Legislative Council

Tuesday, **12** *May,* 1981

Parliamentary Contributory Superannuation (Amendment) Bill (first reading)—Questions without Notice–Constitution (Disclosures by Members) Amendment Bill (second reading, third reading)—Parliamentary Contributory Superannuation (Amendment) Bill (second reading)-Constitution (Legislative Assembly) Amendment Bill (second reading, third reading)—Maritime Services (Amendment) Bill and Cognate Bill (second reading, third reading)—Poisons (Amendment) Bill (second reading)—Cumberland Oval Bill (second reading, third reading)—Albury–Wodonga Development Corporation (Personal Explanation)—Election Funding Bill (third reading)—Parliamentary Contributory Superannuation (Amendment) Bill (third reading)—Church of England (Norfolk Island) Bill and Cognate Bill (first reading)—Public Authorities (Financial Accommodation) Bill (Message)—Liquor (Amendment) Bill and Cognate Bill (first reading)—Workers' Compensation (Amendment) Bill and Cognate Bills (first reading)—Northem Rivers County Council (Undertaking Acquisition) Bill (second reading, third reading)–Church of England (Norfolk Island) Bill and Cognate Bill (second reading, third reading)—Workers' Compensation (Amendment) Bill and Cognate Bills (second reading)--Special Adjournment.

The President took the chair at 11 a.m.

The Prayer was read.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION (AMENDMENT) BILL

First Reading

Bill received from the Legislative Assembly and, on motions by the Hon. D. P. Landa, read a first time and ordered to be printed.

Suspension of Standing Orders

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

QUESTIONS WITHOUT NOTICE

ATTACK ON THE HON. P. J. BALDWIN

The Hon. D. D. FREEMAN: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council regarding the severe physical beating suffered by the Hon. P. J. Baldwin. Shortly after the incident did not the Minister state in the House that a team of top detectives of the police force were working round the clock in an attempt to apprehend the offenders'? Did he not refuse to comment further on this matter because to do so would prejudice inquiries by the police? Did not the Hon. R. B. Rowland Smith earlier this year ask for a progress report and was not the same reply given, that the inquiries by the police would be prejudiced if the Minister said anything? In view of all this and the time that has elapsed is the Minister able to give the House an up-to-date report on the inquiries?

The Hon. D. P. LANDA: The answer to the first part of the question is, yes. In answer to the last part of the question, a police investigation is not a running serial or something that requires to be reported constantly to the House. The police investigation of a matter as serious as this requires a great deal of confidentiality and a great deal of care as to the sources of information. It probably involves also a great deal of hearsay evidence, a matter on which the honourable member is an expert for he always acts on hearsay evidence and shows persons in an unfavourable light on the basis of this second-class evidence. The matter is being handled by senior police in an expert way. They will make their recommendation to the Minister or to prosecuting officers in the appropriate way. When that occurs, and without any prejudice to the parties or the rights of any individuals, I shall in the proper way make any statements that may be sought of me. I do not propose in any way to prejudice the inquiry or to say something that might affect a future prosecution or trial. The matter of overriding importance must be the rule of law which I propose to uphold while I am the Leader of the Government in this House.

SELECT COMMITTEE UPON THE SCHOOL CERTIFICATE

The Hon. D. P. LANDA: Yesterday the Leader of the Opposition asked me a question about the principal of The Entrance High School, inquiring whether he had been seconded to the Legislative Assembly Select Committee Upon New South Wales School Certificate Assessment Procedures. This is another instance of the Opposition proceeding on erroneous data and placing a citizen in a perhaps unfavourable light, though at the time I did not view it as such.

The Hon. M. F. Willis: I simply asked whether the report in the newspaper was correct.

The Hon. D. P. LANDA: A simple inquiry to me would have avoided the man's career being bandied about in the House. I should have been pleased to provide the Leader of the Opposition with the information that I have now had the opportunity to obtain. The fact is that the principal of The Entrance High School is on long service leave. He is not seconded to the select committee or advising it. He has been of assistance to the chairman of that committee and to me in a discussion about the procedures at his school. He is an honourable, dedicated officer whose whole career is testimony to his dedication to the young people of this State. It is a poor show when political overtones are cast upon him in the pursuit of his career by the Leader of the Opposition in this place. If the best that members of the Opposition can do is to proceed upon newspaper reports, it is a poor show.

The Hon. M. F. Willis: It is a poor show for the Minister to say that I suggested the principal was anything other than a man of integrity.

The Hon. D. P. LANDA: Why did the Leader of the Opposition ask the question?

The Hon. M. F. Willis: Because I wanted to know whether it was true.

The Hon. D. P. LANDA: The Leader of the Opposition was trying to suggest that the principal had been taken off his duties and seconded to the committee at the expense of the taxpayer. He should not try to wriggle out of it. He has not got the courage to support the man's decent record——

The Hon. M. F. Willis: The Minister can make it sound dirty.

The Hon. D. P. LANDA: I did not ask the question. If the Leader of the Opposition had taken the time and trouble to make an informal inquiry of me, I should have told him the facts without the matter being enshrined in *Hansard*.

The Hon. M. F. Willis: I have had the experience of asking your ministry things before.

The Hon. D. P. LANDA: I take great exception to that. The Ministry of Education has a long and worthy history of service to parliamentarians generally.

The Hon. M. F. Willis: What about you?

The Hon. D. P. LANDA: The Leader of the Opposition referred to the ministry. The Leader of the Opposition is in such a pathetic state among his own troops that he is now trying to resurrect some of his standing. I have made available officers in my department to help Opposition supporters on educational matters. We consider those issues to be of importance to the whole State and believe that they should cross political bounds. However, the Leader of the Opposition keeps on telephoning departmental officers, seeking to embarrass them by placing them in an invidious political position, and does these things in a secret fashion. He then has the nerve to come into this House seeking to justify his behaviour. If he wants to skulk around the offices of the Ministry of Education, perhaps he will accept our open invitation to make his inquiries through the ministry. If he does so, we shall be pleased to help him on educational matters.

BUSINESS OF THE HOUSE

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [11.10]: I move:

> That Government business order of the day No. 1 be postponed until a later hour.

As I suggested last night, the Government has examined with sympathy the proposed Opposition amendment to the Election Funding Bill and an appropriate form of words will soon be put before honourable members. I assure the Hon. L. A. Solomons and the Council for Civil Liberties that the Government will ensure that inspectors possess power aimed only at protecting citizens. I am sure that the honourable member will be happy with the amendment which I shall seek to move at a later stage.

Motion agreed to.

CONSTITUTION (DISCLOSURES BY MEMBERS) AMENDMENT BILL

Second Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [11.12]: I move:

> That this bill be now read a second time.

In November last year the House rescinded a resolution which it had adopted some twelve months earlier to set up a scheme for the registration and disclosure of the pecuniary and other interests of members of Parliament. At that time I indicated to the House that a question had earlier arisen about the power of the Parliament to adopt that part of the resolution relating to the punishment of members who had failed to comply with the requirements of the scheme. The advice of the Crown solicitor and of senior counsel was obtained. To the disappointment of the Government, it was advised that the law could not be interpreted so as to empower the Parliament to enforce such a resolution. As I have previously informed the House, the establishment of an enforceable pecuniary interests scheme could be effected, according to that legal advice, only by legislation expressly investing such power in each House. More critically, the provisions of section 7A of the Constitution Act required any legislation investing such a power in this Chamber to be submitted to the people at a referendum.

The introduction of the bill reflects the continued determination of the Government to adopt the principle of disclosure of pecuniary interests of members of Parliament—a principle which has been incorporated into the parliamentary law of a host of other parliamentary democracies throughout the world. The bill complements another bill introduced into the Parliament this session relating to the disclosure of election campaign income and expenditure. The Government is firmly of the view that the public has a right of access to information of this nature. A pecuniary interests scheme will provide access to that information. It will also protect parliamentarians from those snide allegations of misconduct which can be so difficult for members to rebut. The bill will be submitted to a referendum as required by the Constitution Act. The referendum will be held in conjunction with the next general election. I trust that the referendum will be approached on a bipartisan basis. The bill contains a schedule which effects amendments to the Constitution Act, 1902. Subject to approval of the bill at a referendum, the Act will commence upon assent. The schedule contains one principal provision and a number of consequential amendments.

The principal provision is a new section 14A of the Constitution Act. This section will empower the Governor-in-Council to promulgate regulations on various types of interests. Those interests are: real or personal property; income; gifts; financial or other contributions to any travel; shareholdings or other beneficial interests in corporations; partnerships; trusts; positions—whether remunerated or not—held in, or membership of, corporations, trade unions, professional associations or other organizations or associations; occupations, trades, professions or vocations; debts; payments of money or transfers of property to relatives or other persons by, or under arrangements made by, members; any other direct or indirect benefits, advantages or liabilities, whether pecuniary or not, of a kind specified in the regulations.

Regulations may also provide for the manner in which the information must be endorsed, and the times at which it must be lodged. They may also regulate the compilation and maintenance of registers. Each House will be enabled to declare vacant the seat of any member who wilfully contravenes any of the requirements of the scheme. It is proposed by the Government that committees be established in each House to administer the scheme, and that any suggestions that members have failed to comply with the scheme will be referred to the respective committees for their investigation and report back to the House. This proposal will give the opportunity to any member who has omitted to meet any of the requirements to rectify his omission prior to the House being called upon to determine what action might be taken. The bill also requires that the regulations to be promulgated by the Governor must apply equally to both Houses. The Government firmly believes that members of both Houses should be dealth with on a similar basis.

