of existing claims. Premiums will need to increase in the future to keep pace with claims costs, which in the next few years will predominantly consist of old claims under the current scheme. However, as the impact of the new scheme starts to take effect, much lower rates of increase will be possible.

With the reforms, premium increases in the next five years should be less than half. But the shortcomings of the current scheme are by no means confined to the issue of affordability. Indeed, the failure of the common law to provide adequate and appropriate compensation to the severely injured is universally recognized as the deficiency which requires the most urgent and fundamental action. The present reliance on a once-and-for-all assessment of damages and a lump sum award requires a degree of guesswork and prediction that is completely inappropriate as a means of assessing the long-term needs of the severely injured. The courts are unreasonably required to make predictions on the injured person's life expectancy, future medical, hospital and nursing expenses, whether the person will ever be able to return to employment, the likely wages that the person might receive, and the effects of inflation well into the future.

On top of these uncertainties, the courts must make a financial assessment of factors that have no monetary equivalent, such as the person's pain and suffering and their loss of enjoyment of life. As we can all appreciate, despite the very best intentions, and very best mathematics, such a process is bound to result in inconsistencies and unfairness in compensation, and awards which prove inadequate. In this respect I cite the Law Reform Commission's review of this issue, which concluded that:

> The impossibility of accurate prediction in most cases combined with the effects of inflation, ensures that the majority of accident victims, (especially those most seriously injured), however innocent of fault themselves, are left with something well short of full compensation in the long term.

If this is a heavy responsibility for the courts, imagine the burden placed on the injured person. Not only must they deal with their injuries, but it is assumed they will have the ability and access to financial advice to prudently invest what is left of their lump sum to provide for the rest of their life. Furthermore, since

the assessment and award are final, compensation can not be reviewed or increased, even if the person's condition deteriorates and the lump sum award proves inadequate. This is indeed a severe indictment of a system that purports to provide full restitution to the injured. Just as important, the emphasis on lump sum compensation acts as a disincentive to the early and effective rehabilitation of the injured. The greater the losses sustained, the larger the lump sum. As such, there is an inbuilt disincentive to undertake full rehabilitation until after the award is determined. Given the often lengthy delays inherent in the adversary system, typically of four years or more, it is usually too late for effective rehabilitation. Once again, the current scheme acts against the long-term interests of the injured.

I am sure that there is general agreement in the Chamber that an accident compensation scheme should not only provide prompt, adequate and appropriate compensation, but also should restore, as quickly as possible, the fullest physical, social, and economic potential of the injured person. This is precisely what TransCover will do. The new scheme will replace a system in crisis with a compensation scheme that not only delivers, but also is affordable by the community at large. In common with WorkCover, the three motivating principles of TransCover are: equity, to provide fair and appropriate compensation to those in most need, the seriously injured; rehabilitation, to return the injured to a full and meaningful life as soon as possible; and responsibility, to bring the costs to the community under control. This will be achieved by redirecting the current excessive reliance on lump sums to a more appropriate balance between periodic payments and lump sums awards.

The emphasis will be on the care and support of the seriously and long-term injured. This means regular income support, payment of medical and related expenses as they are needed, payment of support services and rehabilitation expenses, as well as a lump sum for permanent impairment. Not only will the new structure of compensation meet the needs of the injured on an ongoing basis, but prompt delivery and payment will mean also that accident victims will not have to rely on social security while they wait for their compensation, nor wait years for re-imbursement of their essential expenses. On the issue of prompt compensation, the Government shares the concerns held by the community about unacceptable delays in the provision of compensation. The current delays are caused in part by the nature of common law actions.

The new scheme will reduce delays. TransCover will introduce streamlined procedures for hearing disputes on claims for compensation. Disputes on medical issues will be heard by medical review panels, which will consist of appropriately qualified medical experts. The various medical bodies will be fully involved in the establishment of the panels. Appeals on matters of law, liability and administrative discretion of the Government Insurance Office will be heard by the District Court. In order to avoid delays a judge will be appointed solely to handle TransCover appeals. The new scheme retains the fault principle and the principle of contributory negligence. Benefits will only be available where a person is able to prove fault. In addition, benefits will be reduced in proportion to the degree of contributory negligence. The retention of the fault principle is the only significant departure from the proposals of the Law Reform Commission. Unfortunately, at the moment, New South Wales simply cannot afford the substantial additional cost of a no fault scheme. However, this will be kept under ongoing review.

I point out also that people who are convicted of serious offences in relation to a transport accident will be completely excluded from benefits. These offences include: murder, manslaughter or culpable driving, where the accident

results in the death of a person; or an offence involving an intention to inflict violence or damage. Furthermore, benefits will not be available where the injury or death was self-inflicted, or to a dependant where the accident was wilfully caused by the dependant.

For less serious offences, income and permanent impairment benefits will be reduced, but all other benefits such as medical, hospital, rehabilitation, and other services will not be reduced. Offences covered by this provision include: convictions for driving under the influence of alcohol or drugs or refusing to allow the testing for alcohol or drugs; driving without a licence; failure to wear a seat belt; or knowingly being a passenger in a car being driven by a person under the influence of alcohol or drugs. However, I should stress that in the latter two categories, benefits to minors will not be reduced.

I point out that it is a condition of eligibility for all benefits that a report be made, either by the claimant or another person, to the police or, where appropriate, to the public transport authorities. This report must be made within twenty-eight days of the accident or, in the case where injuries prevent this, as soon as practicable. Where there are reasonable reasons for a delay, an extension of time up to ninety days may be approved. The introduction of TransCover, together with Government Insurance Office initiatives for controlling fraud, will substantially reduce the incidence of fraud. This will benefit not only all genuine claimants, but the community generally.

TransCover will remove the incentive for exaggeration and creation of accidents which is inherent in the pot-of-gold mentality that now exists. It will have strict reporting provisions and objective medical tests and more easily enforced penalties for fraudulent claimants—all of which will reduce the scope for fraud. Accidents can no longer be first reported six years after the accident when either records are non-existent or memories are vague. To qualify for a lump sum entitlement, objective medical tests will be applied. When a person is convicted of making a fraudulent claim, there will be penalties which will hit in the pocket, where it hurts most. The Government Insurance Office's computerized claims management system, which commenced in 1984, has enabled many fraudulent claims to be identified. There are currently sixty claimants who have either been charged or are about to be charged by the police. The system has highlighted almost 1,000 claims that are currently being strongly contested as either fraudulent or grossly exaggerated. Future enhancements to the computer system will enable fraud prevention to enter a new era. These developments will better facilitate the detection of possible fraudulent claims and will permit the checking of computer information recorded under different insurance or compensation schemes. Such initiatives are necessary if organized crime is to be prevented from cheating compensation schemes.

I turn now to the benefits provided under the new scheme. These include in the case of an injured person: periodic compensation for loss of earnings; payment of hospital, medical, and related expenses; compensation by way of lump sum for permanent impairment; provision of rehabilitation services; and provision of household services and attendant care. In the case of the dependants of a deceased person, the scheme will provide: payment of funeral expenses; lump sum compensation for the dependants; periodic payments to the dependant spouse and children; and provision of household services. Much has been said about large lump sums paid under the current scheme. The fact that there is less emphasis on lump sum payments under the new scheme does not mean the benefits are any less for the long-term incapacitated.

On the contrary, for the long-term incapacitated, the benefits provided will in most cases be greater when account is taken of the payments made including all medical, hospital and attendant care expenses throughout a person's life. Moreover the benefits will be tailored to the specific needs of each person. Weekly benefits for loss of earnings will be provided without delay to "earners". This includes those: who were employees or self-employed; who had firm arrangements to enter into employment, or who had worked for not less than twenty-six weeks in the two years prior to the accident; or who as a result of the accident were incapacitated for more than six months and, but for the accident, would have been expected to enter employment within two years of the accident.

Compensation will not be paid for the first five working days, and thereafter will be paid at a rate of 80 per cent of the loss of earning capacity of the person. There will be a ceiling on compensation plus earnings, if any, of $500 per week. This limit is significantly above average weekly earnings of $430. These limits have been set to provide a financial incentive for an early return to productive employment. The $500 limit also has regard to the need to provide equity between low and high income earners, given that all motorists, irrespective of income, pay the same contribution.

There has been some ill-informed public comment on the position of non-earners under the new scheme. Non-earners will be entitled to the full range of benefits, other than compensation for loss of income for the first two years. Students, full-time mothers, the unemployed and children will be entitled to payment of all medical, hospital and rehabilitation services, access where appropriate to attendant care and household support, and a lump sum of up to $120,000—all on the same basis as earners. Non-earners will be eligible for payment for loss of earning capacity if, after two years from the date of the accident, they still have an incapacity.

Compensation for loss of earnings will be determined on the basis of a notional earning capacity which will be set at a rate up to 50 per cent of average weekly earnings according to the age of the person. Payments will be made at a rate of 80 per cent of notional earnings and subject to the same ceiling as for earners. Both earners and non-earners may subsequently apply for a reassessment of their earning potential to take into account factors that might have had the effect of increasing their pre-accident earnings. This provision is designed to assist those who had not achieved their full earning capacity at the time of the accident, such as young children, students and apprentices, or those who were only in part-time or casual employment or not working at all.

One area of great concern to those whose injuries and incapacities are long term is continual medical, hospital and nursing costs. The new scheme will address this concern by paying all reasonable expenses for medical, hospital, nursing, rehabilitation, ambulance, pharmaceutical, and associated services required as a result of injury. The payments will be made direct to the providers of the service. A $100 excess will apply to certain medical and pharmaceutical costs, but I emphasize all hospital, ambulance or rehabilitation services will be excluded from the excess.

As I mentioned earlier, one of the fundamental problems of the common law system is that much of the current compensation procedure works against the effective rehabilitation of accident victims. Under the new scheme, rehabilitation programs will be an integral part of the benefits, and will include: medical and functional rehabilitation; vocational and occupational training; social rehabilitation and counselling; home, car and workplace modifications;

provision of prosthetic devices and other appliances; and where necessary, mobility allowances. The importance of rehabilitation cannot be overestimated. The new scheme will double the resources dedicated to rehabilitation services, reflecting the Government's commitment to the injured.

I should like to point out that action is underway to ensure that rehabilitation programs, whether in hospitals, at home or in the workplace, will be provided in a comprehensive and co-ordinated manner. Consultations are being held with the State Compensation Board, which has carriage of workplace rehabilitation programs, the Government Insurance Office, the State and Commonwealth departments of health and other providers of rehabilitation services to ensure a consistent approach. This is particularly important, not only to ensure the best service to those undergoing rehabilitation, but also to ensure that resources are used in the most efficient and effective manner. Similarly, the development of services in the future will be co-ordinated to avoid unnecessary waste, duplication and cost escalation.

Of equal importance to accident victims with long-term incapacities is the provision of attendant care for their essential and regular personal care and household services. These services will be arranged and paid for by the new scheme. The provision of these services will continue for as long as they are required. Provision will also be made for short-term emergency family support where a family member is required to attend the injured person continuously. All these benefits, as well as all limits, will be automatically indexed at six monthly intervals.

TransCover will still provide lump sum payment. This will be for compensation for permanent impairment. If a person is assessed by a medical practitioner as having an impairment level of more than 4 per cent, the person will be entitled to a lump sum benefit of up to $120,000, reduced by an age factor of 1 per cent for each year between ages twenty-five and sixty-five—after sixty-five it remains at a constant 60 per cent of the maximum. The assessment will be based on the whole person approach, which looks at the impact of the impairment on the person as a whole, rather than just the particular injury. The whole person approach was developed by the American Medical Association. It has been applied for some time by the Commonwealth and has been adopted by Victoria for its transport accident scheme. The benefit of this approach is that it covers the full range of injuries, both internal and external, and applies objective medical tests to assess the impact of injuries on the capacity of the injured to undertake normal daily activities. The whole person approach includes looking at the effects of any injury on a person's lifestyle.

The Government's new accident compensation schemes, WorkCover and TransCover, both address the needs of the injured. The philosophy behind the reforms and the broad approach are consistent. However, the schemes have different histories. There are different injuries involved, and TransCover covers a broader range of people. Where there are overlaps, such as with transport workers injured in the course of their employment, every effort will be made to ensure consistency and equity. Injured workers will retain the right to seek benefits under both TransCover and WorkCover. In the event that benefits are available for both schemes the injured worker can then elect which scheme to remain under. In the rehabilitation area there will be co-operation and co-ordination between TransCover and WorkCover. Where there are WorkCover rehabilitation programs involving employer and employees, TransCover will seek to negotiate to provide the same program for injured workers who elect to be treated under TransCover.

In summary, TransCover marks a major reform for this Government, a reform we are committed to making work effectively. The legislation will provide for a review committee to be established to monitor the effectiveness of the scheme. Appropriate government and community representives, including the Labor Council, motorists, the medical profession, and of course, the injured, will be part of this review. The cognate bill, the Miscellaneous Acts (Transport Accidents Compensation) Amendment Bill, 1987 is necessary to amend certain Acts in connection with the enactment of the principal bill. I table additional explanatory material to assist honourable members in their understanding of the bills. I commend the bills.

Debate adjourned on motion by **Mr Fahey**.

TRUSTEE (AMENDMENT) BILL

Bill introduced and read a first time.

Second Reading

Mr SHEAHAN (Burrinjuck), Attorney General and Minister Assisting the Premier [5.30]: I move:

That this bill be now read a second time.

The bill will amend the Trustee Act 1925 to expand the range of investments available to trustees in this State. A comprehensive review of the investments currently authorized has been undertaken in consultation with the Treasurer and with the advice of the Advisory Committee on Trustee Investments established under the Trustee Act. The existing categories of investments provide a comparatively narrow range of authorized securities, mostly of a so-called gilt-edged government nature. Today these securities provide forms of investment which, though superficially proof against loss, are in fact much more susceptible to economic factors such as inflation and devaluation. Significantly reduced returns have considerably lowered the value of these securities by comparison with their investment value in 1925 when the Act came into operation. These very restricted powers of investment give effect to the policy that the first concern of a trustee should be to preserve the capital of the trust fund.

This policy is based on an assumption that the purchasing power of money remains constant and therefore the existing range of authorized investments is designed to ensure that the trust funds remain intact at an amount corresponding to the moneys invested, in the meantime yielding a fixed and constant income of a reasonable, if conservative, amount. The assumption that the purchasing power of money remains constant is untenable in modern times with the continual erosion by inflation of the purchasing power of the capital, or corpus, of the trust fund. The lists of investments authorized in other States contain many forms of securities not presently prescribed in New South Wales. The addition of further forms of investment will enable beneficiaries, and institutions bound by the provisions of the Act, to stand on a more equal footing with their interstate counterparts. It is intended that the revised list will reflect the change in structure of the investment market-place which has taken place in this State, while maintaining the high standards of financial security upon which authorization under the Act has been traditionally based.

I shall now describe briefly the more significant additional forms of investment which the bill will authorize. First, it will enable trustees to purchase land in fee simple in any State or Territory within Australia. In Queensland, Victoria and Tasmania, trustees are granted power to invest in the purchase of

land, with certain safeguards about valuation. These provisions have been of substantial benefit to trusts in those jurisdictions by enabling trustees to make investments which are reasonably secure and retain the real value of the trust capital. Land is an important form of investment for many people. Not only does it tend to increase in nominal value with inflation but also may increase in value in real terms in line with the general development of the area in which it is situated. Though this may not be true of all land at all times, similar factors can affect other forms of investment, such as mortgages, which have long been authorized as a trustee investment.

Though traditionally the purchase of non-income producing land has been regarded as speculative, and accordingly unsuitable as a trustee investment, a trustee may not always be faced with the need for all or part of the trust fund to be income-producing, and may wish to invest for capital gain. It is considered that the appropriateness of the purchase should be determined by the trustee, having regard to the circumstances of the trust. Under the provisions of the bill, the trustee will be required, as a pre-condition to the purchase of land, to obtain and consider proper written and independent advice on whether the purchase is appropriate, having regard to the need for diversification and the circumstances of the trust generally. This will not, of course, apply where the land being purchased comprises a dwelling to provide a home for a beneficiary under the trust.

It is considered that it is not necessary to place a statutory restriction on the proportion of the trust fund which may be invested in land. As a matter of prudence, a trustee should not invest the whole of the trust fund in the same type of asset. The appropriate proportion may vary depending on the particular circumstances of the trust, and a statutory limitation would not provide the necessary flexibility. Furthermore, in view of the safeguards proposed, and the onus of responsibility which a trustee incurs when exercising his or her fiduciary duties, it is considered that the land investment opportunities which may arise in other States and Territories should be available to the trust beneficiaries.

It is not proposed to provide a restriction on the price which may be paid for land by reference to a valuation. Instead it is proposed to provide that a trustee will not be liable for breach of trust by reason only of the relationship of the purchase price to the value of the land at the time of purchase if the trustee obtains beforehand a written report by a registered valuer stating the value of the land, the actual or potential income from the land, and the outgoings to be incurred in owning the land; and the price paid for the land does not exceed by more than 5 per cent the value of the land, as stated in the valuer's report. Such a provision will be a strong incentive for trustees to comply but will not arbitrarily restrict trustees to investing in land at a price referrable only to a valuation.

Second, the bill will enable trustees to invest in bank accepted or indorsed bills of exchange. A market for commercial bills of exchange has existed in Australia since the 1960's. Members will be aware that bills are created principally to pay for goods, to finance transactions or to raise capital, and the holder may sell them on the market at a discount instead of retaining them until maturity. Bank bills are accepted or indorsed by a bank and may be traded through the money market. Such a bill is secure because a bank has agreed either to honour the bill, in the case of acceptance, or to pay should the acceptor default, in the case where it has been indorsed. At the time the Trustee Act was enacted, bank bills were not in general use as a form of investment and this may have been the reason for their exclusion.

Bank bills are a sophisticated form of investment in general use in the financial community. In view of their safety and the high returns often available, it is considered desirable that they be added to the list of authorized trustee investments. Trustees may invest trust funds in bank bills in Victoria, South Australia, and Queensland. Though the maximum time for which bank bills are normally drawn is 366 days, most bank bills traded are of less than 200 day's duration. Both the Victorian and South Australian enactments specify 200 days. This period would not unduly limit a trustee's access to the market when purchasing a bank bill, and could ensure a ready market if the trustee wished to sell before maturity.

