

Legislative Council

Thursday, 30 April, 1981

Maritime Services (Amendment) Bill and Cognate Bill (first reading)—Questions without Notice—Public Authorities (Financial Accommodation) Bill and Cognate Bill (third reading)—Election Funding Bill—Printing Committee (Fifth Report)—Special Adjournment—Questions upon Notice.

The President took the chair at 10.30 a.m.

The Prayer was read.

MARITIME SERVICES (AMENDMENT) BILL

AUDIT (AMENDMENT) BILL

Bills received from the Legislative Assembly.

Suspension of Standing Orders

Suspension of so much of the standing orders as would preclude these bills being considered simultaneously, except in Committee, agreed to on motion (by consent) by the Hon. D. P. Landa.

First Reading

Bills read a first time, and ordered to be printed, on motions by the Hon. D. P. Landa.

Suspension of Certain Standing Orders

Suspension of certain orders agreed to on motion by the Hon. D. P. Landa.

QUESTIONS WITHOUT NOTICE

PRISON ASSAULT

The Hon. M. F. WILLIS: My question without notice is addressed to the Minister for Education and Vice-President of the Executive Council. On 23rd April, was officer Peter Scott of the Malabar emergency unit assaulted by a prisoner, Fred Davis? As a result, was that officer hospitalized with a compound fracture? Is Davis one of the prisoners whom the prison officers asked the department to move, and when that was refused did a strike of prison officers occur? Has this prisoner now been moved to Goulburn security unit? Why was it necessary for violence to occur before the department acted on the prison officer's recommendation?

The Hon. D. P. LANDA: I do not have specific details to provide an answer to the question, which will be referred to the Minister for Corrective Services. When information comes to hand I shall advise the Leader of the Opposition accordingly.

MEAT INSPECTION SERVICE

The Hon. H. J. McPHERSON: I wish to ask the Minister for Agriculture a question without notice. Has a recent statement by the federal Minister for Primary Industry, the Hon. P. J. Nixon, wiped out any progress that was being made towards the establishment of a single meat inspection service in New South Wales?

The Hon. J. R. HALLAM: This morning I received a telex message from the federal Minister for Primary Industry. I understand that telex was transmitted some time yesterday. It states that if State governments wish to take control of all meat inspections in their own areas—that is inspections of meat for export and domestic sales—they must also take on the total financing of all the functions of such inspections. Obviously the federal Minister for Primary Industry is ruling out any Commonwealth Government subsidy for meat inspection in the future. Last financial year that subsidy amounted to \$25 million. The Commonwealth is therefore proposing to increase meat inspection fees by as much as 50 per cent as the price of having a single meat inspection service.

On one hand the federal Minister for Primary Industry says he is determined to end the costly dual meat inspection system and on the other he is proposing that the cost of the meat inspection service, which will be paid by Australian graziers, will dramatically increase. Graziers should not have to pay this impost, which has been brought about by the inherent inefficiency of the Commonwealth meat inspection service and the inability and unwillingness of the federal Government to shoulder its share of the cost. The Minister for Primary Industry, by transmitting this information to me—and I presume to other Ministers for Agriculture throughout the Commonwealth—has torpedoed negotiations and progress made by the Commonwealth-State working party towards a single meat inspection service, by ruling out a future Commonwealth subsidy. The New South Wales proportion of that \$25 million subsidy would probably be more than one-third of the total. The Commonwealth's proposal is unacceptable to me and to the State Government. It is another example of the federal Government's unseemly wish to load the States with extra financial burdens. The federal Government has continually cut its level of funding and, at the same time, tried to pass the buck. When the Prime Minister delivers the report of his so-called razor gang this afternoon, we shall listen with interest to see what other cuts are to be meted out to rural industries.

POLICE REPORTS ON PRISON OFFICERS

The Hon. M. F. WILLIS: My question without notice is addressed to the Minister for Education and Vice-President of the Executive Council. Is it a fact that four officers of the Police Department were seconded to the staff of the Commissioner for Corrective Services? Were those police officers directed to report upon prison officers in respect of matters that are not of a criminal nature? Were they directed to report directly to the Commissioner of Police and not to the officer in charge of the police internal affairs branch? Will the Government give an assurance that those officers will be returned to the jurisdiction of the police force, in line with the call from the executive secretary of the Privacy Committee?

The Hon. D. P. LANDA: The honourable member's question requires a detailed answer from the responsible Minister in the other place. I undertake to obtain that answer.

PUBLIC AUTHORITIES (FINANCIAL ACCOMMODATION) BILL
MISCELLANEOUS ACTS (FINANCIAL ACCOMMODATION) AMENDMENT
BILL

Third Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [10.41]: I move:

That these bills be now read a third time.

At the second reading stage I undertook to obtain additional information for the Hon. P. S. M. Philips in relation to clauses 15 to 19 of the bill. As to clause 15 the Loan Council does not regulate borrowings by authorities for temporary purposes such as overdrafts. Deposits of the type contemplated—that is, security deposit arrangements—should not be regarded as temporary accommodation. They are, as the title implies, merely security for work to be undertaken. Clause 19 is designed to ensure that **oversea** lenders are protected in the event of Commonwealth tax being levied on the payment of interest due to them. That envisages that a Commonwealth taxation determination would apply to a State authority as a borrower but not to the State Government.

Motion agreed to.

Bills read a third time.

Public Authorities (Financial Accommodation) Bill returned to the Legislative Assembly with an amendment, and Miscellaneous Acts (Financial Accommodation) Amendment Bill returned to the Legislative Assembly without amendment, on motion by the Hon. J. R. Hallam.

ELECTION FUNDING BILL

Second Reading

Debate resumed (from 29th April, *vide page* 6272) on motion by the Hon. D. P. Landa:

That this bill be now read a second time.

The Hon. J. W. KENNEDY [10.43]: I was saying last evening when the debate on this bill was adjourned that the cost of **administering** the bill will be high. It is all very well to say that the scheme will cost the taxpayers only \$2.5 million annually. That is only the start. I quote from the *National Journal of America* dated **26th** March, 1977, which contained an article by Michael J. Melbin, an official of the United States federal election commission. The article commenced:

Few officials at the federal election commission will argue that 1976 was a banner year for the board. The question is whether the situation will improve.

He went on to say:

Federal election commission officials are frightened and upset at the thought of public financing of congressional elections.

"We are worried," Commissioner N. O. Stabler said in an interview. "Very sceptical" were the words used by the staff director, Orlando B. Potter.

Based on the commission's first two years of experience, the officials there have every reason to fear what this proposal, which has the support of President Carter and more than one hundred congressional co-sponsors, would do to them.

John G. Murphy, Jr., who served as general counsel for the commission until the end of 1976 estimated that the commission spent 35 person years in 1976 auditing the reports of the 15 candidates who received matching funds during the presidential primaries.

Stabler said: "Congressional public financing would require an auditing staff of at the least 200 without counting the additional personnel needed for the universal voter registration programme, and that, Carter has also recommended."

That is an example of **some** of the problems of auditing public funding schemes. The report listed several other problems associated with the election funding of political parties in the United States of America and concluded with these words:

The 1976 amending process suggests that once campaign finance becomes a heavily regulated and subsidized industry politicians will be unable to resist continual tinkering with the rules for partisan political advantage. This year, members of Congress are thinking about public **financing** of congressional elections. Next year, who knows what it might be. Even if the law remains unchanged, the commission's performance in 1976 disclosed a wide range of political and administrative problems that could well recur. Three of the most important are: its compromised partisanship, its inability to respond quickly to questions during the heat of the campaign, and its inadequate investigative capability. The commission consists of three Democrat and three Republican members to minimize the danger that its decisions will be motivated by partisan concerns. The problem with the demand for non-partisanship is that the selection of almost any politically sensitive commissioner automatically ensures that some issues will be reviewed **through** partisan lenses.

The bill provides that the government of the day will appoint the chairman of the board. Further, the Government and the Opposition will each appoint a commissioner. It really boils down to the fact that the measure of political partisanship that may creep into the Electoral Commission will depend on who the chairman is. The author of the article poses the question, "Who guards the **guardians?**" My answer to that question would be: the Electoral Commissioner, who will virtually be appointed by political parties. I quote now from another article relating to public funding in the United States of America. The article, which is by the Hon. Steven D. Sim, a United States representative from Idaho, and a Republican, states:

Federal financing of campaigns with equal and fixed spending limits is a blatant move towards self perpetuation of the government and, more specifically, of incumbents . . .

Do we have the rights to taxpayers support of government financing to force an individual to contribute to a candidate or to the cause which he does not subscribe?

I said in this debate last night that there are two sides to every proposal—and that applies particularly to public funding. I shall now quote a few expressions from the Congressional Digest, an independent monthly that features controversies in the United States Congress. It contains an article dated March 1977. The article, which is identified as being published in volume 56, No. 3, has a foreword which begins with this quotation:

He who decides a case without hearing the other side, though he decide justly, cannot be considered just.

That quotation is attributed to **SENECA**. The article gives both sides of the **story**. The side in favour of the scheme is given by Senator Edward **Kennedy**, the Democrat in the United States Senate; and the contrary view is given by the Hon. **Lowell P. Wecker**, United States Republican Senator. As I am putting the contrary view, I shall quote a few of the remarks by the Hon. **Lowell P. Wecker**. He stated:

I have long believed that public financing is a dangerous step towards decontrol of the federal Government. I suggest that all we did when we enacted the legislation for public financing was to accept the problem and merely find a way of financing it. Once we hand the Congress the political purse strings people will no longer have the final say.

Another article in the same journal attributed to Senator **McClory** stated:

I **think** that the taxpayer support of candidates already has proved unworkable.

That journal contains many other quotations highlighting the dangers and the problems in the scheme of public funding in operation in many parts of the United States. Those problems have been experienced in that nation and the politicians and the **commissioners** are concerned about them. The next quotation to which I shall refer is from the Hon. Gus Yatron, the United States representative for Pennsylvania. In a statement issued in February 1977 he said:

I am opposed to the use of federal funds for the financing of election campaigns for the United States Congress. I do not believe that such public financing of election campaigns is either effective or desirable as the so-called campaign reform measure. On the contrary, I believe that such financing presents a very real danger to our American system of representative government under which members of the legislative branch are chosen by and directly responsible to the electorate.

The Tasmanian Government appointed a committee to investigate public funding of election campaigns in that State. That committee, which was appointed by a **Labor** Government, was strongly against public funding of election campaigns in Tasmania. It is strange that a similar inquiry in New South Wales should have **different** results from those received in Tasmania. My point is that there are two sides to every argument. The New South Wales Government is foolish in proceeding with public funding of election campaigns. It will put a chain round the neck of the Government; it will be a great burden on the taxpayers, and it will reduce the efficiency of government in this State.

The Hon. D. P. Landa: Mr President ———

The Hon. R. B. **Rowland** Smith: Mr President ———

The Hon. D. P. Landa: Does the Deputy Leader of the Opposition wish to speak in the debate?

The Hon. R. B. **Rowland** Smith: Of course I do.

The Hon. D. P. Landa: Then I **shall** yield to the Deputy Leader of the Opposition.

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [10.54]: Mr President, I apologize for that incident. It is usual for a government to keep to an agreed programme. However, the Opposition is used to this Government's form; it says **something** one day and something entirely different the next. The Opposition was led to believe that the Hon. Deirdre Grusovin was to speak next in this debate.

The Hon. D. P. Landa: She is to speak next.

The Hon. R. B. ROWLAND SMITH: If that is so, why did she not seek the call?

The Hon. D. P. Landa: The Government **thought** that the Deputy Leader of the Opposition wished to take part in this debate.

The Hon. R. B. ROWLAND SMITH: And that is correct.

The Hon. D. P. Landa: The Government paid the Deputy Leader of the Opposition the usual courtesy.

The PRESIDENT: Order! The Deputy Leader of the Opposition has the call.

The Hon. R. B. ROWLAND SMITH: It is unfortunate that, apart from the Minister who gave his second reading speech, only one other Government supporter has spoken in this debate. From the silence of Government supporters, their views on this legislation are obvious. The Hon. Deirdre Grusovin and the Hon. H. J. McPherson were members of the joint committee that inquired into public funding. **So far**, we have heard only from the Hon. H. J. McPherson and, with due respect to that member, I did not learn much from his contribution.

The Hon. Deirdre Gusovin: On a point of order. The Hon. R. B. Rowland Smith is implying that I have not spoken and do not intend to speak to the bill. That is not so. I intend to contribute to the debate. Also, I am **looking forward** to the contribution of the Hon. W. L. Lange.

The PRESIDENT: Order! No point of order is involved.

The Hon. R. B. ROWLAND SMITH: I did not wish to upset the honourable lady. I should not do that to such a charming person. I look forward to hearing her contribution to the debate. As I said, the Hon. H. J. McPherson told the House a little about what happened with the joint committee and about the junket trip **that** they all took at the taxpayers' expense.

The Hon. D. P. Landa: It was not as good as the trip taken by the Hon. E. P. Pickering.

The Hon. R. B. ROWLAND SMITH: One Opposition member took a trip at his own expense. He did not want to spend taxpayers' money so he went on an independent fact-finding tour and submitted an excellent report.

The Hon. H. J. McPherson: On a point of order. I draw the attention of the House to the fact that the Deputy Leader of the Opposition said that I had said **that** the committee went on a junket trip.

The Hon. R. B. Rowland Smith: I did not say that.

The Hon. H. J. McPherson: I said that a trip was available for some members of the committee. As it happened, only one member of the committee went on that journey.

The Hon. R. B. Rowland Smith: On the point of order. The honourable member must have misheard me.

[Interruption]

The PRESIDENT: Order! I am trying to hear the Deputy Leader of the Opposition speaking to the point of order.

The Hon. R. B. Rowland Smith: I did not mention that the honourable member said that the committee members had gone on a junket trip. I said I believed that they had.

The Hon. D. P. Landa: On the point of order. Clearly the honourable member is casting aspersions upon members of the House other than the committee. It is well known that only one member of the committee was sent on a fact-finding trip. It is wrong to say that other members went on a trip and to couple them with the insulting and offensive term junket. That is offensive to all the committee members. I ask the honourable member to withdraw that word.

The Hon. R. B. Rowland Smith: On the point of order. If I have offended, I did not intend to do so. It was my interpretation that it was a junket trip. If the word junket has the implication that the Minister and other Government supporters have gained, I withdraw what I said.

The PRESIDENT: I thank the honourable member.

The Hon. R. B. ROWLAND SMITH: The Election Funding Bill is a bill for an Act to constitute the election funding authority of New South Wales, to make provision——

The Hon. D. P. Landa: Is the honourable member going to be long?

The Hon. R. B. ROWLAND SMITH: I shall be extremely lengthy.

The Hon. D. P. Landa: And boring.

The Hon. R. B. ROWLAND SMITH: My contribution will not be boring. I assure the Minister that it will be most exciting, if he listens to it. The bill is to make provisions for the public funding of parliamentary election campaigns and to require disclosure of certain political contributions and electoral expenditure, and for other purposes. If the Minister listens carefully he will hear a lot.

The Hon. D. P. Landa: But I shall learn little.

The Hon. R. B. ROWLAND SMITH: It is difficult to teach the Minister anything.

The Hon. D. P. Landa: Especially when one considers the calibre of Opposition members.

The PRESIDENT: Order! Will honourable members stop encouraging one another?

The Hon. R. B. ROWLAND SMITH: Late in November 1979 it was resolved by both Houses that a joint committee be appointed to inquire into and make recommendations on the introduction of a system involving public funding of campaigns for

election to the Parliament. The contents of the bill are based on the broad terms of the report of the committee. It is interesting to recall what the committee was commissioned to do. Its terms of reference were:

That in making its recommendations, the Committee shall have regard to:

- (a) the manner in which such a system could most equitably divide available public funds between competing parties and individuals;
- (b) whether there should be compulsory disclosure of, and restrictions on, electoral expenditure whether public or private in respect of political parties and candidates;
- (c) whether there should be compulsory disclosure of contributions and **gifts to** political parties and individuals;
- (d) the extent of public commitment suitable for the operation of any such scheme as the Committee might advise be established;
- (e) the right of new political parties, small parties, parties of special interest and independent candidates to participate in any scheme of election campaign funding and expenditure; and
- (f) such other matters as the Committee believes relevant to the generality of its task.

In effect the committee was commissioned to make recommendations supporting the premise of public funding for elections, and to inquire into and make recommendations on the introduction of a system of funding. The Government told the committee that there would be public funding of election campaigns, but asked the committee to say how it **should** be instigated and how **the** money should be raised and distributed.

The Hon. D. P. Landa: That is exactly what the Hon. M. F. Willis said.

The Hon. R. B. ROWLAND SMITH: Honourable members will be listening to the way the Government believes it should be introduced. The Government did not have a mandate for the legislation. The Government never had a mandate to tell the people that it would tax them, even slightly, to raise money for the specific purpose of funding election campaigns. It is an absolute abuse of power for the Government to say that it is undertaking this legislation in the interests of the electorate at large. What has the electorate said about it? Let us consider newspaper editorials about this contentious issue and what was said by organizations and individuals. I should think that a government like this one would be influenced by the opinions expressed in newspaper editorials, by organizations and individuals. On 11th April the *Newcastle Herald* editorial said:

Public funding of political parties is wrong in principle. It forces people to support financially political parties, even corrupt governments, which they may oppose. This is an intolerable imposition. As proposed it will tend to perpetuate established parties and limit the success of new ones. There are doubts that public funding will do what it sets out to do, that is, equitably control campaign spending. Unless private donations were prohibited, and this is unlikely, party spending would still be limited only by the money each party could raise.

The editorial continued:

There is need for more public debate on this question.

The Government is fearful of any public debate on the subject. The editorial concluded:

A referendum would then put the public view beyond doubt. If the Government will not go to the people on this question the conclusion must be that it fears the electorate will reject the plan out of hand. This fear should be sufficient warning in itself.

I shall read another newspaper report.

The Hon. D. P. Landa: Is the honourable member going to read newspapers to the House?

The Hon. R. B. ROWLAND SMITH: It is time for the Minister's mind to be refreshed even if it is difficult to do that.

The Hon. D. P. Landa: I read.

The Hon. R. B. ROWLAND SMITH: The Minister might read, but obviously he does not take any notice of what he reads. I shall refresh his mind, for it is time that he learned something about this matter.

The Hon. Deirdre Grusovin: Government supporters do not believe everything they read.

The Hon. R. B. ROWLAND SMITH: Obviously Government supporters do not take too much notice of what they read, or they would not be bringing this pernicious measure before the House.

The Hon. F. M. MacDiarmid: The honourable member reads the *Labor Daily*.

The Hon. D. P. Landa: Where has the Hon. F. M. MacDiarmid been for the past thirty years?

The Hon. R. B. ROWLAND SMITH: Government supporters seem to find this a jocular matter, but Opposition members take it seriously. We are here in the interests of the people of New South Wales.

The Hon. D. P. Landa: Why is the Hon. R. B. Rowland Smith reading the speech of the Hon. M. F. Willis?

The Hon. R. B. ROWLAND SMITH: I shall refresh the Minister's mind. He never listens to what happens in this place; he is far too busy looking at other things.

The Hon. D. P. Landa: The Hon. R. B. Rowland Smith should talk; he does not speak in this House unless certain people are listening.

The Hon. R. B. ROWLAND SMITH: I shall refresh the minds of honourable members about a letter to the editor of the *Sydney Morning Herald* of 13th April. The letter said:

In the United States, some States have legislated to use public funds to pay for election campaigns but it has been found that this legislation favours sitting members of Parliament.

Far from making elections free and more open, the idea of public funding will only preserve the status quo.

Sitting members already have major advantages over opponents. They are already in office, with all the status, staff and access to information that goes with being a full-time member of Parliament. Their opponents cannot campaign full-time, do not have such ready access to the media, and have none of the staff or other resources available to an incumbent.

Elections are supposed to provide the opportunity for change—but the recommendations put forward by the NSW Joint Committee into Public Funding seem designed to make the chances of change as remote as possible.

Let us all band together to throw out this preposterous scheme.

I shall refer now to a letter published in the Speaker's Corner of the *Daily Advertiser* of **14th** March. The speaker was Leo **Meredith**, a former senior ABC journalist in New South Wales. He said as follows:

It would appear that the Premier, Mr **Wran**, is showing complete contempt for NSW Taxpayers in introducing public funding for political parties at election time without getting the taxpayers' approval beforehand.

Beyond all doubt, such an issue is one for a referendum, and there can be no excuse for the Premier to dodge such a measure.

That is why the Premier and Treasurer is known as Nifty. That article continued:

This, particularly in view of the fact that two other referenda will be conducted in conjunction with the next State poll.

There would be no problems in adding a third.

That is the proposition I wish to put before the House. The article concluded:

This proposed public funding measure is certainly a remarkable about-face from a Premier who had declared repeatedly that he will not under any circumstances allow NSW to have a State income tax.

Under the headline "Poll funds plan gets a no vote", the following article appeared in *The Sun* newspaper on 9th March:

The State Government's proposals for public funding of election campaigns have been attacked by the executive director of the Sydney Chamber of Commerce, Mr J. Abba.

"The Chamber is totally opposed to the concept of public funding," Mr Abba said.

The Hon. D. P. Landa: Is the honourable member reading from the *Labor Daily*?

The Hon. R. B. ROWLAND SMITH: The moans and groans come from Government supporters, the dions of the Labor Party. The Sydney Chamber of Commerce is apolitical.

The Hon. D. P. Landa: I have been there more often than the honourable member.

The Hon. R. B. ROWLAND SMITH: Again we hear the humorous voices. The Minister for Education and Vice-President of the Executive Council has had little to do with the Sydney Chamber of Commerce.

The Hon. D. P. Landa: Recently I addressed the annual meeting of that organization. I have been to their premises more often than has the Hon. R. B. Rowland Smith.

The Hon. L. A. Solomons: That shows how apolitical they are.

The Hon. D. P. Landa: They know a good government when they see one.

The Hon. R. B. ROWLAND SMITH: May I continue? Mr Abba proceeded to say:

. . . the Government's proposals were nothing more than a way of securing compulsory donations for the next election campaign.

I hope Government supporters are listening to this; they should have read it, but obviously they did not inwardly digest it. On 22nd February the editorial in the *Weekend Australian* said:

Public funding will not buy democracy.

All we have heard from the Premier and Treasurer is what a democratic issue this is. The editorial continued:

No system of public funding can be organised without denying genuine democracy. The planned NSW system—with allocation of funds based on votes cast at the previous election—ensures benefits for the status quo. That means it helps the holders of power.

. . . Secondly, any system of public funding predicates limitations on overall campaign spending. If, for example, a political party is to receive taxpayers' funds to help it put its case to the people (an objective which effectively denies minorities the same opportunity to put their views) there must be controls on private donations. If not, there is no point in taxpayers being called on to provide the funds. To suggest otherwise is an absurdity.

But why should individual voters be denied the right and opportunity to vote with their pockets as well as their pencils? In a democratic society people should be entitled to decide how much—or how little—they wish to donate to the party of their choice, without the other requirement of public funding, public disclosure of donations, the most offensive infringement of individual electoral liberties imaginable.

The editorial concluded:

But for an ostensibly democratic party it should be anathema. Political parties should win government on the strength of their arguments and policies, not on the amount of money they spend and certainly not by raiding the public purse to help them put partisan points of view. Mr Wran would be well advised to dismiss the idea and go into his next election on the basis of achievement, not riding on an excessive impost on his taxpayers.

Strong opposition to the proposal has been expressed through the newspapers from individuals and organizations. Today's editorial in the *Sydney Morning Herald* epitomizes everything that the Opposition is saying. It deals with the matter in this way:

While the public's attention was riveted on Mr Peacock's denunciation of Mr Fraser's purported presidential style of government, Mr Wran was treating the NSW Legislative Assembly to his own pungent version of this style. He was pushing through the House the Election Funding Bill, which provides for NSW voters to contribute to the cost of campaigning by candidates and political parties in future State elections. This is Mr Wran's personal innovation, to which he committed his Government without a mandate and on which he has flatly refused a referendum.