With this in mind, new section 14A (6) provides that any new regulation or any proposed variation of any regulation will not be disallowed unless a motion for disallowance is adopted by both Houses of the Parliament. New section 14A (5) provides the opportunity for committees established by each House to make recommendations in relation to any modifications to the scheme which it considers appropriate. The effect of this will be that though the regulations will be determined by the Government of the day, the Parliament itself will have an opportunity of contributing to the content of regulations which should apply. In effect, the Government of the day will always be in a position to ensure that the regulations are appropriate for the Parliament, notwithstanding differing views by an Opposition-controlled upper House. The other amendments to the Constitution Act are consequential to the principal amendment. The amendments to section 7A do not affect the principal purpose of that section.

Those amendments are designed to provide that any enactment with respect to the circumstances in which the seat of a member of Parliament becomes vacant, as does the present bill, must be approved at a referendum unless it applies in the same way to both Houses of Parliament. The new subparagraphs 7A *(6)* (d) and (e) are designed simply to ensure that regulations, standing orders and other provisions made under this bill do not have to be resubmitted to the people. Under the present wording of section 7A (1) (c) it is not clear that even though this bill is approved by referendum, the regulations to be made under it as an Act in due course may otherwise have fallen foul of the blanket provisions of seciotn 7A. The amendment effected by paragraph (3) of the schedule empowers either House to make standing rules and orders as may be required under this Act.

The Government is resolute that a system for the disclosure of the pecuniary and other interests of members of Parliament is basic to the principles of parliamentary democracy. It is determined to introduce the system into both Houses of this Parliament at the earliest possible time. The regulations to be promulgated under the Act will be prepared in anticipation that the referendum will be approved by the people. I am confident that the referendum will be approved with an overwhelming majority. The Government is aware that most members of the Opposition parties support the principles in this bill, and it looks forward to the Opposition joining with the Government in going to the referendum on a bipartisan basis. I commend the bill.

The Hon. M. F. WILLIS (Leader of the Opposition) [11.181: The Opposition does not oppose the bill. Any legislation that enhances the confidence of the people in the integrity of the parliamentary system is of value and we shall support it. That is the basis on which the Government has brought the bill forward. Disclosure of members' interests has been supported on many occasions by distinguished former members of the coalition in this Parliament, such as the Hon. Sir John Fuller, the Hon. Sir Eric Willis and numerous others. I have no doubt that when this matter is put to the people on referendum it will receive overwhelming support. Certainly the referendum will be supported by the Opposition. The people will give this matter overwhelming support not only because both parties in the Parliament support the measure, but also because it will be felt that the provisions of the bill will enhance the integrity and standing of the parliamentary institution. I hope that in adopting such an attitude people will not be disillusioned.

It must be stated from the outset that no amount of legislation will make any person honest, even a member of Parliament, if he is intent on being dishonest. That is the fundamental shortcoming of any legislation such as this. Too much must not be expected of it. In a matter of this nature one is confronted with the eternal conflict of the rights of individuals, and members of Parliament are individuals with rights. Indeed, it is that fundamental conflict of interests which has been responsible in part for the tortuous process that this proposal has gone through from the time it was first publicly mentioned in 1979 by the Premier and Treasurer at a Labor Party conference.

It is well known that there has been great conflict within the Labor Party caucus about the terms of this particular proposal. Undoubtedly in that group there was enormous and varying reaction from many individuals because they saw their personal rights affected by the proposed provisions. That is the reason the Government has ended up with this watered-down proposal from that originally put forward in 1979 by the Prcmier and Treasurer. I remind honourable members that the first proposal by the Premier and Treasurer was for a public register of financial interests and sources of income of members of Parliament and their immediate families. The second reason the measure has had a tortuous task is that the Government, in its typical arrogant manner, has refused right from the outset to take the advice of the Opposition that the measure had to proceed by legislation and not by the processes of resolution upon which the Government was originally intent. It appears that better counsel has prevailed and that the Government is doing now what the Opposition told it it would have to do if the measure were to have any effect at all.

As I said, the Opposition endorses, and has always endorsed, the concept embodied in the bill. However, as I have mentioned, since the sentiments of the Premier and Treasurer were first expressed at the Labor Party conference in 1979 the legislation has been diluted. From a review of the history of this piece of legislation one can see that a register of the pecuniary interests of members of Parliament was proposed originally to cover all sources of income of such members, including national and international shareholdings, directorships, partnerships, trusts, trusteeships, assets including real estate, gifts, sponsored travel and oversea transactions. In another place the Premier and Treasurer stated originally that such legislation would be operative by the end of 1979. As could be predicted, the first parliamentary session of 1979 ended without any substantive action at all. Like most complicated political problems with which the Premier and-Treasurer is confronted, he chose to stall and procrastinate until his Govcrnment determined how to frame the legislation in a manner that would suit the Labor caucus. That was no easy task in this case.

By October 1979 the Premier gave notice that he would be moving to create a register for the Legislative Assembly, a separate register having to be set up for the Upper House by a motion of this House. By this time, it was proposed that members of Parliament would be required to disclose publicly their pecuniary interests to the best of their knowledge. At this stage it was obvious that registration of pecuniary interests was being left to the discretion of individual members. The Premier then expected to have the legislation in operation by early 1980. But by February 1980 a further motion was moved to enable a committee to sit during the adjournments of both Houses to consider the legislation further. Concurrently, the Government extended the period to August 1980. However, by May 1980 the committee was seeking legal advice on whether members of Parliament could be forced to supply this information. In other words, the Prcmier was back to the starting point in his efforts to set up a register. He had not done his homework, nor in his self-righteous arrogance had he taken any notice of the free advice the Opposition gave him. The Premier said that he would legislate if the scheme to set up a public register could not be enforced.

By August 1980, from the advice of the Solicitor General, it was clear that a register for the upper House could not be set up without a referendum, although it was also apparent that a register for members of the lower House could be implemented without such a referendum. Reviewing the history of this bill, some of the more cynical commentators have suggested that the Govcrnment has merely stalled until an election year in an attempt to provoke the Opposition into indicating that it is opposed to a register of pecuniary interests. Let me state categorically that it is not opposed to such a register.

It should be noted that the Government has taken so much time in drafting, talking about and procrastinating over this legislation that it has given any member of this Parliament who may have pecuniary interests which he would prefer not to have recorded, more than ample time to make alternative arrangements. I add that a steamroller could be driven through the loopholes in this bill—for instance, the legislation does not require disclosure of spouses' or children's assets or incomes. Neither does it call for the disclosure of bank accounts held either in Australia or overseas. If a member were unscrupulous he could hold some oversea bank acounts. Similarly, he could retain oversea properties controlled by agents appointed by him. Such an agent could transfer the members' incomes into his oversea account. This is merely one obvious loophole, but it would allow a member to hold literally hundreds of millions of dollars away from the scrutiny of New South Wales citizens.

Although the purpose of the legislation appears to be noble, clearly it is a joke. It does not police the pecuniary interests of members of Parliament; it is merely another cosmetic exercise by the Government to restore the faith of a disenchanted public—a public that is disenchanted by the Government's attitude in many areas; a public that is disenchanted by many of the accusations that have been made about the Government's integrity; a public that was stunned by the way in which the Government dealt with many serious issues in the community. The legislation really can be regarded as simply another public relations exercise, which in this particular instance seeks to amend the Constitution Act, an Act which by its very nature should have the utmost respect from the community and of this Parliament. Yet, the provisions of the bill which seek to enhance that constitution are thin indeed. The bill will not check any misdeeds of parliamentarians. It does not make retrospective provision for future parliamentarians. It merely is a cosmetic measure which I fear will lull the public into a sense of false confidence. Unfortunately, just as locks do not deter a resolute burglar, this legislation will not deter the truly dishonest politician.

I now seek to digress for a moment to refer to the federal Parliament's experience in relation to pecuniary interest registers. Like the State Government, the federal Government set up a committee to investigate the necessity for and the purpose of introducing a public register. This committee was known as the Bowen committee. Summarizing the terms of reference, the committee was asked to consider whether or not a register under judicial or other supervision should be maintained so that in the event of allegations of impropriety, the allegation may be open to judicial investigation and report. By their definition the terms of reference sought also to determine whether such a register should include Ministers, members of both Houses, staffs of Ministers and such other persons or classes of person which in the opinion of the committee ought to be included. The committee's report considered a wide range of issues including: the concepts of duty and interest; intrusions into privacy; the effect on government; codes of conduct; a register of interests; implementing codes of conduct; constitutional provisions; staff assisting members of parliament; and regulations for Ministers and public servants. It covered the issues far more comprehensively than does the bill.

Yet, at the completion of the 232 page report, the committee recommended against the establishment of a register of interests. It concluded that "however tightly the specifications for a register might be drawn, it would be impossible to list all

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private interests which could give rise to conflict situations". I might add that further to that the committee suggested that if the Government did not accept its recommendation against registration, it proposed the adoption of a model it had formulated requiring the following:

(a) Disclosure of interests of the office holders and members of his immediate family for whom he has responsibility.

(b) Disclosure of pecuniary interests as to identity, nature and amounts as follows: (i) Directorships of companies; (ii) Shareholdings; (iii) Realty; (iv) Trusts; (v) Other assets; (vi) Disabilities; (vii) Gifts, travel and hospitality; (viii) Sources of income.