The third form of investment I wish to refer to is investments with short-term money market dealers. Investments with these dealers are authorized trustee investments in all States. In New South Wales this avenue is available by prescription of the dealers as corporations pursuant to section 14 (2) (F). In fact, the only corporations which have been so prescribed are the authorized short-term market dealers. The operation of the Act would be rendered more efficient were such dealers to be expressly authorized by statute. The bill will therefore approve deposits with any dealer in the short-term money market where the dealer has been authorized by the Reserve Bank and has established lines of credit with that bank as a lender of last resort.

Another example of additional forms of investment to be authorized by the bill are debentures, promissory notes and similar securities issued by companies of high financial standing. It is proposed that only companies accredited with a minimum rating of "AA" from an approved rating agency will be acceptable. The level of rating and the particular agencies will be a matter for prescription by regulation. I should make it quite clear that the bill does not authorize investment in the equity of these companies. Company shares, for example, are subject to additional risks associated with fluctuations in the stock market. The bill will also authorize investment in the common funds of trustee companies where the funds themselves are limited to investment in authorized trustee investments. All other Australian States have authorized these common funds and the Advisory Committee on Trustee Investments has recommended that New South Wales should do the same.

The New South Wales Trustee Companies Act 1964 was amended only recently to strengthen further the financial accountability of trustee companies. Trustee companies are now subject to very strict prudential controls, including very low gearing, and their investment officers have a greater knowledge of financial and capital markets than many other investors. Common funds also have access to investments not readily available to most individual trustees, and are able to make investments yielding higher returns. Furthermore, the funds are better able to acquire a spread of assets. In addition to expanding the range of investments available to trustees, the bill contains a provision reinforcing the duties of a trustee to exercise due care, prudence and impartiality, when determining how the trust fund might be invested. Though this provision does not effect any change in the law, it will act as a positive statement of the application of those duties to a trustee.

Finally, I draw attention to the fact that the bill will omit from the Act those provisions which authorize investment in government securities of New Zealand, Fiji, and the United Kingdom. Though these are the only foreign securities presently authorized, they nevertheless open trustees to the risks of foreign exchange fluctuations, and were included long before the dollar was floated. Of course, the bill contains appropriate transitional provisions to enable existing investments to be retained. The Government considers that the

implementation of these proposals will enable trustees to invest in a more diverse portfolio with the resulting increase in returns on trust funds. This will benefit beneficiaries while maintaining the security of their interest in the trust funds. These reforms will further enhance this State's financial status and will maintain Sydney as Australia's leading financial and commercial centre. I commend the bill.

Debate adjourned on motion by **Mr Kerr.**

WATER SUPPLY AUTHORITIES BILL

WATER BOARD BILL

CLEAN WATERS (PENALTY NOTICES) AMENDMENT BILL

WATER LEGISLATION (REPEAL, AMENDMENT AND SAVINGS) BILL

Formal stages and first reading agreed to.

Second Reading

Mrs CROSIO (Fairfield), Minister for Local Government and Minister for Water Resources [5.40]: I move:

That these bills be now read a second time.

Briefly, these bills seek to achieve a number of important objectives. They are: to provide common legislation for the several existing statutory bodies engaged exclusively in supplying water and related services; to enable new bodies to be constituted to engage in those activities; and to enable existing bodies which have functions additional to water supply to opt to be brought within the ambit of the proposed legislation without affecting their other functions. The Governor, in his speech at the opening of the Second Session of the Forty-eighth Parliament, mentioned the Government was formulating a State water plan to meet the water supply, flood mitigation and salinity control needs of the future. Legislation was passed during the last session establishing a new corporate owner of New South Wales water resources whose objectives are: to ensure that the water and related resources of the State are allocated and used in ways which are consistent with environmental requirements and provide the maximum long-term benefit for the State and for Australia; and to provide water and related resources to meet the needs of water users in a commercial manner consistent with the overall water management policies of the Government.

That legislation was the Water Administration Act, 1986, and its cognate Acts. It was the first stage of legislative changes forming part of changes to the way in which water is administered in this State—changes that will mean better, more efficient services for everyone in the State. The legislation is the most advanced in Australia and is part of the Unsworth Government's strategy to hold down the State's costs. The bills are part of the Government's program for streamlining and deregulation of legislation in this State. It contributes to the Government's commitment to reform and modernize the public sector and to develop efficient management and commercial practices within government departments and authorities.

The Water Administration Act will be central to all water administration and the objectives of the corporate owner of the resource are mirrored, in the stage 2 legislation, for each water supply authority within its area of operations. When pursuing these objects, the water supply authorities will strive to optimize

the efficient use of the water resources including re-use, recycling and by-product usage. The new legislation places a greater emphasis on commercial and environmental concerns. Water supply authorities will be encouraged to foster economic development within their areas of operation in ways which cater for environmental and social needs. The legislation enables them to become more responsive, skilled and businesslike. They will be responsive to client and community needs and will be able to provide assistance in cases of hardship or emergency. They will be able to engage in commercial ventures, including joint ventures, and to market services and products.

The bills enhance the roles of the water supply authorities in the following key areas: in water conservation and land management; to minimize pollution and encourage reprocessing and reuse of sewerage by-products, for example, use of sludge mixed with other products such as wood waste, to develop commercial organic fertilizers. The legislation fosters standardized and simplified charging policies so ratepayers will be able to easily assess how their water and sewerage charges are calculated. The old system will be gradually phased out. Now water and sewerage service users will know exactly what they are being billed for. These bills open the way for water authorities to provide for safe public use of catchment areas and land held for future use. The authorities will be able to work closely with the National Parks and Wildlife Service and the Tourism Commission to develop the best and safest ways to open up more recreation areas for the community.

Providing water services is a huge and complex undertaking, involving seventeen State government authorities and about 170 local government councils. These bodies do much more than merely supply water. They provide sewerage and drainage services, undertake flood mitigation, manage aquatic environments, cater for water based recreation and control water quality. Their work extends to cities, towns, and rural lands. Collectively, water supply authorities run a multibillion dollar service industry which affects all Australians, and the task is ever-expanding. Clearly it is one of the largest industries in New South Wales and of vital significance to the economic development and performance of the State. Water consumers, whether they be private individuals, commercial organizations or government agencies, should not have to rely on complex and out-of-date legislation for their understanding of their rights and obligations regarding water, sewerage and drainage supply and usage. Much of the detail contained in the Acts to be replaced is to be relegated to regulation or administrative determination. To balance this, the Minister will have the power to make policy determinations for the water sector and to promulgate model regulations, practices and procedures.

The Acts provide clear, modern legislation which will enable water supply authorities to become more businesslike, further improve their effectiveness and efficiency and continue to upgrade services to the public. They will also enable the Minister to more easily control this vast industry with the benefit of uniform provisions. This Government is committed to legislative reform which minimizes unnecessary procedures, lessening the burden of business regulation and improving government services to clients. The legislation replaces the numerous separate Acts of the Sydney, Hunter District, Broken Hill and Cobar water boards. The new legislation will provide a common framework containing the functions capable of being used by all bodies concerned with water supply, sewerage services and water flow management, including river improvement, stream management, drainage, flood mitigation and flood control.

The position and powers of the members of the existing boards and their administrative heads will continue. They will maintain their current areas of operation and responsibilities but with enhanced capacity for organization efficiencies, customer service, equity and environmental management. I am introducing a separate bill for the Water Board to replace the old Metropolitan Water, Sewerage and Drainage Board because I consider that as an agency for supply of the largest water and sewerage system in Australia's premier city, the water board does require a separate Act. It manages an annual budget of over $1 billion and serves 3.5 million people in 1.7 million households. Its area stretches over 13 000 square kilometres from the Shoalhaven to Berowra and out west to the Blue Mountains. Sydney and Wollongong have some of the most intensely developed industrial areas in this country. Sydney is a massive commercial and tourist centre with all international companies seeking to establish their headquarters in this city. I think that the 3.5 million users of the water board's facilities both as households and as industrial and commercial workers and managers would expect to have an Act which relates to their area.

Not only will the legislation enable the Minister to more easily manage the water sector, but water supply authorities will be able to co-ordinate their activities in several new ways. If required they will be able to contribute towards central and strategic planning of water and related resources. They will also be able to exercise their functions outside their areas of operation and in a manner which assists another authority to more effectively attain its projects. The bills provide a clear statement of organizational objectives for the water authorities and provide them with a framework which will foster more effective and efficient management. The legislation introduces new provisions which enable water supply authorities to levy major works charges before subdivision occurs as a mechanism to increase land supply and which allows water supply authorities to determine the water and related services required for all forms of development. The Water Supply Authorities Bill and its cognate bills are another example of the progressive policies of the New South Wales Labor Government which will benefit all citizens of New South Wales. It reflects the Government's determination to ensure the provision of water and related services in an environmentally responsible manner to meet the needs of water users efficiently and on a commercial basis. I commend the bills.

Debate adjourned on motion by **Mr Causley.**

DARLING HARBOUR AUTHORITY (AMENDMENT) BILL

Second Reading

Debate resumed from 12th May.

Mr WEBSTER (Goulburn) [5.50]: I lead for the Opposition in this debate. The Opposition opposes this bill, which is yet another example of the arrogance and total disregard for democracy of the Minister for Public Works and Ports as shown in his conduct of the entire Darling Harbour and monorail affair. Yet another example of his incompetence is that he could not get the bill right on the first occasion and has had to introduce this amending bill to enable the Darling Harbour Authority, an authority that has assumed considerable power, to be able to subdivide the land on which will be built the main monorail station in Sydney. The people of Sydney do not want monuments being constructed by the Minister for Public Works and Ports; nor do they want the monorail or the monorail stations. Far from the monorail not being ugly, it is giving the impression of being every bit as ugly as was expected by those who

originally opposed it. It is interesting to look at what is happening with this project.

Mr Brereton: On a point of order. I draw attention to the scope of this bill, which is to amend section 38 of the Darling Harbour Authority Act. The bill deals specifically with the right to subdivide a particular property on the corner of Market Street and Pitt Street in the city of Sydney. In no way does the bill affect overall monorail policy issues, or the broad generalities that the honourable member is beginning to address. I ask that he be directed to return to the scope of the bill.

Mr Webster: On the point of order. The bill deals specifically with the subdivision of land, and the main monorail station in Sydney. If I were not allowed to speak about the monorail and the monorail station, that would make a complete nonsense of the debate.

Mr SPEAKER: Order! The honourable member for Goulburn may believe such a direction would make a nonsense of the debate. However, the member has had only a few years' experience in the Chamber. The bill provides for a minor amendment to the principal Act, to allow for the subdivision of land on the corner of Pitt Street and Market Street Sydney, on which the main monorail station is to be built. It is not within the order of leave given for the introduction of the bill for him to canvass the debate on the Act. If the honourable member cannot confine his remarks to that matter, I shall have to ask him to resume his seat.

Mr WEBSTER: I shall endeavour to contain my remarks to the main monorail station and to the monorail itself. The Darling Harbour Authority is responsible for this land, which the Minister seeks to subdivide and flog off to developers and others. The Darling Harbour Authority is one of the most gigantic quangos that has ever been established by any government. It has quite considerable powers. It will not be long before the entire city of Sydney will be brought under the control of the Darling Harbour Authority. If and when the Government ever decides to reinstate the Council of the City of Sydney, the Government will not have to refer to that council matters pertaining to the Darling Harbour Authority, such as the monorail station. The monorail will be incapable of carrying the necessary number of passengers—

Mr Brereton: On a point of order. The honourable member is now seeking to debate the capacity of the monorail. I ask that the member be directed once again to return to the scope of the bill.

Mr Webster: On the point of order. I was referring merely to the capacity of the station to cope with the number of passengers that might be carried by the monorail.

Mr SPEAKER: Order! The honourable member for Goulburn is now speaking about the capacity of the monorail. As I said, the bill provides for a minor amendment to allow for the sudivision of a block of land. That provision was omitted from the original bill, and the honourable member has referred to that omission as a mistake. I repeat my warning that if the honourable member cannot confine his remarks to the bill I shall ask him to resume his seat.

Mr WEBSTER: I certainly shall contain my remarks to the scope of the bill. Obviously the Minister for Public Works and Ports has made a mistake, which is to be corrected by this bill. I shall conclude by quoting from a speech made by one of the finest orators ever to grace this House, the honourable member for Gordon, in an address to the Total Environment Centre in Sydney. He said:

> What sort of vision will those future archaeologists find from that strange monument and a language whose most frequently repeated words, which were obviously of great significance to those lost tribes, were "Laurie Brereton".

As I have been directed not to speak beyond the scope of the bill, it is sufficient to say that future generations, when they find the wreck of the monorail, will wonder about Laurie Brereton, as we wonder about him now. The Opposition opposes the bill.

Question—That this bill be now read a second time—put.

The House divided.

Ayes, 41

Mr Amery	Mr Gabb	Mr Petersen
Mr Anderson	Mr Harrison	Mr Price
Mr K. G. Booth	Mr Hills	Mr Quinn
Mr Brereton	Mr Hunter	Dr Refshauge
Mr Carr	Mr Irwin	Mr Rogan
Mr Christie	Mr Knowles	Mr Sheahan
Mr R. J. Clough	Mr Langton	Mr Shedden
Mr Cox	Mr McGowan	Mr Walker
Mr Crawford	Mr McIlwaine	Mr Walsh
Mrs Crosio	Mr McManus	Mr Whelan
Mr Davoren	Mr H. F. Moore	Mr Wilde
Mr Doyle	Mr Moss	*Tellers,*
Mr Face	Mr J. H. Murray	Mr Beckroge
Mr Ferguson	Mr Neilly	Mr Wade

Noes, 28

Mr Baird	Mr Jeffery	Mr Pickard
Mr Beck	Mr Kerr	Mr Schipp
Mr J. D. Booth	Mr Longley	Mr Smiles
Mr Causley	Miss Machin	Mr Webster
Mr Collins	Mr Mack	Mr Wotton
Mr Cruickshank	Mr T. J. Moore	Mr Zammit
Mr Fahey	Mr W. T. J. Murray	
Mr Fisher	Mr Owen	*Tellers,*
Mr Greiner	Mr Park	Mr Phillips
Mr Hay	Mr Peacocke	Mr West

Pairs

Mr Akister	Mr Armstrong
Mr Cleary	Mr Caterson
Mr Mulock	Mr Dowd
Mr Paciullo	Dr Metherell
Mr Unsworth	Mr Singleton

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Mr BRERETON (Heffron), Minister for Public Works and Ports and Minister for Roads [6.5]: I move:

That this bill be now read a third time.

Question put.

The House divided.

Ayes, 41

Mr Amery	Mr Gabb	Mr Petersen
Mr Anderson	Mr Harrison	Mr Price
Mr K. G. Booth	Mr Hills	Mr Quinn
Mr Brereton	Mr Hunter	Dr Refshauge
Mr Carr	Mr Irwin	Mr Rogan
Mr Christie	Mr Knowles	Mr Sheahan
Mr R. J. Clough	Mr Langton	Mr Shedden
Mr Cox	Mr McGowan	Mr Walker
Mr Crawford	Mr McIlwaine	Mr Walsh
Mrs Crosio	Mr McManus	Mr Whelan
Mr Davoren	Mr H. F. Moore	Mr Wilde
Mr Doyle	Mr Moss	*Tellers,*
Mr Face	Mr J. H. Murray	Mr Beckroge
Mr Ferguson	Mr Neilly	Mr Wade

Noes, 29

Mr Baird	Mr Jeffery	Mr Pickard
Mr Beck	Mr Kerr	Mr Schipp
Mr J. D. Booth	Mr Longley	Mr Small
Mr Causley	Miss Machin	Mr Smiles
Mr Collins	Mr Mack	Mr Webster
Mr Cruickshank	Mr T. J. Moore	Mr Wotton
Mr Fahey	Mr W. T. J. Murray	Mr Zammit
Mr Fisher	Mr Owen	*Tellers,*
Mr Greiner	Mr Park	Mr Phillips
Mr Hay	Mr Peacocke	Mr West

Pairs

Mr Akister	Mr Armstrong
Mr Cleary	Mr Caterson
Mr Mulock	Mr Dowd
Mr Paciullo	Dr Metherell
Mr Unsworth	Mr Singleton

Question so resolved in the affirmative.

Motion agreed to.

Bill read a third time.

[*Mr Speaker left the chair at 6.9 p.m. The House resumed at 7.30 p.m.*]

OFFENCES IN PUBLIC PLACES (FURTHER AMENDMENT) BILL

Second Reading

Debate resumed from 6th May.

Mr T. J. MOORE (Gordon) [7.30]: On behalf of the Opposition I indicate that it supports the bill. I shall deal briefly with a number of aspects relating to the Offences in Public Places Act, and specifically deal with the reversal of the onus of proof provisions for the offence of custody of an offensive implement. On balance, the Opposition accepts that the custody of an offensive implement in a public place is appropriately one in which the onus of proof should be reversed—the onus being placed on the defendant to demonstrate a reasonable excuse as defined in proposed section 11A (3). That support is given in a qualified fashion, because I personally have some philosophical reservations about offences for which the onus of proof is reversed—and where accused persons are obliged to prove that they were not committing an offence, rather than the prosecution being obliged to prove beyond reasonable doubt that the elements of the offence had occurred.

Although by and large I have great respect for the police force in New South Wales, the potential abuse created by the reversal of the onus of proof causes me some small concern. For example, it would be entirely possible for persons to purchase an axe at the local hardware store and be walking from that store to their car carrying the axe—which meets the test under proposed section 11A (3) of an offensive implement—and be apprehended by the police and then required to demonstrate beyond reasonable doubt that they had reasonable excuse. Subject also to that reservation that there is some small scope—no matter how small—for intimidation, I support the bill. For example, a person carrying a bicycle chain or something of that nature might be capable of being encompassed within the scope of the proposed section 11A (3). Undoubtedly there are occasions when groups of people act in what might loosely be described as an intimidatory fashion in the street—particularly, as I am aware, in suburban shopping centres on evenings of the week after trading hours. At present the police have inadequate powers to deal with people acting in such an intimidatory fashion, particularly if a person is carrying implements capable of being construed as weapons.

Mr PEACOCKE (Dubbo) [7.36]: I gives me great pleasure to come across a bill of the Attorney General that I can wholeheartedly support, and I do support the bill in that way. The bill is long overdue. These days on our streets, and in public places, it is commonplace to see hoodlums and louts carrying offensive weapons. Any police officer seeing persons with baseball bats, knuckledusters and other sorts of weapons—which obviously are possessed by some people for no lawful purpose—would find it a trying circumstance not to be able to arrest and charge such persons. I believe the police will welcome the bill, support it fully, and act most effectively, I hope, under its powers. The amount of $1,000 is not an extreme penalty. Perhaps the most important aspect of the bill is that it will give police officers the power of arrest. Hoodlums in the street who are potentially violent, and armed in their usual cowardly fashion with offensive weapons, will be taken out of circulation before they can do any harm.