The provisions of the NSW Government's scheme, its shortcomings and the implications of the concept behind it deserve much closer public scrutiny than they have been accorded. The Government has done nothing

to encourage such a scrutiny. However, the decision of the State Liberal-Country Party Coalition Opposition to refuse to participate in the scheme has thrown the door open for more public debate about it. In taking its decision, the Opposition has been courageous. It has turned its back on roughly \$750,000 which would have been its due from the public campaign fund after the next elections. It has almost certainly upset the Government's calculations by ensuring that the proposition will be a central issue at the next election. In view of Mr Wran's attempt to foist this imposition on the public against its will—as public opinion polls clearly indicate—it might well prove a very costly miscalculation for **Labor**.

A Gallup poll taken in 1979 revealed that 70 per cent of Australians then said that the cost of political campaigns for federal and state elections should be continued to be funded by donations to the parties concerned; 26 per cent of the people said that the cost of political campaigns should be funded from taxation money; and 4 per cent of the people interviewed were undecided. These findings emanated from interviews with 1 915 Australians. The first question asked of them was: "Do you agree or disagree with the proposal that the cost of political campaigns for federal and state elections should be funded from taxation money rather than from donations to each political party?" An analysis of the results of the poll shows that disagreement to funding from taxation money was strongest in Western Australia with 83 per cent of people interviewed against the proposal and in Queensland 78 per cent. Figures for the other States were New South Wales 70 per cent, Victoria 63 per cent, South Australia 70 per cent and Tasmania 76 per cent. I heard from one of my colleagues this morning that Tasmania has had enough sense not to go on with it.

Between 1st and 15th February, 1980, a nationwide public opinion survey was conducted in the United States of America of respondents 18 years and older, drawn from 301 sampling locations which included all 50 States and the District of Columbia. The results of the survey on the question of public financing of election campaigns were based on the response to the question:

It has been proposed in Congress that the Federal Government provide public financing of Congressional campaigns for the United States of America House of Representatives and Senate. Would you approve or disapprove of the proposal to use public funds, federal money, to pay the cost of Congressional campaigns and how strongly do you feel?

The result of this poll was—disapprove, 35.6 per cent; strongly disapprove, 32.6 per cent. In other words, 68.2 per cent of people interviewed disapproved of public funding of election campaigns. Also, respondents were asked to express their opinion on the current system of funding congressional campaigns by indicating their agreement or disagreement with this statement:

The present system of financing congressional campaigns through voluntary contributions of citizens is the best way to finance election campaigns.

Of the respondents 53.6 per cent agreed with the statement and 15.5 per cent strongly agreed, making a total of 69.1 per cent for it. At present only at the federal level of the United States of America does public funding apply to Presidential elections. Two major attempts to extend public funding to Congressional elections have failed. In another place the Premier and Treasurer said that Australia has fallen far behind other democratic countries because it has not adopted a system of public funding for elections. It is interesting to look at the countries that have public funding and are the subject of

chapter 3 of the report of the joint committee. That is terribly important. The matter has been raised by the Premier and Treasurer and other members in the other place, and in this House the Hon. H. J. McPherson has quoted what has happened in other countries. West Germany made legal a system of public funding of election campaigns in the Political Parties Act of 1967. In that country a system of state subsidies had been operating since 1959, principally for political education.

The Hon. Deirdre Grusovin: We could do with a bit of that here.

The Hon. R. B. ROWLAND SMITH: The Hon. Deirdre Grusovin is a member of the party that is in office. Why does not she do something about it? It is the responsibility of the Government, which will not do it through this bill. That system was declared unconstitutional by the Constitutional Court in 1966, but the same ruling recognized specifically the constitutionality of reimbursing necessary costs for election campaigns. The amount of funds available for disbursement was calculated at DM 3.50 or approximately \$1.75 for each person entitled to vote. Disbursement is made to eligible parties and independent candidates in accordance with their electoral support. Parties must disclose their sources of revenue. Donors of DM 20 000—about \$10,000—or more must be named regardless of whether they are individuals or corporations. That is an interesting disclosure in view of what is proposed by the bill relating to \$1,000 or more for a contribution to a party or group and \$200 to a candidate.

The Hon. Deirdre Grusovin: The Opposition does not want any disclosure.

The Hon. R. B. ROWLAND SMITH: I shall get on to that aspect later. I hope the Hon. Deirdre Grusovin will listen to me because the Opposition is not afraid of disclosure. That is one thing that members of the Labor Party must get into their minds. If the Hon. Dierdre Grusovin is patient, I assure her that I shall go over it again to show that the Opposition is not in the least afraid of disclosure. I should be a little worried about some of the funds that the Labor Party gets. What is proposed in the bill is a very minor amount compared with what donors can give without disclosure in West Germany and other countries. Comparison is made between Australia and West Germany but what is not stated is the fact that voting is not compulsory in West German elections. In other words, this money is being spent to get the vote out, or to put it another way, to get people to vote.

What is the situation in Austria, which is another country mentioned in chapter 3 of the report? Austria has a fund that gives a basic grant to each political party with five members in Parliament, and a portion of the remainder of the fund on the basis of votes polled in the national elections. The system has operated since 1975. Parties not represented in Parliament but which have obtained more than 1 per cent of the vote at the previous national elections are entitled to claim grants for public relations purposes. All Australian provincial governments give political parties financial assistance. In Austria voting is compulsory in only three federal States.

Public funding in the Italian system involves two funds, one for electoral expenses and one for day-to-day party running costs. Each party must publish an annual balance sheet specifying all revenues, both public and private. The balance sheet is checked by the president of the Chamber of Deputies and by the president of the Senate. The penalty for obtaining contributions is a fine equivalent to three times the amount involved, and a prison sentence. The law specifically forbids public corporations from contributing any money to political parties. Companies, however, are allowed to contribute subject to the contributions being declared publicly, and subject to approval by the company board of directors in the regular way.

Voting in Italy is regarded as a civic duty. Those who fail to vote are mentioned in the public record for five years. I should not think many Italians would be concerned about having their names put on the public record for five years. That would be of no great concern to them if no fine were involved. We have heard that Sweden is supposed to be the be-all and end-all of public funding contention. In Sweden payment of subsidies to political parties has occurred since 1965. The parties receive funds through a national support scheme, a general party subsidy and a staff support scheme that defrays party expenditure on the secretariats of their parliamentary group. Voting in Sweden is not compulsory. Norway, Denmark, Finland, Israel, Canada, the United States of America and Puerto Rico, have public funding for elections but voting is not compulsory.

In introducing this legislation in another place the Premier and Treasurer failed to mention the pertinent fact that with the exception of three States in Austria and Italy, all the countries visited by the committee and referred to in chapter 3 of the report do not have compulsory voting. This is the crux of the matter. Voting is compulsory in this country. We do not have to get out and get the vote, as happens in the other countries. Why not give the people the facts? Why did not the Premier give to the people of New South Wales the pros and cons of public funding for election campaigns? This morning I heard mild, ribald laughter when I mentioned the Sydney Chamber of Commerce. Perhaps the same sort of ribald laughter will come when I mention the Institute of Public Affairs, which is an apolitical body. I do not know whether the Minister has been invited to address the Institute of Public Affairs but let me tell the House what that body did when the question of public funding came up. In its role as an apolitical group it produced a pamphlet called "Public Funding of Election Campaigns. Are you for it or against it?" Both sides of the case were put. What could be fairer than that?

Is it fair to thrust on the people of New South Wales something that they have already said they do not want? At least the Government could say, "We will put to you the case for, and the case against". Every member of the Government should read that pamphlet. Who were the people who gave the case for public funding? They were Ken Turner and Lex Watson, not renowned for being in favour of the proposal. Who was the person who gave the case against? He was a well-known professor of political science, Dr Graeme Starr. I should like to read from that report:

The Institute has made a submission to the Joint Parliamentary Committee, devoted mainly to highlighting the problems and pitfalls associated with devising an effective system of public funding. The submission did, however, contain three recommendations and readers of this pamphlet may like to know about them.

Firstly, because fewer elections in Australia would reduce the parties' campaign expenses, we recommended that the question of the length of Parliamentary terms be considered before any decisions are taken on public funding.

Secondly, because the cost of advertising through the electronic media is a major expense incurred by the parties, the practice in the U.K., whereby broadcasting time is allocated to the parties, and where radio broadcasts are free of charge and television broadcasts are charged at a minimal rate, should be studied with a view to adopting a similar system here. Without the media expenses the parties would no doubt be able to cope satisfactorily with other costs.

And finally—the debate on public funding is not merely one of deciding whether taxpayers' money should be deployed to subsidize party politics, and how much, and by what formula.

The Hon. R. B. Rowland Smith]

It also brings into consideration some very fundamental questions regarding our democratic system of government, and the part played in it by political parties.

For this reason, the Institute's third recommendation in its submission is that the N.S.W. Government's decisions in regard to public funding be made the subject of a REFERENDUM, before they are translated into legislation.

The aim of this pamphlet is to assist the process of informing the public on this important issue. It should be the public—the electorate—that has the final say.

If anyone can show me that that is not fair, I shall give up. The Government has refused to tell the people the good and bad points and then leave it to them to make the decision. Yesterday the Hon. H. J. McPherson said that the Government is elected to govern. No one denies that, but why did not the Government in its policy speech in 1978 state its intention on public funding of election campaigns? Government supporters knew well that if it had done so, many voters would have voted against it. Suddenly, in a subterfuge way, the Government comes before this Parliament and does something that is completely against the wishes of the people. It is a pity that the Premier and Treasurer has failed to introduce this measure in a democratic manner. The essence of democracy is majority rule. The Government has no mandate to introduce public funding. It is an insult to the people of this State that some senior Government sources have allegedly said that the issue is far too important to be entrusted to the people.

There is a right and proper way to go about this matter. If the Government feels so strongly about the introduction of public funding, the only correct method of approach is to go to the people on it by way of referendum. The Government proposes to hold two referenda at the coming State elections. There is no reason why there should not be a third one. It is only in this way that the democratic right of the people will be upheld, one way or the other, respecting this important measure. The Liberal and National Country parties are opposed most vehemently to the idea of public funding of election campaigns. The public funding proposal is nothing less than a means of financing a bankrupt Labor Party, nothing other than a way of getting the taxpayer to pay for the extravagances of the Wran public relations machine. The Labor Party is pushing vehemently for the introduction of public funding. Why? Because it is financially broke. Some time ago the State secretary, Mr Richardson, admitted that the party is rather more than \$200,000 down the drain. I have no doubt that he has raced up here to get his advance cheque.

The Labor Party conference in Adelaide in 1979 accepted the principle of public funding of political campaigns for elections. The basis of Labor's argument at that time was that all parties and individuals should be assured of sufficient funds to mount a political campaign without having to rely on voluntary donations or subscriptions to the parties by way of membership. The Opposition's attitude is that, in the Australian context, public funding of political campaigns is unnecessary and undesirable as the cost represents yet another tax. Alternatively, it would be necessary to reduce spending in other areas. Labor spokesmen claim that the coalition parties enjoy heavy financial backing from a variety of sources. They fail to mention their own vast resources, more often than not derived from compulsory donations. They overlook the fact that the fundamental point in any election is that the most popular party of the day attracts the most support, either through the ballot-box or in cash. It is easy to understand that business houses are hardly likely to contribute to a business-bashing political party to which profit is a dirty word.

One of the arguments advanced in favour of public funding is that political parties are experiencing **difficulty** in coping with the rising costs of **campaigning**. Political parties are not alone in suffering the effects of inflation, and there is no **justification** for their receiving preferential treatment over many voluntary organizations. There are causes that are more deserving than political parties. Taxpayers' money would be better directed to those causes. I hope that sinks into the minds of Government supporters, especially in this, the International Year of Disabled Persons. The Joint Committee upon Public Funding of Campaigns for Elections recommended that 22c an elector each year be levied to raise a total of \$3 million. The committee pointed out that 22c is the cost of a postage stamp. Nevertheless, it is an impost; it is a tax. The \$3 million could be spent on more deserving projects, such as the building of a new hospital.

The Hon. D. R. Burton: I should not mention hospitals today.

The Hon. R. B. ROWLAND SMITH: Much more must be done by this State in that field. I agree that the destruction by fire of a hospital last night was a tragedy. The \$3 million could be used towards building another hospital. It could be spent on the building of a bridge or a country road. Those are the sort of things that are desperately needed. The inability of a political party to attract voluntary support, financial or otherwise, is a sign of public dissatisfaction with the party or its candidates. To regain support, a party should sharpen its policies and redirect its operations. Public funding would disguise the irrelevance of a party that has fallen out of favour with the people who are unable to adapt to their changed expectations of that party. Public funding would lessen the requirement of political parties to be constantly in touch with their grass roots membership. Parties would become stagnant or authoritarian and rigid. I recognize the importance of political parties in our parliamentary system. I am of the same opinion of those persons who brought down a minority report in the United Kingdom, part of which reads:

The injection of large sums of State money into **an** essentially voluntary system of party politics, is so grave a departure from historical practice as to represent in itself a threat to that system. We believe that such a risk could only be justified if it could be shown that parliamentary democracy was in danger because of the imminent bankruptcy of the major political parties.

Compulsory voting, as enshrined in the New South Wales Constitution Act by the present State Government, means that the parties in this State need not press to be relieved of the type of expense that political parties overseas have **sought** to be **compensated** for by the State, for example costs associated with enrolling electors. I hark back to what I said earlier: it is futile to make comparisons between Australia and the countries that the joint committee mentioned in chapter 3 of its report. Voting is not compulsory in those countries as it is here. In Australia that type of electoral activity is already funded from the public purse. It is nonsense to say that the scheme **will** cost the taxpayer only 22c a year. Already elections cost the taxpayer a good deal. Some persons in favour of public funding overlook the distinction between New South Wales and those countries in which public funding has been introduced.

Those who support public funding have claimed that it is not a revolutionary concept, that many countries have the scheme and that we in this State are merely following the trend. That is not correct. I have pointed out already that in the United States of America and the United Kingdom there has been opposition to public funding, as shown in the results of the survey I have mentioned. Apart from the funding of presidential elections in the United States, there is no move to fund congressional elections. The Houghton report in the United Kingdom showed that there was no

unanimity on this issue. It has been stated that public funding encourages participation; cynicism about politicians decreases; and people know where the money is coming from. In reply to those arguments I point out that voluntary funding is a vital form of participation; it is a barometer of support. If funds fall off, parties must realize that something is wrong; they must get out into the field and work.

I am justly proud that the National Country Party has done that extremely well. It now has the largest party membership of the three political parties in New South Wales. The general secretary of the party informed me this morning that the present membership in New South Wales is more than 27 500. I understand the Liberal Party has about 25 000 members. One would never know the Labor Party's membership, but I have heard estimates ranging between 9 000 and 20 000. I hope Government supporters take note of those figures and realize their significance. Though the Country Party is active only in the rural areas of the State, it gets 10 per cent of the total vote. It is incredible that no one on the Government side of the House knows how many members the Australian Labor Party has.

The Hon. J. R. Hallam: The Australian Labor Party won 58 per cent of the votes at the last election.

The Hon. R. B. ROWLAND SMITH: The Minister does not know how many members the Labor Party has—in fact, I do not think any Government supporter knows it. It has been stated that public funding will strengthen the parties and that they will have a guaranteed income. I believe that providing funds to a central organization will further centralize political parties. Active members will not need to be cultivated, as they now are, and leaders will become aloof from the grass roots of the party membership.

Those supporting public funding have stated that it will eliminate inequalities. Perhaps this is a reasonably persuasive argument, but in fact public funding does not reduce the main inequality, that is, the advantage of incumbency. A challenger can outmatch an incumbent only by outspending him. The proposed scheme would reinforce inequalities. This is particularly so if funds are allocated on the basis of the previous election. The massive electoral swings of today are no barometer of support three years later. The scheme will reinforce the advantage of the Government of the day. It has been stated further that public funding helps the parties perform a public service. Though that is true, in some countries, for example, the United Kingdom and the United States of America, where voting is voluntary and not compulsory, in Australia parties are partisan in their activities. Compulsory voting means that the parties need not spend funds on getting people to register a vote.

It has been stated by those supporting public funding of election campaigns that such funding makes democracy more meaningful. Public funding accompanied by controls undermines freedom. Ceilings on expenditure limit freedom of speech and possibly freedom of the press. For example, controls could mean that if the Teachers' Federation wanted to place advertisements in the media supporting the return of an Australian Labor Party government, the ALP would have to take into account the cost of those advertisements in tallying its total campaign expenditure. The Australian Labor Party would have to veto such advertisements if the ceiling had been reached. Thus, political parties would have to watch over the activities of outside organizations.

The provisions sought to be laid down by the joint committee that reported upon public funding in respect of disclosure will undermine democracy, and they will threaten the freedom of association. The right to support a political party is linked to the secrecy of the ballot-box. Disclosures could lead to reprisals. For example, former President Nixon's enemy list was compiled from the Democrats' list of donors. That is a more

insidious form of corruption than the form usually discussed by the public. It has been stated also that public funding would overcome corruption. In Australia there are few examples of corruption having occurred. Most contributors give money to a party because they identify with its policies, not to receive political favours in return.

The Hon. J. S. Thompson: Does that apply to the Liberal Party?

The Hon. R. B. ROWLAND SMITH: I shall deal shortly with the Hon. J. S. Thompson's interjection. Last night I became riled when I heard one particularly offensive interjection about the Country Party. What I have said in this debate is the fact. I am in a position to know the facts about the Country Party; the Hon. J. S. Thompson is not in that situation. I am concerned about paragraphs 2B and 2C of the joint committee's terms of reference, which are in these terms:

Whether there should be compulsory disclosure of, and restriction on, electoral expenditure, whether public or private in respect to political parties and candidates.

Whether there should be compulsory disclosures of contributions and gifts to political parties and individuals.

This Government is hot on the matter of privacy when it suits its own purpose. However, in the case of voluntary contributions to a political party, compulsory disclosure goes against all the facets of privacy.

The Hon. D. R. Burton: The honourable member should read some of the provisions of the Conciliation and Arbitration Act.

The Hon. R. B. ROWLAND SMITH: I wish the Hon. D. R. Burton would listen. I shall be interested to see whether he has the courage of his convictions and stands up to be counted. I urge the honourable member to tell the House his views of the funding of elections. This is a House of review and this bill should be reviewed thoroughly. What I am attempting to do is to make an in-depth examination of the bill. The proposed legislation is insidious, and I shall proceed to tell Government supporters why I say that. I hope that members opposite will attempt to justify the bill.

I shall refer now to privacy. When it suits the Government it is in favour of privacy, but when it does not suit its purposes it is against that concept. If an individual wishes to contribute to any organization, whether it be a welfare body or any other organization, he should not be compelled to make a compulsory disclosure to anyone about such contribution. The political party to which I belong is opposed to the compulsory disclosure of contributions and gifts to political parties and individuals. That party does not accept contributions or gifts with strings attached to them.

I took exception to some remarks by the Hon. B. J. Unsworth, who is overseas at present, when he said that the National Country Party accepted donations from oil companies. For many years I was the assistant treasurer of the National Country Party. I should hope that every member of this House would accept my word when I say that what the Hon. B. J. Unsworth said in that respect is untrue. The National Country Party does not accept contributions or gifts with strings attached to them. The National Country Party believes that individuals or corporations should be free to support in confidence a political party—or political parties for that matter—of their choice, whether by way of annual membership or donation. Membership of a political party and financial contributions to that party should remain a personal and confidential matter. This confidentiality is akin to the inherent right to vote in secrecy for a political candidate. To remove by compulsion the confidentiality that is traditionally associated with political donations could leave the way open to blackmail and reprisals.

The mere availability of subsidies and the understandable instinct of people to want to protect privacy of association, which would be invaded by forced disclosure and other controls, could discourage voluntary contributions. The parties and candidates that conscientiously reject subsidies would soon be compelled to join their opponents at the public trough. When the individual is deprived of his choice about which policies, parties and candidates to support—either because of government limits or a prohibition on using his money for political purposes or if a government takes his money in taxes and subsidizes the political activities it chooses—his freedom is impaired. Honourable members have heard a lot about democracy and freedom, but in this instance the individual's freedom must be impaired. The individual who contributes a resource directly—for, example, his time and labour—is, in many ways, indistinguishable from the person who contributes money. Persons who do not have much free time have few alternatives to monetary contributions other than by way of action. Voluntary contributions to a candidate or party permit individuals to pool their resources and voice their message far more effectively than if each person spoke for himself.

An important aspect is that if a substantial group feels intensely about an issue, a system that does not allow that feeling to be put effectively between elections may well be endangered. I refer specifically to the membership of a political party. The National Country Party has a central council and a central executive; it holds an annual conference. At its various meetings, particularly at the annual conference, the members may be heard to express themselves on all issues relating to what they believe to be in the best interests of the people of New South Wales. If people were to be deterred in any way from joining political parties because they felt that they would not be heard, it would be a sorry day. I said earlier that if that happens, the leadership of the party could become completely aloof from the party's grass roots. Voluntary campaign contributions are perhaps the most important and least offensive means by which the intensity of feelings may be expressed. The parties receive an important message when the funds from voluntary contributions cease to flow. When that happens, wise party leaders look carefully at their policies and their performance. Fund raising compels party organizers to confer with their members and supporters. In this way they receive important feedback between elections about ideas and criticisms. As I have said, that is one of the most important aspects of any political party.

I invite honourable members to attend the annual conference of the National Country Party which will be held in Armidale from 24th July. Armidale is a beautiful city. The Opposition will win the seat of Northern Tableland at the next election. If Government supporters want to attend the conference, Country Party members would be pleased to welcome them. At the annual conference of the National Country Party resolutions are passed and then brought before the central council and central executive to ensure that the party is acting in conformity with the wishes and the will of members of the party. That is a wide-open, democratic system.

The Hon. D. R. Burton: If the honourable member suggests that the Labor Party does not adopt a democratic system, he should attend one of its conferences.

The Hon. R. B. ROWLAND SMITH: I would not be allowed in. I have said that voluntary citizen participation is a key element of democracy. Already citizens are compelled to participate in elections by enrolling and voting. Many persons would feel some resentment if they were compelled also to participate by financing the campaigns of politicians. Some 70 per cent of those whose opinions were sought about public funding said that they were opposed to it. I cannot understand why a so-called democratic party, which talks about freedom and the rights of individuals, does not have the moral fortitude to take this issue to the people. The Labor Party does not have the moral fortitude to go to the electorate by way of referendum. In my book that

rules out any thought of democracy and the rights of individuals. Any resentment against the scheme must be heightened in this case, where the party in office is willing to compel taxpayers to support its political activities because it is unable or unwilling to persuade the community to contribute voluntarily. In the absence of any indication of popular support, it would be improper for politicians to subsidize their campaign activities without first testing the idea at a referendum and thus obtaining a mandate from the people.

The direct use of public money for private political purposes and the accompanying limitations on freedom of speech and associations involve unprecedented steps in public policy in Australia. A referendum is the appropriate avenue to seek approval from the people. Such a referendum could be held at minimal cost in association with the two other referenda that are contemplated at the next State elections. What is the Government frightened about? The silence of Government supporters shrieks. Obviously the answer is that they are frightened that the people will vote against the proposal. The Australian Labor Party is broke and does not know how to raise funds. For that reason it is taking upon itself something for which it has no mandate from the people of New South Wales—that is to tax the public to fund its election campaigns. No matter how small that tax is, it is wrong to impose it without first obtaining the approval of the people of New South Wales. The Opposition opposes the legislation most vehemently.

The Hon. DEIRDRE GRUSOVIN [11.551: First, I point out that it is probable that the Hon. R. B. Rowland Smith would have had no problem in obtaining the call if he had followed my example and complied with standing orders. It is especially pleasing for me to be able to speak to this bill. I am pleased to follow the Hon. R. B. Rowland Smith, who has helped to make history today by announcing that the Country Party will not accept the election campaign subsidy. That will be the first time that the Country Party has knocked back a subsidy. As a member of the joint committee responsible for the report on funding of election campaigns, which was tabled in the Parliament on 27th November last, I pay tribute to my colleagues on that committee. My only regret is that the intense opposition of the Liberal Party and the Country Party to the concept of political funding caused the Opposition members on that committee to make a premature exit from our deliberations. Thanks should be given also to those who made submissions to the committee. I refer in particular to the representatives of the academics for pluralist funding who made a real contribution to the committee. The Premier and Treasurer, when announcing that a committee would be established to inquire into the public funding of election campaigns, said:

The mammoth cost of modern election campaigns challenged both the party system and democracy itself.