(c) The required information should be lodged annually and updated regularly to show major changes in officeholders' interests.

(d) For elected office holders, the registers of interests should be publicly accessible for appointed officeholders. The register should be kept confidential.

Those recommendations were severely criticized by many commentators. However, they were not half as weak as the provisions of the bill now before the House. As I have said earlier, the federal committee recognized that it would be impossible to list all private interests that give rise to a conflict of interest. So the federal Government did not pretend that such a register would prevent actions of impropriety. Similarly, it did not pursue a course of action that would be intrinsically a sanctimonious farce.

This piece of legislation will not prevent dishonesty and that is supposed to be its real purpose. It will not eliminate dishonesty in this Parliament, if it exists. The legislation before the House does not even go as far as the Bowen committee's secondary recommendations. Where for example is the clause to ensure "disclosure of interests of the office holders and members of his immediate family"? Such a provision does not exist. That fact alone highlights that this is a cosmetic exercise.

It is often suggested that State governments are more susceptible to corruption because they are nearer to the logistics of running a country. Indeed, the same is said of local government. State Governments grant leases, determine where industry is to be located, are more closely involved in the sale of Crown land, the paths which railroads will take, the courses which highways will take, and the manner in which land is to be zoned. So, if a State government is to attempt to remove the opportunity for corruption and ensure all members of parliament are subject to the scrutiny of the public, that scrutiny should be meaningful. It should start with open government, about which the Labor Party makes much noise when in opposition, but says nothing when it is in office. Indeed, it nailed its real colours to the mast with its infamous Evidence (Amendment) Act, which allows the Government to put the lid on any stinking can of corruption in its pantry.

If the Labor Party were really concerned about corruption and dishonesty in parliament and in government, it would establish the fearless and independent statutory committee of inquiry that we in Opposition have called for so often. But instead we get this cosmetic legislation. The simple fact is that any problems that exist today will continue to exist despite the legislation. The gossamer net that this legislation will set can catch only the shrimps. The sharks will swim straight through it.

As I have said, the State Government has found it expedient to omit wives, children and so on. Effectively, therefore, it is possible for a member to walk into Parliament stating "in all honesty" that he owns nothing and he controls nothing, his interests being divested to his wife and children. Many honourable members may consider it necessary to do just that—not for disreputable reasons, but merely for personal security, because effectively the public register could operate as a visiting list if a member were possessed of valuable personal possessions. On the other hand, the legislation will not reveal honourable members' incomes, as intended. All it will do will be to reveal the sources of members' incomes. It does not specify that the amounts should be stated. The classic example of that is in the legal profession, where a lawyer need only state that his income comes from his legal practice, but is in no way required to say what massive commercial interests he might represent in a legal capacity. Viewing the bill in that context, I believe it is revealed for what it is—a cleverly worded confidence trick designed to hoodwink the Parliament and people into believing that it has honest government. Unfortunately that alone would suggest to any thinking citizen that it may not.

I now move to some of the inequities of the bill. The amendment provides that members must reveal such things as trusts or money held in trust. How will that affect the position of solicitors in this Parliament, and how will it affect members who are trustees of clubs and other organizations or of trusts in which neither they nor their families have any beneficial interest? Will they now be required to tell clubs or clients, or beneficiaries of trusts of which they are trustees, whichever the case may be, that unless they also are willing to have their names revealed on a public register, they should not hold money in trust with a parliamentarian in either a professional or social capacity? A bill that does that is patently absurd.

Finally, I invite attention to problems about a bill of this sort that **was raised** by the Bowen committee but have not been raised by the Government. For example, what safeguards are made against ministerial staff or public servants abusing their posts? It would be obvious that many of those people have a far greater opportunity to do so than does the backbench member of parliament. Surely that should be dealt with in this legislation. Nothing has been done in that regard. After years of avoidance of this issue, the Government has finally produced the legislation. It must be noted that this matter, like public funding, has been dealt with in an election year. Yet the bill does not reflect years of research or development. It is sloppy and unworkable, to say the least. So far as we are concerned, if it passes into law it will give the community some added measure of confidence in parliamentarians. But let us, and the Government, not indulge in the charade that it will make anyone more honest or deter the dishonest from their path. The fact alone that so much is to be left to regulation means that the Government has found the essence all too difficult to deal with. The bill, like the Government, is a farce and nothing more. Although its purpose is noble, it will be ineffective.

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [11.39]: In this House on 27th November, 1979, when speaking to a motion that had been moved by the Government relating to pecuniary interests of members, I said, "I believe that as a member of Parliament I should disclose my pecuniary interests." My stance today is still the same. I believe that as an elected member of Parliament who has been placed in a position of trust by the people, I should be ready and willing to divulge my pecuniary interests, and not in any way hide them from the public eye.

I am worried about the manner in which the register of my pecuniary interests will be established. The fact that it will be in the hands of a few members of parliament who will be members of a committee is cause for some concern. If members of Parliament are asked to divulge their pecuniary interests, all persons in positions of responsibility to the public should disclose their interests also. I refer specifically to senior members of the public service and senior members of local government.

Any objection to the previous motion introduced into this Parliament was made because members would have to divulge the interests of their spouses. At that time I took strong exception to having to disclose the interests of my spouse.

Members will recall that during the debate on the motion introduced into this Chamber in 1979 the Government was adamant that the interest of spouses and infant children should be divulged. I do not know the reason why the Government has changed its attitude, but I am pleased to see that that provision has been removed from the bill. However, the regulations requiring disclosure of interests of members in proposed section 14 (xi) does in part mean divulging **a** spouse's interests, when it states that payments of money, transfers of property to relatives or other persons by or under arrangements made by members must be disclosed. Nevertheless the bill makes no provision that spouses' interests should be divulged—and that is a good thing. The report submitted in April 1978 by the joint committee on pecuniary interests is an important document. During the debate on public funding of political parties for elections I said:

> Unfortunately within the community cynicism of politics and politicians is already at a high level. There is a broad feeling of suspicion in respect to members of Parliament and undoubtedly this is what has prompted the Government to go ahead with this bill.
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> But I wonder how much fact there is in the situation? Rather is it not a figment of too many people's imagination? Exaggeration by the media has not helped in the general concept of what parliamentarians are all about and of the job that they do. Indeed, the record of this Parliament is second to none.

In 1979 the Premier and Treasurer stated in another place during the second reading debate that the motion does not represent an acknowledgment by the Government of vast abuses of pecuniary interests either in this Parliament or elsewhere in Australia; nor should it be viewed as anticipating a deterioration of ethical standards of members. He emphasized that the motion should not be regarded in any way as a reflection on the integrity of the past, present or future members of either House of this Parliament.

It was interesting that the Premier and Treasurer made reference to members' rights to privacy. This was acknowledged by the chairman of the federal Joint Committee of Parliament on Pecuniary Interests of Members of Parliament, Mr J. M. Riordan, M.P., who said at the first public hearing of the committee:

> There are obviously different views in the community. Some believe that all persons in public life and those who occupy positions which will allow them to influence important economic decisisons or public opinions, should be required to disclose their pecuniary interests, in order to establish and demonstrate that they have not been influenced by considerations of private personal gain in the execution of their responsibility. There are others who regard such disclosures as an intrusion on the privacy of individuals and even a potential reflection on their honesty and integrity.

The Secretary to the Treasury in Canberra, Sir Frederick Wheeler, made these comments to the federal Joint Parliamentary Committee on Pecuniary Interests:

> If it is decided that members of Parliament should disclose their pecuniary interests, it would be no less appropriate that similar rules apply to those who provide advice to Ministers, including permanent heads, senior policy advisors and Ministerial Staff and indeed, even less senior officers. If disclosure of conflicting interests is found desirable it would probably be adequate for public servants to disclose their pecuniary interests in a register held within each department. Access to the information could well be restricted

> to the responsible Minister and his permanent head. There would appear to be no real requirements to breach individual privacy further by making the information public unless circumstances in the opinion of the Minister warrant such actions.

I consider, as I have said before, that all people in positions of public trust should be made to divulge their pecuniary interests and I suggest that the Government give consideration to ensuring that senior public servants also divulge their pecuniary interests through a register of the type suggested by the Secretary to the Treasury.

As I said earlier, one of the matters disturbing me about this bill is the register and those who will have the responsibility of looking after it. In 1979 when speaking to the motion on pecuniary interests, I stated:

> On the question of the register, I believe it should be kept wholly and solely in the hands of the Clerk of the Parliaments and that there is no need for a committee to be in control of this register. I am interested also in the thought that was expressed before the joint committee that access to the register should be placed in the hands of an independent arbiter. It was suggested the request for access to the register should be taken out of the hands of the Parliament or someone directly connected with the Parliament and invested and placed in the hands of the ombudsman as arbiter in order to clothe the whole matter with a mantle of overt honesty. It was contended that such an approach would perhaps give the public a more independent impression of the ultimate aims of a register. In suggesting the Ombudsman as a possible means of controlling access to the Register, the witness stated quite firmly that his suggestion was merely one alternative to the committee and that this example was used so that an outsider would be able to see that a state of complete independence was being maintained in regard to the register.

In putting forward this suggestion of the Clerk of the Parliaments, or even of the ombudsman, I believe that we need to have an independent person to whom a member of parliament can go to seek advice in respect to the divulgence of a pecuniary interest.