Normally I would oppose provisions in any proposed Act that place the onus of proof on an accused person or defendant. Such a provision is counter to what is considered right and proper under the British system of law. However, in this instance, because of the difficulties that would otherwise be faced by the police in administering the legislation, I support that particular provision of the bill. I congratulate the Attorney General for at least taking a step in the right direction for the suppression of crimes of street violence. I consider that the measure will be effective and hope that police officers will use provisions of the bill in a consistent manner when it becomes law. If ever there was a time when police needed to be armed with powers such as are conferred

by this bill to control street crime, this is it. The Opposition supports the bill and I hope that it is administered effectively.

Mr AMERY (Riverstone) [7.38]: I join with the honourable member for Dubbo and, if only in a qualified way, the honourable member for Gordon in supporting the bill. Both Opposition speakers have expressed concern about the onus of proof being placed upon the person in custody of an offensive implement in a public place. The bill provides that if persons have a particular instrument in their custody, the proof lies with the accused persons to show they had it for a lawful purpose. This sort of provision is not uncommon in a number of statutes. The one that springs to mind is the statute dealing with the offence of goods in custody. A person could be detected by the police in possession of certain goods that may reasonably be suspected of being stolen or unlawfully obtained. In that sort of case the obligation is on the accused to say that he obtained those goods by lawful means. This bill is consistent with that type of provision.

In introducing this legislation the Government is attempting to tighten up the law relating to street offences. No doubt many honourable members have had instances brought to their attention of people being in possession of cutting instruments and or similar objects for other than lawful purposes. An illustration would be a father taking his son to a baseball game. The possession of a baseball bat in those circumstances would not be for illegal purposes. However, if after the sporting event the father visited a hotel and perhaps became involved in an argument and produced the baseball bat, it could reasonably be suspected that he was in possession of the object for an illegal or unreasonable purpose. In that case the onus would be on him to show that visiting a hotel in an irate manner, while in possession of a baseball bat after a disputation had take place, was for a lawful purpose. In the circumstances I outlined, it would be difficult to prove that he had the object for a lawful purpose.

Honourable members will be aware that bikie gangs are sometimes involved in brawls. Members of gangs may be in possession of certain instruments which rightly belong in a tool shed or a shop. A bike chain is an instrument used for propelling a pushbike or a motorcycle, but it is a common weapon in gang fights. In those circumstances it would be used for an unreasonable or illegal purpose. The legislation provides that the police will have power to charge an offender with a fairly serious offence carrying a penalty of $1,000 or imprisonment for six months.

I wished to highlight circumstances under which the legislation may apply, and to lay to rest any fears about the reversal of the onus of proof. It is not new that the onus of proof should rest on an accused person. I agree with the honourable member for Dubbo that police investigating complaints under proposed section 11A can be relied on to act in a responsible manner. Evidence other than possession of an offensive implement in a public place would be necessary to sustain a charge. All the circumstances of the offence would be considered before any action was taken. I support the bill.

Mr SHEAHAN (Burrinjuck), Attorney General and Minister Assisting the Premier [7.43], in reply: I thank the Opposition members who have spoken in the debate and supported this measure. The Government does not lightly reverse the onus of proof in any statute of a criminal nature. I am pleased that the Opposition understands the reasons for the Government's action in this case. The scenario presented by the honourable member for Gordon could not occur. An axe being carried from a supermarket to a carpark could not possibly comply with the tests laid down in clause 11A. An axe is not made or adapted

for the causing of injury. It is obviously capable of causing injury but it does not meet the terms of clause 11A (3) (a) where an offensive implement is defined as anything made or adapted for use for causing injury to a person. An axe is a dangerous instrument if used as a weapon. But the use of an object, even a piece of wood, not made or adapted to cause an injury, would give rise to a different offence.

As the honourable member for Riverstone said, the bill will create a new street offence—the opportunity to intimidate fellow citizens in the streets. The circumstances outlined by the honourable member for Gordon of the possibility of an accidental charge being laid, could not possibly eventuate. I express my appreciation to the honourable member for Gordon, the honourable member for Dubbo, and the honourable member for Riverstone for their remarks in supporting the measure. I thank those honourable members for their acknowledgement of the Government's interest in creating a better environment in which citizens can go about their lawful business.

Motion agreed to.

Bill read a second time and passed through remaining stages.

INDUSTRIAL ARBITRATION (TRIBUNALS AND DELEGATIONS) AMENDMENT BILL

Second Reading

Debate resumed from 13th May.

Mr FAHEY (Camden) [7.46]: The Minister in his second reading speech said that this bill was of a machinery nature only and was designed to assist in the functioning of a number of areas within the Industrial Commission of New South Wales, in particular the Retail Trade Industrial Tribunal. With the exception of the last page of the bill, the Opposition agrees with that statement. Unfortunately, the Opposition cannot agree with the authority given to the Governor in assigning seniority to conciliation commissioners. Returning to the commencement of the bill, provisions are made for non-judicial conciliation commissioners to deal with cases raising minor questions of law. The words in the legislation have been changed to allow that to happen.

In the bills that were before the House in November 1986, a clear distinction was made between qualified and non-qualified members of the full bench of the commission. That legislation made provision for only qualified judicial officers to have the power to deal with matters of law. I understand the problems created by that provision. It would be almost impossible for members of the full bench of the commission to dividie their thought processes on any matter under consideration, and to distinguish clearly between what is or is not of a legal nature. It would be impossible for members of the bench to turn off at the appropriate time and not be able to contribute to the complete proceedings and the final decision.

Though it can be argued that a full bench should comprise fully qualified judicial officiers—and there is some support for that argument—it is not often practical, particularly in areas requiring special expertise, for a full bench to be constituted in that manner. A prohibition on commissioners without legal qualifications would deprive the full bench of valuable expertise, and could militate against the final result. For those reasons the Opposition does not intend to seek to make any other alterations to that part of the bill. Indeed, it will not oppose that provision.

From the point of view of the vice-president delegating any of his day-to-day administrative duties, that is a machinery provision. It is a practical solution to what has obviously been a somewhat impractical procedure in the past. Undoubtedly the provision will allow the commission to operate more effectively and efficiently through the delegation process. It is clearly impossible for a vice-president to be available at all times to carry out an administrative function, as is the duty entrusted to him under current legislation. This amendment will ease that burden and allow some flexibility and help to promote a more efficient system.

It is surprising that the problem relating to the Retail Trade Tribunal has not arisen before now. The Act as constituted clearly stated that the tribunal was to consist of the chairman of the tribunal—which has been, since inception, Mr Justice Macken—and two assessors, a representative of employers and a representative of employees. Though the assessors were not to have any say in the ultimate decision, they certainly were to advise the chairman to assist him to come to a conclusion on any matter before the tribunal. It has been shown by the case that brought this matter to the forefront, that is, the appeal to the Court of Appeal in the matter of *G. J. Coles and Company and Others* v. *The Retail Trade Industrial Tribunal and Others,* that the tribunal has been constituted by a sole representative, namely the chairman, and that the assessors have not been in many cases given the opportunity to take their place on certain cases. That is not to say that the decisions that the tribunal has made in the absence of those assessors are incorrect. That is not the issue.

The fact is that the Act has now been clearly interpreted by the Court of Appeal and while the Act remains unchanged the assessors will have to be present if the decision of the tribunal is to have validity of legality. The problems that would have eventuated from decisions that have been made on awards or other matters were so serious as a result of the Court of Appeal decision that it became necessary for the Government to effect these amendments to give validity or legality to the decisions that have been made. The opportunity had existed for anyone to challenge a decision and move for it to be set aside whilst ignoring the conditions, responsibilities and obligations placed upon parties, as a result of the manner in which the tribunal had been sitting. The tribunal has not always been constituted by a single person, namely the chairman. There have been cases since the constitution of the tribunal in which the tribunal has been operating in accordance with the Act. However, decisions in matters on which all three were not present were obviously unenforceable and there was an obvious need to change the law to correct that anomaly. The Opposition supports the amendment.

There is one matter in respect of which the Opposition will move an amendment in Committee. It is clear that section 15 of the Act provides that conciliation commissioners shall have seniority according to such order of precedence as may be assigned to them from time to time by the Governor. That leaves open the opportunity for favouritism to be exercised, in that those in the pecking or batting order may fall in or fall out depending upon many circumstances. Those circumstances do not need elaboration. I am sure all honourable members can see how that provision is open to abuse. Perhaps the current system is not the best, but it is at least clear and conclusive and based upon seniority. Many matters of right or position given to members of Parliament relate solely to the period of time at which they were elected members of this place. In many other positions seniority is the basis upon which certain merit or otherwise flows.

Recently in the Newcastle dockyard matter the unions asserted a position it had taken for many years, that is, last to come first to go. That is not necessarily the provision in the bill. However, certain benefits flow from the order of seniority. That simply should not be open to interference. I am not suggesting that the Minister or any other Minister would interfere with the batting order. But the provision is open to interference, and that opportunity for interference ought to be removed in the interests of keeping the system beyond reproach. For the reasons I have given, the Opposition will move an amendment to delete the reference in schedule 1 to the amendment of section 15. Otherwise, the Opposition concurs with the Minister in that he is endeavouring mainly to address minor matters, even though they be important. Nevertheless, those matters require tightening up. As a result, the Opposition will not oppose the second reading of the bill.

Mr PARK (Tamworth) [7.57]: The objects of the bill are, first, to amend the Industrial Arbitration Act 1940 so as to vary in a minor respect the requirements of the Act relating to the constitution of the Industrial Commission of New South Wales in court session, to provide that the vice-president of the commission may delegate the functions of that office and to provide for the Governor to determine the seniority of conciliation commissioners. The other main object of the bill is to validate proceedings conducted in the name of the Retail Trade Industrial Tribunal in the absence of assessors, proceedings that I understand took place in the second half of last year.

Clause 5 of the bill sets out the validation of proceedings of the Retail Trade Industrial Tribunal. Item (1) of schedule 1 will amend section 14 of the principal Act so that the commission must include at least two judicial members when sitting in court session if the president is of the opinion that the matter to be determined involves substantially judicial questions. That was referred to as solely a question of law. Item (2) of the schedule will insert a new section 14B to enable the vice-president of the commission, a position established under the 1986 Act, to delegate certain functions.

Item (3) of schedule 1 will amend section 15 of the Act to provide for seniority of commissioners to be determined by the Governor. The Minister referred to the 1986 Act. He said that the term "solely a question of law" would, by this legislation, be changed to "substantially judicial questions". The 1986 legislation referred also to matters of industrial consequence that were to be arbitrated. That Act created the statutory position of Vice-President of the Industrial Commission. Mr Justice Cahill, a judicial member of the commission, was appointed to that position, which he still holds. Under that legislation the vice-president had the responsibility to assign conciliation commissioners to particular conciliation committees, and to allocate disputes. This legislation vests power in the vice-president to delegate functions.

Clause 5 validates proceedings and decisions handed down last year by Mr Justice Macken as chairman of the Retail Trade Industrial Tribunal. On 17th February, 1984, Mr Justice Macken was appointed to the tribunal for a period of three years. He retired from that position in February this year and has resumed his position as a judge of the Industrial Commission. Mr Justice Macken handed down an award on about 30th October, 1986. In the hearing of that matter he did not sit with the assistance of assessors. That decision affected Coles—Myer and Woolworths. That was not the only occasion on which that happened; sometimes Mr Justice Macken sat with assessors and sometimes he did not. Apparently the law was not previously clear as to that point. The stores affected appealed against that decision; the appeal was

considered; on 11th December, 1986, an interim decision was handed down, and on 19th December, a final decision was delivered. That decision required that the chairman of the Retail Trade Industrial Tribunal be obliged to sit with assessors on all occasions. In view of the interim and then final decisions in December last year—which I believe were anticipated by Mr Justice Macken—on 18th December, sitting with assessors, His Honour handed down an interim award, which was to apply to 30th April. Now Coles—Myer and Woolworths are awaiting a decision on a permanent award to be handed down by Deputy-President Wells and his assessors. The decision of the Court of Appeal handed down on 19th December has not been given effect.

Earlier legislation removed the right of appeal of affected employers. That decision has been overturned and if the stores are not satisfied with the decision to be handed down by Deputy-President Wells, they will have the right of appeal. The full bench of the Industrial Commission hears appeals. On substantially judicial questions two or more judicial members must sit with one non-judicial member. If a matter under consideration is industrial in its nature, one or more judicial members must sit with one conciliation commissioner and one non-judicial member. Provided that the decision of the Court of Appeal is upheld, as it has been to date, the Retail Traders Association is happy to await delivery of the outstanding judgment.

I support the remarks of the honourable member for Camden with regard to item (3) of schedule 1. Seniority should not be decided by the Governor—which, in effect, is by the Government. The Opposition opposes that provision. Commissioners or non-judicial members of the Industrial Commission of New South Wales are compulsorily retired at age sixty-five, and judges at age seventy. Generally speaking, the Retail Traders Association and the Shop, Distributive and Allied Employees Union are happy with the legislation. Apart from item (3) of schedule 1, the Opposition does not oppose the bill.

Mr HILLS (Elizabeth), Minister for Industrial Relations and Minister for Employment [8.10], in reply: I thank the honourable member for Camden and the honourable member for Tamworth for their comments on the legislation and for their support of the terminology "substantially judicial questions" with which members of the full bench of the Industrial Commission will deal. The President of the Industrial Commission found some difficulty on a question of law with the constitution of benches and communicated his views to the Attorney General, who recommends the appointment of judges to the various courts of this State, including the Industrial Commission. Because the President of the Industrial Commission has experienced difficulty in this regard, this measure has been introduced. When the legislation was being drafted it was thought that problems would arise with the term "substantially judicial questions". However, that phrase seems now to be acceptable. The establishment of the Retail Trade Industrial Tribunal will benefit the industry.

Justice Macken felt that assessors should be recommended by those associated with the retail trade—the Retail Traders Association and the Shop, Distributive and Allied Employees Association. The Federated Clerks Union has the power to nominate an assessor to deal with matters that affect its members. Difficulties are experienced with providing assessors for the length of time that matters are dealt with. The Retail Trade Industrial Tribunal resolves matters other than award matters. I have the authority, as has the secretary of the department, to refer matters to the Retail Trade Industrial Tribunal; for example, for interpretations of shopping hours, shops, and regions. The advice of the tribunal is sought frequently as an independent authority to investigate

applications. If persons involved in an industry are appointed as assessors, they may advise the chairman of the tribunal about particular aspects, which will assist in any decision-making process.

As the honourable member for Tamworth informed the House, Justice Macken's term expired in January. Justice Macken was not anxious to carry on in his capacity. His retirement prompted the Government to elevate the State's senior conciliation commissioner, Senior Commissioner Wells, to the position of Deputy-President of the Industrial Commission. Subsequently his appointment was confirmed by order of His Excellency the Governor. Prior to the introduction of legislation the transference of the powers of a senior commissioner to those of vice-president of the Industrial Commission eliminated the position of senior commissioner who in the past may have been appointed to that position. His powers, duties and authorities were transferred to the vice-president. Obviously Justice Cahill, Vice-President of the Industrial Commission, is not able to be with the commissioners all the time, particularly with regard to the allocation of industries and applications that are brought before the Industrial Commission and may be notified to the Industrial Registrar.

I have had discussions with Commissioner Mills who, by the effluxion of time, is the senior commissioner. He expressed the view that it was necessary for the Legislature to give approval to Justice Cahill, in his capacity as vice-president, to delegate duty and authority to Senior Commissioner Mills. The conciliation commissioners have taken up occupation of premises at Railway Square, away from the poor accommodation they endured previously. The apprenticeship commissioner is also accommodated at Railway Square. Because the Industrial Commission sits in Phillip Street, it is not always possible for the Vice-President of the Industrial Commission to be at Railway Square. Commissioner Mills is Senior Commissioner and has the longest service. He is also, in my view, the most experienced commissioner, not just because of his years of service. It could be said that he is the most capable. And there can be no question that he could carry out the role. If Commissioner Mills is absent for any period, it is possible for his authority to be transferred down the line of seniority. The next commissioner in line going on years of service is Commissioner Patterson, who is also most experienced. From memory, before being appointed a commissioner he was an advocate for one of the employer organizations.

I recommended his appointment to His Excellency the Governor. It does not follow, necessarily, that because a commissioner has more years of service than another, that particular commissioner has better administrative qualities. Therefore, in my view it is necessary for the Government to recommend to His Excellency the Governor, the appointment of the most experienced and competent commissioners to carry out administrative duties. The person appointed would not receive any more remuneration; it would be just one of those administrative positions. If two commissioners are nominated at the same time, the Governor will have to decide who should have seniority over the other. The Act provides that the Governor should determine that matter. So there is no change in that regard.

Mr Fahey: This legislation goes further than that.

Mr HILLS: The legislation will ensure that if the appointed person is absent for any period his powers, duties, and authorities would be transmitted to someone capable of administering those duties. I assure the House that I have no intention of disturbing Senior Commissioner Mills' position. The legislation

provides that the Minister of the day, whether a Labor Minister or Liberal Minister, is able to recommend to His Excellency the Governor who should be appointed as senior commissioner. In the past the Minister could recommend someone other than a member of the conciliation commission or someone from within those ranks. There is nothing untoward about this legislation. It is simple legislation. On occasions it is necessary to appoint a suitable person from among members of the conciliation commissioners to carry out administrative duties.

Motion agreed to.

Bill read a second time.

In Committee

The CHAIRMAN: Order! With the consent of the Committee I shall propose the bill in parts. There being no objection, I shall proceed accordingly.

Schedule 1

Mr FAHEY (Camden) [8.20]: I move:

That at page 4, all words on lines 1 to 7 be omitted.

Despite the assurances given by the Minister in his reply, it is clear that it is open for commissioners to be appointed to positions of seniority in such order of precedence as the Government of the day or the Minister of the day—or any other outside influence brought to bear on the Minister of the day—decides. This bill provides another example whereby the public may not have the faith they should have in an institution—whether it is regarded as judicial or semi-judicial in the broad sense—such as the commission. In the past courts have been subject to a degree of ridicule and the public has not been satisfied with the types of things that have happened in courts and tribunals.