The Premier and Treasurer, when introducing the bill on 15th April, said:

It recognizes the central role of political parties in the Parliamentary system. It protects the rights of minorities and new parties. It reduces the gross disparity between the financial resources available to different parties. It removes the risk of parties selling political favours.

Having listened to the debate in this House, one would have thought that such practices did not take place. The Premier and Treasurer continued:

It declares to the world that the great political parties of New South Wales are not up for sale. It is a measure for a better democracy, a clean democracy.

I am sure honourable members will agree that there is nothing untoward in that statement. The hypocrisy of the Opposition in opposing the bill can be described only as flagrant. When the Premier and Treasurer announced his intention to establish an

inquiry into campaign **funding**, the Leader of the Opposition at first welcomed the proposal. The Leader of the Country Party said he believed the proposal could have some merit as costs were getting beyond the resources of political parties. He said that he thought any money received would have to be apportioned fairly. However, two days later, on 13th March, 1979, the Leader of the Opposition decided that he was opposed to any form of public funding; in fact, he called the proposal a worthless sham and a delusion. It took the Leader of the Country Party a day longer to change his stand. On 14th March he issued a press statement stating that he was totally opposed to the plan. He said:

I concede I've changed my opinion somewhat.

Any scheme Mr Wran brought in would favour the Government . . .

The Country **Party** would not get a fair share of public funds.

Was that a statesmanlike approach to the subject, or was it base cynicism?

The Hon. J. S. Thompson: That is a typical Country Party approach.

The Hon. DEIRDRE GRUSOVIN: When speaking about double standards I should refer honourable **members**—

The Hon. R. B. **Rowland** Smith: I wish the honourable lady would state her point.

The **PRESIDENT**: Order! The honourable member should not refer to the Hon. Deirdre Grusovin in those terms. He should refer to her as the honourable member.

The Hon. DEIRDRE GRUSOVIN: I refer honourable members to Laurie **Oakes'** column in the *Sunday Telegraph* issue of 26th April where he wrote about public funding and the Liberal Party's double standards in these terms:

The Prime Minister, Mr Fraser, and a number of his ministers are on record as opposing the idea of public funding of election campaigns by political parties.

Like the New South Wales Liberals, Mr Fraser and his colleagues have roundly criticized New South Wales **Labor** Premier Mr Neville Wran for proposing it.

And they have ruled it out absolutely in the federal sphere.

The interesting thing about the leaked Liberal documents produced by the Australian **Labor** Party during the week to back up an attack on the Government Information Unit is that they show the extent to which public funding of election campaigns already exists.

Liberal elections campaigns, that is.

He went on to say:

The unit does not come cheap. The latest cost figures for the unit and the Federal information directors who operate in the six State capitals **were** revealed during the week in the revised estimates presented to Parliament by the Administrative Services Department.

Laurie Oakes goes on to show the various salaries. I shall not weary the House by reading them. He continues:

That is public funding on a fairly large scale. Messrs Fraser and Newman, however, seem to see no inconsistency between their support for the unit and their opposition to the use of taxpayers' money to help finance election campaigns.

If that is not a double standard, I do not know what is. Earlier this week, in another place, the Leader of the Opposition used strong words in his condemnation of public funding. He said that the legislation has within it the seeds of destruction for public involvement for political decision-making. He said also that it is a recipe for apathy and is a misappropriation of urgently needed public funds; a blatant act of a socialist party, that ignores the rights of individuals to make a self-determination on how they will spend their own funds and what support they will give to the political parties of their choice. Reading his remarks one could be forgiven for believing that in New South Wales something sinister is happening—something abhorrent—that popular word of the Opposition—something new, something revolutionary. Not so, as the chairman of the committee found when he travelled overseas to study public funding.

The Hon. W. L. Lange also visited a number of oversea countries to study public funding of election campaigns. Honourable members have not yet received details of his fact finding mission. I am looking forward to reading his report. The chairman of the committee found public funding alive and well in nearly all of the progressive western democracies. Though it was originally opposed by the opposition in some of these countries, today all parties support the concept. The debate now is how to improve the various schemes in operation.

Let me tell honourable members about some of these countries which are prospering in spite of the introduction of public funding. I shall probably have to cover again matters already dealt with by the Hon. R. B. Rowland Smith. I may be able to throw some further light on the matter because he left out many facts. In the course of its investigations the committee looked at the national systems of public funding operating in the Federal Republic of Germany where subsidies in various forms have been available since 1959. In Austria, basic grants are given to political parties with five members in the Parliament and the remainder of the fund is apportioned on the basis of votes polled in the national elections. This system has been in operation since 1975. Additionally, all Austrian provincial governments give parties financial assistance.

In Italy, two funds operate, one for electoral expenses and the other for day-to-day party running costs. Their system of public subsidies was introduced following scandals about clandestine payments to political parties by some industrialists in the oil and chemical industries. The Hon. R. B. Rowland Smith did not say anything about that, or that the system introduced in 1974 had broad bipartisan agreement. Perhaps it should also be noted that Italian law specifically forbids public corporations from contributing any money to political parties. Private companies may make donations subject to public disclosure and approval by the board of directors of the company concerned in the regular way.

Since 1965 Sweden has had a system of subsidies to political parties. It had its origin in a proposal from the Social Democratic Party. Public funding for political campaigns in Sweden had its genesis in the difficulties of the Swedish newspaper industry. There were close links between the news media and political parties. In that country the Conservatives and the Liberals have withdrawn their earlier opposition to public funding and have lent their support to the general principle of financial state assistance. The Hon. R. B. Rowland Smith did not mention that aspect.

The Hon. Deirdre Grusovin]

In 1970 Norway instituted public subsidies to the national organizations of political parties—regardless of which party wins parliamentary seats. Candidates must have been nominated in at least half of the constituencies in the last general election and must have obtained at least 2.5 per cent of the total vote. Also, public funds are distributed to municipal political organizations according to the vote recorded for them in the previous municipal elections.

Denmark has operated a system of subsidies since 1969, with allocations based on the Swedish system, though on a more modest scale. The subsidies are adjusted 6-monthly to accord with movements in the consumer price index. Finland's system also resembles the Swedish model with some important differences. It has operated since 1967. Funds go directly to the central offices of the political parties. No one has yet mentioned Israel where provision has been made for direct aid to political parties. It is interesting to note that in Israel corporations may not make donations. Also, limitations are imposed on the income and expenditure of the parties. Campaign expenditure from private sources is limited to not more than one-third of a party's funding allocation.

Canada has the Canadian Election Expenses Act of 1974, under which subsidies are given to successful candidates and to those who receive 15 per cent or more of the popular vote. Canada provides for a tax deduction up to \$500 for political donations up to \$1,150 in any tax year. In the United States of America a system of public financing has applied since 1976 at national level for the Presidential primaries and the Presidential election. The major parties could draw \$3 million in public funds for the expenses of their national nominating conventions. In 1980 the amount was increased to \$4.4 million. In 1977 President Carter attempted to persuade Congress to adopt a similar system for Senate and House of Representatives elections but the proposal fell victim to a Senate filibuster. The move for it has been revived recently.

The Hon. R. B. Rowland Smith endeavoured to make the point that the issue is dead in the United States of America. I assure the House that in America attempts are being made to bring to fruition the scheme for public funding of Senate and House of Representatives elections. In March 1979 the House of Representatives administration committee opened hearings on a public campaign funding bill for congressional elections. In the United States disclosure is an inherent part of public funding. Since 1910, candidates for the Senate, the House of Representatives and the presidency have been required to report donations in excess of \$100. It should also be noted that in 1907 Congress prohibited donations from corporations and, in 1935, it extended that prohibition to public utility companies.

There are extensive laws on public funding and disclosure in each of the fifty States that make up the United States of America. One should not omit mention of the Commonwealth of Puerto Rico—a protectorate of the United States and the pioneer of public funding. Its system allowed the partial reimbursement of the expenses of parties and candidates actually incurred in gubernatorial elections. Puerto Rico established an election fund in 1957. The enabling Act was amended in 1964 to increase the sums of money provided and to make part of the disbursements proportional to the number of votes polled. Some money was made available to smaller parties that did not qualify as principal political parties. Matters were made easier for the small parties by lowering the threshold to 5 per cent of the primary vote.

In France, State subsidies are generally confined to assisting individual candidates in their election campaigns. If a Presidential candidate receives at least 5 per cent of the vote, the candidate is paid a lump sum of \$A24,000 towards his campaign costs. Additionally, each Presidential candidate is allowed two hours of free television and broadcasting time for each of the two successive rounds of ballots. The parties

also receive a certain amount of indirect subsidy from the budgets of the Assembly and Senate. In 1979 the Council of Ministers approved a bill laying down the principles of a state contribution to political parties for their operating expenses—not just to get people on the roll. The bill becomes effective this year.

In Japan, although political parties do not receive direct aid from public funds, research staff are provided to assist various committees. A law passed in 1975 provides for limited public assistance for election candidates. The revised political funds control law placed limits on donations by companies or individuals to political parties, political groups or election candidates. For individuals the total permitted contribution is \$76,000 a year. For companies and trade unions the maximum contribution is limited according to the extent to which the company is capitalized, or to the membership of the union. Donations to an individual politician or political group are limited to smaller amounts.

Though direct financial subsidies are not given to political parties in the United Kingdom, candidates are subsidized in a number of ways at general elections, including one free postal distribution of candidates' election literature, and access to radio **and** television broadcasts allotted in proportion to the number of candidates standing. The United Kingdom Labor Party was responsible for setting up a committee on financial aid to political parties. Its report is popularly known as the **Houghton** committee report. The **Houghton** committee was established in May 1975 and reported to the Minister responsible in August 1976. Its comprehensive recommendations were not acted upon owing to the **Labor** Government's lack of a majority on the floor of the House of Commons. I must acknowledge that this report was a major source work for our committee and was of immense value to it. I propose to quote from the **Houghton** report because I am sure that the Opposition will refer only to the minority view. The **Houghton** committee report had this to say:

Effective political parties are the crux of democratic government. Without them democracy withers and decays. Their role is all pervasive. They provide the men and women and the policies for all levels of **government**—from the parish council to the European Parliament. The parties in opposition have the responsibility of scrutinizing and checking all the actions of the executive. Parties are the people's watchdog, the guardian of our liberties. At election times it is they who run the campaigns and whose job it is to give the voters a clear-cut choice between different men . . .

and women, I feel I should add,

. . . and **different** measures. At all times they are the vital link between the Government and the Governor. Their function is to maximize the participation of the people in decision making at all levels of Government. In short, they are the mainspring of all the processes of democracy.

If parties fail, whether from lack of resources or vision, democracy itself will fail.

As I have shown, a vast number of states and provinces enjoy a system of public funding. These systems exist within national systems, sometimes as a complement, sometimes based on distinct principles. The report of the New South Wales Joint Committee Upon Public Funding of Campaigns for Elections has this to say on the subject:

The geography of public funding is worthy of special mention. The Committee does not believe it is any coincidence that those countries bordering upon Eastern Europe—countries which have good reason to cherish that measure of freedom that a competitive party political system provides—have all chosen to sustain the party political process by direct financial aid **and** *The Hon. Deirdre Grusovin*]

assistance in kind. Indeed, it is in West Germany, a nation which has known totalitarianism this century, military occupation, and lives with the permanent threat of invasion, that the Parliament has recognized political parties in its Basic Law.

There are something like one thousand systems of public funding and disclosure in different political units across the world. That fact seems a conclusive answer to those who have reservations about the State of New South Wales embarking on this ground all on its own within the Commonwealth of Australia.

I was pleased to note today's editorial in the *Sydney Morning Herald*. It was, however, a part of the editorial that the Wm. R. B. Rowland Smith did not read that pleased me most. That part compared the scheme proposed for New South Wales with those of overseas countries, and stated, ". . . nowhere are they so demanding and exacting as is proposed for New South Wales." I take that as a compliment. I should hate to think that this State would propose a sloppy scheme. It is a well thought out, and indeed a very creditable scheme.

The bill introduces a system of funding that will cost the elector the equivalent of only one postage stamp a year, and allocates the funds in accordance with a candidate's or party's ability to attract votes. At the same time it will allow the winner a benefit no greater than that allowed to the combined opposition. We believe it is fair, reasonable and inexpensive, and will allow the parties to plan their election campaigns with a measure of certainty about the funds they will have available. There will be two funds. A central fund will consist of two-thirds of the total funds and will be allocated to parties, groups or independent candidates who retain their deposit, in accordance with the votes obtained in the Legislative Council poll. A system of advance payments for the following election is proposed. The constituency fund will consist of the remaining one-third of the total funds and will be divided equally by the number of electorates contested. Each electorate allocation will be divided between candidates who retain their deposit on the basis of the votes obtained. It is most important to understand that no party, group or candidate will receive more than one-half of the available funds. I am sure that the Opposition wishes to ignore that point, but it cannot, for it is fact.

No funds will be paid out under this scheme except by way of reimbursement for actual expenses incurred. No money, apart from advance payments from the central fund, will be made available prior to an election. By not paying lump sums of cash direct to parties and candidates many of the feared abuses of public funding will not occur. Requiring eligible parties and candidates to submit a claim with all the details and documentary evidence to support those claims will provide the funding authority with an opportunity to scrutinize the claim prior to any funds being paid out. The proposed system will cause eligible parties and candidates to be mindful of the need to comply with the requirements of the funding authority. The public funding authority will be a statutory authority and will have responsibility for the administration of funding. It will consist of a full-time chairman and two part-time commissioners, one of whom will be nominated by the Premier and Treasurer and the other by the Opposition.

The Government believes that the costs involved will not be excessive. I assure the Opposition that no vast new bureaucracy is about to be set up: rather, the administration of the scheme will be simple and economical. All political parties seeking public funds will be required to register with the authority. The registration proposed does not lead to incorporation of political parties or for a new and massive intrusion by the State into their affairs. The information that must be filed is only that which is basic to the purpose of corresponding with the party and identifying it.

None of it will involve the breach of anything secret or confidential, and it will not impose a new strain on the administrators of the party. Part VI of the bill contains provisions for disclosure, felt by some to be the most abhorrent. I believe them to be most necessary. The gaining of public office is a public affair and should be open to full scrutiny. The bill provides for disclosure of donations in any one year to a party's central office in excess of \$1,000, or to a candidate of more than \$200. Among the provisions of the bill with regard to disclosure is one stipulating that within ninety days after return of the writs, the registered agent of each party, group or candidate is to declare political contributions and electoral expenditure during the period.

The expenditure to be disclosed is that incurred in promoting a party or a candidate or in influencing the voting at an election. For the purpose of ascertaining whether a person is contravening the Act the authority may employ an inspector to inspect the records and books of account of a party, group or candidate. Australia is one of the few countries in the western world that does not prohibit donations to political parties by corporations or require public disclosure of such donations. The Liberal Party and the Country Party in this place have expressed strong opposition to the Government's proposal. The academics in their submission recommended full disclosure and said:

The aim of the disclosure provisions is not to tell the parties and candidates what they can do, but to require them to tell the public what they are doing.

In the United States of America candidates for the Presidency must file audited statements of expenditure. The same applies in the Canadian federal elections. In the United Kingdom candidates are required to lodge a return of election expenses. The Houghton committee recommended that parties receiving aid should have their accounts professionally audited. As I said earlier, most of the States comprising the United States of America have disclosure laws. The committee believed strongly that disclosure is an essential ingredient of any scheme involving public subsidies to political parties. Only by having rigid rules on disclosure will the funding authority have available to it the information necessary to enable it to monitor expenses of an election campaign and to discern the balance between public subsidy and total expenditure. I bring to the attention of honourable members some of the beliefs of the Liberal Party and some of the strongly held convictions of the Country Party on the matter of disclosure. I thought it would be illuminating if I quoted from several of them.

I deal first with the Liberal Party submission. I am happy that Mr Bartels agreed—and I use his words—that once an election campaign starts, the activities of the party become public. In that sense he agreed that an election campaign is a public affair. Some honourable members opposite would have this House believe that an election campaign is a private affair. After all, election campaigns are conducted by candidates who seek to gain a public office. The Country Party does not think an election campaign is a public affair. Mr Bartels told the committee that the organization raises its own money and insulates its policy-makers from knowledge of contributions. No parliamentarian is informed of details of donations in any circumstances. He said, "We do not accept money from other organizations in the furtherance of their interests, and we do not accept funds that are subject to political conditions of any kind".

The Hon. R. B. Rowland Smith: Does the honourable member disagree with that?

The Hon. DEIRDRE GRUSOVIN: I am telling the House what Mr Bartels said. He was most concerned about disclosure. He said:

What is more, forced disclosure of voluntary contributions would be especially damaging to parties, like the Liberal Party, that insulate policy-makers from the fund raising process. When contributions are a matter of public record, every party's bank account takes on the character of a slush fund.

He went on to say:

We have in our party probably thousands of members who would be embarrassed in their own mind if they were clearly identified as members of the party.

I should like to think that all members of the Australian Labor Party are proud to declare their membership and do not want to hide it away on a card in their wallet. Now I come to better things. Mr Bartels was asked about false disclosure and how his party conducted fund raising activities, whether it had dinners or raffles, and he said:

Under our fund-raising code it is perfectly legitimate for politicians to appeal on behalf of the party for funds. It is strictly prohibited for them to receive, personally, funds. They are not entitled to know what funds are received and from what source. If any member was silly enough to telephone me and ask me, "What do we get from so-and-so?", he would get a curt reply because members have no right to know that. That is one of the things that concern us about public disclosure. Our politicians do not know who is what.

I have always had my doubts about members of the Opposition, but that estimation of them is extremely low. Then he said:

Anybody with half a brain would be able to work out that there are certain areas that support us but they do not know the extent of that support. It is a good thing that they do not know that.

Mr Bartels was talking about Liberal politicians. He continued:

If we had public disclosure that organizations, corporations and so on supported us, it would become public record and that would be wrong.

I come now to some further revelations. Mr Bartels was asked how efficiently Liberal Party candidates are able to insulate themselves from the generosity of their donors and he answered:

They all have a campaign committee and a campaign treasurer. Fund raising and the handling of money and so on are in the hands of the campaign treasurer.

He added:

Under our code they are not supposed to accept donations personally, and we police that to the best of our ability.

One hopes that the Liberal Party's ability in that respect is of a high order. The committee then dealt with the possibilities of corruption of politicians involved in fund raising and whether sometimes funds have been raised voluntarily or by coercion. Mr Bartels replied, and I was pleased he said this, though it differed from the views of National Country Party members in another State:

We reject the process that takes place, not necessarily in Australia but certainly in other parts, of parties demanding funds on pain of some penalty which could be extracted in a commercial or some other sense if the funds are not made available. That is a general statement of philosophy.

It is to be applauded that Mr Bartels' philosophy is different from that of the Hon. Joh Bjelke-Petersen.

The Hon. R. B. Rowland Smith: What has this to do with legislation introduced in New South Wales?

The Hon. DEIRDRE GRUSOVIN: Queensland, like New South Wales, is part of Australia. We should be concerned about what goes on in that State. The committee then canvassed the question of imperial honours. Mr Bartels was asked whether the political machine ever makes recommendations or representations on any appointment and he replied:

I have no doubt that, from time to time, people make recommendations of that nature.

He added that he knew nothing about such matters because he had not been involved for long with the party machine. He added that he had not made any representations, so it was not a problem that would worry him. No one knows how long Mr Bartels will remain in his position. It may be taken over by another person. He was then asked whether he was aware that people who make political donations and significant funds available to the Liberal Party have subsequently been recommended for imperial honours. Mr Bartels replied, "I have heard that." He could give no more information on that aspect. He then said:

We do not accept donations, under any circumstances, which are tied in any way or which are conditional in any way.

Mr Bartels said the fact that a person is a donor would not bar him. He went on to make the following reassuring statement about patronage:

I might add that the Liberal Party machine in New South Wales is constantly accused of having little or no interest in that aspect. People often wonder why we do not try to do something for either members of the organization, supporters or whatever, and it is just that we do not have time to worry about that sort of thing.

I thought that honourable members would be reassured by that statement. I turn now to the Country Party. During the questioning of witnesses on behalf of that party the committee was not enlightened to any great extent. Evidence was given that people who wished to contribute to the Country Party do so in confidence. The chairman of the Country Party, Mr Killen, stated:

If, for example, they said the political price for this particular donation is such and such, the party would probably say to them to take their money elsewhere. Although that is not written into a formal code, it is the informal way that the party has always done its financial business.

That is most reassuring.

The Hon. R. B. Rowland Smith: What point is the Hon. Deirdre Grusovin attempting to make?

The Hon. DEIRDRE GRUSOVIN: I am trying to direct attention to some of the problems about raising finances and to some of the associated pitfalls. The Government wishes to keep the public funding of election campaigns on a moral basis.

The Hon. Virginia Chadwick: The Hon. Deirdre Grusovin is attempting to read something sinister into those words.

The Hon. DEIRDRE GRUSOVIN: I am not. I am reading what the chairman of the Country Party said. When asked if any politicians were subjected to pressures from donors he said, "As State chairman I am sure that none of our members does succumb".

The Hon. R. B. Rowland Smith: What is the big deal there?

The Hon. DEIRDRE GRUSOVIN: I am putting the proposition that this man apparently does an amazing job. He watches over the whole of the State, and he answers for everybody. When he was asked whether it would be difficult to maintain control and have a real knowledge of whether any indiscretion had been made in accepting a donation from a particular source he replied, "I do not find it difficult at all, as State chairman". Apparently he is a remarkable man. I then asked him, "You speak for the whole of your party in saying that, do you?"

Mr Killen agreed that was so. Members of the committee did not learn much from that witness. In fact, he disagreed with Mr Bartels on one aspect. I then asked him "Do you agree that the gaining of public office is a public affair and should be open to scrutiny?" He replied: "The gaining of public office, perhaps, no. I think that one's performance in public office should be open to scrutiny". Obviously Mr Killen does not think the electoral process should necessarily be open to intense scrutiny. I come now to the chooks, those sleeping members of the Country Party. They need not go to party meetings. It is said in some quarters that to get membership of the Country Party is like buying a ticket in a chook raffle. The committee was told that the Country Party has a lot of sleeping members. When Mr Killen was asked what proportion of the party's membership came into that category he replied:

I cannot tell you because we do not have a file on that. I would say most of our members do turn up for the annual general meeting of their local branch.

The Hon. R. B. Rowland Smith: How would the Hon. Deirdre Grusovin like to drive 150 kilometres to a branch meeting?

The Hon. DEIRDRE GRUSOVIN: On occasions I have driven that far to attend a party meeting. I turn now to the situation in Queensland under the auspices of the Premier of that State, a member of the National Country Party. Under the title of the Bjelke-Petersen foundation, the National Country Party indulges in a fund raising binge. That party does not need public funding in Queensland when it costs \$10,000 to have a meal with the Premier. A person who pays \$100,000 to the foundation can have a building named after him.

The Hon. R. B. Rowland Smith: What does that have to do with New South Wales?

The Hon. DEIRDRE GRUSOVIN: If the Deputy Leader of the Opposition listens, he will find out. I am telling the House some of the things that are occurring in Queensland and how things are going wrong in that State. This Government is attempting to establish a scheme that will eliminate many of those problems. In Queensland a person who makes a substantial donation to the Bjelke-Petersen foundation can have his portrait placed inside a building, a brass plate fixed to the outside of

that building, be given life membership of the National Country Party or presented with an illustrated scroll. I am not the only person voicing concern about those matters. I shall not bother to refer to concern expressed by Labor Party supporters for Opposition members would not take much notice. I shall merely tell the House what other people are saying. I quote from the *Financial Review* of 25th July, 1979, which reported in an editorial:

It was revealed at the weekend's National Party State Conference in Bundaberg that the foundation has received funds and signed commitments amounting to almost \$1 million from Australia's corporate and business sector in its first five months in operation.

That is not bad, considering the party believed it would take two and a half years to raise \$2.5 million. In five months almost half the funds had been raised. The editorial continued:

Documents made available to delegates showed that donations and pledges totalled \$820,501, including \$458,950 from a special "leadership gift" account . . .

The leadership gift account includes most of the business corporate donations, which range from \$5000 to \$100,000.