When one looks at this bill, one finds as I will discuss a little later in this speech, how loose it is when it comes to stating the actual disclosures of the interests relating to twelve different matters. If a member is concerned as to whether or not he should divulge an interest which may have to do with private business away from his actual work in the Parliament, he should be in a position to discuss this with an independent person, such as I have mentioned, and not have to divulge it to a committee, a member of which may have a particular interest in that member of Parliament's business, and could use it against him. What I am saying in essence is that it is important to know just exactly how far the divulgence of interests has to go and I believe that an independent person will treat all these matters confidentially and there will not be any embarrassment so far as the person who wishes to find out whether or not he has to divulge a particular interest.

In Britain on 22nd May, 1974, the House of Commerce agreed to two resolutions, the second of which was:

> Every member of the House of Commons shall furnish to a register of members' interests, particulars of his registerable interests as shall be required, and he shall notify to the register of any alterations which may occur therein and the register shall cause these particulars to be entered in a register of members' interests, which shall be made available for inspection by the public.

The Hon. R. *B. Rowland Smith]*

Again in the House of Commons recent evidence put to the committee reinforced its opinion that the dishonest person can, if he or she so desires, avoid disclosure by many ways and means, and not necessarily by illegal methods. However, it is again emphasized that the principal reason for establishing a register is to enable the public to attach due weight to the decisions taken by the members in the light of their pecuniary interests, and other benefits, while at the same time safeguarding the member's own character and reputation. In the end, responsibility must rest with each member to disclose those interests that might affect his actions in Parliament. He is, of course, at all times answerable to his fellow members and to the public for his actions, and the register would serve both him and them in this respect.

I have stated what happens in the House of Commons. If one examines what happens in other countries which require disclosure of pecuniary interests, one finds that in the United States of America legislation was introduced in 1977 relating to financial disclosure, outside income, acceptance of gifts, unofficial office accounts, certain aspects of the franking privilege, and travel for members of the House of Representatives and the Senate. Members are required to file financial disclosure statements with the respective Houses. I am not certain whether the statements are to be filed with an independent person, such as the clerk, or to a committee of the House. In Saskatchewan, Canada, members are required within two months of election to file with the clerk of the Assembly a statement under oath showing details of any involvement with government contracts and company memberships, by himself and his spouse.

I shall give an example of disclosure to the clerk. In the Parliaments of New Guinea, members are required to complete an exhaustive statement of their interests for transmission to the ombudsman commission. These are several examples of disclosure to an independent person rather than to a committee of either House of Parliament. One of the major problems I have about the bill lies in the area I have just mentioned. It is the system of keeping the register. A second major problem is the wide-sweeping proposed section dealing with disclosure of interests, which has twelve subsections. These are loosely put together and do not in any way compare with the method of disclosure recommended by the joint committee on pecuniary interests in 1978.

Honourable members will recall the way in which those recommendations were set out. I refer specifically to paragraph (f) of the recommendations which would have required disclosure of all individual gifts exceeding $500 in value, together with gifts from the same source outside the family which in aggregate exceed $500 in value in any one year, made to a member or his spouse or infant children. Honourable members now know that the spouse has been excluded, but in the disclosure provisions under consideration, proposed new section 14A deals in subsection (1) (iii) with gifts. No detail is given. What does it mean? If somebody gives a member of Parliament a gift on his birthday, must that be divulged? Surely there must be a limit on how far the legislation can go in dealing with such matters. I should have thought that in accordance with the recommendation of the joint committee, a gift exceeding $500 could well be divulged, but it would be ridiculous for an honourable member to register a $10 or $15 gift.

If the Government is sincere in what it is doing, a great deal of specific detail must be given about this matter. Personal property takes into account everything that a person owns. To detail it all would probably take a month of Sundays. What is the Government's object here? Does personal property extend to items of jewellery, such as watches? I do not know, and I do not think this House knows. The Government is slack in not having extended each of these proposed subsections to give a more detailed account of what it intended, as the joint committee did in 1978. Proposed subsection (1) (iv) deals with financial or other contributions to any travel. Honourable members will recall that the joint committee recommendations included paragraph (g) requiring disclosure of any sponsored travel arising out of membership of Parliament, including accommodation expenses and other benefits. I spoke about this matter during the debate in 1979.

I cannot understand why, as a member of Parliament, my oversea travel which is done in pursuit of my business has anything to do with the public here in Australia. I am a wool processor and exporter. As such I travel every year to all parts of the globe in the course of my business. Will I, under proposed subsection (1) (iv), have to disclose details of my oversea travel? As I said two years ago, it could be that a client of mine who has done well or is seeking to enlarge his business with me, might say during the year, "I should like you to come over and discuss the future with me and I should be prepared to make a contribution to your travel". If I am in that client's country, he might wish to take me round and he might purchase my plane ticket or pay for my sustenance. Will these matters have to be divulged to the register? If they must be divulged, a person engaged in a business such as mine would have to spend most of his time putting these details on paper in order to file them with the register.

I come now to the section dealing with debts. This was not included in the original recommendations or in the original motion. What does it mean? Does it mean that I must disclose debts that I owe or debts that are owing to me? This again has not been spelled out. If I purchase a vehicle on hire purchase, will I have to record that fact in the register? If I borrow money from the bank for the furtherance of my business, will I have to record that in the register? To me the whole proposal is absurd for it is too loose in its application. When the motion was debated in 1979 I could not find a great deal of fault in what was said, with the express exception of the divulgence of the interest of a spouse. However, in my view the items to be disclosed that are listed in proposed new section 14A (1) show that the matter has got completely out of hand. It amounts to far too much invasion of the personal privacy of an honourable member. Earlier I mentioned the provision for declaration of pecuniary interests in Standing Order 126, which states:

> No Member shall be entitled to vote in any Division upon a Question in which he has a direct pecuniary interest, not in common with the rest of Her Majesty's subjects and on a matter of State policy, and the vote of any Member so interested shall be disallowed.

The Premier and Treasurer, when introducing the bill in another place on 15th April, said that this was a pioneering measure and in this regard Australia lags far behind most of the democratic world. That was a broad statement. Just how far does Australia lag behind most of the democratic world? The other countries in which divulgence is required are limited. I have referred to Great Britain, the United States of America, Canada and New Guinea. I do not believe what the Premier and Treasurer said was true. In any event, as I have said, the standing orders of this House require honourable members not to vote on the matters in which they may have a pecuniary interest. I repeat, also, that I am willing to divulge my pecuniary interests so that the public can see that whatever I may do in my outside business would not affect their interests in any way.

The legislation has been poorly drafted. Proposed new section 14 and its subsections dealing with the various types of pecuniary interest are far too loose. They should be extended much more in the manner in which they were originally extended following the recommendations of the joint committee of the Legislative Council and Legislative Assembly. It is incumbent upon the Government to state firmly **and** unequivocally just what is required and not simply leave this loosely worded provision in the bill. I join with the Leader of the Opposition in supporting the disclosure of pecuniary interests, but the bill has been poorly drafted and its provisions should be more clearly spelled out.

The Hon. L. A. SOLOMONS [11.59]: I support the bill, but only because it is better than nothing. I do not believe it will achieve the aims and objects of the Government. It will not achieve the disclosure of pecuniary interests. The purpose of the disclosure of pecuniary interests is to enable it to be seen that the members of the Legislature, who are dealing constantly with the interests of the public, are acting impartially. When they are in a situation where their judgment could be influenced by their own pocket, that should be disclosed or by some other mechanism be made obvious to the persons who will be affected by the members' decisions. As has been said on a number of occasions, members on this side of the House have no quarrel with that aim or object and have no quarrel with the bill so far as it goes. However, my own personal view is that the wrong mechanism for disclosure has been adopted. The best method that I have seen in the course of my travels is that which is adopted in the State of California where a State Legislature Unfair Practices Board has been established.

The board consists of two members from each of the parties, the Democratic Party and the Republican Party, with a civilian registrar who has no vote. The majority party, the Government, has the chairmanship of the board and consequently the control of the committee. The board has wide disciplinary powers, and is available to any voter in the Californian constituency or any member of the Californian Parliament. When a complaint of any suspicion is made in respect of a member, appropriate action is taken, an inquiry is held, witnesses may be subpoenaed, the various allegations are considered and a recommendation is made to the Californian House. That is a far better method than the method in the bill where virtually the whole flesh and blood will be put on the bare bones of the legislation by regulation.

Normally I would have spoken to this bill in Committee, but to avoid any further waste of time I shall draw the Minister's attention to the provisions of section 14A, the skeleton of the pecuniary interests legislation. The Minister has spoken of a committee. One assumes that once the bill is approved by the people of New South Wales, as I have no doubt will happen, and when it is enacted the Government will set up the committee. Is it proposed to request the committee to recommend the method by which the flesh and blood will be put on the skeleton of section 14A? My colleague the Hon. R. B. Rowland Smith has set out the weaknesses in the provisions. If those matters are put right, no doubt the committee will have some say in the formulation of regulations to bring the bill into operation.

The Hon. D. P. Landa: They will come before Parliament.

The Hon. L. A. SOLOMONS: As the Minister says the regulations will come before Parliament, I have no further comment on the measure.