At the second reading stage the Minister said—even if he does not want to acknowledge this in his response—that it is proposed that the seniority of conciliation commissioners should not be determined automatically by the date of a commissioner's appointment as is presently the case. This provision in the bill will enable those in favour to be looked after, if that be the wish or whim of the Minister of the day. The present Minister or any member of the present Government or ministry or a future Minister from this side of the House should not have that power. There should not be interference in such an appointment by an open ended arrangement, as that proposed section will provide. For those reasons the Opposition moves the amendment.

Mr HILLS (Elizabeth), Minister for Industrial Relations and Minister for Employment [8.23]: The Opposition is seeing something in the bill that does not exist. Previously the Minister for Industrial Relations could recommend to His Excellency the Governor who should be the senior commissioner. That provision will not exist any more. In existing legislation the Minister for Industrial Relations—and the Opposition did not take exception to this when the matter was before the Parliament—recommends to His Excellency the Governor who should be the vice-president of the Industrial Commission. Mr Justice Cahill, became the most senior member of the commission after the president. The Opposition took no exception to that. Mr Justice Cahill, as the vice-president, has the authority to determine the questions we are debating. He has authority to determine administrative arrangements among the commissioners and to allocate to them the various industries that they will deal with.

The Government through this legislation is providing Mr Justice Cahill with the opportunity to delegate authority to the most senior commissioner, who is Commissioner Mills. There is no doubt that Commissioner Mills is the most experienced commissioner and also has administrative ability. He acted as vice-

president when Commissioner Wells was away, although Commissioner Wells had no authority or power to delegate anything to Commissioner Mills. All the Government is doing through this measure is to correct that position. If the matter was just decided by the effluxion of time, it might be that the next man in line to act as vice-president would not have the administrative ability necessary. The Minister of the day will have the power to recommend who should be the most senior person and not the most senior merely because a person had been a commissioner for the longest period. The Minister of the day in making a recommendation to the Governor will be able to say, "In my view that person is the best person to take over the delegated authority that the vice-president will give him to deal with administrative matters among the commissioners". The Opposition is reading something into the bill that does not exist. Therefore the Government opposes the amendment.

Question—That the words stand—put.

The Committee divided.

Ayes, 43

Mr Amery	Mr Gabb	Mr Petersen
Mr Anderson	Mr Harrison	Mr Price
Mr Aquilina	Mr Hills	Mr Quinn
Mr K. G. Booth	Mr Hunter	Dr Refshauge
Mr Brereton	Mr Irwin	Mr Rogan
Mr Carr	Mr Knowles	Mr Sheahan
Mr Christie	Mr Langton	Mr Shedden
Mr R. J. Clough	Mr McGowan	Mr Walker
Mr Cox	Mr McIlwaine	Mr Walsh
Mr Crawford	Mr McManus	Mr Whelan
Mrs Crosio	Mr Mack	Mr Wilde
Mr Davoren	Mr H. F. Moore	
Mr Debus	Mr Moss	*Tellers,*
Mr Doyle	Mr J. H. Murray	Mr Beckroge
Mr Ferguson	Mr Neilly	Mr Wade

Noes, 27

Mr Armstrong	Mr Longley	Mr Small
Mr Beck	Miss Machin	Mr Smiles
Mr J. D. Booth	Dr Metherell	Mr Webster
Mr Causley	Mr T. J. Moore	Mr Wotton
Mr Collins	Mr W. T. J. Murray	Mr Zammit
Mr Fahey	Mr Owen	
Mr Fisher	Mr Park	
Mr Greiner	Mr Peacocke	*Tellers,*
Mr Hay	Mr Pickard	Mr Phillips
Mr Jeffery	Mr Schipp	Mr West

Pairs

Mr Akister	Mr Baird
Mr Cleary	Mr Caterson
Mr Mulock	Mr Dowd
Mr Paciullo	Mr Rozzoli
Mr Unsworth	Mr Singleton

Question so resolved in the affirmative.

Amendment negatived.

Schedule agreed to.

Bill reported without amendment and passed through remaining stages.

CO-OPERATION (FURTHER AMENDMENT) BILL

Second Reading

Debate resumed from 12th May.

Mr SCHIPP (Wagga Wagga) [8.37]: One has to wonder what farce we are involved in here with this on-again-off-again legislation.

[*Interruption*]

Mr SPEAKER: Order! I ask the honourable members to reduce the level of audible conversation.

Mr SCHIPP: It is impossible for honourable members to know where they are in this Chamber. Legislation is being pushed through Parliament at the rate of knots.

Mr Sheahan: You have a choice. You can have the gag or have a debate.

Mr SCHIPP: The Attorney General can please himself if he uses the gag. He cannot get this legislation right. He was the responsible Minister at one stage.

[*Interruption*]

Mr SPEAKER: Order! I call the Attorney General to order and ask the honourable member for Wagga Wagga to address his remarks to the bill before the House.

Mr SCHIPP: This bill has been brought on early because the Attorney General is incapable of arranging the business program of this House. Year after year he has told members of the House how great he is, but he cannot get things right. Legislation which passed through the Parliament in November 1986 is being regurgitated because the Government and the Minister for Finance would not listen when the Opposition claimed that the measures were deficient. Three years ago the Minister for Housing promised that he would introduce retrospective legislation to prevent the Nepean takeover. He misled the co-operative movement into believing that he would do something about the position.

The Opposition waited for more than two and a half years but the Government still got it wrong. The Opposition told the Government it was wrong but now the legislation is being presented in another form. When will the Government get it right? One does not even know if this bill is right. The Opposition has not had time to consider it properly. The second reading speech of the Minister for Finance was almost a repeat of what occurred in November 1986. It is a farce and an absolute disgrace. Legislation is being pushed through at the rate of knots; no Government supporter knows anything about it and the Opposition has not had time to give the measures the detailed consideration they deserve.

The Opposition agrees with the Minister's words that the co-operative movement is a most important element in the economy. It is regarded as the third sector of the Australian economy. The Opposition supports the co-operative objectives and the international principles of co-operation embodied in the legislation passed by Parliament in November 1986. The Opposition has not changed its attitude about that. We join with the Government in endorsing the co-operative movement which has not yet reached its full potential.

Under the buy-Australian-made promotion, co-operatives in this country have a lot going for them. They can sell their product and are well placed to capitalize on that promotion, which encourages Australians to buy co-operative products and utilize the benefits of co-operatives. That is particularly important in the rural sector. The virtues of co-operatives must be made known in the rural sector, for the only way to overcome high cost structures that are crippling the rural sector is to try to share the costs among the sector. The Minister told the House of some of the things he saw in Italy and its co-operative movements. Other countries do have utilization of co-operation much more than this country.

In Israel I saw, not so much the kibbutzim, but the morshavs, the free enterprise-type co-operatives. The morshavs are similar to the types of co-operatives we have. I know the Prime Minister returned to this country and talked about the kibbutzim. But he was on the wrong track. That is not the type of co-operative this country would be likely to take on board. The kibbutzim are more along the line of rural co-operatives and taxi co-operatives and so on in which the person has an equity or share. Italy has such co-operatives in its marketing, transport and production co-operatives. I have seen those co-operatives in operation. They seem to work. Some of the largest organizations in the United States of America are co-operatives. They are $5 billion organizations, very much a part of the American economy. Australia, and in particular New South Wales, can make much more use of that type of co-operative. The legislation is brought forward to close the loophole that allowed dry shareholders to sell out and capitalize on their holdings. Of course it was never intended that a co-operative would be sold off for the capital assets it had accrued, resulting in a loss to members. Last November the Opposition agreed with such an amendment. It has not changed its mind. It is right and proper that the objectives and principle of co-operatives be protected so that members will continue to reap the advantages of their co-operatives.

The bill provides for a unique change in terminology in that it will insert a new definition of chief primary object. Somehow, it was considered that the definition of primary object contained in the 1986 amendments would have provided a field day for lawyers—that it could have led to legal argument about what indeed was a primary object and whether there were a number of primary objects. The bill will define a chief primary object. Apparently that amendment was sought by the co-operative movement to protect its integrity. If that amendment will clarify the legal position and obviate confusion as to the intent of the legislation, then the Opposition will concur with the amendment.

As I said, on the last occasion on which a similar amendment was before the House the Opposition agreed with it because of the number of takeovers that had occurred following a takeover of the Nepean milk co-operative property. Among the takeovers were Hardex and Farmers Grazcos. The lack of information provided to society members rendered takeovers in the permanent building society movement less clear-cut. The Government has had three years to get this right. The Opposition has had the bill for only a short time and has not had the opportunity, therefore, to canvass the proposals among those in the

industry. Therefore the Opposition can only hope that this time the Government has it right. I have had brief conversations with Mr Bruce Freeman from the Co-operative Federation. He assures me that the measure is right this time round. Perhaps it will be second time lucky for the Government. Who knows—other amendments may be required. Apart from the further definition of chief primary object, other measures deal with transfer of shares, and include a provision to ensure that the power of attorney encapsulates the concept of one person having one vote. In the same vein the bill provides for the voting rights of corporate bodies, which will have only one vote or one value. That is embodied in the international principles on co-operation. The other measure in the bill relates to the filling of casual vacancies.

All in all, the Opposition agrees with the measures, in the light of the short time it has had the bill and been able to canvass its provisions. Today the business paper of this House contained nineteen items to be dealt with. Today's sitting time has been extended; normally the House would have risen at 4.15 p.m. That is unfair to honourable members, the public, and the Parliament as the House is required to deal with matters of such importance as the air transport legislation, the Darling Harbour legislation, the second reading of the workers' compensation legislation and a whole host of other measures are pushed through the House. Unless the processes are slowed down, we will run into more and more trouble through passing legislation that is subsequently found to be deficient.

Mr Amery: You spoke too long on the education legislation.

Mr SCHIPP: The honourable member knows that that legislation caused a lot of concern throughout the State. The Government should have deferred that legislation and rethought its attitude. The residential tenancy legislation was in the same vein.

Mr DEPUTY-SPEAKER: Order!

Mr SCHIPP: Nevertheless, the Government will answer for those matters to the public. If the Government has got the Co-Operation (Further Amendment) Bill wrong this time, that will be on its head. I accept the measure at face value. The Minister laughs. He was in charge of the amending legislation last time round. He told us on that occasion it was one of the greatest initiatives of a government to protect the integrity of the co-operative movement.

Mr Debus: It was.

Mr SCHIPP: Perhaps it was, but the Minister chose not to gazette that amendment. He did not implement that legislation. He sat on it for six or seven months. The Minister did not listen at that time. I hope he is listening now.

Mr Debus: Is the honourable member telling me that the Government was wrong then?

Mr SCHIPP: I did not say it was wrong, but experts told the Minister that it was wrong. The Minister told the House that it was right.

Mr Debus: Which experts told me it was wrong?

Mr SCHIPP: The Minister knows he was told it was wrong, and he should not deny that. He had plenty of people telling him it was wrong.

Mr DEPUTY-SPEAKER: Order!

Mr SCHIPP: On face value, I accept the amendment as being right this time. I hope the co-operative movement will be protected by this measure and that it will be more difficult for takeovers to occur. That has caused a wave of concern throughout the co-operative movement. The Opposition hopes the movement goes from strength to strength and ensures benefits to the public at large and to those who want to join co-operatives to take advantage of their benefits. I hope this will mirror what is happening in other countries. It is worth remembering that America is talked about as the epitome of free enterprise and the co-operative sector makes a large contribution to the economy of that country. That emphasizes that the co-operative movement can work effectively in free enterprise societies as well as in societies with different regimes. Co-operatives are not to be considered socialistic bodies. They allow people to choose to join associations to obtain the benefits of what they can do as a collective body of people. The Government should have no involvement in the co-operative sector other than to introduce legislation, such as this, to provide controls and protection. I hope that this time the Minister has got it right.

Mr DEBUS (Blue Mountains), Minister for Finance, Minister for Co-operative Societies and Assistant Minister for Education [8.50], in reply: The speech of the honourable member for Wagga Wagga reflects his ignorance of the provisions of this bill. Therefore there is little point in my repeating what I said in my second reading speech. That speech provided a clear explanation of why the measures in this bill have been introduced. However, it is of more importance for me to absolutely reject the nonsense that somehow I was advised that the bill introduced last year would not work. The honourable member for Wagga Wagga even implied that he had so advised me. My recollection of the debate was that the honourable member was warm in his support of the bill. Like me, he had received advice from the peak bodies within the co-operative movement to the effect that they too thought the bill was effective, appropriate and would work.

The honourable member for Wagga Wagga does not seem able to grasp that events in the outside world change—in the world of commerce, takeovers and assets stripping. Such a change occurred between when the bill was introduced last year and now. I refer to the takeover of the Farmers Grazcos Co-operative. That introduced a whole new range of mechanisms of penetration of a co-operative by groups having interests not the same as those of the majority of the co-operative's members. The introduction of those mechanisms necessitated most of the changes that have been made to the otherwise unproclaimed parts of the legislation introduced last year.

Mr Schipp: The Minister was warned about that.

Mr DEBUS: I was not warned about that, and the honourable member was not warned about that. Some particularly inventive takeover merchants gained control of Grazcos, and that is precisely what I have legislated to prevent in future. I make no apology for that. I defy the Opposition to produce any evidence of advice given to me to the effect that the legislation in the form in which it was last year would not have been efficacious.

Mr Schipp: Will the Minister guarantee that this legislation will be enacted without delay?

Mr DEBUS: Of course I do not guarantee that. Is the honourable member asking me to guarantee for all time that every piece of legislation on this subject will achieve the effects that the Government of the day hoped it would? That is about as silly as expecting that taxation legislation will always work.

Mr Schipp: Will it become law without delay?

Mr DEBUS: It will become law without delay. As soon as the bill receives assent, an elaborate exercise will be undertaken to provide information to the co-operative sector. Pamphlets and explanatory notes will be sent to every co-operative, dealing with questions of primary objects and active membership and other matters of principle that are incorporated in this legislation, including explanations of the steps necessary for co-operatives to undertake to meet the requirements of the new Act. The Department of Co-operative Societies will do everything it can to ensure a smooth transition for those co-operatives that are particularly affected by the Act. Suffice for me to say that notwithstanding the fulminations of the honourable member for Wagga Wagga which, so far as I can gather, are intended to cover up his almost complete ignorance of this legislation, I believe that deep down the Opposition recognizes that this is important legislation that should be supported. I shall be happy to rest in that knowledge. I commend the bill.

Motion agreed to.

Bill read a second time.

In Committee

The TEMPORARY CHAIRMAN (Mr Hunter): Order! With the consent of the Committee I shall propose the bill in parts. There being no objection, I shall proceed accordingly. With the consent of the Committee, where appropriate I shall propose amendments in the form, That the amendment be agreed to. There being no objection, I shall proceed accordingly.

Schedule 1

Mr DEBUS (Blue Mountains), Minister for Finance, Minister for Co-operative Societies and Assistant Minister for Education [8.58]: I move:

That at page 11, after line 17, there be inserted the words:

(c) Section 70 (7) (b) (ii)—

Omit the subparagraph, insert instead:

(ii) a copy of any special resolution required under this section, verified by the registrar, and a copy of any approval of the Minister required under this section, concerning the application;

The amendment will clarify what documentation is to be provided to the National Companies and Securities Commission when a society transfers incorporation to the Companies (New South Wales) Code. The amendment is in accordance with the policy of the bill and is of a consequential nature, only.

Amendment agreed to.

Schedule as amended agreed to.

Adoption of Report

Bill reported with an amendment and report adopted.

REVENUE LAWS (RECIPROCAL POWERS) BILL

STAMP DUTIES (INFORMATION DISCLOSURE) AMENDMENT BILL

LAND TAX MANAGEMENT (INFORMATION DISCLOSURE) AMENDMENT BILL

PAY-ROLL TAX (INFORMATION DISCLOSURE) AMENDMENT BILL

BUSINESS FRANCHISE LICENCES (TOBACCO) (INFORMATION DISCLOSURE) AMENDMENT BILL

BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) (INFORMATION DISCLOSURE) AMENDMENT BILL

HEALTH INSURANCE LEVIES (INFORMATION DISCLOSURE) AMENDMENT BILL

Second Reading

Debate resumed from 12th May.

Mr LONGLEY (Pittwater) [9.0]: I inform the House that I lead for the Opposition on the Revenue Laws (Reciprocal Powers) Bill and cognate bills. The Opposition supports the aims of this legislation. It is aware of the pressing need to clamp down on those who would abuse our taxation system and thereby create increased financial burdens for those in our community who are less able to afford them. We welcome this legislation as the beginning of increased interstate co-operation. This, we believe, can only benefit New South Wales and Australia, and it will be fostered when we are in Government. The legislation provides for important and fundamental changes to the nature of the concept of confidentiality, which business in New South Wales will have to come to terms with. Previously, businesses could operate on the understanding that any information surrendered by them for taxation purposes would have limited distribution.

The legislation provides that much wider access to information will be given to the National Companies and Securities Commission, the National Crime Authority, the Commissioner of the Australian Federal Police, and the Official Receiver in Bankruptcy. The Opposition is not opposed to this new provision. We believe that enforcing adherence to taxation laws must have priority over concern for the diminution of confidentiality in this case. However, serious changes are being made to the nature of confidentiality and to the spread of information that is confidential to a particular business. The provisions must be policed with the utmost care.

I should like to draw attention to concerns that were referred to in the Victorian Parliament about this same issue when that State's Taxation (Reciprocal Powers) Bill was debated on 8th April. The Opposition shares the concerns of the honourable member for Brighton of the Victorian Parliament who questioned the need for the National Companies and Securities Commission to have access to company information. He raised the valid point that the NCSC was not an enforcement agency in the same sense as the other revenue offices that have access to information under this legislation. I remind the House that to weaken the principles of confidentiality is both serious and dangerous. For these reasons this weakening process should be limited and based on absolute necessity only. When the Opposition occupies the Treasury benches it intends to ensure that powers created by this legislation are used strictly in accordance with the spirit and purpose outlined by the Treasurer. We will watch closely the operation of the provisions outlined in part 3 to

ensure that they are not abused. The legislation provides full access to information by the NCSC. Paragraph (b) of clause 12 (1) in part 3 of the main bill reads:

> The New South Wales revenue officer prescribed in respect of a New South Wales revenue law, and any person authorized by that officer, may communicate information disclosed or obtained under this Act or that law in relation to a matter arising under that law to any of the following:
>
> (b) The National Companies and Securities Commission, or a person to whom functions or powers of that Commission are delegated under section 45 of the National Companies and Securities Commission Act 1979 of the Commonwealth.

This is a new and untested extension of the powers governing the provision of information and should be treated with great caution. In his second reading speech, the Minister established a strict set of guidelines determining the conditions under which information may be passed on. He said:

> Information may only be released if the chief commissioner determines that it is necessary for the enforcement of a law which creates an offence or imposes a penalty, or for the protection of public revenue.