The National Country Party is talking about big bickies. I refer now to an editorial published in the *Sydney Morning Herald* on 6th April. That editorial raised doubts about the proprieties of such fund raising efforts. It stated:

Every political party has to resort to fund-raising devices. But what distinguishes the fund-raising effort of the National Party is its blatant identification with Mr Bjelke-Petersen and its notification to prospective donors to view donations as "a sound and very essential investment in the protection of your commercial future as well as our basic democratic life-style."

Although the party president, Sir Robert Sparkes, has denied that this amounts to a threat of Government retaliation against businessmen who do not donate, the wording can hardly avoid giving rise to doubts in the minds of some businessmen, even if they are baseless. When a party accustomed to playing it tough expresses itself in such terms, it should expect them to be read against the background of its past no-holds-barred record. If it has left itself open to misinterpretation, it should recast the wording. But it is unlikely to do so, since it holds no brief for backtracking. Right or wrong, it believes in crashing through in its own inimitable frontiersman fashion, with solid faith that it will come out on top.

The Hon. R. B. Rowland Smith: Who wrote that?

The Hon. DEIRDRE GRUSOVIN: It is reported in the *Sydney Morning Herald* of 6th April. I refer now to a statement made by Stephen Litchfield, the director of the Queensland Liberal Party. When the *Sydney Morning Herald* contacted him on the question of the Bjelke-Petersen foundation he said:

The claim being made is that if you support the National Party you will get somewhere. People are frightened to be anything but Nationals **if** they wish to do business **with** the Government.

That was not said by a member of the Labor Party; it was said by the director of the Queensland Liberal Party. He said the National Party and the government manipulated by that party effectively controlled every aspect of business in the State. He continued:

Until we get a mechanism for vetting tenders there will be a smell—even if it is unjustified—when contracts are handed out by the Government . . .

This concern is aggravated by the knowledge that thousands of big and small companies want to get a slice of the \$12 billion resources boom Queensland will enjoy.

I remind honourable members of what was said by Sir Robert Sparkes when he repeated his assertion that the donations had been completely voluntary and had no strings attached to them. The National Country Party leader, Mr Hartwig did not agree. In Parliament he said that he had been asked for a \$10,000 donation to the Bjelke-Petersen foundation and the insinuation was there that it might help his chances of getting into Cabinet. According to the newspaper report Sir Robert Sparkes described the claim as rubbish, adding: "He is embittered about not being made a cabinet Minister. The only person who can make an appointment to Cabinet is the Premier, and he has no control over the organizational side of the party". Mr Hartwig felt that he had been badly done by. I also refer honourable members to some further comments made by Sir Robert Sparkes in a letter dated 6th April, 1979, sent to a potential contributor to the Bjelke-Petersen foundation. The letter stated:

Your contribution should be viewed, not as an act of altruistic generosity, but as a sound and very essential investment in the protection of your commercial future, as well as our basic democratic lifestyle.

I hasten to reassure honourable members by referring them to the statement made by Mr Russ Hinze, to the effect that he did not know of any bribes. He said his income is so large that he had no need to accept bribes. A report in the *Daily Telegraph* of 8th October, 1979, stated:

In an amazingly frank statement which must make other ministers quake, he says ministers are offered bribes at the rate of one a month.

Opposition members rubbished me when I spoke about possible problems of corruption in fund raising. Some members opposite looked at me as if I was talking about something that did not exist, when we know that a member of the Queensland Government said that bribes were offered at the rate of about one a month. Mr Hinze said that sometimes one would think the whole world was trying to bribe Ministers. He said also that about a month ago he was offered and refused a \$50,000 bribe. He added:

But why should I be interested in bribes when my income is around \$360,000 a year?

That seems to suggest that if we have wealthy Ministers, we need not worry about bribes; we can hope that they have enough housekeeping money and will not be interested in any propositions. I find that rather disconcerting. In October 1979 the *Sydney Morning Herald* reported that the Bjelke-Petersen foundation was more than halfway towards its target of \$2.5 million. It should be borne in mind that the fund was launched in April 1979, when it was estimated that the goal of \$2.5 million would

be reached in two and a half years. The foundation has proved to be a popular investment that gives big returns. I now refer honourable members to another statement about members being involved in fund raising in Queensland. It is in these terms:

. . . which means that, while Cabinet ministers are not actively canvassing for donations, and should not do so, they are encouraging people to join committees where they then donate.

On top of that, getting people on to the committees in the first place was vital to the success of the whole scheme to ensure the future prosperity of the National Party.

Not only would they all donate, once on the committee, but—like some sort of pyramid selling operation—every committee member would then select five prospective donors on whom he would call personally.

That is the sort of thing one is confronted with in a State that says it does not need public funding as it is doing well with its present fund raising activities. Public funding will result in fairer competition for votes. I believe strongly that, without the future provision of public funding for political parties, democracy in Australia will be in danger of being weakened. We are reaching the stage where political parties are unable to raise sufficient funds to cover their campaign costs. That will lead inevitably to frustration and curtailment of campaign activities and the ability to fully inform the community of the major issues confronting the electorate. One cannot have democracy at work if the people are not fully informed.

Almost every western democracy has accepted, in principle and in reality, the argument for public funding. Even in the United States of America, where one might reasonably expect to find the most determined opposition to public funding of election campaigns, public assistance to candidates is an accepted form of funding in presidential campaigns. At this stage it is not inappropriate to comment on the foresight of a prominent member of this House, no less a person than yourself, Mr President. In November 1976 you, in your maiden speech, sought to bring to the attention of honourable members the need for some form of government subsidy. On that occasion you spoke enthusiastically of the United Kingdom's Houghton committee, which was investigating all aspects of political campaign funding. Public funding is not a new concept. It has been discussed in the House before. In your usual down-to-earth fashion, Mr President, you said on that occasion of your maiden speech:

As one who has engaged himself in fund raising on behalf of his political party, I am convinced that some people consider shrouds have pockets . . .

I look forward to the day when the bagmen of the political parties are put out of business and a more reasoned approach to election funding is forthcoming.

I believe that day is almost here. The scheme detailed in the bill is the most practical system of public funding for New South Wales. The scheme has been drawn from the best available in the world and it incorporates new ideas that have not yet been tested. The final cost of the scheme, which has been calculated almost to the last dollar, is well within the capacity of the electorate to pay. The cost to the electorate will be the equivalent of one postage stamp a year, and the funds will be allocated in accordance with the ability of a candidate or a party to attract votes. At the same time, it will allow the winner a benefit that is not greater than that allowed to his combined opposition. I am delighted that, with the enactment of this progressive legislation, New South Wales will enable Australia to join with

other advanced democratic systems in providing a well-reasoned and sensible form of public assistance to political parties and thus ensure a strengthening of the democratic process.

[*The President left the chair at 12.48 p.m. The House resumed at 2.37 p.m.*]

The Hon. W. L. LANGE [2.37]: Though the debate on the bill has ranged fairly widely, I may traverse some areas not yet touched. The bill is fundamental to the structure of the political organizations of New South Wales. I am pleased that the Government has been tolerant about the length of speeches in this debate and the times of sitting of the House. I hope that that attitude will continue because of the stated approach of the Minister that the bill is so important that anything that is relevant and has to be said should be allowed to be said.

The objects of the bill axe to reduce the disparity between the financial resources available to different political parties. In those words the Premier and Treasurer described the intention of the Labor Government. Because the trade unions and other supporters of the Labor Party are not willing to make further contributions to the Australian Labor Party the taxpayers are to be obliged to do so. That is the reality of the position. Honourable members know that the Labor Party is \$200,000 in debt. That was acknowledged recently by the general secretary of the party, Mr Richardson. He had said that this was the position following the 1978 elections. The left-wing of the Australian Labor Party is the driving force for and is pressing for public funding of political campaigns.

The Hon. H. B. French: Who told the honourable member that?

The Hon. W. L. LANGE: I shall try to explore the position. Let there be no doubt about the fact that the leading proponent for the legislation is none other than the honourable member for Fuller in the other place. He has been active, forthright and honest in his moves towards bringing in public funding. I know that others in the Labor Party also support it. The left-wing of the party sees it as a means of reducing the dominance and influence of the right-wing of the trade union movement in New South Wales. That is precisely why the trade union movement in the United Kingdom worked towards having the Callaghan Labor Government not proceed with public funding.

It is ironic that the chairman of the select committee, having travelled round the world and investigated various systems of public funding, has returned and the committee has come forward with a system that was not adopted by the federal Labor Government and was opposed by the trade union movement in the United Kingdom. I regard it as singularly ironic that the committee should come forward with an untried, untested proposal that was not implemented by the Labor Government in the United Kingdom.

The Hon. H. B. French: It is not unique.

The Hon. W. L. LANGE: I ask the Hon. H. B. French, if he cares to contribute to the debate, to spell out a similar system in other parts of the world. I did not see it.

The Hon. H. B. French: The Hon. Deirdre Grusovin has stated what has taken place in other parts of the world. I would not want to repeat it.

The Hon. W. L. LANGE: Except that the Hon. Deirdre Grusovin said that this scheme was drawn from the Houghton committee report. If the Hon. H. B. French checks in *Hansard*, he will see that. The scheme proposed by the select committee, and adopted by the Government, has been untried and untested and has been rejected by the Labor Government in the United Kingdom.

The only objective and non-partisan inquiry in Australia was set up by the Tasmanian Labor Government to examine public funding. It rejected both the call for public funding and the call for disclosure, despite the fact that both calls came from the Labor Party in Tasmania. That committee consisted of a non-partisan group of people including a lawyer of prominence in that State, the electoral commissioner and the Clerks of the Parliament. There is no doubt about the objectivity of that committee. It consisted of Mr J. B. Piggott, solicitor, as chairman, Mr K. Febey the Chief Electoral Officer of Tasmania, Mr A. J. Shaw the Clerk of the Legislative Council and Mr B. G. Murphy the Clerk of the House of Assembly. Having looked at the question of public funding and, indeed, other electoral matters in Tasmania, the committee had this to say:

State Subsidization of Electoral Expenses

This system was suggested in the submissions of the Tasmanian Divisions of the Australian Labor Party and the Australian Democratic Party and also mentioned in two other submissions.

We are aware of the scheme in Canada and the attempt to introduce it into Presidential elections in the U.S.A., but we have not investigated the systems, or those proposed to this inquiry, in depth because most witnesses were against it and we are not persuaded that such a system would receive public support in Tasmania.

Indeed, that is the position in New South Wales. This scheme does not have public support. Previous speakers on this side of the House have mentioned public opinion polls in this State and the fact that the Government has been unwilling to move towards a referendum to test the feelings of the people. The committee went on to say that in May 1979 Australian National Opinion Polls conducted a nationwide survey. It sampled the views of nearly 2 000 persons. That is a fairly extensive sampling. They were asked, "Do you agree or disagree with the proposal that the cost of political campaigns for federal and state elections should be funded from taxation money rather than donations to each political party?" Of those questioned 70 per cent were against it and only 25 per cent were in favour. In Tasmania, 76 per cent were against it and just over 20 per cent supported it. The Tasmanian branch of the Australian Labor Party submitted that disclosure is necessary to prevent corruption. A consideration of such a submission, though not strictly within their terms of reference, was in the committee's view unacceptable. The committee said:

Your Committee is not in favour of such disclosure. In our opinion it derogates from the right of the citizen to financially back his desire to support a candidate or a party without the public disclosure which could cause him suffering at the hands of those holding some strong opposing views. After all, his vote is secret and the fact that he is prepared to back his vote with financial support should not subject him to criticism, loss of employment or business or other serious or unwarranted consequences. In this respect a company or organization can suffer in the same way as an individual.

That is an objective assessment by a committee of inquiry in Tasmania set up by the Tasmanian Labor Government. The committee rejected both issues, public subsidizing of election campaigns and political parties and the question of disclosure. I shall repeat that again for the benefit of the Hon. Deirdre Grusovin.

The Hon. Deirdre Grusovin: Please do not. I have heard it about three times already in this debate.

The Hon. W. L. LANGE: The point I wish to make is that it was the only objective non-political assessment of public funding in Australia.

The Hon. Deirdre Grusovin: That is the Hon. W. L. Lange's opinion.

The Hon. W. L. LANGE: It is more than my opinion; it is fact. Often the Premier and Treasurer has claimed, and members on the Government side of this Chamber have said repeatedly, that public funding of election campaigns has been introduced successfully in the United States of America. The reality of the situation is being ignored. Even the strongest proponents of public funding there now have serious doubts about its effectiveness and its worth to the political system. I have had the opportunity to meet people like Dr Herbert Alexander and others in the United States of America who have been strong advocates of public funding. As the result of the growth of bureaucracy and extensive regulations that have accompanied the scheme there they have noted many serious deficiencies in the public funding system. It has had many unexpected consequences.

There is one significant **difference** between the principal United States scheme, that relating to the Presidential campaign, and the scheme now proposed for New South Wales. In the United States of America contributions from taxpayers are entirely voluntary. Each taxpayer has the opportunity, when compiling his annual income tax return, to indicate whether or not he will pay **\$1** of his tax assessment to the political campaign fund. It is not an additional **\$1**; that **\$1** comes out of the assessment and goes into the fund. Taxpayers there have the option to make a payment into the fund. That is not inherent in this scheme.

The Hon. Deirdre Grusovin: We could hardly institute here the scheme that applies in the United States of America.

The Hon. W. L. LANGE: You could, if you agreed to the introduction of federalism and gave back the States their right to tax—something that you have rejected over the years.

The Hon. Deirdre Grusovin: The Hon. W. L. Lange is advocating the raising of a second income tax.

The Hon. W. L. LANGE: It is not a second income tax. There is no opportunity for Australian taxpayers to indicate whether they wish to contribute to a New South Wales election campaign fund. Many members will know that all federal American legislation is considered by congressional committees. During congressional hearings in **1977** and **1979** some highly reputable people spoke strongly against the system of public funding for election campaigns and the way in which it was developing. The Hon. Philip M. Crane, a representative in the congress from the State of Illinois, made this statement when he appeared before a **committee** in June **1977**:

If I might, I should like to discuss a series of myths which are associated with public financing.

Myth Number 1: It would remove the temptation to engage in illegal activities.

He said that in Puerto Rico campaigns are publicly financed. Puerto Rico is the country in which public financing was first introduced for the purpose of overcoming the domination of the large sugar interests over all political parties in that country. Mr Crane said:

In Puerto Rico, campaigns are publicly financed, and **illegalities** continue. Most abuses of Watergate would not have been prevented by public financing, indeed it could well be argued that limitations on expenditures could actually increase the temptation to engage in illegal activities in order to secure additional funds.

Myth Number 2: It would increase opportunities for participation by candidates. If there were total, unrestricted access to federal funds, this would be true. This would create political chaos, with a multiplicity of candidates, obscuring of issues and a colossal waste of tax dollars on frivolous candidacies. Therefore, all serious proposals for public financing suggest limitations.

As to myth number 2 he said:

Subsidy limited to prior performance—This is meant to preclude the arrival of newcomers in the political field and "stack the deck" in favor of existing parties. The same bias against new candidates that crippled Eugene McCarthy's presidential candidacy will exist on the congressional level.

This hearing was in relation to the proposal to extend public funding to congressional elections. He continued:

As a corollary, subsidies could perpetuate protest movements which gained sizeable votes, such as the 1968 Wallace campaign, but whose public support has eroded.

In other words, he is saying that if the amount of contribution is based on past performance—which may not be reflected in current attitudes in the community—those parties are still eligible for funding. That, I agree, is detrimental. He continued:

Myth Number 3: Subsidies will prevent the wealthy from excessive dominance of channels of mass communication as a candidate or contributors. Subsidies combined with limits unquestionably limits some influence on the part of the wealthy. However, public financing will not guarantee pure politics. Instead I would argue that it simply transfers power over to other special interest groups. In particular, this idea virtually turns our electoral process over to labor unions.

At present, labor unions are virtually exempt from all federal regulations on elections. Labor can spend as much as it desires on communicating with its members and their families. Labor can spend a fortune on voter registration and on ensuring its voters get to the polls. This "educational" ability of Labor to support a candidate was of paramount importance in the 1976 presidential election. Labor spent \$26 for Carter for every dollar spent for Ford on "internal communication." Indeed, organized Labor spent over \$11 million on behalf of the Carter ticket—over half of the \$21.8 million that the national ticket is legally allowed to spend: unions distributed 75 million pieces of literature, made 10 million telephone calls in the 1976 race. Public financing of Congressional elections will simply insure that this dominance of Labor be extended to 435 House and 100 Senate races.

The importance of that statement by Mr Crane is that in the United States of America labour unions are not restricted in electoral expenditure among their members as most members of the community are. Likewise, the legislation under consideration will not restrict fringe organizations, and the Labor groups will fall into that category unless the definition of a party includes trade unions. That is something on which an opinion may have to be sought. If trade unions are regarded, as a body, as part of the Labor Party, they may well be incorporated. If not, the trade unions will from time to time have to campaign and spend money—without disclosure—and to undertake expenditure, both in cash and in kind, that will not be caught by this legislation. As Professor Winter, one of the foremost authorities in the United States on public funding, said to me, the biggest loophole with the restriction of the regulations in that country is that the labour movement is virtually free from the provisions of the Act. Mr Crane went on to explain myth No. 4 in this way:

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Myth Number 4: Subsidies would hold down excessive spending. If the two major candidates had received the full legal financial support to which they were entitled by local, State and national party committees, they would have spent as much as was spent in the 1972 campaign. Yet, even many proponents of public financing feel that the level of subsidies in 1976 was too low. There is no evidence that subsidies will result in anything other than increased spending.

This legislation will result in a large increase in expenditure. The parties will be able to receive money privately, and no doubt they will spend as much as they can in the rush to the campaign. Mr Crane then dealt with myth No. 5:

Subsidies will restore public confidence. In 1976, during a very close race, fewer eligible persons voted than in the lopsided 1972 race.

Subsidies did not increase participation here, nor in Puerto Rico where they are given.

That effectively shows that there is no likelihood of greater participation or more public confidence. That applies in countries where voting is not compulsory. As honourable members on this side of the House have said, where voting is compulsory there is an obligation to participate to the extent of casting a vote in this State. Mr Crane listed some of the major dangers inherent in public financing. They were:

Subsidized campaigns could result in government regulation of the democratic process and of free speech.

I shall give some examples of the problems encountered by the Federal Election Commission in the United States where it has been regarded as an infringement of civil liberties. Mr Crane went on to say:

Public financing will be highly detrimental to third parties, as I indicated in my remarks on prior performance. It will freeze out parties and institutionalize others.

That is what will happen in New South Wales. It will freeze out some and institutionalize others. The Government's intention by this legislation, as spelt out by the Premier and Treasurer, is to finance the major political parties but not the minor ones. The Australian Democrats and other minor parties will receive no support under these proposals, for the Government's clear intention is to strengthen the major political parties. It is a move towards institutionalizing the major parties, and that is the problem that was foreshadowed by Mr Crane in 1977 when he gave evidence before the United States committee. Another witness who appeared before the congressional hearing was Ralph K. Winter, jun., professor of law at Yale University. I mentioned earlier that he is one of the foremost authorities on public funding in the United States and a person with whom I had an opportunity to have an interview. He appeared in the celebrated case of *Buckley v. Vaole* in the Supreme Court of the United States. Professor Winter said:

We oppose public subsidies to congressional candidates for the following reasons:

(1) It is now clear from the dollar check-off that barely one-quarter of the American people favour the use of tax revenue for the subsidization of political campaigns.

Par from the Premier and Treasurer of this State being able to say that public funding is working well in the United States of America and that it has support, there about 25 per cent of taxpayers—bearing in mind that it is at no extra cost to them—are

willing to support the system. Those taxpayers do not place a tick on their taxation returns indicating their support for the election fund. Professor Winter went on to say:

Support for such measures lies only in elitist and special interest groups seeking to increase their own power by appealing to the self-interest of incumbent Congressmen.

Public financing is not administratively feasible. It has been estimated that the auditing of fifteen Presidential candidates consumed thirty-five person-years of labor by the Federal Election Commission in 1976. The suggestion that this be expanded from fifteen candidates to possibly over a thousand refutes itself.

There are ninety-nine electorates in New South Wales. There would be an average of three candidates for each electorate. At least 200 candidates would seek election to the Legislative Assembly and more than 50 candidates would seek seats in the Legislative Council. That is a total of 250 candidates. The campaigns of all of those persons will be subject to audit by the proposed election funding authority. That authority will be required to check not only electoral expenditure but also the personal expenditure of candidates. I hope the Minister for Education and Vice-President of the Executive Council is listening for he will be a candidate at the next election and his personal records will be subjected to scrutiny. It may be that the Minister has no objection to that. One wonders whether he is concerned that his privacy will be invaded by having his personal records inspected.

The Hon. D. P. Landa: I gave up the right to privacy in public life a long time ago.

The Hon. W. L. LANGE: Surely some rights attach to members of Parliament, and those rights should not be done away with completely. An extensive audit staff will be required by the proposed election funding authority. In the United States of America the federal election commission has a staff of about 300 persons, a quarter of whom work in the legal department interpreting the regulations and giving opinions. I wonder how many persons the Government envisages being employed by the proposed authority. The Premier and Treasurer made the bland statement in his second reading speech in the other place that staff will be seconded from other departments to undertake the work of the authority. Do honourable members really expect that seconded staff will be able adequately to audit and check the expenditure of at least 250 candidates and that of the parties? Obviously, they will not; they will want to build up their own bureaucracy. The disclosure provisions of the bill will lead eventually to the employment of a great number of audit staff. Professor Winter, the professor of law at Yale University, went on to say:

Public funding, contrary to much of the post-election propaganda, was hardly a success in the Presidential election. . . .

The voter turn-out in the cliff-hanger was lower than in the walk-away of 1972, even though we were all promised that increased public participation. In fact, grass roots participation, of all kinds, was diminished.

There is no evidence to show—indeed, the contrary is the situation—that following public funding there will be a diminution in participation. I should expect also that in this State there will be a fall off in the number of electors turning out to vote. Professor Winter said that he opposed further legislative action extending the so-called reform of 1974. A great deal of other evidence was given to the committee. I commend to honourable members a reading of evidence given before the committee of the United States Congress. In that way they will get some inkling of what the people of New

South Wales are in for. I refer now to a statement by Mr Richard Cohen, a national committee member of the Labor Party of the United States of America—which is, of course, not analogous to the Labor Party of this State. During his evidence Mr Cohen said:

We are completely opposed to the extension of federal financing to Congressional campaigns, principally on the basis that the instrument which will oversee such financing, the Federal Election Commission, we believe to be unconstitutional in principle and in practice.

He went on to outline his reasons for saying that. I refer also to the evidence of Reed Larson, president of the national right to work committee in the United States of America. That committee is an organization of 1.25 million workers who are dedicated to the principle that every individual must have the right to join a labour union but must not be compelled to join or support any union as a condition of employment. He said:

Our position on the bill and other proposals dealing with election campaign financing is rooted in this fundamental principle of freedom . . .

We object to this bill for two reasons: First, it fails to deal with the most indefensible of all campaign abuses—the use in each federal election of tens of millions of compulsory dues dollars for politics.

That is exactly what is happening in this State and in Australia. There is a compulsory use of union fees by the Labor Party in respect of which most members of that party have absolutely no say. Reference has been made to the costs of the proposed commission. Those costs will go from \$2 million to \$6 million, depending on the way the legislation is implemented. Administration costs involve \$6 million. Honourable members have not been informed about that aspect; we were told simply that initially the Government will provide \$2 million. That sum will not cover the costs of administration or research.

The Election Funding Authority is to be given the power to undertake research work. I should have thought that the Government would have carried out an estimate of the costs necessary to fund the authority. Those costs will involve more than the 66c a person estimated for the first election campaign. Though the sum is 66c in 1981, by 1984 it will be about 84c; it may even be higher, depending on the rate of inflation. More than 88c per capita may be involved for each election, with about 3 000 000 electors being involved. In addition, substantial administrative costs will be incurred, the details of which honourable members have not been told. I should have thought the Government would be obliged to give the House some idea of those costs. Perhaps the Government does not have any idea for it is rushing through this legislation without giving any of those details. The Government has not done its homework. Honourable members can be assured that the estimate of 22c an elector each year is an absolute minimum. When one takes into account the additional administrative costs that will be incurred, a huge levy will be required.