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [12.4], in reply: I thank honourable members for supporting the bill. I thank particularly the Hon. L. A. Solomons who has made constructive suggestions following his great study of parliamentary legislation. He always raises matters of principle because he regards them as important and makes substantive points in spirited debate. When the Hon. L. A. Solomons is in full flight, one realizes that one has to take a hard look at any matters that come under his scrutiny. He never reacts to an issue merely by way of a political kneejerk. His manner is in stark contrast with the way in which the Leader of the Opposition deals with legislation. One has little time for those who have had the opportunity over many years to demonstrate their bona fides but when in office did not do so. Furthermore, when the Government attempts a reform on the lines set out in the bill, which aims at raising the standing of Parliament, the Leader of the Opposition has the gall to cast himself in the role of somebody who has always favoured the principle and seeks only to perfect it.

The Leader of the Opposition's actions are too little, too late. His stand on this bill is hollow. He knows that the electorate will support this measure. The bill will not dispel all dishonesty and deceit, but will be a step in the right direction. It will allow an opportunity to see how the scheme operates. The committee to be formed will continue to recommend changes. The regulations will contain the meat or the nitty gritty and those regulations will come before Parliament. People in positions of influence are not covered by the bill, but there is a long and honourable tradition in the public service of this State and credit should be given where it is due. It appears that there is not so much public concern about the bureaucracy as there is about those who take public office. It is the duty of parliamentarians to see that any public qualms are settled, although at the same time the Government wishes to respect the privacy of people, especially those who are not elected to office. I refer to those who do not put themselves up for election but who may be in a career post, subject to the strictures of the service. Of course, such people face legal impediments to their actions—for example, investigation by inquiry and possible criminal sanctions, all considerations to which a parliamentarian is not open. The bill breaks fresh ground. It will give new standing to Parliament and public life will be that much stronger. I am delighted that the Opposition supports the measure. I am sure that over the years it will lead to an improvement in public confidence in the institutions of the State.

Motion agreed to.

Bill read a second time.

Committee and Adoption of Report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. D. P. Landa.

Third Reading

Bill read a third time, and returned to the Legislative Assembly without amendment, on motions by the Hon. D. P. Landa.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION (AMENDMENT) BILL

Second Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [12.10]: I move:

That this bill be now read a second time.

A review has been made of the parliamentary pension scheme following a detailed study of benefits now available in the Commonwealth and other States. As a result, the Government has concluded that certain improvements are needed and that some aspects should be simplified. I mention in this regard that contributions by New South Wales members are the highest of any parliamentary scheme in Australia.

Clause 1 is the usual clause relating to title. Clause 2 specifies the date of commencement. Clause 3 refers to the specific changes proposed in the scheme as set out in schedule 1. Clause 4 contains transitional provisions.

I turn to the main items contained in schedule 1 to the bill. Item (2) of the schedule simplifies pension entitlements by providing that members automatically qualify for a reduced pension of 48.8 per cent after seven years' service and for the present "breakdown" pension for less than seven years' service, in lieu of the present eight years. The entitlement will increase at the rate of 0.2 per cent each month to the current entitlement of 56 per cent of salary at ten years' service with a maximum entitlement of 80 per cent as at present. The "three parliament" pension provided in section 19 (1A) will be abolished. Item (3) effects a consequential amendment following the amendment of the Pensions Act last year which restricted the increase in pension of members of this House on or before 6th November, 1978, to the rate of increase applicable to members of the Legislative Assembly. Inadvertently, this restriction was not placed on the spouse pension and the bill now provides for this.

A change in the commutation provisions is contained in item (4). Under the existing provisions 75 per cent of pension may be commuted at age 45, but at age 45 and one day the commutation drops to 50 per cent. At age 65 and over only 40 per cent can be commuted. The new provision which is considered to be more equitable and appropriate provides for the commutation according to a sliding scale ranging from 75 per cent at age 45, decreasing by 1 per cent each year to 50 per cent at age 70 and over. Where there is no pension entitlement, it is proposed to introduce into the scheme a provision similar to that applying in the Commonwealth. Item (6) sets out the changes that will be applied in the case of a person ceasing to be a member before the automatic pension entitlement after seven years' service emerges and which will replace the existing provisions relating to a refund of contributions plus interest or a half-service payment. In the case of involuntary retirement, contributions will be refunded together with a supplement of two and one-third times the amount of the refund for up to seven years' service, subject to the conditions outlined in the bill. For voluntary retirement, the payment will be the member's contributions plus one and one-sixth.

Item (8) relates to children's benefits. The New South Wales scheme is the only parliamentary scheme without a provision for dependent children of deceased members or pensioners. It has been considered equitable to provide benefits for each dependent child of a former member entitled to a pension at the rate of 5 per cent of current basic salary where there is a surviving spouse and 10 per cent of salary for each orphan child. The benefits will apply to children born or conceived prior to the member's death or retirement up to age 18 or age 25 for students. The bill provides also in item (10) for the removal, in respect of all future cases, of the provision for the suspension of pension when an office of profit is held. This is in line with the Commonwealth scheme. Other provisions of a minor, consequential or ancillary nature are included in the bill. I commend the bill to the House.

The Hon. M. F. WILLIS (Leader of the Opposition) [12.15]: I bring to the attention of the Minister an apparent anomaly or a confusion in the bill. It is a matter that was raised in another place where I understand some undertakings were given that the matter would be clarified or something done about it. Item (8) of schedule 1 contains the definition of a child, which is quite clear. The item also contains the definition of a dependent child of a deceased member or former member. My query relates to a child, the issue of a member, who is dependent not because of minority of age or by virtue of being a student, but for physical, medical, mental or other reasons and may remain so for the rest of the child's life. I ask the Minister whether provision is made for such a child. If the answer is no, which I understand to be the case from my speaking to the Minister's adviser, the matter is somewhat confusing.

Proposed new section 23B (1) (c) refers *to* a child who, in the opinion of the trustees, is wholly or substantially dependent on a deceased member, which prima facie would cover the circumstance to which I am referring. Yet wherever the word child appears on its own in the bill I suggest that one must revert to the definition of child. Proposed new section 23B (3) refers to the cessation of the pension. I ask the Minister to inform the House what the position is with a dependent child of the type that I have described and whether it is the Government's intention to do anything about the apparent anomaly. I suggest one way to remedy the matter would be by adding a paragraph (c) to proposed section 23B (1) to contain the words who is otherwise dependent on the former member. In all other respects the Opposition supports the bill.

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [12.19], in reply: I see the force of the submission by the Leader of the Opposition. I shall confer with the responsible officers and ascertain whether the matter raised can be dealt with now or whether it would be more appropriate to deal with it tomorrow at the third reading stage.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

The Hon. L. A. SOLOMONS [12.22]: I refer to the matter that was raised by the Leader of the Opposition during the second reading stage. The effect of that amendment would mean that the particular child's pension would remain while ever there was a relationship of dependency, and would presumably apply to the case of a totally incapacitated child who is the responsibility of a member or deceased member.

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [12.23]: I shall consider whether the proposal should be included in this bill, or whether it will have to await a further amendment. I undertake to do that between now and the third reading of the bill.

Schedule agreed to.

Adoption of Report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. D. P. Landa.

CONSTITUTION (LEGISLATIVE ASSEMBLY) AMENDMENT BILL

Second Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [12.24]: I move:

> That this bill be now read a second time.

This is a bill to extend the maximum period between general elections for the Legislative Assembly from three years to four years. Under section 24A of the Constitution Act, 1902, the bill is to be submitted to a referendum of the people before it receives the Royal assent. It is an important bill, which quite properly should be a matter for the people to decide. I point out that it is not a bill to extend the life of this parliament nor of the next. It is a bill which, if approved at the referendum, will take effect from the parliament after next; that is, from about 1984.

The Government is firmly of the view—and it would appear that this is the attitude of many other people in the community—that a 3-year parliamentary term hinders effective government in Australia. In the first instance, many important government initiatives take time to put into operation. This can be particularly relevant when a new government comes to office. It takes time for Ministers to familiarize themselves with their responsibilities and the detailed implications of issues requiring their decision.

If a government is to undertake research, to plan and prepare adequately, to consult with the community and to make properly evaluated decisions, then it is not an easy task to commence and implement major undertakings within a short period of time. In addition, decisions to be made by government are often unpopular in the short term. Decisions on issues which have, or appear to have, no immediate benefit to the elector are often avoided by government on the basis of the likely impact upon an election to be held in the near future. In the longer term, these decisions may have proved to have been wisely and properly made. A 4-year term will enable governments to undertake more long-term planning to the greater benefit of the State.

Throughout the world, the 3-year term is the exception rather than the rule for parliamentary democracies. Other than the Commonwealth of Australia and some of the Australian States, the only significant countries with 3-year terms are New Zealand and Sweden. It is true that the United States Congress has a 2-year term, but the Congress of the United States does not form the executive government. West Germany, Japan, Denmark and Belgium are some of the countries with 4-year parliamentary terms. The United Kingdom, Canada, France, India and Ireland are but a few of a host of countries with 5-year parliaments.

Australia has often been described as a country with election hysteria. Voters are called upon to vote for both Houses of the federal Parliament, both Houses of the State Parliament, and at local government elections. The point has been made in another place that in the past thirty years voters have been compelled to go to the polls on thirty separate occasions to vote in respect of federal or State elections or referenda. These statistics do not include local government elections and federal or State by-elections. The point about these statistics is not that the voters have been inconvenienced on this number of occasions, but that by their very nature, governments tend to concentrate far too much on issues related specifically to election campaigns, rather than to the better government of the people.