These references place a heavy onus of responsibility on the Government to ensure that this reservoir of information is restricted to the original purpose for which the information was provided. It should not be spread throughout government departments and become freely accessible so that a big brother situation develops. The use of these powers must be on the most strict and limited basis. A high onus of responsibility should be placed on those charged with the authority to release information. The Opposition is satisfied with the Minister's interpretation of the conditions under which information should be passed on. Provided the conditions are maintained and the legislation is not used for a fishing expedition or with ulterior motive, there should be no problems. For instance, the legislation should not permit a State government department to obtain and use information for a purpose other than that which was originally notified.

The legislation vests enormous power and responsibility in the chief commissioner. The commissioner will have to be extremely cautious and have a high degree of certainty with regard to his judgments as to proceedings under this legislation. Again the Opposition is satisfied, at this stage, bearing in mind this is experimental legislation, that this is the best way to proceed. The penalty for the misuse of information is set at $10,000 and should, one hopes, act as a satisfactory deterrent. However, federal legislation and other portions of this legislation provide for different penalties. I ask whether the $10,000 is sufficient when the potential, sensitive nature of information is taken into account. The confidentiality of information may be abused by the collectors of information, or whomever may have access to it along the collection route. It may be worth the while of those who have access to this information to be paid a bribe to make information available. It is not inconceivable that such a situation would arise. Why is there a difference in penalties between the federal legislation and the penalty provisions in this legislation? The passing on of information is critical in a society where information is being recognized increasingly as a source of economic value and power. This aspect should be addressed.

The Opposition also supports the Government's efforts to curtail tax abuse by the extension of powers under this legislation. Equally we feel it is important to put on record both our reservations about the extent of information disclosure and our commitment to ensuring that the new provisions are not abused. A further concern of the Opposition is that Victoria is, to date, the only other State to enact similar legislation. The success of these measures

depends on each State co-operating and implementing the provisions necessary to make the new system work. If only some of the States enact this type of legislation, those States who have done so will leave themselves open to abuse by those who have not. Though the Opposition is fully prepared to accept the Minister's indication offered in his second reading speech that the other States and the Northern Territory are expected to follow suit by the end of the year, the Opposition would ask the Minister to carefully monitor the progress of the legislation in the other States.

The level of the efficiency of the exchange of information that is hoped for by the Opposition and the Government will not be possible unless all States follow as soon as possible the recommendations of the working party that created this legislation. The Leader of the National Party in the Victorian Parliament went so far as to call upon the Treasurer of Victoria to delay the proclaiming of the bill until other States had followed suit. The Victorian Treasurer agreed to certain limitations and I quote his response.

> It is intended that such declarations will be made only in respect of States and Territories that pass appropriate legislation enabling Victorian officers to conduct investigations in their jurisdictions.

The New South Wales Opposition shares those concerns and I ask the Treasurer to report on the progress of the other States as soon as is practicable. This legislation will undoubtedly cause some initial concern among the business community. It may particularly cause unnecessary concern among those who conduct their business with the utmost honesty, which is clearly the vast majority of New South Wales businesses. They may find the new powers contained in the legislation disturbing. The investigation powers contained in part 2 include section 6:

> (a) the power at all reasonable times to have full and free access to premises for the purpose of ascertaining whether or not a recognised revenue law is being or has been contravened or is not being or has not been complied with;
>
> (b) the power to inspect all records kept on those premises and the power to require any person whom the authorised revenue officer concerned reasonably believes to have custody or control of those records to produce them for inspection.

They are obviously wide-ranging powers. Clearly they will cause serious concerns in the business community—and rightly so, having regard to the poor record of governments in dealing sensitively with information and the powers of investigation. The concerns of the business community already suffering from overtaxation and overregulation are of grave concern to the Opposition. We know that they already consider that this Government is anti-business, and it is indeed reasonable that they should do so. However, on this occasion, it should be made perfectly clear to the many honest companies and businesses who make up by far the bulk of the business community that this legislation will only help them. It will help them because it will, one hopes, go some way towards catching the dishonest businesses and companies who are abusing the taxation system and thereby adding to the already considerable burden of the honest ones.

The Opposition hopes that the Government will communicate the nature and purpose of this legislation clearly to the business community in New South Wales, because business deserves and needs every possible support from the Government at this time. Where possible, the Government should ensure that every possible courtesy is extended to those businesses or companies which come under investigation. Overzealous use of these extensive powers by taxation officers must be avoided at all times. Entry of premises, especially residential premises, but also business premises, and confiscation and removal of documents are instances where the potential for abuse of the new powers is

particularly strong. The successful operations of these laws can be improved only by co-operation with the business community, and it should be made clear from the outset, that this is the primary aim.

In my electorate not too long ago one of my constituents who runs a small business had his records investigated. According to my constituent's report, officers came in to his shop during the peak period of business and without so much as a "by your leave" barged up to the counter, walked straight behind it, and rudely interrupted his flow of business. They embarrassed this sound, honest businessman, whom I have known for many years, in front of many of his well-regarded and long-standing customers, to search records in a most brusque fashion. These actions rubbed that businessman up the wrong way. That sort of conduct should be avoided. It is time that bureaucrats and officers with investigative powers realized that they are the servants of the public and not their masters. They are there not to brusquely ride over the sensible considerations of an ordinary businessman. They are there to assist—and certainly to find things out—but not to be some arm of uncaring and disregarding government. It is these sorts of dangers that are of so much concern in this type of legislation.

Of course, reasonable grounds for investigation need to exist before any of these activities are proceeded with. Even though while still at the stage of investigation—not prosecution—co-operation and courtesy should be of paramount importance, especially as in some instances there could be at least potential—and I could imagine on many occasions actual complaint—for frivolous complaints precisely to embarrass a businessman. If a businessman is in the process of selling his business and a buyer is present, and the buyer wants to rattle the person selling the business or lower the value of the business to get a better deal or bargain, what better way than for him to phone the Department of Finance and say to the Officer "I have this inside information that this fellow is selling more cigarettes than he has declared"? If the officers make an investigation and behave in a brusque and offensive manner such as I have described, that could well lead to the success of these very underhanded tactics, using governmental powers such as are contained in legislation of this nature.

These matters must be taken seriously. The dangers inherent in this sort of thing are so potentially great that it is only really because we have basically a Westminster system of government of responsibility and democracy that a government with these potential draconian powers would be tolerated.

During the debate in the Victorian Parliament, it was suggested that the business community would oppose measures such as are contained in this legislation on the grounds that there is not the level of tax evasion as has been suggested. I would simply repeat to the Government, that it should be careful about how it introduces these new laws to the business community, and ensure that they are implemented in a fair manner. It may be helpful if the Treasurer could provide some detailed figures showing the extent of the tax evasion and abuse that he seeks to curtail by this legislation—some quantitative measure, although I realize the difficulty in obtaining these statistics. The Government should be careful not to take the community, and particularly the business community, for granted. It tried it with its stamp duties legislation last session, and got its fingers burnt badly. It would be a good idea if the Government became somewhat more conscious of the need to explain and justify its legislation.

There are a number of other provisions in the legislation, but because of the short time that the Opposition has had to examine the bills, I have not had the opportunity to investigate them as thoroughly as is needed. I

particularly draw attention to three parts of the legislation. Proposed section 6 (1) (f) deals substantially with the powers of the Government and the requirement to answer any question. I refer in particular to clause 6 (1) (f) (iv), which deals with the power to require a person to answer any question relating to financial transactions relating to a person who is or has been carrying on a business of a kind referred to in subparagraph (iii). Subparagraph (iii) reads:

> (iii) the carrying on by any person of a business involving distributing, transporting, selling or purchasing relevant goods.

So, paragraph (f) will require a person to answer any question. That is an extraordinarily wide provision. Subclause (4) of clause 6 provides:

> Except as provided by subsection (6), a person is not excused from answering a question under subsection (1) (f) on the ground that the answer might tend to incriminate the person or to make the person liable to a penalty.

If the Opposition had been given more time to consider this legislation, I may have been tempted to suggest an amendment to that clause. However, being unable to assess the ramifications in the time available. I can only record the Opposition's extreme concern about the provision. If that provision existed in the United States of America, it would be in violation of that country's Constitution. The Opposition views the proposed section with the utmost concern. In other words, a person may be asked a direct self-incriminating question and be obliged to answer it. A provision like that is of such concern that I hope it is never invoked. If it is invoked, I trust it will be only under the most stringent circumstances warranting such extraordinary powers being granted. Clause 18 of the main bill is also of concern to the Opposition. The clause provides:

> To the extent to which a member of the Police Force is not so authorised by any other law, such a member is, by this section, authorised to provide an authorised revenue officer with such assistance as that officer may in a particular case require for or in connection with the exercise by that officer of any of the powers conferred by this Act.

Circumstances could exist where a police officer, assisting an authorized revenue officer, would be enabled to do whatever was requested by the revenue officer. If the police officer's actions were illegal in law, clause 18 would exempt him from the provisions of other legislation. The proposed section creates the potential for most dramatic and draconian exercise of power, without the requisite level of responsibility being applied. The concerns I have mentioned are the ones that have occurred to the Opposition in the short time available to study the legislation. The Opposition will support the legislation without amendment because of the lack of time available to study it, as the measures seem to provide a purposeful and reasonable approach to the problem of tax evasion. The Opposition recognizes the need for all the States and the Territories to be united on this issue for it to work successfully. The Opposition does not intend to disrupt this process. We hope that the Minister was not premature in his assurance that the other States would follow suit.

As with any legislation that introduces new powers, expands bureaucracy, and has the potential for abuse, the Opposition has serious reservations, and considers that the business community would have a similar attitude. At this stage the safeguards and conditions under which the powers of investigation are to be used, and the information passed on, would seem adequate, with the exceptions I have outlined. The Opposition realizes that at present compelling evidence of abuse would be required to commence the investigative process. I raise the question whether this will always be the case. Stringent scrutiny and monitoring is required, and we call upon the Government to provide this, especially with regard to the passing on of information and the

securing of that information for ordinary businesses. The legislation can only help honest businesses and companies, allowing for the provisos I have made. This is a major priority of the New South Wales Opposition—to assist honest businesses and companies to provide the productive base for the future of this State and the nation. For this reason, the Opposition supports the bills.

Mr DEBUS (Blue Mountains), Minister for Finance, Minister for Co-operative Societies and Assistant Minister for Education [9.25], in reply: The honourable member for Pittwater raised some matters apparently based on debates in the Victorian Parliament when similar legislation was passed in that State earlier this year, about the appropriateness of including the National Companies and Securities Commission as one of the organizations with which information might be exchanged. The NCSC is a regulatory body. The main bill provides that information may be used only for a purpose of the legislation for which the NCSC and the corporate affairs commissioners of the various States or Territories are responsible.

The proposed penalty for the improper disclosure of information is $10,000. There is a perfectly appropriate limitation on the sort of information that may be supplied to what is an organization intimately concerned with the regulation of companies in this country. A penalty of $10,000 for improper disclosure of information is consistent with the Victorian legislation, and it is expected that the other States will follow suit. The provision of that penalty must be seen in this perspective: the legislation provides a gaol penalty for making false and misleading statements. That offence involves an intent to defraud, which is a criminal intention. The unauthorized disclosure of information, which will attract a penalty of $10,000, is not considered such a serious offence. It is not fraud. A more serious action would obviously attract a range of penalties. The Government considers that a penalty of $10,000 for the improper disclosure of information is appropriate.

Several matters raised by the honourable member for Pittwater deserve an answer. The honourable member spoke of the requirement under paragraph (f) of subclause (d) of clause 6 that a person is bound to answer a question, though the answer might tend to incriminate him. Similar provisions exist within the Commonwealth Income Tax Act and in all the State revenue Acts. This clause applies to the question of taxation assessment, not to criminal prosecution. Answers given under these provisions cannot be used in criminal prosecutions except where the answers given are false or misleading or where a person refuses to answer. In other words, there is a well-established pattern of drafting taxation legislation to include this sort of provision. It is not of the draconian nature that might have been suggested by the comments made by the honourable member for Pittwater. There is no question of the provision being against the spirit of the Westminster system.

Reference was made by the honourable member for Pittwater to the parts of the bill dealing with the power of the relevant principal New South Wales revenue officer to obtain information and evidence, and in particular to clause 9 (8) which relates to a revenue officer conferring power on another officer. Those provisions of the bill do not override the ordinary legal restraints on police officers. Therfore the ordinary powers of police are not being changed. Though certain powers are given to police, the legal restraints now existing will not be altered by the amendment of the Act. Nevertheless, I thought it reasonable to answer the queries raised by the honourable member for Pittwater in that respect. In particular, I assure him that what appear to be his worst fears for the tender feelings of companies throughout New South Wales will probably not be fulfilled.

I take the admonitions of the honourable member for Pittwater on the treatment of companies by taxation authorities with a large grain of salt. The Department of Finance has done more under its new management in recent years to improve relationships between State revenue authorities and the private sector than probably has been done in the previous fifty years of the existence of the revenure authorities of the State Government of New South Wales. The Department of Finance involves itself in a whole series of consultations with peak bodies representing the professions of the finance sector, banks, lawyers and accountants. The department issues numerous practice notes the purpose of which is to explain taxation revenue laws and changes to them, as well as their interpretation, to the professions. The department has extremely good relationships with the finance sector in New South Wales. One series of misunderstandings involving the drafting of one bill, which may well have served the purpose of the honourable member for Pittwater to regard as something akin to the fall of business civilization, does not do anything to establish the proposition that there is a hostile relationship between the State Government revenue authorities and the business sector. The opposite is the case and those relationships are improving.

Notwithstanding the lashings of rhetoric which the honourable member for Pittwater is inclined to pour on these matters, my meetings and consultations with representatives of the finance sector give me no indication whatsoever that they fear that a viciously anti-business Labor Government is about to pull down the edifices that that sector has so effectively built up, with, in fact, the encouragement of the Government of New South Wales. That is why New South Wales is the financial capital of Australia. I can assure the honourable member for Pittwater that the provisions of the bills will be explained to the business sector through the use of practice notes, information, trade journals and any other means appropriate, in the same way as all revenue laws are being explained to the business sector. I commend to the House this extremely important legislation, which the honourable member for Pittwater has acknowledged as historic and important legislation in the fight against tax evasion.

Motion agreed to.

Bills read a second time and passed through remaining stages.

NURSES REGISTRATION (AMENDMENT) BILL

Second Reading

Debate resumed from 13th May.

Mr COLLINS (Willoughby), Deputy Leader of the Opposition [9.36]: The Opposition supports the Nurses Registration (Amendment) Bill. It is pleased that this measure is before the House. There is no doubt that nursing is the life blood of the public and private health systems. Nowhere is that more sorely felt at the moment in New South Wales than in our public hospital system which, on various estimates, needs between 2 000 and 3 000 nurses to fill its depleted ranks and ensure a restoration to a full and efficient public hospital system. These measures recognize the extremely important contribution made by nurses to our public health system and to the community in general.

Though it is true that the nursing profession has changed significantly, especially in recent decades, the public perception of the nursing profession has not changed. That perception is one of admiration and gratitude to the nursing

profession for the magnificent effort it has made over many decades in the public and private hospitals of this State, often unrewarded and often not recognized. The bill will go a fair way towards recognizing—in terms equivalent to those in the medical practitioners legislation dealt with by the House yesterday—the role of nurses in our society.

Briefly, the bill proposes to establish a Nurses Registration Board of eighteen members, the same number as constitutes the Medical Board to be established by the Medical Practitioners (Amendment) Bills which passed through this House last night. It is worth noting that the board will have on it seven registered nurses elected in the prescribed manner by registered nurses eligible to vote, one member representing enrolled nurses, one being a nurse nominated by the New South Wales Nurses Association, one a registered nurse nominated by the Health and Research Employees Association, and one a registered nurse nominated by the New South Wales College of Nursing. I have contacted the College of Nursing and the Nurses Association, which give their full support to this legislation. They welcome their representation on the board. The Opposition commends that provision.

Other provisions of the bill worthy of note relate to the covering of enrolled nurses. The legislation provides that the term "nursing aides" be replaced by the term "enrolled nurses", and that change is not before time. Until now the 13 000 or so enrolled nurses have not had representation on the Nurses Registration Board and have been unable to vote in elections to membership to the board. There does not appear to be strong opposition to this provision from registered nurses in the profession, despite the fact that the College of Nursing believes there should be only one category of nurse. It is surprising therefore that there has not been pressure for a change of this nature before. The ratio of one elected enrolled nurse to seven registered nurses is an approximate reflection of their numbers in the profession. This is reasonably sensitive legislation, responding as it does to the structure of the work force.

The bill provides for the enrolment, rather than the registration, of mothercraft nurses. Those nurses work in a rather narrow nursing specialization. General trained nurses who do mothercraft as a post-basic certificate will not be affected by the bill. Those who do mothercraft nursing as a sole certificate, currently qualifying to be registered mother craft nurses, do so only after a fifteen month course. The bill will change that to provide that they be enrolled mothercraft nurses by analogy with the existing nurses aide courses of twelve months duration. Mothercraft nursing organizations such as the Kartane Mothercraft Society do not appear to object to that provision in any way. I am not in a position to argue that that provision should not be part of the bill.

The legislation is worthy of comment in one other respect, that is, the election of seven registered nurses as part of the eighteen-person Nurses Registration Board. The House should consider the politicization in recent years of the nursing profession. I am concerned that item (5) of schedule 1 to the bill, particularly paragraph 2 (a), might result in further politicization of the profession. That politicization has attendant dangers. Unionization of the nursing profession can provide benefits for the profession and achieve goals. The Opposition does not oppose the idea that nurses belong to a trade union or association in order to pursue their industrial goals. We do not oppose unions *per se*. However, we do oppose a total line up of union representation from only one political party or another. Any faction that takes over the nursing profession in this State in an attempt to make it a solely owned subsidiary of any one political party will do that profession no good at all. So in considering item (5) of schedule 1 it is important that all members of this House, especially those

who have constituents working as nurses or who might return to the profession, be cognizant of that increasing politicization. That politicization is nowhere more evident than in the candidature for the elections due to be held for New South Wales Nurses Association.