I shall refer to a survey undertaken in the United States of America on the impact of federal laws on the 1976 election campaign. The independent survey was undertaken objectively on behalf of the American medical and political action committee using a statewide sample. The findings of the committee are particularly relevant having regard to the claim by the Premier and Treasurer that public funding is working well in the United States of America. A detailed series of questions were asked of about 2 000 persons. The results of the survey showed that opposition to public funding runs from something like 60 per cent throughout the community, and in some cases it is as high as 70 per cent. The claims by the Premier and Treasurer and the Minister for Education and Vice-President of the Executive Council that public funding is

working well in the United States of America do not relate to the facts. Public funding is not working well in that country. It does not have acceptance, as the public opinion polls indicate. There was an overwhelming vote against public funding in the United States of America, which is the country that is exemplified by the Premier and Treasurer as the one to which we should have regard and the notion that we should follow.

When introducing the proposed legislation serious consideration should have been given to the reasons for the introduction of public funding in the United States of America and in other countries. Undoubtedly in the United States the Watergate experience led to changes in the campaign financing laws. Apart from that, the decision in *Buckley v. Valeo* brought about extensive changes to those laws. The situation in the United States of America led to the introduction of public funding in Canada. One significant difference in Canada, when compared with New South Wales and Australia, is the desirable convention followed in that country, that is, that electoral changes are not introduced unless they have bipartisan support. One would be somewhat too idealistic to imagine that one would ever have bipartisan support for electoral changes in New South Wales or in Australia.

The electoral changes in Canada were introduced following Watergate. The New Democratic Party, which is a minor political party in Canada, had the balance of power. That party benefits most from public funding as it has been able to draw heavily on public funds and has thus become stronger. Having the balance of power, the NDP has been able to encourage the Government and the Opposition to introduce public funding. The view of many academics who have considered the problem is that no system of public funding can be introduced successfully or implemented unless it has either bipartisan support or public support. In New South Wales there is neither bipartisan support nor public support for the Government's proposal. In no country in the world has public funding been introduced without that sort of support.

It is to be seriously regretted that the Government has proceeded with a system of funding that does not have bipartisan support. When I returned from my oversea trip the report that I prepared was offered to the chairman of the joint committee. I do not think the Hon. Deirdre Grusovin realized that. The chairman said that the committee would consider the report to see whether it was worth while. That is the only response I received. In the recommendations in the report I advocated that the Government should introduce indirect aid, that is an extension of the aid available at present, and this was referred to by the Hon. J. W. Kennedy.

The Hon. D. P. Landa: Did the Hon. W. L. Lange submit a copy of the report to the chairman of the committee?

The Hon. W. L. LANGE: I did not officially forward a copy of the report to the chairman. I said that I would make the report available to the chairman on the understanding that it would be incorporated in the committee's findings. The chairman said that the committee would consider the report and determine whether it was worth while. I did not regard that as a satisfactory response.

The Hon. D. P. Landa: Why did the honourable member not formally send the report to the chairman?

The Hon. W. L. LANGE: I had no guarantee that it would be used. I should be pleased to have the report incorporated in Hansard.

The Hon. D. P. Landa: Unread, and without having been considered by honourable members? The honourable member should have sent the report to the committee.

The Hon. W. L. LANGE: I said that I made the offer.

The PRESIDENT: Order! Is the Hon. W. L. Lange seeking leave to have the report incorporated in *Hansard*?

The Hon. W. L. LANGE: I seek that leave.

The PRESIDENT: Is leave granted?

The Hon. D. P. Landa: No.

The PRESIDENT: There being **an** objection, leave is **not** granted.

The Hon. W. L. LANGE: Included in the report was the recommendation that, if any system of public funding were to be introduced in New South Wales, it should be based on an extension of the aid that is available **through** the parliamentary system, with **an** increase in the free television and radio time already available. I agree **with** my colleague the Hon. J. W. **Kennedy** who advocated a similar proposition.

The Hon. D. R. **Burton**: What free time does the State Government have on radio or television stations?

The Hon. W. L. LANGE: I have no doubt that the commercial radio stations would give the parties some free time. Radio station 2KY provides time during elections. I am not sure whether the Liberal Party and the Country **Party** are given free time on 2KY—I doubt that they would be. However, I believe that such a scheme would be appropriate to conditions in this State. If a move is made at federal level for donations to be tax deductible, that would receive bipartisan support, or at least it would have the support of the Liberal Party and the Country Party. It should be borne in mind that members of trade unions are able to claim a tax deduction for their union dues, much of which end up with the **Labor** Party.

The Hon. D. P. Landa: What about donations made by companies under the guise of public relations expenditure? Are those payments not tax deductible?

The Hon. W. L. LANGE: Does the **Labor** Party obtain the benefit of those funds? I did not know that.

The Hon. D. P. Landa: I **am** speaking about **both** parties.

The Hon. W. L. LANGE: The Hon. Deirdre Grusovin said that in the United States of America the move towards the extension of public funding to congressional elections is being revived. I do not know where she obtained that information. I have received in the past two weeks information that no move has been made to extend public funding in that country; indeed, that would be highly unlikely. Given the results of the recent election of President Reagan and the **fact** that the Republicans now have a majority in the Senate, the evidence is to the contrary. If any changes are made, they will be towards deregulating the present system by removing expenditure limits.

The Hon. Deirdre Grusovin: I should be pleased to see that happen.

The Hon. W. L. LANGE: Perhaps the Hon. Deirdre Grusovin would support that change. That would be different from extending public funding to congressional elections. There are no such moves, and certainly there is no likelihood that the Reagan administration will revive the public funding proposal in the United States of America. The Hon. Deirdre Grusovin referred also to the **Houghton** committee report, which, I repeat, was not adopted by the Labour Government in the United Kingdom. It was claimed that the report was not adopted because that Government did not have a majority on the floor of the House of Commons, and that a tight situation existed at

that time. Another reason why the Government did not proceed to implement the recommendations of the **Houghton** report was that **Transport** House, the trade union headquarters, was opposed to them.

The Hon. **Deirdre** Grusovin referred to some of the recommendations of **the Houghton** committee. I wish to remind honourable members of some parts of the dissenting report. I had the opportunity to speak to **Mr Aitken**, a political correspondent for the *Guardian* newspaper. I spoke also to Lord **Houghton**. **Mr Aitken** was a non-political appointment to the committee. The Labour Government appointed him thinking that he might support public funding. He approached his task objectively **and** prepared the dissenting report, which is worthy of consideration by honourable members. In the report he said:

Our dissent is partly explained by the fact that our conception of the nature and role of political parties differs, perhaps fundamentally, from that of our colleagues as described in Chapter 9. There may well be, as they argue, a "minimum level of activity and efficiency" for parties, below which they cannot fall without hampering the working of democracy, but we do not consider that it is possible to determine what that level may be, or whether it would be the same for all parties, or to measure the parties' shortfall, or to calculate the resources they require. Indeed, we think it mistaken and possibly dangerous to suggest that any work can be required of a political party—by the State.

That is a fundamental—and a different—approach to the issue. The minority report continued:

Though it is risky to try to interpret the minds of the ministers who set up this Committee, it is probably safe to assume that the immediate stimulus was the expectation of a severe financial crisis in the **Labor** Party.

That could almost have come from the report of the New South Wales committee for, under the standing orders, members of that committee were denied the opportunity to present a minority report. As I said earlier, the reason the bill has been introduced is that a financial crisis exists in **the Labor** Party in Australia, just **as** it existed in the United Kingdom. I shall now refer to some other comments made by **Mr Aitken** and the other persons who signed the minority report. They are in these terms:

But there can be no guarantee that the provision of state money would of itself "improve" the performance of parties, particularly if there is to be no public answerability for its use. Moreover, quite apart from the oddity of choosing an economic crisis as an appropriate moment to "improve" the performance of political organizations, the very activity of raising money has always been recognized as one of the cohesive forces holding parties together.

That is an important function for every party member. It is important for party members to contribute towards fund raising. Doubtless every Government supporter would know that. The report continued:

Direct state aid would tend to weaken the links between political parties and their traditional sources of support. Indeed, many of the most enthusiastic supporters of state aid cheerfully advance this argument as a positive benefit.

That is a message for the members of the **Labor** Party who might unwittingly be supporting the bill. In the view of those who signed the minority report, the traditional sources of support and links between political parties would be weakened. That is an

important aspect. It should be a salutary warning to those **Labor** Party members who advocate blindly public funding. Without doubt, it will lead to a weakening of the links between the trade union movement and the **Labor** Party. The report continues:

There is no evidence that the dependence of the **Labor** and Conservative parties on institutional support from the trade unions and industry has distorted their overall political direction. On the contrary, it can be argued that the two parties exist to represent these legitimate interests, among others, and that they attract the financial support of industry and the trade unions precisely because they do. It was the trade unions which founded the **Labor** Party; they remain an integral part of it, and the affiliation fees which they pay to it must therefore be sharply distinguished not only from individual membership subscriptions but also from "donations".

Are **Labor** Party members of the House willing to say that they do not wish the unions to be the dominant force in that party? There is no doubt that when the **Labor** Party is less reliant on trade unions the trade union movement will have less influence on the **Labor** Party.

The Hon. P. F. Watkins: The **Labor** Party is not dependent on affiliation fees.

The Hon. W. L. LANGE: The Hon. P. F. Watkins sounds confident. I doubt whether the honourable member for Fuller shares his view. The report continued:

Cynicism about politics and politicians is already at an alarmingly high level . . .

The sight of political representatives at Westminster voting substantial sums of public money to their parties could only deepen this cynicism still further.

I endorse the view that voting substantial sums of public money to parties—in this case to one party—could deepen the cynicism further. If Government supporters have any regard for the feeling of the public towards the Parliament and the parliamentary institution, they should think seriously about moves towards voting themselves—for that is what it is—public money. Between 70 per cent and 75 per cent of voters do not want the legislation. However, the **Labor** Party is moving ahead to support drawing more funds from the public. The report continued:

All members of the Committee, majority as well as minority, have been at pains to avoid the danger of ossifying the existing party political structure by bolstering the established parties at the expense of emerging groups.

All members—that is, **Labor**, Liberal and Conservative members—of the United Kingdom committee were at pains to avoid the danger of ossifying the existing party political structure by bolstering the established parties at the expense of emerging groups. That is precisely what the Premier and Treasurer said the legislation was about. He said that the funding of the major political parties was an objective of the Government. That is directly contrary to the attitude of all members of the United Kingdom select committee. Those members said that the danger was that there would be a bolstering of the major parties at the expense of the minority parties. Obviously the minority parties will share little, if any, of the contributions from the funds of the taxpayers. The joint committee, drawing heavily on the United Kingdom experience, has ignored that aspect of the recommendations. The minority report continued:

The majority fairly insists that it is proposing no more than a modest injection of funds, largely in the nature of a shot in the **arm** designed to stimulate renewed activity. But we believe that the experience of European

countries **confirms** that state aid, once started, never diminishes and almost always increases. As one distinguished Swedish politician told us, in what was intended to be a piece of helpful advice: "start small—you can always increase it **later**".

Having started with **22c** we can see the day when the figure will be **32c** and then **42c** or **52c**. Some advice I received when I was overseas—I am sure that the chairman of the joint committee received the same advice—was to make sure that if public funding is introduced it is indexed, so as to ensure that there is no need to return the matter to the Parliament each year. The scheme has been indexed to try to get over the odium of increasing the levy each year by legislation. It is necessary only to pick up the newspapers on the day after the budget is brought down in Quebec, West Germany or Sweden, to see public reaction in those countries to the Parliament voting funds each year for political campaigning. The reaction is far from favourable. The Government, by its poor attempt to try to reduce public reaction by indexing the levy, should remember that the **oversea** schemes are not a success story and do not have the public support that the Government claims they have. I shall refer again to the position in the United Kingdom. **The Houghton** committee recommended a figure of **5p** for each elector. That was regarded as a fairly modest figure. But if one looks at the report of the **Labour** Party commission of inquiry in 1980, one sees that the party was not happy about the sum of **5p**. That report stated:

That state aid be included in the party's manifesto and that active campaigning for its introduction begins immediately.

That the **Houghton** Formula for state aid be revised so that the sum payable at national level is increased to **10p**.

The levy was doubled from **5p** to **10p** overnight. Far from being a modest start, which would enable it to be increased, the Labour Party then passed a recommendation that the amount be doubled. The situation in Germany was referred to by the Hon. Deirdre Grusovin and other speakers as an example of why public funding is appropriate for New South Wales. Let us see how it developed in Germany and why that example is not relevant to New South Wales. I refer to a paper entitled, "The Structure and Finances of the Political Parties in the Federal Republic of Germany" by Dr **Schmitt-Vockenhausen**, vice-president of the German Bundestag, now deceased, who said:

After the decline of the Weimar Republic nearly all politicians in Germany's democratic parties were convinced that one of the main reasons for the growth of the National Socialist party under Adolf Hitler before 1933 was the fact that party propaganda was financed by large industrial groups. Although this has not been fully confirmed by more recent research, it was this conviction that induced the authors of the Basic Law (Constitution) of the Federal Republic of Germany to require political parties to make known their sources of income.

They make them known, but when one looks at the level at which donations are disclosed in West Germany, they are much more substantial than the limits proposed here. It is **DM20,000**, or about \$20,000, which is the normal minimum. The article went on:

Before 1945 the parties were, constitutionally, merely private political associations. They were mentioned only once in the Weimar constitution which read "Civil Servants are servants of the community as a whole, not of any one party." Article 21 of the Basic Law constituted a fundamental

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change to the Federal Republic of Germany. The parties were regarded as having a public duty and, in constitutional terms, were akin to organs of the State.

Does this Government want political parties to be akin to organs of the State? That is what will happen. Political parties will become virtually government departments. In Germany I was appalled by the remoteness of political organizations from their supporters. I felt I was in a government department and not in a political party when I met the parties in Bonn. There is no relationship between the average grass roots members and those who run a party. The executive, relying heavily on government support, know that they do not need their average everyday supporter out in the street. That sort of thing will develop in New South Wales and it is a most undesirable trend.

Following the 1945 changes a system of support for the parties was introduced at the end of 1954 by which donations were deductible from tax. In 1958 the federal constitution court declared the system unconstitutional. With prospective donors becoming increasingly less inclined to give without the tax incentive, donations to the parties decreased considerably. That induced the parties to finance their works from public funds. The substantial gap was picked up by public funding. We are told that public funding and disclosure will do away with many abuses or will be the answer to all abuse. In fact, since public funding was introduced in West Germany, more substantial abuses have occurred. When the opportunity to claim tax deductions was taken away the political parties set up sham consultancy companies in Liechtenstein and paid money from the companies to sham companies in another country, claimed tax deductions as consultancy fees, and then the funds were donated back to the political parties. If one thinks that disclosure of that abuse was the result of the disclosure provision, one is entirely wrong: tax investigations uncovered the truth. The abuses were discovered and various party members and others were indicted.

Some of the problems of state financing are spelled out in a paper by the late Fritz Ehrler and Hartmut Klatt, both distinguished Social Democratic Party politicians who were critical of any form of public support for political parties. That German party is the closest to being akin to the Labor Party here. They thought that such assistance prejudiced the independence and spontaneity of the political party, which could develop into publicly sponsored advertising agencies. They argued that state subsidies blunted the parties and destroyed people's interest in participating actively in the political life of the country, or in making financial contributions. Thus the parties could become estranged from the people and too easily identified with government administration. They merely exchanged their dependence on private benefactors to dependence on the State. One other important development that has been occurring in Germany is that increasing numbers of candidates for public office are being drawn from the public sector. Some may think that is desirable but I do not.

There is a need for the political parties and the Parliament to have their role in public life kept remote from the administration of government. That is not what is happening. More and more, parliament and the members of parliament are becoming part of the bureaucracy. Indeed, in West Germany and in France some public servants are seconded to the political parties. They remain on the payroll of the Government and its departments but they are seconded to the political parties to assist with their work. They retain their rights within the public service but they work for the political parties. In some instances the party may pay extra fees to these employees to encourage them to stay on. Some of these people, after taking an active part with a political party, may stand for parliament. This process may be described as parliamentary in-breeding of members of the bureaucracy. Certainly these persons should be able to enter parliament, and no doubt they make a significant contribution, but I believe it important for the political parties to remain free from the strong influence of the bureaucracy.

The public service should be at hand to advise governments and not to determine the policies of the **parties**. Policy matters should be determined by the members of a **party**. That does not necessarily happen. The report went on to say:

As a matter of fact more funds might tempt the parties to spend even bigger **sums** on their election campaigns. In discussions on the possibility of increasing the lump sum of election campaign costs the public have shown themselves aware of these changes and are on the whole critical of State support.

Once again that is a clear indication that in many **oversea** countries public funding does not have public support. A wide range of community opinion does not support public financing of political parties or election campaigns. In Sweden, the system described by the Hon. Deirdre Grusovin is perhaps the simplest of all. It involves a straight cash contribution to the political parties based partly on their performance at the previous election. It is of importance that the opposition parties receive a larger contribution than the government parties.

That recognizes the benefits of incumbency, of which any party in office obviously has the advantage. The incumbent party has the benefit of staff. That benefit should not be denied to them, but in many instances the staff is used for electioneering purposes. In Sweden there is a 2-tier system under which a government contribution is made to the parties for campaigning and other purposes, but in addition about **Skr7,000** is paid each year to the Government and **Skr11,000** to the party in opposition. The discrepancy between the two amounts offsets the benefit of incumbency. That is a much fairer system than the one under consideration for New South Wales.

The Hon. Deirdre Grusovin said that public funding in Sweden started partly as a result of a problem with financing newspapers. She was correct in that statement, but she omitted to mention that approximately 50 per cent of the funds that go to the SPD in Sweden are used for the purpose of supporting their affiliated newspapers. Sweden has public funding of newspapers as well as of political parties. That is something that would be entirely rejected in this country. There should be no cash subsidizing of newspapers as in the Swedish system. I should have thought that if the Hon. Deirdre Grusovin wished to refer to newspapers she would have told 'honourable members the full story, that is, that the newspapers are closely tied to the political parties and part of the public funding for elections goes to those newspapers. Obviously that would be anathema to Australians; it would not be supported.

I have mentioned Sweden because the Premier and Treasurer often refers to that country as being the greatest example of social democracy in the world. But in Sweden there are no disclosure requirements. On that subject the New South Wales Government has ignored entirely its favourite European country, Sweden, and its method of public funding for election campaigns. France also has not been mentioned. There are no disclosure provisions in that country.

The Hon. Deirdre Grusovin: Can the honourable member suggest an improvement?

The Hon. W. L. LANGE: That is a matter of opinion.

The Hon. Deirdre Grusovin: I should think that after travelling overseas and studying all of these matters the Hon. W. L. Lange could suggest a better system.

The Hon. W. L. LANGE: The Hon. Deirdre Grusovin, having chosen to tell honourable members what happens in oversea countries, should have told the full story. In two important countries that she used as examples there are no disclosure provisions. The honourable member said that a new bill is to become effective in

France this year. I understood when I was there that there was no possibility of its becoming law. Even though it had been approved by cabinet, the Government was not game to proceed with it; it was extremely unpopular.

The matter of scandals has been raised. I have mentioned West Germany where, despite disclosure provisions, the greater scandals of all—tax scandals—continue to occur unabated. They erupt after taxation investigations. Scandals have continued in Puerto Rico also. In the United States of America I had an appointment to keep with Congressman Frank Thompson, jun., the chairman of the House Administration Committee. I was in Washington when the chairman of the joint committee, the honourable member for Wentworthville in the other place, was in that city. The Australian Embassy had arranged an appointment with Mr Thompson, who was chairman of the committee responsible for monitoring public funding. Mr Quinn did not keep the appointment. I do not know why, though it may have been because, as I subsequently discovered, Mr Thompson was indicted for corruption following the Abscam scandal.

The Hon. Deirdre Grusovin: That is why we have to be so careful.

The Hon. W. L. LANGE: He was the person who advocated public funding in a manner that is supported by this Government. The Government contends that disclosure will prevent scandals occurring, yet Congressman Thompson was indicted on a charge of accepting a bribe of \$50,000. Disclosure will not remove scandals, abuses and corruption. Regrettably, they are part of our way of life. Fortunately, New South Wales is relatively free of those things, but in other countries where public disclosure has been introduced, scandals have not been avoided. I have given three or four examples of countries where they have occurred, despite disclosure. The Hon. Deirdre Grusovin said also that disclosure will prevent the possibility of bribes. Does she seriously believe that amounts received as bribes will be placed on returns of disclosure? Under what heading would they appear?

The Hon. Deirdre Grusovin: Disclosure would make bribery more difficult.

The Hon. W. L. LANGE: That is hogwash. If someone wants to offer or accept a bribe, all the disclosure provisions in the world will not stop it. No honourable member wants it to happen, but disclosure provisions will not stop it. The Hon. Deirdre Grusovin is being unrealistic and idealistic if she expects they will. The honourable member referred to the fact that we must have freedom of speech; we must know what goes on in political parties. I shall refer to an extract from the hearings of the Joint Committee upon Public Funding of Election Campaigns, of which the honourable member was a member. In the course of the inquiry the committee was examining Mr McKnight of the Communist Party. I asked him a number of questions and he gave the following answers:

Do some of your members take an active part in other political organizations? —A. Of course.

What organizations? —A. Organizations dealing with almost anything under the sun, from solar energy, peace and other issues.

Could you name some of them? —A. I hesitated when you started asking questions about membership and funding. I do not want to point the finger at anyone. I think that the nature of those associations is that they are voluntary. It should not be up to a party official to compulsorily disclose what organizations people belong to or are involved in. The main organizations that people are involved in are trade unions and environment groups.

What other political organizations are your members actively involved in?—A What other political organizations?

At that stage the honourable member for Fuller in the other place said: "I take a point of order as to the relevance of the line of questioning". The point of order was upheld by the chairman of the committee, who ruled that we should not pursue that line of questioning. The Labor Party claims to support open government and the disclosure provisions, yet when I, as a member of the committee, sought to examine a witness on a fairly sensitive and highly important issue, a member of the Labor Party raised a point of order and the chairman of the committee, also a member of the Labor Party, upheld it. I was prevented from getting details. That is an indication of the hypocrisy of the Government over the disclosure provisions. Later I shall show how the disclosure requirements are unrealistic and will not give a better system in this State. There are too many loopholes in the provisions. I said earlier that the Premier and Treasurer by this legislation is determined to replace or eliminate from the election process the minor or fringe parties. The Government has already reduced the impact of minor parties by introducing optional preferential voting.

This legislation is a further demonstration of the Government's intention, to concentrate political power in the hands of major political parties. Indeed, the Premier and Treasurer said that public funding of the major parties is designed to recognize their continuing contribution to the political process. What about the contribution of the minor parties? Is there none? Does the Government wish to see the minor parties without any support that might be available to them? It is spurious of the Government to suggest that the threshold level is set so that those parties will be able to obtain funds. Of course it is not. It is set to deny them funding. The Premier and Treasurer has spelt out clearly the Government's intention. I hope members of the Australian Democrats and the other smaller parties are aware of the Government's intention, because they will not be receiving anything. I noted also in the speech of the Hon. Deirdre Crusovin that she referred to what I thought she called sleeping members of the Country Party. Was that the term used by the honourable member?

The Hon. Deirdre Grusovin: Yes.

The Hon. W. L. LANGE: I thought so. I refer honourable members to a letter from Mairi Petersen of 61 Holdsworth Street, Woollahra, addressed to Mr Graham Richardson, the general secretary of the Australian Labor Party in Sydney and dated 2nd September, 1980. If one is talking about sleeping members, there are a few members of various branches of the Labor Party in this State who were not sleeping; they were deceased. I refer to this letter because the Government claims that the disclosure of contributions will clean up the political process. The Government should first get its house in order by cleaning up many branches of the Labor Party. It will not be the disclosure requirements of this legislation that will clean it up. Under this legislation the disclosure of membership is not required. Mrs Petersen wrote:

I refer to Circular 80/8 of 11.8.80 concerning regularization of membership of all members of the A.L.P. in the areas covered by the municipalities of Botany, Leichhardt, Marrickville, South Sydney and the City of Sydney.