It is not only that federal elections relate to federal matters or State elections to State matters. Federal initiatives are seen to affect State election results, and State decisions can sometimes affect the prospects of federal parties. Only very recently, honourable members saw the example of a Premier's conference on financial matters being deferred until after a federal by-election was held. A 4-year parliamentary term will reduce this unfortunate feature of our parliamentary system.

The Government has taken this initiative in a climate of general support by other government leaders, community leaders and the press. There are indications that similar initiatives are being considered in Canberra, and in the States of Victoria and Western Australia. They are supported by the federal council of the Liberal Party, by the leader of the Liberal Party in New South Wales, the Liberal Party Premier in

Victoria, the Liberal Party Premier of Western Australia and a group of government backbenchers in the federal Parliament. A number of other prominent government leaders have also indicated their support. The press has supported this issue for several years. In particular, leader articles in the ***Sydney Morning Herald*** and the ***Australian*** have favoured the proposal.

Honourable members will be aware that without a further amendment to the Constitution Act the term of members of this House would revert to twelve years. It is not the intention of the Government that this should occur. The Government proposes that, subject to the results of the referendum, the Legislative Council be reconstituted so that its members will serve for two terms of the Legislative Assembly, or a maximum of eight years. However, the Government prefers at this stage to ascertain the clear wishes of the electorate in relation to the issue of the 4-year parliamentary term, after which it will give consideration to the alterations necessary to reconstitute this Chamber. Those proposals will be submitted to a further referendum of the people, either during the life of the next parliament, or in conjunction with the 1984 general election.

The support that I have mentioned would indicate that the majority of people in New South Wales also support the principle of a 4-year parliamentary term. I have every confidence that as the people become aware of the proposals contained in this bill, they will be even more likely to vote in its favour at the referendum. The bill is undisputably fair; it is undisputably democratic; and it is not a bill to extend this parliament or the next. Voters are not being asked at the next election to consider the question of voting in a government and at the same time extending its term of office. They will have another three years in which to choose the first government to serve for the longer term.

I am confident that members of this Parliament will approach the referendum on a bipartisan basis. As all honourable members will agree, it is not a bill that favours one party or the other. It is not a bill that seeks to entrench one party in office. It is a genuine and reasonable proposal to provide for more effective government of the State of New South Wales, and will undoubtedly lead the way for the rest of the nation. I commend the bill to the House and I congratulate the Premier and Treasurer on introducing one of the great reforms in democracy and parliamentary proceedings in this nation.

The Hon. M. F. WILLIS (Leader of the Opposition) [12.28]: The Opposition supports this proposal. Indeed, when the Premier and Treasurer first announced the fundamental terms of the bill, particularly when I read his speech introducing it in another place, I was most concerned because, for the first time since the Premier has been in this Parliament, I found myself on completely the same grounds. Suddenly I was wondering what was wrong with what I had been proposing for some years, but now I have, in the generosity of my heart, come to the conclusion that the Premier has at last brought himself to one statesmanlike act in his term of office.

I have been a longtime supporter of the concept of 4-year parliaments. Indeed, I have had the carriage of this matter at the Australian Federal Constitution Convention for a number of years. Unfortunately, the motion on the subject of 4-year parliaments for the federal Parliament was the next not-reached motion on the agenda at the Perth session of that convention, but is first on the agenda of the next session. The speech I had prepared on the subject was stillborn, the terms of that speech—it was widely circulated in anticipation that I would deliver it—were in remarkably similar tones to the introductory speech of the Premier and Treasurer in another place.

I congratulate the Premier and Treasurer—and that is a rare thing for me to do—for adopting the statesmanlike suggestion that if the matter were to receive bipartisan support and were in no way to smack of political opportunism, the legislation approved by referendum should provide a 4-year term to take effect from the election after the next election. By adopting such a course no-one could be accused of seeking political advantage. Theoretically, elections to a Parliament should not be so infrequent that Parliament will fail to reflect accurately the electorate's feelings or opinions at any given moment, nor should they be so infrequent that they are likely *to* produce excessive discontinuities in the process of government. It is pertinent to point out that in elected parliaments throughout the world almost all popularly elected lower Houses have a maximum term of office of either four or five years. The publication entitled ***Parliaments of the World: A Reference Compendium*** reveals that out of a total of fifty-six popularly elected national parliaments, twenty-five are elected for a maximum term of four years, and twenty-four for a maximum term of five years. Only five national parliaments are elected for terms shorter than four years and only two for terms longer than five years.

It is pertinent to record also that in half of the world's bicameral parliaments members are elected or appointed to the upper Houses for longer periods than are their counterparts in the popularly elected lower Houses. That is not only recognition of the general principle that upper Houses tend to be more conservative in nature, but it also reflects a tendency to retain a substantial degree of continuity of experience and political acumen in Houses of review. In twenty-six upper Houses reviewed in the publication to which I have referred, eight members were elected or appointed for terms of four years; four, for terms of five years; eight, for terms of six years; one, for eight years, and in another for nine years.

In two countries, namely Austria and West Germany, the upper House terms were variable, depending upon changes in provincial or State legislatures. In Canada the upper House membership continues until retirement, which is optional or campulsory at the age of seventy-five. In England, of course, membership of the House of Lords is a life tenure. Australia and New Zealand are two of the five countries with parliamentary terms of less than four years. The others are Sweden, three years; Thailand, three years; and the United States of America Congress, two years in the House of Representatives. It should be noted that of those five countries only Australia and the United States of America have bicameral parliaments, and in both instances upper House terms—and I am referring to Australia's federal Parliament—of six years; with one-thrd of the United States of America Senate membership retiring every second year; and in Australia one-half of the Senate membership retiring every three years.

It is interesting to note that at the Constitutional Convention, which preceded federation in Australia in 1901, it was determined that the term of the national Parliament—and it is now the term of State Parliaments also—should be three years at the maximum. There has been no attempt to alter the federal term since federation. Of course, New South Wales has varied on a number of occasions, but has settled down to a term of three years from the early 1940's through constitutional amendment. It is interesting also that at those pre-federation conventions there were present some prominent delegates who advocated a 4-year term for the national Parliament. Among those delegates was the distinguished Premier of Western Australia, Sir John Forrest, who told the convention:

> I think there is a general feeling throughout Australia that the triennial system is too short. Considering that members of the Senate will hold their seats for six years, it does not seem unreasonable that members of the House of Representatives should hold their seats for four years.

The constitutional committee of the 1897 convention, chaired by Sir Edmund Barton, recommended a 4-year term. The fact that the federal Constitutional Convention rejected that recommendation in favour of a 3-year term seems to have stemmed from the desire to harmonize the House of Representatives with a 6-year term for the Senate, rather than for any deep-seated opposition to a 4-year term for the lower House.

In 1929 a federal Royal commission of seven commissioners was set up to inquire into the Australian Constitution and to recommend any changes that the aommission considered should be put to referendum. A majority of the commissioners recommended that the life of the federal Parliament should be extended to at least four years. That recommendation was intended to apply to the House of Representatives only. It was not intended to have any effect on the 6-year term for which Senate members were elected. In the report of the Royal commission, the four members—including an illustrious predecessor of this Chamber's President, J. B. Peden—were responsible for the recommendation and justified their conclusions in these terms:

> In our opinion the period of three years is inadequate for the Parliament of the Commonwealth in view of the great size of Australia, the large area of some of the constituencies, the distance of some of them from the seat of government, the number and importance of the problems with which each Parliament has to deal, the fact that portion only of the term for which members are elected can be devoted to the transaction of the business of Parliament, the extent to which that term is in effect curtailed by the time taken up in settling down after an election and in the preparation for a new election, and the necessity of the Prime Minister attending an Imperial Conference.

Many of those reasons are, of course, applicable in justification of the bill before the House. Modern methods of transport to a considerable degree have lessened the problem of distance and the size of electorate referred to by those commissioners, but the other reasons advanced are still highly relevant to federal Parliament and, I submit, at the State levels.

It has long been argued that 3-year parliamentary terms provide only one year of useful parliamentary work, namely, the middle year. It is during that year that plans begin to hatch action, and when unpopular decisions are more likely to be taken. The third year is the election year, the year of the popular budget and when difficult decisions are invariably avoided. On that computation the country is restricted to one year in three of fearless government. That is a short period for the evolvement and implementation of sound and worthwhile policies. This can only lead to governments of expediency, to a continuing state of political timidity and economic uncertainty—for business is affected by uncertainty no less than are governments. The problems associated with this approach to government are further exacerbated by the tendency of governments to go to the people short of the full term for which they have been elected.

Since federation—and I think the Minister quoted these figures—more than thirty House of Representatives elections have been held, averaging for the whole period one election every 2.6 years. In the past twenty-five years eleven federal elections have been conducted, with the term of government averaging 2.3 years. A State election has been held every 2.7 or 2.8 years. As the Minister said, when you add the federal, State and local government elections, the picture becomes most disconcerting and, as most politicians will admit, wearisome to both electors and the elected alike. Short-term governments must of necessity tend to produce short-term views and short-term policies.

[The President left the chair at 12.41 p.m. The House resumed at 2 p.m.]

The Hon. M. F. WILLIS: Before lunch I was pointing out how many elections Australian electors have had to commit themselves to when one adds up State, federal and local government elections. I draw to the attention of the House the reaction to this which was announced a couple of years ago by the Hon. I. M. Macphee, a federal Minister, when he was speaking in favour of 4-year parliaments while addressing the Australian Chamber of Commerce. He said that Australia would be better off if the federal Government's term of office were four years instead of three. He based his case on economic planning. This argument is equally as valid at State level as it is at federal level. He said:

> A four-year term would encourage long-term economic thinking, whereas at present we all tend to harbor a short-term view.