A brochure that recently came into my possession suggested support for the Pat Staunton team for the New South Wales Nursing Association elections to be held in May–June 1987. I note that the said Pat Staunton is vice-president of the Labor Council of New South Wales. She is also a delegate to the Australian Council of Trade Unions Congress. Now she is running for the position of General Secretary of the Nurses Association. Her two running mates for Assistant General Secretary are Stephan Kokowsky, another delegate to the ACTU congress, and the other candidate is also a delegate to the ACTU congress. In other words, the Pat Staunton team is a wholly owned subsidiary of the Australian Labor Party.

Mr Irwin: What is the relationship between the Labor Council of New South Wales, the ACTU, and the Labor Party?

Mr COLLINS: The people of Australia have had that relationship rammed down their throats for the past three, four or five years. Every nurse eligible to vote for the New South Wales Nurses Association election should look carefully at the candidates for whom they vote. They should not vote for some puppet team, some labor front, that will simply kow tow to the New South Wales Labor Government and the Hawke federal Labor Government. If one wants a Nurses Association that is a mere puppet and tool of Labor, State and federal, one should vote for the Pat Staunton team. It is simply a Labor front. I ask all nurses in New South Wales to consider the need for a strong, independent team of nurses to be elected to the New South Wales Nurses Association, and thus provide a pool of talent that can fill some of these positions referred to in item (5) of schedule 1. That will ensure that the seven elected nurses to be appointed to the eighteen-person registration board will be of the highest integrity, impartiality and competence. That is extremely important. Those candidates should be practising nursing and have as much hands on experience as possible. If registered nurses appointed to the board are merely spokespeople for a particular political party, that will do their colleagues in the profession a great disservice. Nursing is an important profession, one which the Opposition, as indeed would the Government, admires tremendously. We want to see the best possible nursing profession in this State. We want the nursing profession in this State to be restructured. This legislation can assist to some extent in restoring the morale of the nursing profession, to rebuild it and achieve recognition for it. For those reasons the Opposition supports the legislation.

Mr ANDERSON (Penrith), Minister for Health and Minister for the Drug Offensive [9.48], in reply: Perhaps it might be more appropriate to deal first with the matters most recently raised by the Deputy Leader of the Opposition. I do not know why he singled out one of three apparent factions involved in the forthcoming elections for the Nurses Association, and detailed their political affiliation. I should have thought it would have been more equitable to have mentioned the three factions and outlined which of them are also members of the Labor Party.

Mr Collins: The Minister might fill us in now.

Mr ANDERSON: I shall fill in a few facts. It is unfortunate that the job just done on Ms Staunton was not, to be equitable, done on each of the factions. My understanding of the democratic processes of the Nurses Association, the

Labor movement and in Australian society is that it is not a crime to be a member of a political party. Nor is it a crime to be a member of the political party that sprang from the Labor movement for the protection of workers and the improvement of their working conditions. I should have thought it would be a considerable tribute to anyone to have been elected vice-president of the Labor Council of New South Wales and be a delegate to the ACTU. But for the involvement of the ACTU in the achievement by the Hawke Labor Government of the accord, one can well imagine what would have been the plight of the economic position of Australia. I do not defend Pat Staunton, or any of her team. Nor do I take sides in the ballot. It is appropriate that the members of the Nurses Association who are entitled to vote should make their own decisions as to who will represent them. However, I cannot and will not allow assertions to be made that I know are untrue. The particular assertion by the Deputy Leader of the Opposition is that Pat Staunton kow tows to the Labor Government.

In the nine months that I have been Minister for Health I have attended three or four meetings at which Pat Staunton has represented the nurses of this State. I suggest that the fieriest of all meetings I have attended were those at which Miss Staunton played a leading role. I do not endorse Pat Staunton; but I offer these remarks in fairness to a human being who does not deserve the criticisms that have been levelled at her. To suggest that she is a puppet of this Labor Government is completely untrue. If one were to attempt to nominate the person least likely to fit that description, one would nominate Pat Staunton. I have no desire to become involved in campaigning for any candidates, however, the Deputy Leader of the Opposition raised this matter. I thought it appropriate that I make those statements.

As Minister for Health, a member of this House and as a human being, I have, for a variety of reasons developed an enormous admiration for the nursing profession. I have witnessed at first hand, over extensive periods, and at critical periods of my life, the skill and absolute commitment that nurses exhibit. I am aware that some frown upon the use of the word dedication with regard to nurses, but I have witnessed their absolute dedication and it has endeared that profession to me. I am not aware of any other profession, including the profession of which I was a proud member for ten and a half years—the police force—that I hold in any higher regard than the nursing profession.

Mr Collins: The Minister's wife would not permit him to say anything less.

Mr ANDERSON: That is so. I have not mentioned the multiqualified nurses and the difficulties that they endure, nor the fact that nurses are seen only as servants to do what others bid. Nurses are health professionals who are the cornerstone of the health care system of this State and nation. They are entitled to be treated by each and every person as equals and as health professionals. They demand and will accept nothing less. Some may have different views about the changes that have taken place in the nursing profession, particularly with regard to nurse education and other traditional aspects that no longer apply. But, is it not reasonable that as everything else changes, and as everyone else seeks to upgrade their training and skills, that nurses—more than any other group—are entitled to be treated as professionals?

The Government acknowledged there were inequities in the pay scales of nurses in comparison with salaries of other professions. A decision was made ultimately to increase their salaries substantially and to provide better working

conditions, in recognition of their clinical expertise and other qualities. That decision set the benchmark for the other States to follow. I acknowledge that the Opposition supports the bill. It is appropriate to refer to the proposed election of seven registered nurses to represent their colleagues on the board. I refer also to the long overdue recognition of the rights of the 13 500 enrolled nurses, as they are now known, who will now have representation on the board.

Comparisons have been drawn with the Medical Practitioners Act. It is no accident that the Medical Practitioners Act and this bill resemble each other closely in many ways. However, a major difference is that the eight doctors who will represent the learned colleges on the Medical Board will not be elected. The reason for this difference is that there are not eight learned colleges for nurses. The College of Nursing will be represented. The nursing profession is not divided into as many disciplines as the medical profession. It is important to acknowledge that the provision for the election of registered nurses dates back to the early 1960's. Other modifications have been made but this type of approach is being adopted for the election of registered nurses.

I am delighted that the Deputy Leader of the Opposition was unable to find anyone who disliked this legislation from among the many interested people he consulted. I am pleased also that the consultation that has been entered into has resulted in this approach. All too often the work that is done by officers of my department is overlooked. Without naming all the officers individually I take this opportunity to thank them for the work that they have undertaken in drafting this and associated legislation. I and the senior officers of my department were thankful of their efforts. When the profession becomes aware of the proposed changes, I am sure its members will in some small way acknowledge the fine efforts of those officers.

Mr Collins: I thank them also for the briefing.

Mr ANDERSON: The Deputy Leader of the Opposition acknowledges the worth of the briefing that was provided to him. I am sure he would extend his appreciation to others in my department who were involved in the briefing that took place with himself and the honourable member for Gloucester. I hope the same approach is adopted with other matters that will be discussed during the next ten days. Ultimately, the legislation will benefit the people of New South Wales. We are all as aware as we can be of the provisions and what it is intended they should achieve.

In his contribution to the debate the Deputy Leader of the Opposition said that the system required a further 2 000 to 3 000 nurses. It is appropriate that I indicate the error in that assertion. Honourable members are aware that on 26th April I launched a nurse recruitment campaign with the object of recruiting back to the system the full-time equivalent of 1 000 nurses. That is the Government's assessment of what is required now to permit the system to operate to the limit of its capacity. It has been asserted by others that 4 000 nurses are required. Those assertions deny the reality of what is about to happen. At the end of this year 1 300 nurses will graduate from colleges of advanced education. In December 1988, 1 800 nurses will graduate. That makes a total of 3 100 nurses. If the Government sought to recruit 3 000 nurses at this time, with a potential input of 3 100 nurses over that relatively short period, the opposite situation may arise, whereby instead of the system not having the required number of nurses, it will have too many. It would be irresponsible of the Government to undertake such an exercise.

The Government's initiatives cost a considerable amount of money this year. I am not talking about money for the campaign itself but for the improvements to conditions and increases in salaries that have been aimed at attracting nurses back to the profession. If the Government is successful in recruiting 1 000 extra full-time nurses, the public will be pleased with the resultant benefits to the health care system. The reality is that there is not a problem of shortage of funds in the health care system or a shortage of beds, but a lack of nurses. The Government has sought to redress that problem. I have said that nurses will be graduating from the colleges of advanced education in the short term. Some of the additional 1 000 full-time nurses will be recruited from overseas. That recruitment campaign has been successful, and continues to be successful. The Government's initiatives will ensure that the number of nurses employed in the health care service will be adequate for the health care services of the State.

More nurses are employed in the New South Wales health care system today than there have been for several years—I think since about 1983 or 1984. The nursing profession will acknowledge that the Parliament—and I use that word in its broadest sense—and the Government appreciate the profession and owe it a debt of gratitude. They will acknowledge that the Government recognizes their professional status. As a consequence of this legislation, the newly constituted Nurses Registration Board of eighteen members will include thirteen nurses. The nursing profession will be involved to a great extent in controlling its own destiny rather than being controlled by other people, no matter how motivated and what qualifications those other people may have.

The underlying strength of this amendment bill and the Government's initiatives is that the Government is placing nurses on an equal footing with other health professionals—where they really have always been—in terms of the work they perform and the skill, dedication, and care they exhibit. For the first time legislation clearly gives that statutory recognition to the role of nurses. I thank the Deputy Leader of the Opposition for his support and contribution. I am not sure that everyone mentioned in his speech will have welcomed his contribution. I appreciate the way this legislation has been approached and am delighted that it will pass through this Chamber with what appears to be unanimous support.

Motion agreed to.

Bill read a second time and passed through remaining stages.

FAIR TRADING BILL

AUCTIONEERS AND AGENTS (FINANCE) AMENDMENT BILL

Second Reading

Debate resumed from 13th May.

Mr JEFFERY (Oxley) [10.4]: The Opposition supports the spirit of the provisions of the Fair Trading Bill, but it vehemently opposes the cognate bill, the Auctioneers and Agents (Finance) Amendment Bill. Members of the Opposition will oppose that cognate bill with every fibre of their body. The Opposition totally rejects the objects of the cognate bill because it makes provisions for contributions from the Statutory Interest Account to be used towards the cost of administering the proposed Fair Trading Act. The State Government is about robbing people.

[*Extension of sitting agreed to.*]

Over the years the Council of Auctioneers and Agents has accumulated in this fund, $55 million from licence fees paid by its members. That council has excellent investment skills and has built up the fund to its present level. The State Government and the Commissioner of Consumer Affairs want to get their sticky fingers into the till and rob the so-called hollow log. We all know that the Government is broke and cannot fund its own consumer protection measures. In the Budget Papers for this financial year it is revealed that the taxpayers of this State will pay out almost $6 million—$5,884,000—for the cost of consumer protection in this State. Of the $55 million in the fund that the Government wants to get its hands on, the only amount it will not be able to touch is the 25 per cent of the bond money. As I see it, all other funds will be confiscated. Last year $102,000 was removed from this fund to go towards the costs of administrating the Residential Tenancies Tribunal Act 1986, and for other purposes. Once again there has been an eroding of moneys in the fund.

It is obvious that the Government and particularly the Attorney General—and the other few members of the Labour Party who represent country areas—are frightened of the political pull of the Real Estate Institute and the strength of the Stock and Station Agents Association. Now the socialists want to get their hands on these funds and gain control of the purse strings. The Stock and Station Agents Association and the Real Estate Institute are defenceless to avoid the consequences of this cognate bill. They are in a catch-22 situation. They have not been able to have a say or voice their objections to the bill.

I return now to the Fair Trading Bill. The object of the bill is to repeal the Consumer Protection Act 1969 and other Acts. It was a government of our political persuasion, a conservative government, that introduced consumer protection legislation for the citizens of New South Wales. The Opposition are the ones who care about the consumers of New South Wales. The bill will repeal the Consumer Protection Act 1969, the Pyramid Sales Act 1974, the Unsolicited Goods and Services Act 1974 and the Referral Selling Act 1974. All those Acts were introduced by a conservative government. I note the review of the interests of consumers, the laws dealing with false and misleading advertising, and especially provision for minimum standards of safety for consumer goods.

I admit that over the years successive governments have enacted a significant number of measures for the protection of consumers. We are all consumers. Every member of this House is a consumer. I suppose at some stage in our lives we all have had reason to lodge a complaint about a firm. I hope that this legislation will not allow consumer protection to go overboard. One of the greatest offenders of consumer matters in this State is this Government. I am pleased that the Minister for Planning and Environment is in the House. The first matter I raised in this House when elected was to ask a question about heptachlor and the problems it created because of its residual effect on the land. Mr Jim Chambers of Kempsey followed the directions on the label on how to use heptachlor. However, his property was put under quarantine, and has been under quarantine for some years. That farmer cannot use the best part of his land. Heptachlor has a lasting effect on the soil and it could take years before it is eliminated. The farmer did everything correct; he followed all the directions on the labels in regard to the use of the chemical. He did everything the Government told him to do. Then the Government, through the Minister for Agriculture, blamed farmers for misusing the chemical. It was not the farmer's misuse of the product that led to this disaster, but the misleading directions that the Government had agreed could appear on the product.

On 12th March, 1969, the then Minister for Labour and Industry, Chief Secretary and Minister for Tourism, the Hon. E. A. Willis, introduced consumer protection in this State. I support the concept that uniform fair trading laws should apply throughout Australia. I note that complementary legislation will be introduced in other States to make it easier for citizens to comply with consumer laws. It is hoped that will reduce duplication, waste and costs, though that is yet to be proven. This Government is a high taxing government. If it can reduce costs in this area, it will be its first success. Consumer protection is a two-way street. The trader and the small businessman must be given protection from overzealous complaints by unreasonable consumers.

No doubt every honourable member has received consumer complaints over the years, many of them quite unreasonable. These complaints absorb a lot of time of the Department of Consumer Affairs. In 1983–84, the department examined an estimated 317 620 public contacts. In 1985–86 that figure had increased by more than 100 per cent to 696 792. Consumer complaints is a growth industry as the community has become educated about its rights as consumers. The cost of trivial complaints should not be borne by taxpayers. At present $6 million a year is being spent in this area. The Government now wants to get its hands on more of the taxpayers' money. Administering consumer protection laws is too expensive and something must be done about it. As a parent I support improved safety standards for many goods, particularly toys, clothing, flammable articles and synthetics. Children's clothing must be correctly labelled. All honourable members know of the serious accidents which have occurred because of a lack of proper labelling on children's synthetic clothing.

There is a need for the public to be educated in the principle of *caveat emptor,* or buyer beware. The community cannot continue to expect to be spoon-fed. People must learn to stand on their own feet and not expect the Government or the taxpayers to pick up the bill. Recently one of my constituents was sold a tractor by a high pressure salesman. The tractor was totally inappropriate for her needs. It cost many thousand dollars more than she would have paid in Queensland. Many people like my constituent need effective consumer protection. Recently on television programs and in the media complaints have been made about swimming pools, home cladding, encyclopaedias, and so on. There is a need for the sorts of provisions contained in the Fair Trading Bill. The Opposition will support the main bill but strongly opposes the cognate bill.

Mr LANGTON (Kogarah) [10.17]: In June 1983 agreement was reached between State and federal Ministers for consumer affairs on the introduction of uniform fair trading laws. As honourable members will be aware, at that time an independent working party suggested that the best way to achieve this aim would be through the Commonwealth Trade Practices Act. The main bill before the House deals with unfair trading practices. It provides for a general prohibition on deceptive and misleading conduct on the part of the business community. The main bill makes provision to prohibit a wide range of unfair trading practices in areas such as advertising, mail order and multilevel selling, and the purveyance of unsolicited goods and services.

The measures will establish, for the first time in this State, a good conduct code for businesses. The benefits of the legislation include a reduction in duplication of functions, and therefore a reduction in the cost to all goverments, whether State or federal. It will also allow for the creation of a common policy on law enforcement to provide for a more streamlined administration in which clearer distinctions will be made between the functions

of State and federal governments. The legislation is the most comprehensive reform of consumer law undertaken in this State in almost twenty years.

The Consumer Protection Act 1969 provided a model for consumer protection in this country. However, as with most legislation, the passage of time has revealed that some matters were overlooked and others have become outdated. One of the objects of the Fair Trading Bill is to repeal the Consumer Protection Act. The provisions of the proposed legislation will be binding on the Crown when it engages in commercial activities. I am sure all consumers will welcome legislation that binds the Crown, in the same way as any business organization, when it is involved in commercial activities.

Notably, the Fair Trading Bill will give the citizens of this State the right to seek legal remedies, whether those remedies are sought against Government bodies or private businesses. The bill does not necessarily favour private consumers. It also covers commercial transactions. The functions of the Commissioner for Consumer Affairs are to be augmented by the bill. In future, the commissioner will have the ability to promote business education and liaison and issue guidelines to undertake law review and reform. The bill makes provisions also for the commissioner to grant assistance to consumers for test cases by which the wider interests of the public may be served. That assistance will be limited to legal expenses only. The bill will give the commissioner discretion to exercise this provision bearing in mind the financial means of the applicant.

Advisory committees on consumer affairs have been in existence in this State since the enactment of the original legislation in 1969. This bill will abolish those committees, along with the 1969 legislation. In their place will be appointed consultative committees to assist the Commissioner for Consumer Affairs in the examination of particular issues as the need arises. In this way the Government demonstrates its recognition that no one body can adequately assess all issues before it, whether those issues be of a legal, political, economic or social nature.

The bill will introduce a new initiative of particular significance, that is, the recall of unsafe products. Suppliers who voluntarily recall consumer products must notify the Government within two days that they have done so. If voluntary measures fail to work, mandatory recall provisions may be revoked. The bill also defines the procedures for the making of regulations that prescribe the quality, nature or value of consumer goods. Through this measure, industry will be assisted by having complementary Commonwealth and State regulations expressed in the same terminology. Obviously that will be of benefit to business.

A central feature of the Fair Trading Bill is the provision for prohibition on deceptive or misleading conduct, a concept not provided for previously in this State. Because the bill will establish a code of good business conduct rather than target a specific offence, breaches of the code will have civil not criminal consequences in respect of both commercial and civil transactions. The bill makes provision also for censuring what is termed in the bill unconscionable, unfair or unreasonable conduct but which cannot be described as deceptive or misleading. This provision recognizes that the power relations between two parties to a transaction are sometimes unequal, and thus on occasions government intervention is necessary to remedy that imbalance.