As you know I was a candidate in the recent pre-selection ballot held to determine Labor's candidate for the State electorate of Bligh. Before the ballot was held I personally endeavoured to contact every person on the

branch voting lists and discovered that a number of people on the lists should not have been included. I desire to make the following comments regarding three branches in the Sydney and South Sydney Council areas:

EAST SYDNEY BRANCH

The following persons should be investigated as to their residential qualifications:

Colin James—78 Burton Street, Darlinghurst. This address is the consulting rooms of an acupuncturist, whose name and phone number appear on the front door. Mr James lives at Darlington and is employed as a Senior Lecturer in Architecture at Sydney University. The Architecture Department readily advise that his home phone number is 699 6182.

The letter then went on to list:

Michael Frawley.	All six of these members are shown as residing at 119 Womerah Avenue, Darlinghurst. The first four were deemed eligible to vote. This is a small terrace house, having at the most, three small bedrooms. The only A.L.P. members I found there were Messrs Frawley and Symonds.
Steve Symonds.	
Christine Robinson.	
Analise Smith.	
Kay Comino.	
Bruce Johnson.	

REDFERN EAST BRANCH

On Tuesday, 24th June, the Credentials Committee reported as follows regarding Redfern East Branch voting list.

She said that in her view the following members required investigation over their residential qualifications:

Mr N. Harris and Mrs L. Harris—1204/57 Morehead Street, Redfern. Neighbours advised me that Mr and Mrs Harris have not lived at this address for over 12 months.

Mrs L. Colvin—1509/57 Morehead Street, Redfern. I was told by her neighbour that she had not lived there for at least three months. My letter to her was returned to me with the envelope marked "Left Address".

There are many more examples. They include the following:

K. Gulliver—775 Bourke Street, Redfern. Mr Gulliver does not live at this address. The lady who does live there agreed to take a note from me for him.

Mrs D. Anderson—17 Telopea Street, Redfern. I visited this House many times over a period of four weeks and there was never anybody at home. Her young neighbour did not know her.

Referring to the Surry Hills branch Mrs Petersen wrote:

I am particularly concerned at the manner in which Surry Hills branch records are maintained. Along with two other people from another branch I attended a combined Surry Hills—East Sydney branch meeting in December 1979 at the Sydney Labor Club. In the room there would not have been more than 50 people altogether from both branches. However, the Surry Hills branch attendance book for that meeting shows an attendance of 82 persons.

I also attended the May 1980 meeting and counted 15 people present. The chairman apologized for such a small gathering saying that the secretary had been too busy to send out meeting notices. There are 31 signatures in the book for that meeting.

Mrs Petersen quotes various other persons whose residential qualifications should be investigated, as follows:

J. Broadbent—55 Griffin Street, Suny Hills. Deceased.

G. Allen—624 Bourke Street, Surry Hills. Mr Allen lives at Arncliffe and has a telephone at that address.

Helen Whitty—423 Crown Street, Surry Hills. M/s Whitty lives at Redfern and advised me of this fact on the telephone.

I have quoted from that letter because the Government, in its hypocrisy, claims that this legislation will clean up politics. It will do no such thing. It will be up to the Labor Party itself to clean up the problems that it has which, of course, led to the unfortunate attack upon the Hon. P. J. Baldwin. Far from cleaning up politics through this legislation, I suggest that the Government should first get its house in order. It must clean up its own party. I refer also to an interesting letter to the chairman and members of the task force that was set up by the Labor Party to investigate irregularities. The letter concerns the branch attendance book.

The Hon. D. R. Burton: On a point of order. The dissertation that the Hon. W. L. Lange is giving has nothing to do with public funding of election campaigns. The honourable member is reading copious notes from a document, leaked by somebody from the Labor Party, that has nothing to do with the bill. It contains no reference to the privacy of matters affecting the Labor Party, the Country Party, or the Liberal Party.

The Hon. R. B. Rowland Smith: On the point of order. The honourable member is replying to what was said this morning about sleeping members of the National Country Party. He is saying that some so-called members of the Labor Party do not exist. I submit that is relevant to the honourable member's submission.

The Hon. W. L. Lange: On the point of order. The point I seek to make is that the disclosure provisions of the legislation will not overcome irregularities of membership of branch organizations. Those irregularities have led to all sorts of problems in the Labor Party. The disclosure provisions in the proposed legislation will do nothing to overcome difficulties within any political party. The only reference in the legislation to membership is to the number of members and the sums received for membership. If, as indicated by these letters, the records of the Labor Party are incorrect, inspectors will have to be appointed by the election authority to investigate each branch. Will the inspectors of the authority have to do the job that should be done by the Labor Party? That is the relevance of my contribution. If there is a requirement to disclose adequately sources of income, including membership fees, the Opposition would like to know the sort of task that the election authority will have to undertake to deal with irregularities in hundreds of branches of all political parties. An enormous team of inspectors would be needed to solve the problem and to make sure that proper returns are submitted to the election authority. I submit that is relevant to the legislation.

The DEPUTY-PRESIDENT (The Hon. C. Healey): I have listened carefully to the arguments on the point of order. I have formed the view that the Hon. W. L. Lange has strayed a long way from the leave of the bill. I suggest that the honourable member should return to the main purpose of the bill and not continue to quote from copious documents.

The Hon. W. L. LANGE: **Thank** you for your advice, Mr Deputy-President. The bill is an extensive measure. It seeks to establish an election authority with significant powers. The authority will have wide powers and it will be given a wide discretion to investigate the records of political parties and candidates for elections. I do not believe that any Government supporter—certainly not the Minister for Education and Vice-President of the Executive Council or the Premier and **Treasurer**—has explained adequately to the Parliament or to the public of New South Wales the **costs** that will be involved and the sort of privacy that is likely to be infringed by inspectors who will police the provisions of the legislation. I urge the Government **to** provide the House with that information, otherwise it will not be possible to assess accurately the costs of the scheme.

Honourable members have been told that the scheme will cost about \$2 million **but** it is likely to cost closer to **\$3** million. I hope the Government will give honourable members an indication of the likely cost of the scheme to New **South** Wales taxpayers. It will be significantly more than a levy of 22 cents a year for each elector. The Government intends that all political parties who wish to receive public funding will register with the authority. The bill provides that certain information will be required to be disclosed. That will not cause any problems for the Opposition parties. **Fortu-**nately, the political parties will have **an** option to choose whether they register and wish to take advantage of the funds. Under clause 41 no alternative, option or right is provided for a political party, which does not register for the receipt of public funds, to appoint a party agent. Having appointed a party agent, the disclosure requirements of the measure become effective.

In the evidence before the joint committee the secretary of the **Labor** Party in New South Wales, Mr Richardson, submitted that in his view it should not be obligatory on a political party that does not take up public funding to register under the legislation and thereby be required to disclose. It is unfortunate that the Government did not accept Mr Richardson's recommendations, as it has done quite often I understand. It would have been better and far more acceptable legislation if only those parties that take public funds had to be accountable for those funds and for their other sources of income. Opposition members are pleased to be able to say that they will not register and will not accept any of those funds.

The registration provisions and the requirement that the parties appoint an agent inevitably will lead to a significant increase in the administrative costs of the parties, quite apart from the administrative costs that attach to the election authority. Undoubtedly there will be considerable interference with and interest taken in the activities of the parties by the election authority. The experience in the United States of America was that there were considerable abuses of the inspectorial roles during the federal election campaign. Immediately prior to an election an inspector may begin to examine and audit the activities of a political candidate. That has two effects: first, it disrupts the campaign by tying up staff who would otherwise be involved in campaigning; second, it has the effect of letting the community know—rightly or wrongly—that something might be wrong with the campaign funding or procedures. Once an inspector begins to look through the records of a candidate's campaign committee, that fact becomes known. Rightly or wrongly, it will be seen by the community that something might be wrong with that committee's activities. The Government should not lose sight of that important aspect. Inspections should be carried out discreetly, and certainly not immediately prior to an election, when they could have a damaging effect on the campaign or on the candidates whose affairs are being inspected.

Two funds will be set up—the central fund and the constituency fund. We know now that two-thirds of the money will go to the central fund. On the face of it, that seems to be a reasonable proposal—that is, if one accepts that funding should

take place. The proposal will strengthen the executive of the party and once again give the executive more power, for that is where the funds will go. One of the problems that have been experienced overseas concerns the remoteness of the administration from grass root members. The Government should consider further whether a greater percentage of the money should go back to the electorates, to the grass roots and to the candidates. Funds should not be centralized in party headquarters where, over an extended period, most of the donations are received and used. In **time** there will be a remoteness from the organization of candidates and constituencies. That will not strengthen the political parties. Under the disclosure requirements relating to expenditure, a candidate at an election who has also been a candidate at a previous election and the person who is a sitting member will be required to disclose expenditure incurred from one election to the next. Unless certain foreshadowed amendments are adopted by the Government, candidates at one election who have been defeated at a previous election will be required to disclose their expenditure in that election.

A defeated candidate's expenditure between one election and the next election would have to be disclosed if he stands again as a candidate. That is a most unfortunate provision for in many cases candidates will be in business or professional people. I do not know how they will determine what will be election expenses or business expenditure. They will have to file a return with the electoral authority and show that during the 3-year period they spent funds for election purposes. If the Government proceeds with its foreshadowed amendments, that will be limited to a twelve months period, but by the bill the period is three years.

I do not know how sitting members will be able to distinguish between electoral expenditure and election expenditure. Over a 3-year period, a 4-year period or a year, or whatever the period is, every member who comes up for election will be required to file a return which shows he has spent a particular sum on all sorts of expenditure—on telephones, travel, accommodation, advertising and in other ways. That provision will apply to the Minister for Agriculture. I do not know whether that Minister is aware of it but, if the bill goes through in its present form, from now on he will have to keep a record of all his personal expenditure. He will have to make an assessment whether it is electoral expenditure that comes within his electoral allowance or whether it is election expenditure and is designed to help him in his bid to return to Parliament. Surely that requirement, whether it is for a period of one year or for three years, is completely unrealistic.

The election authority will have the right, through its inspectors, to go into the bank books and records of every honourable member who is seeking election and determine whether or not he has made a correct return of his expenditure for entertainment, travel and accommodation, for election or electoral expenditure. I do not know if a lawyer could work out the difference. I do not know if the Hon. R. F. Turner would be willing to give an opinion whether a person's travel to the country on electoral matters—where that person attended a party meeting—involved electoral or election expenditure. If a mistake is made, severe penalties may be imposed. The discretion lies with the electoral authority. Often it is not a matter of fact but of opinion.

The Hon. L. A. Solomons: There is no appeal against that discretion.

The Hon. W. L. LANGE: The decision of the electoral authority will be binding, whether or not such decision is correct. I hope that at some stage the Hon. L. A. Solomons will elaborate on the problems which will develop from that sort of legislation. The general requirements for electoral expenditure are, at least, badly named. Right throughout the measure the term electoral expenditure is used when election expenditure is meant. Honourable members have been given some indication

that some amendments may be moved. However, it seems to me to be sloppy work to include as a definition electoral expenditure when what is meant is expenditure for the purpose of election. I hope that the Government will be realistic about this matter for it will cause considerable confusion if it is left as it is. It would be a considerable improvement if the Government were willing to change electoral expenditure where it appears to be election expenditure, which is in fact what it is.

Honourable members heard much about the disclosure provisions. I shall give a few examples of how meaningless, pointless and fruitless they will be. The disclosure provisions provide that all donations and gifts to a party, group or agent—and gift is given an expansive interpretation—and any disposition of property made otherwise than by will from a donor to a donee will be a gift. A simple way to avoid that situation is that all donations could be put through other State organizations of the party, or the federal division of that party. One provision about disclosure is to the effect that any contribution made for an election other than to the Parliament should not be disclosed. However, it will be a simple matter for donors to say that their contribution is for a federal election, not a State election. Nobody would know what happened to the contribution after it is made. It would be quite reasonable for the federal division of the party, whether it is in Canberra or in New South Wales, to receive the gift and make a donation to the campaign committee of the State candidate.

The Hon. L. A. Solomons: The donation may not even be disclosed.

The Hon. W. L. LANGE: If the federal division pays the expenses, it is not caught up under the definition of gift. It is not a disposition of property from the donor to the donee and is not caught up by the expenditure requirement. That is probably another reason why it would be more easily done through another part of the organization. When looking at proposed legislation, one would hope that it meets the objectives of the Government. I do not think that the Government is really serious about disclosure. I think it regards disclosure as idealistic. The Government has not been willing to come forward with effective legislation.

The other sort of donations that will not be caught—and the expenditures that will not be recorded—are in kind contributions. I am referring to in kind contributions which all honourable members know are made in campaigns. I have in mind the use of aircraft and staff. That sort of contribution to a campaign is not covered by the bill. In kind contributions have been a major problem in the United States of America, simply because of the problem experienced in tracking them down and quantifying them. The Government has ignored that problem. Obviously it was too difficult. The Government ignored it and in so doing it has presented some simple loopholes. If any person wants to get round the problems, he will have no trouble in doing so.

One major loophole in the United States is the use of the resources of unions to assist political parties. I am sure that that will happen in New South Wales. The trade unions will not make contributions to the Labor Party but will undertake advertising and provide staff, telephones and other resources which are not covered by election expenditure. There is no way that those contributions will be recorded. If there were an attempt to try to show the sum spent by various political parties in campaigns, that attempt would fail because so many items of expenditure are undertaken by other groups which are not caught. That will apply to the trade unions; it will apply also to chambers of commerce, manufacturers associations, environmentalists and other groups, as it has done in the United States of America. It will weaken party organizations for there will be a dispersal of political effort to other organizations.

In the United States of America about 2 400 political action committees have been established. Those groups undertake independent campaigns on behalf of **can-**didates and parties, over which the parties have no control. By the United States legislation, the parties are prevented from having any liaison with those committees. That results in a dispersal of effort and a weakening of the party. All sorts of front groups, quite apart from the unions, will appear and they will undertake political campaigning. Many parts of this legislation have been prepared hastily. The Government wants to ram this legislation through to get itself out of its \$200,000 debt, of which we are all well aware. The bill is bad both in its philosophy and in its preparation. The **regulation-making** power, found in clause 117 of the bill, states:

The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed . . .

The bill requires the making, keeping and auditing of records by parties, groups, candidates and other persons. The Government ought to spell **out** clearly what it means by other persons. How far does it intend that the election authorities will be able to undertake activities quite outside those groups? If it intends to undertake investigation of other persons or other groups, we ought to be told now before the legislation goes through the Parliament. If the election authority is going to be able to require require the keeping of books and records by bodies that are not registered political parties, that will be a serious infringement of the rights of civil groups and those of associations. The Government ought to be willing to spell out its intentions. The **regulation-making** power in clause 117 is something about which we ought to be concerned. The Government should have a serious look at that provision.

It is clear that the Opposition is opposed to the principle of public funding; indeed, **so** are many other people throughout the world where the scheme has been introduced. One of the most succinct comments I heard on the issue was made by Professor Gian Franc Caiurro, Professor of Law at the University of Rome, a councillor of the chamber of deputies in that **country** and a most learned and experienced gentleman. He summed up the position regarding public funding when he said to me, "If a political party is no longer able to depend on its supporters but in fact depends on government then it, in reality, dies." If a party can no longer depend on its supporters, it does not deserve to live by government resuscitation.

The Hon. E. P. PICKERING [4.23]: The proposed legislation is so totally despicable that one feels compelled to rise and speak against it. As I look back on my four years in this Parliament I can recall only one other piece of legislation which I feel was equally despicable. I refer to the Evidence (Amendment) Bill, which was **rushed** through both Houses of this Parliament in the middle of the night. Let me go on record as saying that history will show that the Wran Government will collapse under the weight of either this measure or the Evidence (Amendment) Bill and, I suggest, it will be by both in concert. I am a young member of this House, but I do not feel that I shall have to wait much longer before my words come true.

Before coming to grips with this iniquitous piece of legislation, might I first take the opportunity to congratulate the Hon. W. L. Lange on a remarkable **exposé** of the bill. The Hon. W. L. Lange was a member of the committee established by this Government to inquire into public funding. As such, he has a right to be recognized as an expert in the field. Government members have attempted to treat this matter lightly. Earlier today some Government supporters were **smiling** and joking about the bill. However, as the Hon. W. L. Lange went through the bill, dealing with it **philosophically** and to some extent clause by clause, the joking ceased and the smiles

disappeared. Many trade union leaders in this House will be dramatically **affected** by this legislation. **Almost** to a man, they have left the Chamber. Possibly they have gone to consult with their colleagues in another place.

I should like to congratulate the Leader of the Opposition who, in leading for the Opposition, laid bare the broad issues. I shall deal briefly with what I see as the broad issues involved in the **bill**. I look forward to the Committee stage when we shall come to grips with some of the details of the **bill**. I **am** immensely proud to belong to a political party which has announced in the past few hours that it will not, in any circumstances, sell its morality and its future existence for 700 000 pieces of silver. I **am** extremely proud of that. I **am** also proud to work alongside the members of the Country Party, which has made a similar decision.

When this matter was raised in this House, Government members put on a brave face. However, when the Hon. R. B. **Rowland** Smith said that we will consciously refuse \$700,000 in the first election, that brave face changed. Many elections will be held in the future. As time **goes** by, the **Government** will have plundered the public purse to the tune of millions upon millions of dollars. Our resolve to refuse public funds was a significant decision for members of any political party to make. The Minister for Education looked at Opposition members as though to say that their decision to refuse those funds was wrong. However, the Minister knows that the fate of political parties in this country is decided ultimately by the people. If there is one thing to be learned in politics, it is that the people are not stupid.

The Hon. D. R. Burton: The oldest political party in Australia is still going strong.

The Hon. E. P. **PICKERING**: If the Government works on the basis that it represents the oldest political party in Australia **and** therefore, by analogy, the Opposition is lost forever, it is already suffering from the disease which will bring about its ultimate demise. Any party that introduces this sort of legislation is arrogant and it ignores the wishes of the people; it divorces itself from the public by plundering the public purse; it is a party in decline. It is completely arrogant for the Hon. D. R. Burton to say that the **Labor** Party is the oldest party in Australia and that, by implication, it **will** reign forever.

The Hon. H. B. French: It is true.

The Hon. E. P. **PICKERING**: Members on this side of the House can take great comfort from the naivety of that statement, for within it lie the seeds of the Government's destruction. This legislation is misnamed. Its long title ought to be "A bill for an Act to force taxpayers to fund political parties in New South Wales". A suitable short title would be, "The Socialization of Politics Bill". On a number of occasions I have been wont to refer in this Chamber to the fact that the **Labor** Party **has** frequently introduced legislation that is equivalent to legislation introduced by the **cold**, clammy hand of the socialists. Government supporters do not like that word. I recall some years ago the Hon. J. P. **Ducker**, a well-known former member of this House, saying to his colleagues on the Government side of the House, "For goodness' sake, stop talking about yourselves as socialists". The Hon. J. P. **Ducker** was an astute politician. He knew, as members of the Opposition know and as half the Government supporters know, that the word socialism is anathema to the majority of Australians. It does not surprise me that every time I use the word in this Chamber there is a rising of the hackles of Government supporters, for they do not like to be reminded that the **Labor** Party is a socialist party. Part of its platform is to socialize the means of production, distribution and exchange. Now the party has refined its policy further **and**

wishes to get its sticky hand into the public purse and socialize the ballot-box. The Government has the numbers; it **will** achieve its aim and, I suggest, will bring about the **Labor** Party's destruction.

This legislation is sinister; it is breathtaking in its political arrogance. Clearly, the **Labor** Party underestimates the feeling for the democratic process in **this** State. By this legislation it is doing a great deal to undermine that democratic process. It has **shrouded** the legislation in **all** sorts of so-called pure motives, with which I shall deal at more length later, but its real motives are starkly obvious. It has an urgent need of funds, for it is a bankrupt party. The **Labor** Party has made that fact public. It is in the red. It needs money, and **quickly**. It has an election to **face**. I read from a report by Catherine Harper entitled "Public Funds for Elections Supported". It states:

The **Labor** Party would soon be unable to compete with opposition parties unless it had some form of public assistance, the general secretary of the party's New South Wales branch, Mr **G. Richardson**, said yesterday.

It is starkly clear that the **Labor** Party needs the loot. Furthermore, and more insidiously, the parliamentary **Labor** Party, particularly in another place, desperately needs to free itself from the control of its traditional union base. Honourable **members** have seen many examples in **this** Parliament of the influence exerted by the trade union movement on the Government. One has only to read the popular press to learn that within the **Labor** movement there are a number of struggles, with which I shall deal later at greater length. One such struggle is whether the trade union movement or the grass roots **Labor** supporters should dictate **ALP** policy.

The Hon. D. R. Burton: Perhaps the Hon. E. P. **Pickering** might explain the difference between members of trade unions and the grass roots **Labor** supporters?

The Hon. E. P. **PICKERING**: I am surprised the honourable member should need to be told that. Let me explain. Some trade union organizations are affiliated with the **Labor** Party. They provide the party with large sums of money. It is not unusual when elections are approaching for those unions to say to the Government, "Either do it our way or we withhold our financial support". At the grass roots, **Labor** has good honest people in the community who belong to **Labor** Party branches.

The Hon. D. R. Burton: Does the honourable member think that the grass roots people are not members of **Labor** Party branches?

The Hon. E. P. **PICKERING**: No, I am referring to pressure put on the parliamentary **Labor** Party to influence it to a particular view on certain issues.

The Hon. H. B. French: The honourable member is having himself on.

The Hon. E. P. **PICKERING**: It is incorrect for honourable members to suggest that what I have outlined is not a problem in the party. At the moment a fight is occurring over the Newcastle coal loader. It is a classic fight between different sections of the trade union movement over who will control the loader. The issues are being brought to the Government by both the left-wing and the right-wing. A terrible struggle is ensuing and it is costing this State dearly. A few days ago I read a report that a ship had finally been able to enter Newcastle Harbour after waiting for forty-two days to do so. Government supporters have the temerity to suggest that these problems do not exist. The Premier and Treasurer has enormous problems because he believes the trade union movement exercises too much power. If there is any way in which he can rid himself of the power of the trade unions, it is contained in the bill. That is the major motivation behind the legislation, and later I shall deal with that matter also.

One only has to consider the timing of the Premier and Treasurer in introducing the legislation. Why has it been introduced at this time? For the past couple of days I have sat here conscious of the fact that this legislation sets out to destroy the trade union movement's effect on the Labor Party in New South Wales. I wondered why the Hon. B. J. Unsworth and the Hon. P. McMahon, two leaders of the trade union movement, were not here defending the rights of the trade union movement. I should like it to go on record that I defend the right of a viable trade union movement to exist. I am as conscious as anyone that the first thing that a socialist-communist government eliminates is the trade union movement.

The Hon. D. R. Burton: On a point of order. Is the honourable member associating the Labor Party with the Communist Party?

The Hon. M. F. Willis: On the point of order. In this House points of order cannot be raised for the purpose of asking a question of an honourable member.

The PRESIDENT: Order! No point of order is involved.

The Hon. E. P. PICKERING: Before I was interrupted I was saying that one should examine the motivation behind the Premier's timing of this legislation. I was suggesting that the absence of the Hon. B. J. Unsworth and the Hon. P. McMahon might be significant. I understand that those honourable members—or at least one of them—are overseas on International Labor Organization business. I do not suggest they are absent for other than good reason, but my point is that the Premier and Treasurer would have been well aware that they would not be here in this Chamber at this time and therefore decided to slip the legislation through in their absence while they were overseas and unable to defend the trade union movement.

The Hon. H. B. French: The Hon. E. P. Pickering reads too many comics.

The Hon. E. P. PICKERING: It is suggested that I read too many comics. Today it has been made perfectly clear that some left-wing members of this Chamber who are associated with the trade union movement have been growing increasingly unhappy.

The Hon. H. B. French: Who are they?

The Hon. E. P. PICKERING: The Hon. H. B. French would know them better than I. I have seen them leave the Chamber and I have wondered where they have gone.

The Hon. M. F. Willis: The Minister knows. They were running a ticket against him.

The Hon. E. P. PICKERING: It is incredible that I should be asked by a member of the Labor Party who the left-wing members of the party are. In the recent preselection the two Ministers in this Chamber were not on the party ticket. I imagine there would not be a Government supporter who does not have a crystal clear view of where the left and the right sit. I hope it is not being suggested that what I am saying is not correct. Indeed, legislation of this or a similar type was substantially avoided by the United Kingdom Government and by the Whitlam Government for the very reasons I am putting. There was substantial trade union opposition in the United Kingdom. Because of that opposition and the Houghton report neither of those governments proceeded with the legislation.