This argument can be applied to all governmental planning, particularly in this era of complex and involved government. It is interesting to note the various surveys and opinions that have been expressed in relation to the 4-year term. In all cases that I can find they have been expressed about the federal parliament, but I have little doubt that the same opinions would be reflected at the State level. During May **1978** the *Sydney Morning Herald* carried out a survey of members of federal parliament which indicated substantial support for the views expressed by the Hon. I. M. Macphee that I have just related. Of the 82 replies received in response to the newspaper's questionnaire, 65 were in favour of a 4-year term and **17** against. The survey revealed that there was no clear division on party lines. The Leader of the Opposition in the federal Parliament, the Hon. W. G. Hayden, and his deputy, the Hon. L. F. Bowen, both favoured a 4-year term. Mr Hayden said that he favoured a 5-year term, which would average out at the longer period of four years. He said that the longer term would enable governments to focus on long-term issues. Governments would be free of the temptation to divert into political opportunism because of too regular elections, Mr Hayden said:

> Our future cannot be adequately attended to by a series of *ad hoc* first-aid type responses to national problems designed to get the government through the next election.

Another respondent to the *Sydney Morning Herald's* survey was a former Prime Minister of Australia, Sir William McMahon, who added his support for the 4-year term concept. He commented that the existing 3-year term did not provide enough time for people to judge the effects of government policies. That perhaps is even more important than government taking the opportunity for longer term policies. There would be a longer period in which the community could judge the effects of the government's policies and pass that judgment at the election accordingly. The question can be posed, why a 4-year term, theoretically producing 2 years of good government, and not a 5-year term which should be productive of 3 years of good government? The objection to a 5-year term is the danger of the elected government losing touch with changing electorate pressures. There are also the needs of the government.

In this rapidly changing world a mandate is unlikely to remain valid or even relevant beyond four years. Four-year terms therefore would appear to be the ideal compromise between the conflicting problems of government by expediency and government gone to seed. As I said at the commencement of my speech, the Opposition supports this proposal. We welcome it. We will support it at the referendum. We commend the thought as being statesmanlike. It has been put before in a number of quarters, and in order to make it a truly bipartisan approach and remove any suggestion of political opportunism we welcome the concept, that the measure will take effect if it is approved by the people not from the next election but from the election after that.

In conclusion I comment upon the Minister's remarks about this House. I agree with him that a 12-year term, which would be the effect of this legislation if there were not subsequent amendments relating to this House, is too long. In due course we shall look with interest at any proposals the government puts forward to reduce the term of members in this Chamber to two Parliaments to coincide with the 4-year term concept. I trust that in making that proposal the Government will manifest the degree of altruism that it has displayed in this proposal by seeking no political advantage and approaching the matter in the way that all constitutional reform should be approached. The organic law of the state and the constitutional law of the State must be on a bipartisan approval basis and must be free from any suggestion whatever of political opportunism. We support the bill.

The Hon. L. A. SOLOMONS [2.10]: As one who has often been critical of the Government's legislative programme, on this occasion it is my pleasure to congratulate the Government. I agree entirely with its approach to this problem about the draftsmanship of the constitutional amendment, its contents and the method by which it has been introduced. It is an exercise in proper constitutionality. I commend the Minister for his frankness on the question of disclosure with respect to the constitution of this House, in which I also concur. I have pleasure in joining in this genuinely bi-partisan piece of legislation.

Motion agreed to

Bill read a second time.

Committee and Adoption of Report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. D. P. Landa.

Third Reading

Bill read a third time, and returned to the Legislative Assembly without amendment, on motions by the Hon. D. P. Landa.

MARITIME SERVICES (AMENDMENT) BILL

AUDIT (AMENDMENT) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [2.12]: I move:

That these bills be now read a second time.

The main bill contains a number of amendments to the Maritime Services Act, 1935. They include some adjustments which, though relatively minor when compared with the main objects of the legislation, have been shown by experience to be desirable for the proper functioning of the Maritime Services Board. I refer first to the need for enlargement of the board's power to delegate its functions. The board, as a creature of statute, cannot in any real sense perform administrative acts; they must be done through the human agency of its officers and employees. But without a power of delegation the untenable situation would obtain under which every decision for performance of a function would need to be taken at a formal meeting of the board as a whole. Because of the impracticalities involved, previous legislatures have provided for delegation of functions.

Section 3 (14) of the Maritime Services Act enables the board to delegate powers to a single commissioner. Section 36 provides for delegation to officers of the board. These delegations are confined to functions of the board under the Maritime Services Act itself. They would be quite adequate were it not for the fact that the board administers and operates under several other statutes. I refer to the Navigation Act, 1901; the Pilotage Act, 1971; the Port Rates Act, 1975, and the Prevention of Oil Pollution of Navigable Waters Act, 1960. These statutes do not contain authority for delegation, with the result that the board at times finds itself dealing with a number of administrative matters which it would be far more efficient and economical to have dealt with by individual officers of the board. Item (5) of schedule 3 to the bill will overcome this difficulty. Its effect will be to give the board power to delegate functions with which it is charged under any Act or regulation administered by it.

I wish to mention a proposal for insertion in the Act—I refer to item (3) (b) of schedule 3—of a power to recover the cost of worthless vessels which, often having been abandoned and presenting a hazard to navigation, are taken possession of by the board. Under section 13U of the Act the board is obliged to destroy such vessels. Of course, the dismantling and destruction of these vessels, though they have no more than a nuisance value, can involve the board's employees in unproductive but time-consuming labour, with a resultant loss of revenue. It happens at times that the board has identified the owner of the craft but is without power to recover any costs from him. This is in marked contrast to the power it has to recover the cost of storage and maintenance of vessels of commercial value. The amendment will cure this anomaly and lessen the chances of the owner of a derelict avoiding the responsibility he should bear to arrange for proper disposal of the craft.

As honourable members know, much of the foreshores of ports owned by the board, particularly Sydney harbour, have sea-retaining walls erected on or adjacent to them separating the waters of the port from privately-owned lands, many of them reclaimed areas divested from the board years ago. In these cases the board has always considered it proper that the adjoining private owner, employing water frontage, should bear the cost of maintaining the reclamation and the associated sea wall. Past governments have shared that view and under the Maritime Services Act have invested the board with power to enforce proper maintenance and repair of such walls, without cost to the public purse. But an anomalous situation arises out of legal advice that, in some situations, such a wall could satisfy the definition of a dividing fence under the Dividing Fences Act, 1951, thereby attaching to the board equal liability with its owner for repair and maintenance of the wall. The amendment to be made by item (2) of schedule 3 to the bill will cure the anomaly and dispel any doubt as to the applicability of the dividing fences legislation. I emphasize that the proposal will in no way affect the board's liability to contribute to the cost of construction or repair of an ordinary dividing fence.

I have disposed of all but the three main features of this bill. The first of these concerns the grant of power to the board to hold shares in a trading corporation. Though couched in general terms, the power will be given specific application in the near future, in relation to the proposed new coal loader, Newcastle's third, to be built at Kooragang Island. I am sure all honourable members share the desire of the Government to see the State's full potential for coal exports realized. The Kooragang Island loader will markedly augment Newcastle's coal export trade and the Government is concerned that the project should be vigorously pursued. When announcing its decision, in January of this year, to form a new company to finance, build and operate the loader, the Government also indicated that it would take up a shareholding of 20 per cent in that company. It also considers it desirable that members of the traditional maritime unions be involved in the loader's day-to-day operations. It stands to reason that the Government's participation in the project should be undertaken by the board, a Government instrumentality with wide experience in the design, construction and operation of port-side coal loading facilities. To give effect to the proposal it is necessary for the board to be granted power to acquire the requisite shareholding. That is the aim of the second schedule to the bill. I emphasize that the grant of power is not without limitation; it will be exercisable only in relation to and as an incident of the existing statutory powers of the board as the State's port manager, and is made subject to direct ministerial control.

The most extensive of the amendments embodied in the bill are those contained in schedule 1. I need not take the time of the House in mentioning each of the provisions in detail. Suffice it to say that their effect will be twofold: first, to remove the board's financial operations from the State budgetary process; and second, to enable the board to undertake its day-to-day financial operations without the need for reference to State Treasury. The board is the only statutory corporation whose financial operations are included in the State budget. This completes the gradual removal, which began in 1925 with those of the Sydney Water Board, of the finances of statutory bodies from the consolidated revenue. The last to go were those of the transport authorities, on 1st July last year.

The board's accounts are prepared on the income and expenditure system which requires the matching of revenue and costs within each financial year. This system contrasts with the receipts and payments method employed in respect of the Consolidated Revenue Fund. Their co-existence is hardly conducive to budget unity. The Government, supported in this by the Auditor-General, considers that the time has come for the board's financial operations to be placed on the same footing as those of other statutory bodies. The amending provisions adopt model accounts and audit provisions, incorporating them with any existing financial provisions peculiar to the board. They retain the requirements for audit by the Auditor-General and the tabling in Parliament of accounts. Consistent with the proposals just outlined, the Government decided that Treasury control of the board's banking and investment procedures should be removed. Though the board is responsible for its own financial management, it is still hampered by the fact that its funds are really funds of the Treasurer so that any dealings with them, even though they be of a routine nature, can be conducted only after reference to State Treasury. The bill, when enacted, will accord to the board the financial autonomy which in this day and age is necessary for the proper and efficient conduct of its financial affairs.