The bill also lists a number of specific business practices as offences. This will allow for the repeal of a number of other Acts, including the Consumer Protection Act, the Pyramid Sales Act, the referral Selling Act and the Unsolicited Goods Sales Act. Further, new offences are to be created for

misleading conduct in relation to employment, misleading statements about home based businesses, making statements about prices but omitting the full cash price, offering gifts or prizes without intending to provide them, and harassing or coercing customers. The bill specifies a range of new and amended penalties. Serious offences will be prosecuted in the Supreme Court and will attract maximum penalties of $20 000 for an individual and $100 000 for a corporation. Those are the same as penalties imposed under the Trade Practices Act. They will ensure consistency between the Commonwealth and the State when dealing with these matters. The bill also provides for prescribed minor offences to be dealt with by on the spot fines. These types of fines will be applied only when it is quite indisputable that an offence has been committed.

Over the past decade this Government has devoted a great deal of time to its commitment to protecting both the physical and economic interests of individual consumers, not the least of which were addressed when the Minister for Planning and Environment and Minister for Heritage was Minister for Consumer Affairs. It should be emphasized that the interests of consumers are only one side of the coin. The interests of retailers must be recognized. I believe this Government policy recognizes and codifies the fact that both parties benefit from fair competition in the markets of this State. The bill will provide many benefits for the people of New South Wales. First, it will establish a single common commercial code; second, through the codes of practice mechanism, it will provide for special rules that facilitate fair dealing and avoid parochial matters associated with particular industries. I am sure that all honourable members will acknowledge the benefits that will accrue to consumers and business with the passage of the bill, which I support.

Mr HAY (Manly) [10.26]: As the honourable member for Oxley said, the Opposition supports the Fair Trading Bill but will oppose the Auctioneers and Agents (Finance) Amendment Bill. It seems that the Government has considerable faith in the bills. But, as Mark Twain once said, faith is believing what you know ain't so. I share the concern of the honourable member for Oxley and other members of the coalition. The coalition is in no way opposed to the principle of fair and proper protection for all in the community. Protection certainly must be available to the consumer. After listening to the Minister's second reading speech, one could be forgiven for believing that the Government invented that protection. The truth is that the coalition was responsible for the introduction of consumer protection legislation in 1969. That was pioneering legislation and was described quite accurately at the time as foundational.

The Fair Trading Bill will repeal four Acts and amalgamate them under one Act—a modern statute, according to the explanatory note. On the surface, that is most desirable. Uniformity, clarity and reduction of duplication are all extremely important matters. Only time will tell whether the combination of so many diverse and complex matters will work. The Minister's speech contained a curious reference in that context. Referring to State Ministers, he said:

> It was agreed amongst Ministers that inclusion of other provisions—dealing with product safety and information standards, conditions and warranties in consumer transactions, and enforcement remedies—would be determined by individual States according to their needs.

It seems curious that on the one hand so many complex and diverse matters are to be dealt with under the one Act, yet on the other hand, in an area in which one would think that agreement could be reached, that is not to be so. Obviously it will be quite diverse. The Minister also referred to the Consumer Protection Act of 1969 and said:

That legislation provided the basis for a consumer protection regime which was a model both in Australia and overseas.

I was delighted to hear the Minister say that. He stated also that it was really the Labor Party that was pioneering consumer protection measures. I am pleased that the bill will bind the Crown where it engages in commercial activities, giving citizens remedies in respect of government authorities as well as in respect of private businesses. I am delighted that that provision is contained in the bill, for only on Tuesday the honourable member for Charlestown launched in this House a bitter attack on the State Rail Authority and, through that body, the Deputy Premier and Minister for Transport and the Government, in respect of the very poor service that the honourable member was getting from the State Rail Authority.

Today the honourable member for Charlestown launched an attack on another section of public transport, the airlines. With regard to the SRA I hope, as the Minister said, that the Crown will be bound by the same restraints, and be required to act in the same way, as private enterprise. I hope that will apply also to the Water Board. I wonder what sort of protection the bill will afford the many surfers in my electorate who constantly contract illnesses and viruses from sewage pollution, for which the Water Board is responsible.

Some sections of the bill provide, on the surface, a certain degree of assurance and satisfaction. However, one cannot help but believe that something is hidden. In division 2, dealing with legal assistance, clause 12 will enable a consumer to apply for legal assistance, which is fair enough. However, the obvious concern is whether the community will have to pay for legal advice to vexatious litigants, which would be unfair. I hope the Minister will ensure that does not occur. Certainly it is a possibility. Division 4 shows that the Products Safety Committee and advisory committees will comprise a chairperson and executive officer and such other persons as, in the opinion of the Minister, have expertise in product safety. Again, a tremendous responsibility is placed on the Minister. In 1969 in this House the then Deputy Leader of the Opposition, Mr Einfield, was critical of such a provision in a bill that the coalition at that time introduced. It would be more than appropriate today for the Opposition to again echo that concern.

Clause 30 in division 2 will enable the Minister, in the interests of public safety, to make an interim order prohibiting, absolutely or subject to conditions, the supply of goods in relation to which a question has been, or is proposed to be, referred to the Products Safety Committee. Again I have considerable concern that a proper and responsible trader will be prejudged and penalized. Clause 40 in division 2 will prohibit a supplier from selling goods at a price greater than the lower, or lowest, of the prices appended to the goods. This is a good example—as there was in the Rental Tenancies Tribunal legislation recently passed through the House—of the Government entering into price fixing. Clause 52 in part 5 will prohibit a vendor of goods or services from engaging in a practice known as referral selling. That practice is certainly a major reason why the coalition, when in government in 1969, introduced legislation. However, it seems strange that a total prohibition on referral selling is required. Surely referral selling on a simple and honourable basis is a time-honoured commercial practice that has been very much the basis of the normal supply and demand, free enterprise system.

The Minister said in his second reading speech that the bill will abolish the Consumer Affairs Council and provide for the Minister to appoint consultative committees. I said earlier that the coalition is concerned about ministerial appointments. Appointments of consultative committees should be

made in the most fair and impartial manner. The Minister said that a new initiative is the scheme for the recall of unsafe products which provides that suppliers who voluntarily recall consumer products for safety-related reasons must notify government authorities within two days of the recall. Like many other parts of the Minister's speech, that sounds good when considered quickly. However, it worries me, as I am sure it does other members of the Opposition, that instead of achieving greater safety that measure could act as a disincentive. If suppliers are required to notify government authorities within two days of a recall—a fairly restrictive provision—that is a disincentive for them to comply.

The Minister said that at the heart of the concept of unconscionability is the acknowledgement that parties to a transaction are not always of equal bargaining strength: that one party may be in a position to impose unfair conditions through, for example, high pressure selling tactics or because the other party lacks the mental capacity to make an informed decision. Again, that is an easy let-out for the vexatious litigant or for those looking for an easy excuse to penalize a fair and reasonable trader. This bill will introduce on-the-spot fines which were also incorporated in the Residential Tenancies Tribunal legislation. On-the-spot fines are a dangerous practice. They can be so easily abused and used to harass, to coerce, and to blackmail traders who might consider it easier to pay an on-the-spot fine than to contest it. Used with good sense and discretion, such fines can be a valuable tool. However, considering the people with whom the Government associates, who are totally opposed to the private sector and the free enterprise system, there is the risk of abuse of those fines.

That accords with what the Minister said later to the effect that detailed industry regulation can impose unnecessary burdens on honest business and unnecessary barriers to competition in a free market place. They are nice words but, again, might hide the real intent of this bill. I join with the honourable member for Oxley in voicing the considerable concern that the Opposition has about funding the provisions of the cognate bill from a source that was never intended to meet such expenditure. It may be legally possible for the Government to do that. If it is not, the Government will legislate to legalise it. That such action is morally wrong will not worry this Government, which is morally as well as financially bankrupt. Obviously the Government is looking for any hollow log from which it can obtain funds to fulfil its purposes. The Opposition will totally oppose the cognate bill.

Mr McMANUS (Heathcote) [10.38]: Though I have been a member of this House for a comparatively short time, I am rather bemused. The opening statement by the honourable member for Manly was that the Opposition was in total agreement with the main bill, but would not support the cognate bill. I heard nothing about the cognate bill to which the Opposition is opposed but, rather, twelve minutes of opposition to the bill with which the Opposition agrees. Though that took me back a little, I soon realized there is not much in either of these bills about which the Opposition is really concerned. That is so of most bills that have passed through the House recently. The coalition has voiced pseudo opposition but has neither explained its opposition nor offered any alternatives.

The honourable member for Oxley expressed concern for small business, traders, and farmers. However, he informed the House that the Opposition supported the bills. This is an indication that the Government is headed in the right direction. The honourable member for Oxley was concerned that the protection concept of let buyer beware would be removed. He was quick to point out that one of his farmer friends had experienced difficulty buying farm equipment and suggested that assistance should be provided for him. But I ask,

why should not assistance be provided for everyone? Why does the Opposition refer only to farmers? Problems are being experienced in the streets. Pensioners are subjected to rip-offs and they are in need of the same assistance that is being called for by the honourable member for Oxley to be given to farmers.

In supporting these bills I am reminded of a great former member of this House who had a vision for the well being of the citizens of this State and the family unit. He introduced major innovations to protect consumers. No doubt all honourable members are aware that I speak of Syd Einfeld, who is revered as a man of great compassion. As a member of this Parliament his priorities lay with the protection of the hard-working wage earner in society. In 1976 he commenced the modernization of consumer affairs by the introduction of laws that protected the consumer. He introduced the packaging laws that were badly needed. He introduced date stamping. But more important, he brought forward the Contracts Review Act, which dealt with unjust contracts. He set up the first Product Safety Committee. What Syd Einfield will be particularly remembered for, and what will be recorded in the annals of this Government, is the introduction of an Act banning the sale and manufacture of inflammable children's nightwear. Honourable members will recall the incidence of young children, wearing the wrong apparel, who were burned in electrical fires. Syd Einfeld was a member of a Labor Government which reacted quickly to this problem and introduced legislation to ensure that proper procedures were adopted which saved many lives. Those innovative initiatives remain today.

The bills address uniformity. The legislation is the product of agreement between the federal and State Labor governments. It mirrors aspects of the Trade Practices Act. The legislation is designed to modernize consumer affairs administration and will provide the department with powers to ensure that cheats and rip-off merchants do not operate. It is designed to carry out this function without extra regulation being imposed upon the honest business person. It will affect only those who seek to do injustice to consumers or another competitor. The honourable member for Oxley referred to small business. This Government is about protecting small business. This legislation will support small business, which includes the farmer.

Mr Carr: That is the kind of government we are a part of.

Mr McMANUS: That is correct. The legislation is a culmination of years of planning, not something that has been thrown together. Through the years of this Labor Government the various ministries have taken on the challenge of ensuring protection to this State's consumers. It is a culmination of years of planning designed to give consistency to a system that prior to Labor's reign and Syd Einfeld's leadership saw consumer protection under a Liberal Government as a haphazard and piecemeal approach to a real problem that existed in New South Wales and throughout Australia. I turn now to refer to the penalties provided by this legislation. The penalties are tough, as they must be to ensure the protection that I alluded to earlier. Courts have the power to impose $10,000 fines. Local courts may impose a maximum fine of $2,000. This legislation will provide the Supreme Court with the power to impose a maximum penalty of $100,000 on corporations and $20,000 on individuals who take the dishonest road in business and enterprise. Local courts may impose maximum penalties of $5,000 for offensive practices.

The Fair Trading Bill will provide a legislative base for the department to replace the outdated provisions of the Consumer Protection Act 1969 and will remove many duplicative provisions. A central feature of the bill is that it will prohibit misleading advertising or deceptive conduct in trade or commerce.

Honourable members will remember that only last week I mentioned in this House a real estate agency that advertised land at enormous prices to people who were unaware that building approvals may never be granted for such land. The Department of Consumer Affairs has taken immediate action to stop this practice. But the department needs more teeth to act even more quickly whenever and wherever such practices arise.

The honourable member for Manly did not mention that large amounts of public money are tied up in the bank accounts of auctioneers and agents. The Government is ensuring that the public gets any benefits that flow from funds. This legislation is introduced to protect the unaware buyer and provide a protective barrier for business people who fall foul of unscrupulous competitors and traders. The Government has adopted an even handed approach. It is concerned for the family and the wage earner. The Premier, during the Heathcote by-election, said that the Government was concerned about small businesses. This legislation will provide small businesses with further protections. The introduction of these proposals is not new to the way this Government feels about the business sector. The Opposition is beginning to realize that small business is leaving it and coming over to the Labor Party. The Opposition has been associated with real estate agents for so long that its members have forgotten where their priorities lie. Syd Einfeld, when explaining his amendments to the Consumer Protection Act, said:

> The Government believes that the small businessman and the farmers are, in normal circumstances, in the same position as the more traditional private consumer when it comes to the resolution of problems met in buying goods.

Syd Einfield was saying that small business was experiencing difficulties. This Government, aware that those same problems exist today, is doing something about trying to overcome those problems. This principle of equality and protection remains uppermost in the Government's beliefs. The legislation will protect both the family and businesses.

Mr ARMSTRONG (Lachlan), Deputy Leader of the National Party [10.49]: I have listened with much interest to members who have contributed from both sides of the House. I compliment the honourable member for Oxley and the honourable member for Manly on their contributions. They have an obvious excellent understanding of the legislation and the spirit of the proposals. It is important to understand that legislation was introduced by a Liberal Party-Country Party Government in 1969. The Minister, in his second reading speech, said that that legislation became the model for Australia and overseas countries. That tribute is fair and apt.

With that legislation came the establishment of the consumer affairs bureau. It was wholly and solely an initiative of the Liberal Party-Country Party Government. The functions of the existing legislation have been funded from consolidated revenue. It would appear that under the legislation honourable members are now considering, the new Act will be funded out of the Auctioneers and Agents Statutory Interest Account. It is significant that in his second reading speech the Minister made no mention why the funding would come from that account, despite the fact that the cognate bill is quite specific. That matter was avoided. It is of further significance that speakers from the Government side, with the exception of the honourable member for Heathcote, also avoided giving any explanation or making any reference to that matter. The honourable member for Heathcote tried in a bumbling fashion to refer to the Auctioneers and Agents Statutory Interest Account. But he avoided addressing the actual question why that account is being used to fund the functions of this legislation.

I again warn the Government about excessive regulations and creating a climate in which vexatious actions become acceptable. It is significant that since this legislation was introduced, though obviously there has been great opportunity for vexatious complaints, those complaints have been kept to an absolute minimum. That is fair testimony to the original structure of the legislation and the acceptance by the public of that historic legislation. Nevertheless this Government is continually contracting the rights of the individual and of society by excessive regulation. Doubtless under the Fair Trading Bill of 1987 there will be a further contraction—probably unnecessary in many areas—of the rights of the individual.

In the Minister's second reading speech he mentioned a prohibition on unconscionable conduct. I again caution against the Government being drawn into a situation whereby the public believes that it has a responsibility to protect the public against all things at all times. As individuals, every one has the basic right and responsibility to protect oneself. None of us should have the expectation that a government of any political colour has the right or the responsibility to protect us against all things at all times. That is a temptation, particularly by socialist governments who want to become the great godfather and tell the public that they will look after them in all things. With that attitude people will become totally beholden to the government of the day. In any deal one party will always profit. Provided the other party is satisfied, that is the basis for all trading. There is a loser and a winner in all deals.

It is appropriate to turn to the Auctioneers and Agents (Finance) Amendment Bill. That is the most important part of this legislation from the Opposition's point of view. We, as initiators of the original legislation, accept that type of legislation, as the honourable member for Oxley said. However, the Opposition does not in any way accept that the legislation should be funded by the auctioneers and agents from their Statutory Interest Account. Why must the auctioneers and agents pay for consumer affairs in New South Wales? Why should these primarily private business people—the epitome of private enterprise—be called upon to fund this new Act? It is not public money. That money has been put in the fund by the auctioneers and agents and real estate agents of New South Wales. It shows a great deal of ignorance by Government speakers when they talk about that fund being public money. That is absolute rot. It is no more public money than are the personal savings accounts of Government supporters.

What does the principal Act indicate was the original intention of the Statutory Interest Account? I point out that no speaker for the Government has addressed himself or herself to the principal Act, that is the Auctioneers and Agents Act 1941. Unless we appreciate why the fund was set up initially, then I do not believe it is possible to debate this matter intelligibly and fairly. The Auctioneers and Agents (Finance) Amendment Bill explanatory note shows that the object of this bill is to enable contributions, by way of payments from the Statutory Interest Account established under the Auctioneers and Agents Act 1941, to be made towards the cost of administering the proposed Fair Trading Act 1987. The original Act deals with the Auctioneers and Agents Statutory Interest Account in section 63B (1) and provides:

> The council shall establish an account to be called the Auctioneers and Agents Statutory Interest Account (which is in this Part referred to as "the Statutory Interest Account").
>
> (2) All moneys to the credit of the Statutory Interest Account shall, pending the investment or the application thereof, be paid into a bank in New South Wales.

The Act then deals with the application of moneys in the statutory interest account. I believe that this is the part that Government supporters who may be interested in this legislation—and who may have some intelligence—should listen to. Section 63D reads:

> The moneys to the credit of the Statutory Interest Account shall be applied in such amounts as from time to time are determined by the council, with the consent of the Minister, to the following purposes:

It was set up to be run and administered by the Council of Auctioneers and Agents. They are specific purposes:

> (a) the supplementation of the fund by an amount that is not less than 50 per centum of interest earned, during each financial year, on the investments made by the council under subsection (3) of section 36E;

Subsection (3) of section 36E reads:

> Until demanded any moneys so deposited shall be invested by the council either on deposit with a bank in New South Wales bearing interest, or upon loan to the Treasurer—

I repeat "upon loan to the Treasurer". The honourable member for Heathcote should note that. It continues:

> —at a rate of interest not less than the maximum rate for the time being payable by a bank in New South Wales on fixed deposits.

Paragraph (b) of section 63D (1) provides that a purpose for which the account moneys shall be applied is:

> the establishment and conduct by the council of a scheme for the payment, at the discretion of the council, of the whole or part of the costs, charges and expenses—

And this part is particularly significant:

> (i) incurred by bodies or organizations in the provision of courses leading to examinations prescribed for the purposes of subsection (10A) of section 23.

Subsection (10A) of section 23 reads:

> Subject to the subsection (10AB) a license (not being a renewal of a license) shall not be granted to an applicant, not being a corporation, unless the applicant—
>
> (a) has passed an examination prescribed—

The subsection then proceeds to outline the provisions for the education and for the development of applicants to become auctioneers and agents within New South Wales, which are set out subparagraphs (i) to (v). Finally, paragraph (c) of subsection (10A) reads:

> has produced to the council evidence that he has had experience that satisfies the council that he is capable of performing the duties generally performed by the holder of such a license.