It is significant that this legislation has been introduced by the Labor Party when both the leader and deputy leader of the trade union movement in New South Wales are absent overseas. I am wondering what will happen when those persons, who are honourable members of this House representing the trade union movement, go to

customary meetings of the Labor Council of New South Wales, where they will do the honest and just thing and advise their colleagues that they are in the midst of passing legislation that will reduce seriously the political clout of the trade union movement in this State. Bear in mind, it was the trade union movement that created the Labor Party as a viable and proper political mouthpiece for the trade unions and organized labour. Of course, I have no objection to those bodies forming the Labor Party. But there is no doubt that the legislation will do much to destroy that political clout, or reduce it significantly.

The Hon. H. B. French: That is wishful **thinking**.

The Hon. E. P. PICKERING: We shall see. Let us examine the history of the legislation. All honourable members would recall that in March 1979 the Premier and Treasurer, in one of his typical arrogant moods, involved himself in what was later known as the lotto debacle. Honourable members would recall that the Premier had made an arrangement about lotto that was clearly not happily accepted by many significant sections of his party. To avoid the odium of that decision, the Premier, in his usual nifty style, announced a proposal to use public funds to finance election campaigns. He did that to divert attention from himself. At that time a Labor Party official was reported to have said that public funding of election campaigns was an issue far too important to trust to the people. Important to whom? Is it important to the people? Surely, this is a matter of enormous importance to the people. Probably that Labor Party official was suggesting that it was a matter of importance to the Labor Party and that the party could not run the risk of asking the people to support the proposal. The Minister for Education and Vice-President of the Executive Council appears concerned about the time I am taking, or perhaps something else is bothering him.

The Hon. D. P. Landa: I am bored by the repetition of the argument.

The Hon. E. P. PICKERING: The Minister knows full well that the people of New South Wales would reject this proposal at a referendum.

The Hon. D. P. Landa: A general election will be held between now and October, and honourable members will find out then.

The Hon. E. P. PICKERING: In the circumstances, the Premier and Treasurer has developed a marvellous **technique**—

The Hon. D. P. Landa: The Opposition parties will be lining up for **their** funds when **they** become available.

The Hon. E. P. PICKERING: The Minister might allow me to continue my speech without interruption, a courtesy that I extended to him.

The Hon. D. P. Landa: I have heard this same speech three times already.

The Hon. E. P. PICKERING: It will not hurt the Minister to hear more along **the same** line. The Premier and Treasurer of New South Wales finds himself at odds with the community on a controversial issue so he skilfully creates a diversion by establishing a select committee to give the electors the impression that the issue will be examined in detail by persons of good will and spirit, who will come up with a sound solution. All honourable members know that the Premier so arranged the terms of reference of the committee that it was not entitled to look at the really important issues. Honourable members will recall that the first such act of the Premier was in relation to the proposed establishment of a coal loader at Botany Bay.

The Hon. D. P. Landa: On a point of order. The honourable member is straying from the issue of public funding of election campaigns. At present he is in Botany Bay. The debate has been wide-ranging, but surely the standing order relating to relevance and tedious repetition should be brought to the attention of Opposition members. The House has been more than patient, which is in accordance with its great traditions, and heard three or four identical speeches. But the Hon. E. P. Pickering, in talking about Botany Bay, is straying from the issue before the House. I ask you, Mr President, to request the honourable member to adhere to the standing orders.

The Hon. M. F. Willis: On the point of order. I believe I am justified in bringing to your attention, Mr President, the fact that the standing orders relating to tedious repetition apply to such repetition within the speech of one speaker and not of different speakers. That the Minister for Education and Vice-President of the Education Council is concerned that he might have heard the same message from a number of other members is no justification for his resorting to taking a point of order so that the House may be relieved of the contributions to the debate sought to be made by Opposition members.

The PRESIDENT: Order! No point of order is involved. However, the Hon. E. P. Pickering may care to contain his remarks to the order of leave of the bill.

The Hon. E. P. PICKERING: I was attempting to make the point that the Premier and Treasurer has, on a number of occasions, used a political gimmick, the setting up of select committees or special inquiries and so structuring the terms of those bodies——

The Hon. D. P. Landa: On a point or order. I submit that honourable members who sit as members of select committees are insulted and offended by the honourable member's comment that those committees are set up as political gimmicks. Such committees are set up following decisions of this House or the other House, or a joint decision of the two Houses. The remarks of the honourable member are highly offensive to members who have given good service to the people of New South Wales,

The Hon. M. F. Willis: On the point of order. Under the standing orders a member or Minister is entitled to ask that an offensive remark be withdrawn only where the offensive remark is addressed to the member or Minister personally. It is not within the province of the Minister to take offence on behalf of another member. The Minister's comment about the political motives of members of Parliament in any capacity in which they serve in this Parliament is the greatest load of nonsense I have ever heard. Every member of Parliament has political motives.

The PRESIDENT: Order! I draw to the attention of the Hon. E. P. Pickering Standing Order 80 which says:

No member shall use offensive words against either House of the Legislature, or any member thereof; nor against any Statute, unless when moving for its repeal.

The honourable member has not been moving for the repeal of any statute. I uphold the point of order taken by the Minister and ask the honourable member to contain his remarks to the order of leave of the bill. I am not sure whether the Minister asked for a withdrawal of the remark.

The Hon. D. P. Landa: I shall settle for a briefer speech.

The PRESIDENT: I ask the honourable member to relate his remarks to the bill and not to indulge in personalities.

The Hon. E. P. PICKERING: Mr President, I have no wish to resort to personalities. I was simply putting that the Premier and Treasurer of this State, the Hon. N. K. Wran, Q.C., has established a number of inquiries or select committees and their terms of reference have been structured to ensure that on many occasions the real question has not been examined.

The Hon. L. A. Solomons: Mr President, I invite your attention to the state of the House.

The PRESIDENT: I draw the attention of the Hon. L. A. Solomons to the fact that there are **thirteen** members in the House; twelve honourable members constitute a **quorum**.

The Hon. E. P. PICKERING: When the public at large heard that a joint committee had been established to inquire into public funding of election campaigns it **was** only natural that a reasonable man would assume that one of the things the committee would be looking at is whether New South Wales should have public funding of election campaigns. All honourable members know that the Premier and Treasurer has ensured that that would not be done. The Premier and Treasurer selected members of both Houses who could be sure to take, as it were, the marching orders of the Premier and Treasurer and restrict themselves to the limited terms of reference of that committee. Those terms of reference were to find out what scheme should be implemented, rather than to come to grips with the far more important question of whether a scheme should be implemented. All of this was done despite the fact that the Premier and Treasurer and all members of the Government in the State of New South Wales were more than well aware that public opinion on this matter **was** totally against public funding.

I refer to the results of a public opinion poll carried out in New South Wales on 29th May, 1979, which revealed that a substantial majority of voters in this State **were** totally opposed to public funding. I know this point has been made already, but it is important. Government supporters have the temerity to suggest that the Wran Government has a mandate for this legislation. Clearly there was no announcement of the legislation in the platform of the Labor Party. In the opinion polls **Australian Labor Party** voters are registered as being two to one against the public funding of election campaigns. It is difficult to understand how the Government could proceed against such strong public opinion. Public opinion has been reflected *ad infinitum* in the popular press. Yesterday and today Opposition members have drawn attention to reports in the media, particularly editorial comments on funding of elections. The following editorial appeared in the *Newcastle Morning Herald*, a newspaper not known for its strong Liberal or Country Party support:

The Liberal Party may well have put an end to the State Labor Government's wish to have basic election campaign costs paid from public funds. Even if this proves not to be so, the public should at least acknowledge that the Liberal Party tried to block an unwarranted use of the State's tax dollars.

An editorial in the *Sydney Morning Herald* of 13th March, 1979, entitled "A Dubious Proposal" reached this conclusion:

Public funding of political parties—it might almost be called the nationalization of politics—would make the role of ordinary party members in influencing party policy and leadership virtually superfluous. That would be thoroughly unhealthy.

An editorial in *The Australian* on 13th March entitled, "Solomon and the **slush fund** devil" reads in part:

The first, generalised, reaction must be an antipathy to using public money to promote the political ambitions of a few. This antipathy will be more selectively directed against funding the election of people and parties to which individual taxpayers are politically, morally or ethically opposed.

As the Hon. R. B. Rowland Smith said this morning, one could go on and on reading editorials in the national press condemning the Wran Government in the strongest terms over the dishonesty facing the Legislature today in the form of the bill before the House. In attempting to justify this legislation the Government has been intrinsically dishonest in attempting to mislead the Parliament into supporting the bill in a number of important areas. One of those areas has been its suggestion that in some **oversea** countries public funding has received widespread support and is flourishing. This afternoon I was proud to hear the Hon. W. L. Lange well and truly take apart that mythology. The Hon. W. L. Lange did such a splendid job that I shall leave that area in the knowledge that it has been well covered. When Government members suggest that some European countries are supporters of public funding, knowing **full** well that their arguments are ill-founded, they do not go on to mention that Russia, China, Poland, Yugoslavia and Hungary—to mention a few other countries—also have what one might call public funding of elections campaigns. I recall well that a year or so ago when I was in Russia wandering the streets of the industrial city of Donnaz a young man came up to me and—

The Hon. D. P. Landa: Is the honourable member referring again to Energy Recycling Corporation Pty Limited?

The Hon. E. P. PICKLERING: No. I am referring to an event in Russia.

The Hon. D. P. Landa: Perhaps the honourable member was looking for some reds under the bed.

The Hon. E. P. PICKERING: I did not have an interpreter **with** me. Instead, I was wandering through the streets of Donnaz unaccompanied. A young man came up to me and said, "Have you a match?" I was flabbergasted that anyone **should** recognize me as an English speaking person and would address me in **English**. I talked to this young man. He was a university student in Donnaz and was studying to be a **coalmining** engineer. I spent hours wandering through the streets talking to him. He was intensely proud of his knowledge of political systems. He explained to me that Italy certainly had the system of public funding of elections down to a fine art. Though the Italian Government had been saddled with this socialist legislation, it was repealed as soon as the opportunity presented itself. Tasmania has an elected **Labor** Government. It is a good administration, but it has run into constitutional difficulties in electioneering matters. That Government decided to examine all the aspects of electoral funding. A committee, under the chairmanship of Mr Piggott was appointed on 8th October, 1979, to inquire into this matter. The committee, which furnished its report in 1980, reported on subsidization of electoral expenses and disclosure of contributions to candidates and parties in this way:

The Tasmanian branch of the Australian **Labor** Party submitted that such disclosure was necessary to prevent corruption. The consideration of such a submission is not strictly within our terms of reference unless it can be argued that a return of electoral expenses is not complete unless it also discloses the sources from which the expenditure flowed, as a counter check.

Your Committee is not in favour of such disclosure. In our opinion it derogates from the liberty of the citizen to financially back his desire to support a candidate or a party without the public disclosure which could cause him suffering at the hands of those holding strong opposing views. After all his vote is secret and the fact that he is prepared to back his vote with financial support should not subject him to criticism . . . loss of employment or business or other serious and unwarranted consequences . . .

That committee put its finger on an important aspect of public disclosure. Quite correctly, it says that a person who believes in the ideology of a political party and wishes to give it financial support should be able to do so privately and be entitled to vote privately. The report continues:

Also if the public is to be properly informed of the policies of political parties and candidates, funds must be found for this purpose and, necessarily, they must come from organizations, friends or supporters. We are convinced that in a small community there would be few contributors to expenses of candidates or political parties if the law required their disclosure.

Again that committee put its finger on the pulse by referring to one of the real motives behind the New South Wales Government's legislation. It is the Government's intention, if possible, to cut off—or at least seriously diminish—funds paid to the conservative parties in New South Wales. The report continues:

As far as corruption is concerned—

That is the main reason put forward by the New South Wales Government in support of disclosure:

—~~it~~ is unlikely that money will be paid to a candidate or party prior to election for uncertain preferences or advantages in the future. The usual case of bribery is one in which a person offers a bribe to one who already occupies a position of power which enables that person to give a preference, licence, or office to the briber.

The report of the committee should be seriously considered by the New South Wales Government. The committee came up with its recommendation within a matter of weeks. The bill has two basic aims: one is to provide taxpayers' funds to prop up political parties; the other is to compel public disclosure of private contributions to election campaigns.

The real purpose of the bill is to nationalize political parties and to shore up the bankrupt Labor Party. The aims of the legislation should be examined to see whether they will achieve their stated aims. What will be the effect of providing taxpayers' funds to political parties? The prime aim of the Labor Party will be satisfied when it receives about \$1.2 million in the first election. How can the New South Wales Government substantiate its priorities? Every government in the world is faced with the dilemma of raising sufficient funds or resources to satisfy a finite series of needs. The major economic role of a government is to determine priority of funds. In economics, it is known as the guns or butter issue. Day after day in this House honourable members are harangued by the Minister for Education and Vice-President of the Executive Council and the Minister for Agriculture who use the debates in this Chamber to attack the federal Government. The one theme that comes through everything those Ministers say, to the point of tedious repetition, is that the State has inadequate funds.

The Hon. D. P. Landa: Is the honourable member not aware of what happened today?

The Hon. E. P. PICKERING: The Government says that it has inadequate funds for all the important things that it wants to do.

The Hon. D. P. Landa: The Government has inadequate funds for health and education.

The Hon. E. P. PICKERING: That is a different matter. I do not deny that every government has inadequate funds to enable it to do everything that it would like to do. One task of government is to decide on priorities. I ask the Minister, in his reply to the debate, to tell the House how a Labor Government can justify dipping its fingers into the public purse to the extent of millions of dollars when matters of far greater concern to the State should have priority.

The Hon. D. P. Landa: I look forward to the day when the Opposition parties take the cheque. It will then be interesting to read the record of this debate. I will really work over the Hon. E. P. Pickering then.

The Hon. E. P. PICKERING: Both Opposition parties look forward to the day when they will work over the Minister for Education and Vice-President of the Executive Committee.

The Hon. D. P. Landa: The honourable member should live so long.

The Hon. E. P. PICKERING: In the Illawarra district I have seen evidence of the growing need for government funds for legitimate works. I am a director of a hospital that recently was ordered by the Minister for Health to close down ten beds to save funds. Almost daily I am approached by people from the Illawarra region seeking assistance to obtain Housing Commission homes. Some of the stories that one hears as a member of Parliament would be enough to make one break down and cry. When I return to my home after talking to someone who is in such dire straits I tell my children about the circumstances so that they will understand how well off they are.

The Hon. D. P. Landa: They should have some understanding of what the federal Government is doing. Has the honourable member said anything to the federal Government? It is not much use talking to children about it.

The Hon. E. P. PICKERING: In the context of the matter to which I have referred the Minister is not entitled to mention the federal Government. The State Government is making a conscious decision to throw millions of dollars down a political gurgle hole when many people in various quarters of the community are in desperate need.

The Hon. D. P. Landa: I did not hear the Hon. E. P. Pickering say anything about the federal Government's VIP fleet and the Prime Minister's junketing.

The Hon. E. P. PICKERING: The Minister for Education and Vice-President of the Executive Council seems terribly anxious to avoid any reference to this State whenever anyone talks about priorities and public funding. I am dealing with legislation that will affect the State of New South Wales and the allocation of taxpayers' funds. That is the subject of this debate. Honourable members should confine their remarks to the legislation. In New South Wales many people are in desperate need in one way or another. I cannot for one moment believe that the Government has its priorities right. I know that it is possible to argue about priorities forever, but no one could convince me that the Government's priorities are right in this instance.

A week ago a woman with two teenage daughters told me that she had been unable to maintain accommodation. She said that on each occasion she obtained premises in which to live the landlord had imposed his will upon her daughters.

When the woman spoke to me she was living in a concrete stable. I get on remarkably well with officers of the Housing Commission of New South Wales. I go on record as saying that no other government department is more helpful to me. I have the highest regard for officers of the commission. Whenever I refer a problem to them I am given an answer within twenty-four hours and on most occasions they provide a satisfactory solution. I am pleased to say that on this occasion I obtained a satisfactory answer.

Honourable members know well that those sorts of desperate circumstances have to be submitted to the Housing Commission before one can bring about changes of priority on housing lists. I fail to understand how, over a number of years, the Government can allocate millions of dollars to its own political slush funds when it knows well that every honourable member of this House is confronted daily by problems similar to the ones to which I have referred. I am puzzled and amazed. Housing is only one problem. I could speak also about drought relief in country areas. This State is suffering from the effects of one of its worst droughts. Recently the Minister for Education and Vice-President of the Executive Council dodged a question from the Hon. R. B. Rowland Smith about relief for poor businessmen in the community who are facing economic ruin as a result of the effects of the drought on the economy in country centres. The Government's reply always is that it does not have sufficient funds. It has no funds for hospitals, roads, or drug rehabilitation. This week the GROW organization went on bended knees seeking financial assistance, but it was told that no funds could be provided.

The Government has set aside about \$1,000 million for works in which it should not have been involved. Again the Government's priorities are wrong. Its priorities are wrong also in regard to this legislation, which has been introduced simply because the Labor Party is in dire economic straits, as it has admitted. The Government has taken a pragmatic decision to overcome that problem at the taxpayers' expense. I trust that the next time someone knocks on the door of a Government supporter seeking assistance to obtain Housing Commission accommodation and the honourable member sees the desperation in that person's face, he will feel easy when he has to tell that person that there is no chance of having the commission change its housing priority list. All honourable members know that is the story that must be told. People on the list now have to wait for four years before obtaining a Housing Commission home.

By providing funds for political parties the legislation will destroy the fundamental democratic process. I say that in all sincerity. That is why the legislation is so horrendous. Government supporters should think about that sincerely. That will occur because the Labor Party machine will be deleteriously affected. More importantly, the Labor Party and the parliamentary process as a whole will be denigrated. Every member of this House knows well that one of the major problems of any political party is communication between what is regarded as its parliamentary wing and its grass roots membership. The Labor Party goes a long way towards trying to come to grips with that enormous problem. It says that decisions made at the grass roots level are binding on members of Parliament. The Opposition parties do not have those party machine rules. It was because of those rules that the Hon. P. 3. Baldwin was bashed to within an inch of his life.

The Hon. D. P. Landa: On a point of order. The events surrounding the assault on the Hon. P. J. Baldwin have nothing whatever to do with public funding. The honourable member is deliberately attempting to be tedious and irrelevant in his contribution.

The Hon. M. F. Willis: Mr Deputy-President, the Minister may be seeking to rely on Standing Order 85, but it is not within his province to draw to the attention of a member the fact that he may be engaging in tedious repetition. That is the privilege of the President and the Chairman of Committees.

Mr DEPUTY-PRESIDENT (The Hon. C. Healey): I take it the Minister was not endeavouring to rely upon Standing Order 85 but was commenting that the honourable member was being tedious and irrelevant. The point that he raised was that the **bashing** of the Hon. P. J. Baldwin had nothing to do with the funding of elections in New South Wales. I uphold the point of order and ask the honourable member to confine himself within the terms of the bill.

The Hon. E. P. PICKERING: I thank you for your ruling, Mr Deputy-President. I was putting to the House that if the party machines are to be provided with funds, the need for the parliamentary party within a political organization to maintain effective communication with its grass roots will be seriously eroded. In other words, I am suggesting that this legislation is like a Trojan horse. When one accepts the money, one brings into one's organization a situation where the member of Parliament will no longer have to heed or at least heed as well the people who have put him into the House. That process has a cumulative effect. It begins in a small way and as the years go by it becomes more and more insidious until finally the situation arises where the politicians who control the public purse perpetuate themselves in the House without the need for a party machine. The Labor Party is more susceptible to this tendency than any other party in the State. It already has the smallest party base in terms of numbers. It certainly has far more ideological problems which would encourage parliamentary members to wish to distance themselves from their base. When one accepts the money, and as the years go by one continues to accept the money—assuming one is entitled to do so—one is wrecking one's own **party machine**.

The Hon. D. R. Burton: What is the honourable member so concerned about?

The Hon. E. P. PICKERING: As I said earlier, I believe in parliamentary parties and in political parties espousing a point of view. That is right and proper. It is part of fundamental democracy. It is part of the way we behave ourselves. When one loses those things one starts to undermine the fundamentals of parliamentary democracy. In my view there is no doubt that participation and voluntarism are keys to popularity, financial support and public political feedback to a parliamentary party. If one accepts the money, those things disappear. Second—and more important—if this legislation becomes law it will affect how the public perceives honourable members collectively. It is no secret that members of Parliament as a group—and I am not talking about party politics, but about the perception of members of Parliament by society—are just above or just below car salesmen in the social strata. One of the shocks I received when I came into the House was that members of Parliament are not highly esteemed by the community. I suggest that as a group we have earned that position.

We have worked hard for that position for a long time. I suggest that this legislation will do nothing to raise the esteem of the people for members of Parliament. As a collective group we will be held by the electorate in even lower esteem. This bill is what we call, in the mining industry, the thin end of the wedge. Members of the trade union movement opposite know what is meant by that in industrial terms. This is only the beginning. The Government has been dishonest in trying to sell this scheme to the electorate by saying it will cost only the price of a stamp for each elector; that there is absolutely nothing to it; and that 22 cents a year is all it will cost the taxpayer. That was dishonest, for all honourable members know that it will cost each taxpayer

66 cents for every election. But that is only a start. The 22 cents a year will not cover administrative costs. The Government has acknowledged that it has not even bothered to think about administrative costs. The Hon. W. L. Lange pointed out that if one sits for a moment and examines the problems an inspector will have in properly administering or attempting properly to administer this legislation, one will realize that the inspector will need the assistance of a mighty bureaucracy.

All honourable members know that once a bureaucracy is commenced, it grows. Every year there is good and cogent reason why it should be added to. In the same way the cost to each elector will be added to. As the Hon. W. L. Lange pointed out, the bill provides for indexation of the amount of the levy so that the odium of some of the additions will not be so publicly known by having to go through this House. But honourable members know that it is only a matter of time before this House is presented with a bill with the title of the Election Funding (Amendment) Bill and the 22 cents will increase. It is a fact of life that when one is given a dollar one spends it. It is certain that at the end of the next State election the Labor Party will again be bankrupt to the extent of \$200,000, \$300,000, \$400,000 or \$500,000. It will have spent the \$1.2 million as well as the overrun that the Labor Party usually has during election campaigns, so there will be a need to increase the take.

When Labor gets its hands into the public purse and realizes how easy it is to continue to do so, an opiate effect will soon take place and it will wish to extend the scope of the bill. I can imagine that it has already been decided by the Labor Party that as it almost controls local government in this State now, through the artificial manipulation of local government, it will not be long before a bill is introduced to fund election campaigns for local government. It will not be long before the Labor Party machine is not only milking this legislature to ensure its own election but also milking it for local government. The provisions of the bill are such that there will be nothing to prevent one dollar paid under this legislation being siphoned off to the federal Labor Party when it is in some difficulty. There is no reason why that will not happen. Another example of the dishonesty of the bill is the formula to calculate the amount of money that goes into the pot, which, to summarize it in simple terms, is 22c for every elector enrolled on a particular day multiplied by the number of years between the last election and this election.

In order not to be involved in any difficult arithmetical calculations, the Government decided to round off the number of years to the nearest figure. If an election is held every two years and nine months, which is the average period, instead of allocating to ourselves 2.75 times the number of electors, times 22c we will work on the basis that the period involved is three years. That is another way in which the amount of money to be allocated to the Labor Party in New South Wales—the Opposition will not have a bar of it—is to be artificially inflated. The Labor Party never misses a trick to get its hand in the till. That is what is being done by this measure.

The proposed legislation will encourage absurd electoral waste. All parties have blue ribbon seats—I live in one, in the electorate of Heathcote. Political realists accept that Heathcote is a blue ribbon Labor Party seat. When it comes to elections, the Liberal Party does not set out to squander large sums of money on the election in Heathcote. If \$500 is spent for that purpose that would be a sensible expenditure. The approach by the Labor Party to a seat such as Bligh would be the same. Had the Liberal Party decided to accept the loot, the candidate for Heathcote would be forced, in effect, to squander \$3,500. What an absurdity! What a cardinal waste of public funds.