It is quite clear that the intent of that fund was to provide a self-funding mechanism so that the future stock and station agents and licensed operators would not have to come to the Government to seek funds for their own education and training but would be completely self-funding. It is much to the credit of many people who operate in the business that until now those funds have provided the full education facilities, free of government interference, for stock and station agents and real estate agents in New South Wales. Now this Government proposes to put its dirty, sticky fingers into a fund that is very much a private enterprise fund, with no public input at all. In 1987 this Government seeks to run a new fair trading bill.

The Government is strapped for cash, but it is unfair to make an assault on a group of highly professional people with a great record. No Government supporter in the Chamber tonight has not had satisfactory dealings with stock and station agents or real estate agents at some time in their lives. It is grossly unfair and unreasonable to expect private enterprise to fund consumer affairs protection under the Fair Trading Bill. The Government will live to regret this legislation. No section of the business community has a greater day-to-day contact with the general public than stock and station agents and real estate agents. They are incensed about this legislation.

Mr McManus: I bet they are.

Mr ARMSTRONG: The honourable member for Heathcote should wait and see what happens at the next elections. Then we will see how the honourable member fares with the stock and station agents and real estate agents in the electorate of Heathcote. Earlier this evening I was speaking to one of the honourable member's constituents who had a few words to say about the honourable member for Heathcote. The method of funding proposed by the Government is irresponsible.

Dr Metherell: It is immoral.

Mr ARMSTRONG: It is immoral, and it shows that the Government cannot fund its own legislation in the normal decent way, from within consolidated revenue, as was done by the former coalition Government when it introduced the first consumer protection legislation in this State in 1969.

Dr REFSHAUGE (Marrickville) [11.1]: I support the bills. At first glance one would have thought that the protectors of the capitalist system, the Liberal Party, would have led for the Opposition in this debate. Where is the Liberal Party? It is not interested in consumer protection. It is interested in allowing an exploitative system in which, as the Deputy Leader of the National Party said, every deal must have a winner and a loser. The Deputy Leader of the National Party is interested only in protecting the winners—his friends, the stock and station agents, and anyone who wants to rip off the consumer. The Liberal Party produces this wishy-washy little man from Manly—most inaptly named—who has added nothing to the debate and simply attempted to denigrate the Government in its efforts to update what was milestone legislation but has become a millstone.

The proposed legislation will ensure that there is fair trading—something the National Party does not believe in. It is interested in winners and losers. Fair trading will mean not just a winner and a loser but two winners. The National Party has no understanding of that concept. The Deputy Leader of the National Party cannot believe that two people working together can both benefit. He maintains that somebody has to lose in every transaction. The Government is introducing consumer protection laws to ensure that neither the consumer nor the provider of goods and services will lose.

The Government's aim is to eliminate the unfair practices that have been occurring, and to ensure that transactions in goods and services are carried out in an orderly way that protects both sides to every deal. That idea is completely foreign to the National Party. The Liberal Party is not even interested. The federal Government's competent updating of legislation in this area with the introduction of the Trade Practices Act has been of benefit to consumers and providers. The aim is to achieve as much uniformity as possible so any provider or seller knows he must follow one code of practice. Does not the Opposition want uniform legislation?

Mr Hay: It will bring everyone down to the lowest common denominator.

Dr REFSHAUGE: Does the honourable member maintain that uniform legislation will bring everyone down to the lowest common denominator? The legislation will have a liberating effect because it will bring about a decrease in regulation. The honourable member cannot have it both ways. The legislation will ensure that there will be two winners in every trading transaction, not a winner and a loser as the Deputy Leader of the National Party attempts to force upon us.

Mr Jeffery: You are off with your socialist pixies.

Dr REFSHAUGE: It is better than being off with the capitalist poxies. On-the-spot fines will not be indiscriminately imposed but will apply only to prescribed offences, and will be imposed only after consultation with the Attorney General. The honourable member for Oxley obviously does not understand the legislation when he makes ridiculous objections to it. This procedure is contained in the Justices (Amendment) Act 1973. I wonder how the honourable member for Oxley voted on that legislation. The Government is not interested in hounding people, as inaccurately suggested by Opposition members. A person receiving an on-the-spot fine can choose to take the matter to court. Subclause (4) of clause 64 makes that provision. The honourable member for Oxley has not even bothered to read the legislation.

Criticism has been made that dual pricing of goods is price-fixing. Does the Opposition believe that this Government would ever contemplate general price-fixing? This legislation is a restatement of the existing double ticketing provisions. The Deputy Leader of the National Party would want to go along with the double ticketing racket because he is interested in maintaining the system of winners and losers. The Government is not interested in double ticketing. It is interested in fair trading to ensure that all people involved in a transaction believe they get a fair deal.

[*Interruption*]

Mr SPEAKER: Order! At this late hour, so near the rising of the House, the application of Standing Orders would not be appropriate. I may be compelled to apply the provisions of Standing Order 387 and the House would be without the services of some honourable members for the remainder of the night and the next day on which the House sits. The honourable member for Marrickville is entitled to be heard in silence.

Dr REFSHAUGE: An important part of the legislation is the provision for a code of practice. Often voluntary codes of practice have been relied upon. Frequently providers of goods and services have attempted to follow those voluntary codes. However, it is incredibly difficult to ensure that all parties follow these codes. Regular abuse of the voluntary codes of conduct has occurred, particularly in the advertising of pharmaceutical products and advertising generally. Numerous learned articles have appeared in a range of journals, both here and in the northern hemisphere, showing that voluntary codes do not work. That does not mean an effort should not be made to attempt to formulate voluntary codes of conduct.

If people can regulate themselves, that is a much better system. Sometimes, however, that does not work and a code of practice must be developed after consultation between industry, government and consumers. Contrary to the assertions of the Deputy Leader of the National Party, governments have a role to play in consumer protection. I suggest the Deputy

Leader of the National Party tells the members of the former coalition Government, which introduced the first consumer protection legislation in this State, that governments have no role to play in this area. Codes of practice should be introduced in a number of areas. The Government has suggested that the retirement village industry should be governed by codes of conduct.

I am sure that many members on the Government side would be interested in making suggestions to the Minister for Consumer Affairs in respect of other industries for which codes of practice should be contemplated. However, I shall not take the time of the House to go through my list at this time. A number of industries have recently been highlighted, one of which is the health and fitness industry. Of course, the former Minister for Consumer Affairs had to intervene, on the collapse of some businesses in that industry, to ensure that the ANZ Bank paid back money that was effectively being ripped off those who were making advance payments for health and fitness classes through Bankcard. The Government's delicate handling of that matter ensured that consumers had the bulk of their money returned to them.

The unconscionable conduct provision is not new in New South Wales, as was asserted by members of the Opposition. This State already has the Contracts Review Act, which provides penalties for unconscionable, unreasonable or unfair conduct. In its seven years of operation there has been no indication that that Act has been abused. The history is totally contrary to the assertions made by honourable members opposite, and contrary to the concept that they put forward—that is, that there must be winners and losers. The bills will address practices by which some would attempt to be winners at the unfair expense of others involved in their transactions. This legislation is designed to ensure fair trading. The Supreme Court would not hear vexatious claims purporting to be made under this measure. Those who would attempt to use the court would have to prove interest and the court would have to be convinced that it has jurisdiction.

This updating of consumer legislation is timely. It will ensure uniformity in consumer legislation as between the States. I instance South Australia, which recently introduced legislation; Victoria which has similar legislation; and Western Australia, which is to introduce similar legislation. Thus, once again, the lead has been taken by Labor governments in this great nation to ensure fair trading is really fair trading and not, as the National Party wants, the exploitation of losers for the benefit of winners. This Government is not interested in having winners exploit losers. It is interested in ensuring that consumers are protected and that trading is fair. I support the bills.

Mr CARR (Maroubra), Minister for Planning and Environment and Minister for Heritage [11.15], in reply: I thank honourable members for their contributions to the debate. It is acknowledged that this is landmark legislation to provide nationwide uniformity in these measures, without introducing a new system of regulation. The 1969 Consumer Protection Act introduced consumer protection into the vocabulary of public life in New South Wales. It was only under this Labor Government that there was created a Department of Consumer Affairs. That was the first major administrative act of the Labor Government at that time. So we on this side of the House have a special enthusiasm for these measures, even at this hour.

The matter of the auctioneers and agents fund was mentioned. Of course that fund contains public money. Fair trading covers the activities of all busninesses, including real estate agents. It is therefore quite proper that the fund should be used for the purposes contemplated by the bill. The

parliamentary Public Accounts Committee severely criticized the Builders Licensing Board for hoarding money and not using it for the benefit of the public. The Building Services Corporation Bill provides the remedy for that problem.

The Auctioneers and Agents (Finance) Amendment Bill will free a tiny percentage of the money from the Auctioneers and Agents Statutory Interest Account to be used in the public interest. It will contribute to the cost of administration of this new level of fair trading and new level of consumer protection provided in the principle of fair trading. I emphasize that the fair trading philosophy is a balanced approach, recognizing the need for fairness in trading rather than the old-fashioned reactive approach to consumer protection. It is a swing in philosophy away from the Consumer Protection Act of 1969 towards the concept of fair trading, providing protection to business against the sharp practices of competitors who would draw custom away and discredit the business sector by dishonest lures.

As to legal assistance, only test cases clearly in the public interest will be supported by the Government. Vexatious cases—which we are as adept at recognizing as anyone—will not be supported. The Opposition conceded in this debate that the consumer affairs system that we in this State enjoy has kept vexatious complaints to a minimum, notwithstanding the considerable increase in the number of complaints handled by the system mentioned in the contributions of honourable members—a doubling of cases.

I point out that both consumers and businesses enjoy the right to take remedies under this legislation. Is the Opposition saying that a small business cannot protect itself against an unfair competitor using sharp and undesirable business practices? It is not possible that excessive regulation will result from this legislation? In the final analysis, uniformity reduces red tape. The use of flexible concepts, such as the test of misleading or deceptive conduct, is of considerable assistance in that respect as well.

I refer now to industry codes of practice. Many of them will be industry initiated. There is no doubt that a number of industries are keen to have their codes recognized and reinforced by this legislation, to provide for flexible enforcement, no prosecution but rather undertakings being sought where regular breaches occur, and enforcement if necessary by an order of the Commercial Tribunal. So the legislation now before the House takes on board all concerns about excessive regulation that would be shared by honourable members on this side of the House as much as on the Opposition side. This legislation builds on the initiatives of this Government over the past ten years in consumer protection and provides for consumers—a term I use broadly to include businesses and farmers—a code and philosophy that the public will endorse. The measures will be found to be of little increased cost to the community. So, I am honoured to be in a position to commend the bills.

Motion agreed to.

Bills read a second time.

In Committee

The CHAIRMAN: Order! With the consent of the Committee, I propose to put the bills in parts. There being no objection, I shall proceed accordingly. With the consent of the Committee, where appropriate I shall propose amendments in the form, That the amendments be agreed to. There being no objection, I shall proceed accordingly. Is it the desire of the Committee that any divisions called during the proceedings of the Committee be deferred until all other business of the Committee has been dealt with?

Mr Schipp: I object.

The CHAIRMAN: Order! The Committee will now deal with the Auctioneers and Agents (Finance) Amendment Bill. The question is, That clauses 1 to 4 stand clauses of the bill.

The Committee divided.

Ayes, 43

Mr Amery	Mr Gabb	Mr Petersen
Mr Anderson	Mr Harrison	Mr Price
Mr Aquilina	Mr Hills	Mr Quinn
Mr K. G. Booth	Mr Hunter	Dr Refshauge
Mr Brereton	Mr Irwin	Mr Rogan
Mr Carr	Mr Knowles	Mr Sheahan
Mr Christie	Mr Langton	Mr Shedden
Mr R. J. Clough	Mr McGowan	Mr Walker
Mr Cox	Mr McIlwaine	Mr Walsh
Mr Crawford	Mr McManus	Mr Whelan
Mrs Crosio	Mr Mack	Mr Wilde
Mr Davoren	Mr H. F. Moore	
Mr Debus	Mr Moss	*Tellers,*
Mr Doyle	Mr J. H. Murray	Mr Beckroge
Mr Ferguson	Mr Neilly	Mr Wade

Noes, 25

Mr Armstrong	Mr Longley	Mr Small
Mr Beck	Miss Machin	Mr Smiles
Mr J. D. Booth	Mr T. J. Moore	Mr Webster
Mr Causley	Mr W. T. J. Murray	Mr Wotton
Mr Collins	Mr Owen	Mr Zammit
Mr Fahey	Mr Park	
Mr Fisher	Mr Peacocke	*Tellers,*
Mr Hay	Mr Pickard	Mr Phillips
Mr Jeffery	Mr Schipp	Mr West

Pairs

Mr Akister	Mr Caterson
Mr Cleary	Mr Dowd
Mr Mulock	Mr Greiner
Mr Paciullo	Mr Rozzoli
Mr Unsworth	Mr Singleton

Question so resolved in the affirmative.

Clauses agreed to.

Adoption of Report

Bills reported without amendment and passd through remaining stages.

SPECIAL ADJOURNMENT

Mr SHEAHAN (Burrinjuck), Attorney General and Minister Assisting the Premier [11.27]: I move:

That this House at its rising this day do adjourn until Tuesday, 26 May, 1987, at 2.15 p.m.

This special adjournment facilitates the programmed week off next week. The House has already resolved that it will meet at 10.30 a.m. on each of Wednesday 26th, Thursday 27th, and Friday 29th May. The sittings have been programmed and I thank all honourable members for their co-operation this week, to allow the maximum possible time for debate during that week of sitting. A number of bills now before the House, as well as one or two other bills that have not yet been introduced, require resolution before the end of the session. Members will be aware that several bills listed on the business paper for that week will stand over until the House resumes, as at present notified, on Tuesday, 15th September.

Obviously two pieces of legislation of particular importance that will be debated during the week commencing Tuesday, 26th May, are the Workers' Compensation Bill and cognate bills, and the Transport Accidents Compensation Bill, and cognate bill. I indicate also that the following legislation is expected to pass through the House in that same week: the Parliamentary Electorates and Election Bill; the Trustee (Amendment) Bill; the Human Tissue Bill; the Chifley University Bill; the Water (Administration) Bill; the Motor Vehicle Taxation Bill; and the Prisons (Release on Licence) Bill and cognate bills. It is intended also that the House debates amendments to the stamp duties legislation and the energy and investment corporation legislation. I am hopeful that one or two other minor matters, which should not generate any controversy, will be dealt with also.

On the notice paper are a number of bills that have emanated from the Legislative Council. Of those bills I gather that the Deputy Leader of the National Party would like the House to debate the Banana Industry Bill. The Minister for Agriculture has asked that the fisheries and grainhandling legislation be accommodated in the program also. The outstanding second reading speeches, about which notice has been given and about which notice may be given on Tuesday, 26th May, will be the first business of that day following questions without notice. The first order of the day to be listed for 26th May will be the amendments to the workers' compensation legislation. I commend the motion.

Motion agreed to.

House adjourned at 11.32 p.m.

QUESTIONS UPON NOTICE

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

DARLING HARBOUR MONORAIL

Mr T. J. MOORE asked the **Premier, Minister for State Development and Minister for Ethnic Affairs—**

(1) Was a leading Sydney Queen's Counsel personally approached in October or November, 1986 by the then Solicitor General to accept a brief to advise whether or not it is lawful to erect a monorail in Pitt Street, Sydney?

(2) If so, was this approach authorized by them jointly with the Minister for Public Works, Ports and Roads?

(3) If so, was this direction countermanded shortly after the approach was made?

(4) If the direction was countermanded, why?

Answer—

(1) to (4) No. Attorney General advises that as far as he can establish no approach was made by the former Solicitor General or by either the present Solicitor General or the Crown Solicitor.

LAND AT HEREFORD STREET, BATHURST

Mr R. J. CLOUGH asked the **Minister for Local Government and Minister for Water Resources—**

(1) Has Bathurst City Council purchased two properties on the Kelso side of the Macquarie River in the flood plain?

(2) Is one of the properties purchased a vacant block of land?

(3) If so, who was the previous owner and for what purpose was the land purchased?

(4) What price was paid for each property?

Answer—

(1) On 12 September, 1986, Bathurst City Council purchased 64 Hereford Street and on 8 October, 1986, Council agreed to accept the transfer of 18 Hereford Street in full satisfaction of all rates due and in arrears in respect of that property.

(2) 64 Hereford Street is a vacant block.

(3) The previous owner of 64 Hereford Street was Mr W. Naughton. In March, 1983, Council advised Mr Naughton that, because of the then Water Resources Commission's Flood Plan of 1979 (indicating that 64 Hereford Street was situated in an area which was likely to be inundated in the event of a 1-in-50 year flood), Council was not prepared to grant building approval in respect of the property.

However, at that time Council advised Mr Naughton that it may be prepared to acquire the property. Subsequently, Mr Naughton offered to sell the land to Council.

Eventually, the land will be combined with other possible purchases and be used for public recreation.

(4) The purchase price of 64 Hereford Street was $2,000. The amount of outstanding rates on the property at 18 Hereford Street was $1,044.43 as at 31 August, 1986.

BULK FUEL DEPOTS

Mr R. J. CLOUGH asked the **Minister for Local Government and Minister for Water Resources—**

(1) What controls do local government councils have over the retail sale of petrol to members of the general public from bulk fuel depots?

(2) What development application conditions were imposed on bulk fuel depots within the area controlled by Bathurst City Council?

(3) Do the controls permit large scale retail sale of fuel to members of the general public?

Answer—

(1) The control by councils of the retail sale of petrol to members of the public from bulk fuel depots is embodied in council's planning powers through which they may control development.

(2) The Bathurst City Council has indicated that to the best of its knowledge, all of the liquid fuel depots in the city were established in their present locations, before 25 March, 1960. After that date, they would have required development consent by virtue of the Town and Country Planning (General Interim Development) Ordinance. The depots appear to have been legally established without development consent and therefore no conditions would have been imposed.

Where alterations or expansion have occurred since that time, appropriate conditions have been imposed. A quick search by the Council of its Development Register has revealed three (3) such cases where conditions have been imposed.

(3) Unless it can be shown that:

(a) the depot did not retail petrol prior to 25 March, 1960; or

(b) that since 25 March, 1960 the sale of petrol retailing altered sufficiently for that change in scale to be considered to be development then Council has little control over the sale of petrol by retail from the existing liquid fuel depots.