There is no sense in saying that the candidate would not spend \$3,500. One cannot imagine a candidate who is prevented by the measure from transferring the money to his central fund saying that he will not use that money. He would consider

that that would be a criminal waste—if he were to hand it back after the election. He will squander it. In blue ribbon seats at every election \$400,000 or \$500,000 will be spent in futile nonsense because of this measure. When a knock comes on the door and an harassed lady says, "Can you try to get me Housing Commission accommodation as a matter of urgency?" will politicians look her in the eye in the knowledge that before the year is out the politicians will calmly kick \$500,000 down the drain in electoral nonsense in defending the honourable member for Heathcote—the Minister for Youth and Community Services—with me attacking him and between us spending \$7,000. What rot!

The Wollongong area is shrouded in blue ribbon Labor Party seats. Doubtless the people in that area would prefer to have their money spent on assisting the disabled in this year, the International Year of Disabled Persons. They would like their money spent on Housing Commission accommodation, hospitals and particularly rail services. In the Hunter Valley, where I used to live, and where the Hon. Virginia Chadwick comes from, an enormous amount of work is needed. Money will be calmly thrown away. I saw in a newspaper today a letter by the Anglican Bishop of Newcastle, the Rt Rev. Alfred Holland. The letter reads:

A weak and tottering social infrastructure in the Hunter region may crash under the strain of the proposed development.

The Anglican Bishop of Newcastle wrote that in a letter to the Premier and Treasurer. The Bishop would not write to the Premier unless circumstances were desperate. They are desperate. One has only to visit the Hunter Valley to see how desperate they are. I visit there fairly regularly. The position will get worse. How will honourable members who accept these funds be able to look at the people of the Hunter Valley when, as the Bishop says, their social infrastructure may crash under the strain. Will honourable members calmly expend \$500,000 in simply competing in electoral districts where the result is virtually known today?

The Hon. H. B. French: The Hon. E. P. Pickering knocked the aluminium industry in the Hunter Valley.

The Hon. E. P. PICKERING: I certainly did not. That is a wicked misrepresentation of my stand. What I have said regarding the development of the Hunter Valley is that it must be planned. The Hunter Valley is becoming the Ruhr of New South Wales. The Bishop said—correctly—that enormous problems are developing in that area. Unless the Government recognizes that and attempts to do something about it, the State is in for really serious trouble. What does the Government say when presented with individual problems? It says that there is no money. But, millions of dollars will be poured into their coffers. Another result of this iniquitous measure is that clearly we will go to the polls more frequently. A constraint on the government—it is a real constraint on the Government at the moment—in deciding whether to have quick elections, because it is politically expedient, is whether or not it can mount an attack financially.

The Hon. J. S. Thompson: One could constrain the federal Government.

The Hon. E. P. PICKERING: It is always a constraint on all parties. No party is wealthy. All parties suffer from the same problems in raising funds. It is a real and sound constraint. When all the Government has to do is to come to the House and put its hand in the till, having established a precedent and then jack up the rate.

It will hold an election almost whenever it likes. That will denigrate Parliament in the eyes of the citizens of New South Wales. Another aspect is that the measure will work significantly against minor parties. There is no sense in suggesting otherwise. It is quite clearly arranged, in terms of legislative intent, that minor parties not be covered. One can argue whether that is right or wrong. I am not sure what stand I take on it. There is no denying that the legislation is drawn up in order to prevent minor parties being formed. But, part of the glossy picture painted is that the measure will be equitable to all. It is not.

Reference has been made to the bill not being unfairly biased. It is unfairly biased against minor parties. Once one gets into the concept of public funding one is in a real dilemma because many people will object to taxpayers' funds being used for minor parties. If there is no **limit**, and minor parties could also feed at the trough, I, and many others, would be opposed to supporting, for instance, the Communist Party, the Nazi Party and the Marihuana Party. I am not opposed to the democratic right of those parties to stand for election but I **am** not willing to stand by and see them funded from my dollar. I am not willing to stand by and see my dollar fund the **Labor** Party. I **am** totally ideologically opposed to everything that the **Labor** Party stands for. It is wrong. I shall not put my dollar into supporting the **Labor** Party—at least I do not want to do that. If the bill goes through, the fact is that my tax dollar will go to support the **Labor** Party at the next election.

Another aspect of the bill that I do not think has been raised is that it actively prevents the democratic expression of the public wish in the political scene. Let me paint the real picture of what happened in Australia. For many years, for virtually the whole of my adult life, we have had a conservative Liberal Party and Country Party federal government. Then the Hon. E. G. Whitlam came along with his slogan, "It's Time". The nation accepted the socialist **Labor** Party government federally. The **Labor** Party swept to power, supported financially by people from the grass roots who felt that it was time and they backed up that high ideal with their money.

That party came to power as a result of the democratic process. In a time so short that it was breathtaking, the community of Australia turned against the Whitlam Government, for reasons on which one could dilate for hours. The community felt that it had had enough of the socialist federal Government, and the public expressed its view. It did so by its votes, but certainly did not intend to lend financial support to that cause. At the same time as the Whitlam star fell, the star of the Liberal Party rose. Liberal numbers in this State increased by about 20 000. Whitlam was the greatest benefactor of the New South Wales Liberal Party in terms of numbers and finance one can imagine. That was a political decision by the electorate. However, this legislation will thwart the will of the people. The legislation will plunder the public purse. It will force the community—a community that became massively disenchanted with the federal Labor Government—to devote money to purposes of which the community does not approve. If that is an expression of democracy, then I am afraid I do not understand the meaning of the term.

I turn to the question of public disclosure. The Hon. W. L. Lange stated clearly that the concept of disclosure as enshrined in the bill is a practical nonsense. As my colleague expounded his argument logically point by point, I watched the faces of **Labor** members. Their jaws dropped. However, what my colleague said was eminently clear and sensible. I saw on a number of **Labor** faces a look that led me to believe that some honourable members opposite were working out their own scheme. It would be bad enough if that were all the legislation set itself out to achieve, but it will bring about a far worse result. If the legislation leads the community to believe that these

provisions are a charade, it may lead those who wish to be involved in bribery, corruption and other practices to go about their work almost with immunity. Recently I was in the United States of America where I spoke to State officials in California and to federal officials in Washington. While in that country I examined the effects of the public funding scheme in operation there. When I mentioned the subject of public disclosure, the officials told me that, for all the reasons given to the House by the Hon. W. L. Lange, it was almost impossible to police.

Because a charade has been established to placate the community, those who would normally be the watchdogs of the community are lulled into a false sense of security. Those who would be dishonest the more easily can be dishonest in those circumstances. I am not naive. I am not suggesting for one moment that no one in this Parliament has ever been offered a bribe. That would be stupid. We live in the real world where people will offer those in power a bribe in order to have something done. There will always be men who will turn their faces away, men of integrity, but there are always those who will accept bribes. That is life. One cannot legislate against that. Only recently, when I raised the question of drink-driving in this State, the Hon. D. R. Burton said there was no use in increasing penalties in the legislation because penalties will not work. What the hell do we have penalties in this legislation for, if that is so?

Locks keep out honest people. The charade of this legislation regarding public disclosure is that it is the lock that would keep out the honest person who would never be involved in bribery or corruption, but there is no way in the world that it will prevent those who intend to be dishonest from being dishonest. There are some insidious aspects to public disclosure. I shall give some practical examples. Public exposure provides the powerful weapon of blackmail. We all recall how President Nixon of the United States of America, following his election, gave instructions to staff that all those who had made donations to the opposition were to be given the appropriate treatment. But that is life.

I have had experience with coal companies in this State. They can be described as apolitical. It is my view that most coal companies who donate funds to political parties scrupulously donate equal amounts to both sides of politics. If any corporation, a coal company or whatever, wishes to make contributions to a political party whose philosophy it believes in, it should be able to do so. Many corporations support the Labor Party, we must be aware of that. If they wish to make a contribution they should be free to do so without any fear of blackmail. If a colliery in New South Wales were to make a donation to the Liberal Party or the Country Party in this State at the forthcoming election, and if that donation were disclosed publicly, the next day that pit would not operate. Is there any Government supporter who is prepared to deny the truth of that statement? The silence shrieks. Let me ask another question, closer to home. If the fraternity club in Wollongong, one that the Hon. J. J. Morris would know well, were to make a political donation through its board of directors to the Liberal Party or the County Party, the Hon. J. J. Morris, with his connections in the liquor trade union movement, would know what would happen.

The Hon. J. J. Morris: On a point of order. My union has been maligned by the assertion of the Hon. E. P. Pickering that it would take some sort of action against the democratic right of a board to make a decision. I ask that the honourable member be directed to withdraw his assertion.

The Hon. M. F. Willis: I submit that there is no point of order. The Hon. J. J. Morris is taking objection on behalf of a trade union. If he were taking objection to or being offended by something of which he has been accused he would be

within the standing orders. I submit that it is not within the province of the honourable member to take offence on behalf of some corporate body that is not present in this House.

The Hon. D. P. Landa: Further on the point of order. The Leader of the Opposition is playing with words. The remark made by the Hon. E. P. Pickering, which was prefaced by the comment, "The Hon. J. J. Morris knows what his union would do", was an offensive imputation against the honourable member. The Hon. J. J. Morris has asked that the comment by the Hon. E. P. Pickering be withdrawn. As the honourable member considers the remark to be offensive I submit that you, Mr President, will follow the precedents of this House and direct that it be withdrawn.

The PRESIDENT: I refer honourable members to Standing Order 80. With due respect to the Hon. J. J. Morris and the Minister, I cannot concede that the Hon. E. P. Pickering has offended against Standing Order 80. I rule accordingly.

The Hon. E. P. PICKERING: With those two examples that I have given the House I submit that I have demonstrated starkly another of the real intentions of the legislation. Government supporters well know that if I am a member of a trade union—and there are many trade unions in New South Wales—I am required to contribute to the union. I know also that from time to time part of those dues will be funnelled across to the Labor Party as part of the support of the trade union movement. I am not sure that I disagree with that. However, as a member of the Liberal Party, obviously I am not happy about it. I acknowledge that it is part of our process in New South Wales. Do Government supporters consider it fair that individuals and corporations who wish to contribute to political parties should be subjected, as they will be without a shadow of doubt, to some form of repercussion if the provisions of the bill become operative? Any doctor in Wollongong who contributed more than \$1,000 would be ostracized. Government supporters should not kid themselves that he would not be.

The Hon. D. P. Landa: Patients have a right to consult the doctor of their choice.

The Hon. E. P. PICKERING: The Minister considers that they should be ostracized.

The Hon. D. P. Landa: A patient may choose not to consult a doctor because he does not like the colour of the doctor's eyes. That is part of the patient's rights.

The Hon. E. P. PICKERING: I said that, based on political considerations, he will be treated one way or the other. The Hon. J. S. Thompson, a man of integrity for whom I have the highest regard, nods his head in affirmation of what I am saying. They are the stark realities about this bill. Before I conclude I shall try to get across to Government supporters a philosophical message that is of great importance in considering this legislation. For the past day or two I have been pestered by this legislation. I abhor it; it is terrible. I had something in the back of my mind that sums up this legislation. This morning I recalled it. It was a small book that I read as a young man and which I make compulsory reading for all of my children, once they reach the age at which they are able to understand certain aspects of life. I refer to the well-known book **Animal Farm**. In it, the author George Orwell goes a long way towards summing up the situation in which this State finds itself. Honourable members who have read the book will recall that during the evolution of society on the farm after

the animals took over from the humans in their evolution towards a socialist structure, one of the hardest working animals was Boxer, the horse. He was responsible for bringing the group to its advanced state because he made the greatest contribution to the society. When the group obtained power and control over the purse, poor old Boxer, who had worked hard and done the right thing by everyone, grew sick. He had to be disposed of. Boxer **was** loaded into a van, and the author described what happened in this way:

The animals crowded round the van. 'Good-bye, Boxer!' they chorused, 'good-bye!'

'Fools! Fools!' shouted Benjamin, prancing round them and stamping the earth with his small hoofs, 'Fools! Do you not see what is written on the side of that van?'

That gave the animals pause, and there was a hush. **Muriel** began to spell out the words. But **Benjamin** pushed her aside and in the midst of a deadly silence he read:

'Alfred Simmonds, Horse **Slaughterer** and Glue Boiler'.

Today the trade union movement of New South Wales stands in the place of Boxer. As some honourable members on the Government side of the House go to the **Labor** Council this evening, they might as well be going to the glue factory. In conclusion, I sum up how the community perceives this legislation and the Legislature. After the Bill has been in operation for some time the community—which in **this** story is portrayed by the animals—will have this to contend with, as related in the last paragraph of the book to which I have referred:

The creatures outside looked from pig to man, and from man to pig, and from pig to man again; but already it was impossible to say which was which.

Debate adjourned on motion by the Hon. P. S. M. **Philips**.

PRINTING COMMITTEE

Fifth Report

The Hon. R. G. **Melville**, as Chairman, brought up the Fifth Report from the Printing Committee.

Ordered to be printed.

SPECIAL ADJOURNMENT

Motion (by the Hon. D. P. Landa) agreed to:

That this House at its rising today do adjourn until Monday, 11 May, 1981, at 10.30 a.m. *sharp*.

House adjourned, on motion by the Hon. D. P. Landa, at **6 p.m.**

QUESTIONS UPON NOTICE

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

LIQUEFIED PETROLEUM GAS FUEL

The Hon. P. S. M. **PHILIPS** asked THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL—

- (1) Following the much publicized incident at Newcastle when gas ignited in a taxi due to a fault in a component, has the Government revised its policy on encouraging the use of liquefied petroleum gas for automotive purposes?
- (2) Has the publicity surrounding this incident discouraged the public at large from converting vehicles to liquefied petroleum gas?
- (3) Will the Government publicly re-state its support for the use of liquefied petroleum gas as an automotive fuel?

The Hon. D. P. LANDA replied—

- (1) The State Government's policy to encourage the use of L.P. Gas for automotive purposes is unchanged.
- (2) There is some evidence to suggest that the safety issue is important to prospective users of L.P.G. for automotive purposes. The Newcastle taxi incident is often cited and seems to be a discouragement to L.P.G. automotive use. Since the time of the taxi incident at Newcastle additional safety requirements have been incorporated in Australia Standard AS 1425, which now provides for—
 - (i) an automatic fill limiter;
 - (ii) filling of the L.P.G. tank from outside the vehicle;
 - (iii) enclosure of all fittings which might leak with a gas tight box (usually the boot compartment) vented to the outside of the vehicle.

The requirements are currently being implemented.

Safety aspects should not now deter persons from converting their vehicles to L.P. Gas fuel. The main deterrent is more likely to be the differential in pricing between L.P. Gas and petrol, which is considered by many insufficient to warrant the cost of conversion.

- (3) The Government believes there is a future for motor vehicles converting to L.P. Gas, particularly for taxis and fleet owners. The entire question of L.P.G. usage in this State is being examined by the Energy Authority with the view to preparation of a policy paper for consideration by our Government.

EMOTIONALLY DISTURBED YOUTHS

The Hon. VIRGINIA CHADWICK asked THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL—

- (1) What facilities are available in New South Wales for the care and treatment of emotionally disturbed youths?
- (2) Specifically, what facilities are available in the Newcastle–Hunter Region?

(3) In the last twelve months, how many young persons, who may be defined as emotionally disturbed, have been placed in institutions for the mentally retarded in the Newcastle—Hunter Region?

(4) What treatment specifically geared towards the correction of **emotional** disturbances has been made available to those young persons?

(5) Does the Government believe it is proper to place people who are **not** mentally retarded in institutions for the mentally retarded?

(6) If the answer to (5) is negative, what plans does the Government have to correct this situation?

The Hon. D. P. LANDA replied—

(1) Facilities available in New South Wales for the care and treatment of emotionally disturbed youths are:

Rivendell Hostel 40 beds under the administration of Royal Prince Alfred Hospital.

Arndell Hostel—20 beds under the administration of Macquarie Hospital Sydney.

Red Bank House 40 beds under the administration of **Westmead** Hospital Sydney.

Pallister Hostel—12 beds--Church of England establishment in Sydney.

(2) At present there are no inpatient facilities specifically available in the Hunter Region for the treatment of the emotionally disturbed adolescents. There is a need for this type of facility and at the present time **Dr** Peter Wells, a Psychiatrist experienced in this field, is undertaking a study and will be **making** recommendations to the Commission on the kind of adolescent services that are most appropriate for the Hunter Region.

Dr Wells, M.B., **Ch.B.**, Diploma Psychological Medicine, M.R.C. Psych, F.R.C. Psych., was a senior consultant for the adolescent services in **Britain** and responsible for a Regional adolescent unit with both inpatient and out-patient facilities at the University Teaching Hospital prior to his appointment to the Hunter Region on 29th October, 1980. He has several years of experience in the treatment of disturbed adolescents as well as having published many articles on the subject.

(3) The only private institution where emotionally disturbed children are **placed** with the mentally retarded in the Hunter Region is at Kendall Grange run by the Brothers of St John of God at Morisset. In addition, small numbers (approximately 3 to 4 admissions per year) of the more serious cases are treated at Stockton Retardation Hospital.

The precise number of children in institutions for the mentally retarded is **difficult** to determine because there are some borderline cases. When **Dr Wells'** survey and report is complete the Region will have this type of information readily available and will be in a better position to assess the need.

(4) **A** Health Commission Psychologist and Child Psychologist visit **St John** of God to give support and advice to the Brothers. The Brothers are highly respected and provide a very stable background for boys while they are accommodated at the Kendall Grange. There is no specific treatment for the emotionally disturbed in this Institution.

(5) **This is** done because of the lack of an adolescent unit, however, it is undesirable and as mentioned previously, Dr Wells has been appointed to **examine this** problem and make recommendations on the way in which it **can** be overcome.

(6) The plans available to the Government will be dependent upon the **advice** contained in the report being prepared by Dr Wells.

TEACHER VACANCIES

The Hon. M. F. WILLIS asked **THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL**—

(1) Do any shortages of teachers exist in specific subject areas or **age/grade** levels in public schools in New South Wales?

(2) If so, how many additional teachers are required to fill these vacancies?

(3) Which education regions are **affected** in this way and what are the shortages in each region?

The Hon. D. P. LANDA replied—

(1) No, however, some difficulty is being experienced when an offer of employment has to be made to fill a vacancy. Teachers who as late as October, 1980 **advised** of their availability for 1981 are declining offers of employment. As a result, delays are occurring in filling positions because on occasions the same position has to be offered several times before acceptance.

(2) Not applicable.

(3) Not applicable.

SPECIAL EDUCATION CENTRES

The Hon. VIRGINIA CHADWICK asked **THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL**—

What is the Government's attitude towards **financial** support of Special Education Centres and, in particular, the Special Education Centre at Newcastle College of Advanced Education, which has an Australia-wide reputation for innovation and excellence?

The Hon. D. P. LANDA replied—

The Special Education Centre at Newcastle College of Advanced Education offers, as part of its mandate to train teachers and conduct research, a number of services to the community.

These community services are generally conducted as pilot and/or research programmes or to give teachers a chance to train within an exemplary model. **In** recognition of these services the College receives government support both financially and through the secondment of government personnel. The Centre also works co-operatively with the officers of the Health Commission, the Department of Youth and Community Services, as well as the Education Department.

The future extent and degree of support that such Centres should receive is currently being considered by a Working Party comprising members from community and special interest groups under the Chairmanship of the Director of the Division of Guidance and Special Education, Mr P. Doherty. It is anticipated that the report of this Working Party will be available later this year.

HUNTER VALLEY CARAVAN PARKS

The Hon. VIRGINIA **CHADWICK** asked **THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL—**

- (1) Has the Government undertaken any comprehensive studies to ascertain the social impact of rapid caravan park development in the Hunter Valley?
- (2) If so, what are the results of such studies?
- (3) If the Government has not undertaken such studies, are there plans to investigate the social impact **upon—**
 - (a) those who are accommodated in caravan parks, and
 - (b) the effect of such extensive and rapid development upon the rest of the community?

The Hon. D. P. LANDA **replied—**

- (1) No.
- (2) Not applicable.
- (3) An inter-departmental committee to co-ordinate the establishment, development and management of caravan parks on Crown reserves was set up late last year by the Minister for Lands, consisting of a representative of the Department of Lands (as convenor), the Department of Tourism, and the Local Government and Shires Associations of New South Wales.

Moreover, the Family and Children's Service Agency, Department of Youth and Community Services, funded an action research study on the needs of "mobile" children and their families by the Women's Trade Union Commission. The report "Caravan Living: Families, Housing and Children's Services" was released to the public in October, 1980.

The study was primarily concerned with children's services, needs of caravan park residents and provides some insight into the caravan lifestyle, particularly as it is experienced by the largest group of caravan residents: families with young children.

Geographically the project covered the Sydney Metropolitan area and one of the aims was to gather some basic empirical data concerning the nature and extent of caravan living.

The proliferation of caravan parks in a particular region is, of course, primarily a planning issue. Councils are now required in determining development applications to take into consideration the social effect of a proposed development in the locality. The then New South Wales Planning and Environment Commission in June, 1980, in its publication "The Environmental Planning and Assessment Act, 1979—A Guide for Local Government" sets out certain social elements to be considered.

The examination of the recommendations made by the Joint Committee of the Legislative Council and Legislative Assembly upon Parks for Mobile Homes and Caravans, as well as the submissions and comments received in relation thereto, with a view to the promulgation of an ordinance under the **Local** Government Act prescribing minimum standards, etc., for caravan parks, has not yet been completed because of the complex nature of the **issues** involved. It is clear that the Committee's recommendation in respect of permanent residency in caravans on caravan parks is most controversial and this issue is receiving priority of examination with a view to early determination thereof by the Government.

PARRAMATTA POLICE-CITIZENS BOYS' CLUB ART UNIONS

The Hon. D. D. FREEMAN asked **THE** MINISTER FOR EDUCATION AND VICE-**PRESIDENT** OF THE EXECUTIVE COUNCIL—

- (1) What lotteries or art unions conducted under the Lotteries and **Art** Unions Act, 1901, have been sponsored in the last five years by the **Parramatta** Police-Citizens Boys' Club?
- (2) What were the prizes?
- (3) On what dates were they drawn?
- (4) **Respectively:**
 - (i) What was the cost of individual tickets?
 - (ii) What was the value of the prizes?
 - (iii) What profit did the Club receive?
- (5) What were the names of the winners of the first prizes?
- (6) What were their addresses at the time of the drawing?
- (7) What are their present addresses?

The Hon. D. P. LANDA replied—

- (1) (a) Parramatta Police-Citizens Boys' Club No. 12 **Art** Union.
 (b) Parramatta Police-Citizens Boys' Club No. 13 **Art** Union.
 (c) Parramatta Police-Citizens Boys' Club No. 14 **Art** Union.
 (d) Parramatta **Police-Citizens** Boys' Club No. 15 **Art** Union,
- (2) (a) **Car.**
 (b) House and land.
 (c) Car.
 (d) House and land.
- (3) (a) 18th December, 1976.
 (b) 15th December, 1978.
 (c) 26th December, 1979.
 (d) 12th December, 1980.
- (4) (i) (a) \$2.00.
 (b) \$5.00.
 (c) \$100.00.
 (d) \$100.00.

- (ii) (a) \$10,583.00.
(b) \$67,088.00.
(c) \$54,000.00.
(d) \$168,856.00.
- (iii) (a) \$22,106.23.
(b) \$22,203.84.
(c) \$31,197.89.
(d) \$37,411.25.

(5) (6) and (7) It is considered that the winners' request for protection of their privacy should be respected.

TOMAGO ALUMINIUM SMELTER

The Hon. VIRGINIA CHADWICK asked THE MINISTER FOR EDUCATION AND VICE-PRESIDENT OF THE EXECUTIVE COUNCIL—

What is the estimated cost of the construction on **the** two transmission **lines** by which it is proposed that electricity will be supplied to the **Tomago** aluminium smelter?

The Hon. D. P. LANDA **replied**—

The two 330 000 volt transmission **lines** to be constructed from West **Wallsend** to **Tomago** and Newcastle (**Killingworth**) to **Tomago** in addition to supplying the **Tomago** Aluminium Smelter will reinforce the electricity supply capacity to the inner Newcastle area to provide for the expected significant increases in demand by industrial, domestic" and commercial users in the **area**.

The estimated cost of the two transmission lines is \$16.0 **million**, at today's **cost** levels.