Finally, I refer to the amendments embodied in item (1) of the third schedule to the bill. That item will substitute a new section 3 (4) (c) in the principal Act to provide that the nominated commissioners and the elected commissioner of the board will be entitled to be paid such remuneration as the Minister may from time to time determine. At present the nominated commissioners are entitled to remuneration, but it is required that this be determined by reference to each meeting of the board attended by them. Such a provision seems to assume that it is only while at meetings that the board's part-time commissioners are in the board's service. That, of course, is not the case. They devote much time, outside meeting hours, to the board's affairs. It is the Government's view that the time has come to replace the existing provision with one enabling remuneration to be determined generally. Such a provision is to be found in the constituting legislation of many other statutory corporations. Another matter to be rectified is this: at present the commissioner elected by the board's employees is entitled only to travelling and subsistence allowances and not to any other remuneration. But in the performance of his duties as commissioner there is nothing to distinguish him from his fellows. Therefore, there should be no distinction drawn in his remuneration. The amendment before the House will cure both of those ills.

The related measure is the Audit (Amendment) Bill, 1981. Its purpose, consequential upon those provisions of the main bill which will remove the board's financial operations from the annual appropriations, is to amend the Audit Act. This it will do by deleting section 59A of the Act and the related ninth schedule and by amending section 60. Those provisions relate to the transmission of statements and accounts to the Auditor-General. With the removal of the board from the budget and the adoption of standard accounts and audit provisions there will no longer be any need for their continued existence. I commend the bills.

The Hon. E. P. PICKERING [2.24]: The Opposition is totally opposed to the principal measure as it is a vehicle for the misuse of public funds in that it sets out primarily to enable the New South Wales Government to take up a 20 per cent equity interest in a company responsible mainly for the construction and operation of the third coal loader at Newcastle. Unfortunately, as with much legislation brought before the House by the Government, the actual costs involved are not clear. The Government has not done its homework. The estimates provided by people who should have some clear idea of the matter suggest that the Government will be involved in spending somewhere between $30 million and $100 million of public funds with this capital development. The Opposition is opposed to the measure on the basis not only of the misuse of public funds but also that history has shown clearly that when government has been involved in the construction and operation of coal loaders in the State of New South Wales the results have been significantly less effective than those of private enterprise. One has but to compare the operations of the government-controlled coal loaders in this State with the privately owned coal loader to observe a dramatic difference.

For the benefit of honourable members I shall highlight a couple of the dramatic differences in the operations of those coal loaders. I speak from personal experience on this matter. Without question, the operation of the privately owned coal loader at Newcastle has proceeded without any industrial strife or strikes. Although the Government claims consistently that it is able to understand the working man, that it has a political ideology created by the trade union movement, strikes are unheard of at the private enterprise coal loader at Newcastle but the other coal loaders operated by the New South Wales Government are bedevilled by continuous industrial disputation. A lot of that industrial disputation can be attributed to pure mismanagement by the bureaucracy concerned.

I well recall the time when the Government moved to bring all the day workers at the Port Kembla coal loader under the administrative control of the Maritime Services Board. There was much industrial strife as those who had previously worked for the Department of Public Works sought to maintain the conditions they had there and members of the Maritime Services Board sought to obtain the conditions that the Department of Public Works workers had previously. In other words, the Opposition is of the opinion that the New South Wales coal industry is much better served if the third coal loader at Newcastle, which is of great interest and importance to the State, is built and controlled by private enterprise. I do not suggest for one moment that those who would work for that enterprise would not be fully paid up members of the relevant trade union, as Government supporters would recognize. Indeed, the relationship that exists between the trade union movement and the operators of the private enterprise coai loader at Newcastle could be heralded as the sort of co-operation that one should see right across the State, which would produce the economic results that make the people of New South Wales the envy of the world. In opposing the proposed legislation, the Opposition is not seeking to oppose the building of a new coal loader at Newcastle. Above all, the Opposition recognizes the importance to the economy of New South Wales of the quick construction of a third coal loader at Newcastle.

I shall be pointing out at a later stage that even as late as today there is no assurance in the State of New South Wales that the Government will be able to have a coal loader built at Newcastle as a matter of urgency, because as late as today the Government is embroiled in internal industrial conflict within the trade union movement that it is totally incapable of resolving. One might wonder why we are in this position. I shall examine some of the history that surrounds the matter. First, I refer to a report in the ***Australian Stock Exchange Journal*** of February 1980 under the heading "Coal—the Backbone of Australian Development." This report highlights some of the matters that I should like to bring before the House, for there is no doubt that the New South Wales coal industry is now the most important industry in this State, and will continue to grow in importance for as long as I live, and as long as my children and grandchildren live.

The Hon. F. M. MacDiarmid: What about the farmers?

The Hon. E. P. PICKERING: I do not wish to speak in derogatory terms of the important rural industries, for I know that at one time it was said that the Australian economy rode on the sheep's back. Today it rides on the coal miner's pick. This applies nationally, but more so in this State. The Government should be more conscious of it. The report in the ***Australian Stock Exchange Journal*** in February 1981 stated:

> At the same meeting of the world leaders held in Vienna in June, 1980 it was resolved that together we intend to double coal production by April 1990. We will encourage the long-term commitments of coal producers and consumers. . . .
>
> A recent world coal study said that Australia will be the largest exporter of coal to the rest of the world, and really will contribute substantial amounts to Australia's export reserve revenue over the next few decades. . . .
>
> Already coal is Australia's biggest single export earner, contributing over $1,500 million in 1978–79.

P hope that not a member of this Chamber does not recognize that coal, and the industry associated with it, are of enormous economic importance to this State. But despite their importance, one can only marvel at the manner in which the Government since it came to office has apparently done all it knows to bedevil, frustrate and abuse the New South Wales coal industry.

The Hon. Deirdre Grusovin: That is not so.

The Hon. E. P. PICKERING: I shall map out for the Hon. Deirdre Grusovin, who obviously does not care to hear that statement, some of the things that have Bappened to the Australian coal industry and are related directly to this bill. In November 1971 the Liberal–Country Party Government, recognizing the importance of the coal industry, set out to create a new and large coal loader at Botany Bay. However, the Labor Government upon election to office with a l-seat majority in the Legislative Assembly and perceiving the enormous political importance to it of the electorates in proximity to Botany Bay, constituted an inquiry about the establishment of the coal loader.

The Hon. Deirdre Grusovin: That inquiry proved that the coal loader was environmentally unsuitable for Botany Bay.

The Hon. E. P. PICKERING: The honourable member should be careful when she talks about the environmental aspect. I shall deal with that matter in a moment. The point I am making is that the Labor Government set up the Simblist inquiry to inquire into whether or not the construction of a coal loader should proceed at Botany Bay. Everyone in this Chamber would accept that the correct way to have gone about it would have been to ask the committee to determine where a coal loader should be built—at Port Kembla, Port Botany, or wherever—so that the least environmental impact would occur. That would have certainly been a sensible approach. We all know that, to the eternal damnation of the Government, it is exactly what it did not do. It asked the chairman of the inquiry to answer the query, "Will a coal loader at Port Botany have an adverse effect on the environment of Port Botany?" There was no need to spend thousands of dollars to conduct an inquiry in order to get the answer to that question.

The Hon. Deirdre Grusovin: I am glad that the honourable member is confirming it.

The Hon. E. P. PICKERING: It is clear that any development at Port Botany will have some adverse effect upon it.

The Hon. Deirdre Grusovin: I am glad that the honourable member is admitting that that is so.

The Hon. E. P. PICKERING: Indeed, all the development that has since taken place there has had some adverse effect. However, had the Simblist inquiry addressed itself to the question of whether or not, for example, a Port Kembla coal loader would have more deleterious effects than the Botany Bay coal loader, there would have been an entirely different answer. To the eternal damnation of the Government, it sought to avoid the real question by setting up a politically trumped-up inquiry.

As a result of the decisions taken after the Simblist inquiry, this State is in a most peculiar position in relation to the coal industry. We are starting to build a coal loader at Port Kembla, but no one is sure how the coal will get to the loader. Despite the fact that the loader is supposed to be operating some time next year, we do not know how the coal will get there for stages 1, 2 or whatever. We certainly are aware that Port Kembla will be subjected to enormous stock-piles of coal in the open, as opposed to the closed stock-piles that were contemplated for Port Botany. We are more than well aware of the adverse impact that this coal loader will have on the Illawarra community. All of these matters have been ignored by the Government because it knows that it does not matter what it does to the Illawarra community, Labor members will be returned from there. That is a fact of political life.

We know that, as a result of the delays and procrastinations that the Government has built into its decision making process, hundreds of thousands of tons of coal have had to be diverted over the past few years from Wollongong and the Burragorang Valley to Newcastle in order to get it out of the country. That has cost the State many millions of dollars, and it is attributable to the Government's inability to decide on the location of a loader. There have been years and years of delay.

I shall explain to the House something that might surprise honourable members. Only last week I obtained information from a coal company in the Wollongong region that it had told its employees that it will set about stockpiling its production until the new coal loader is built, because it cannot ship coal out of the country through Port Kembla. That company will be stockpiling about one million tonnes of coal because the construction of the port's coal loader is three or four years too late. Had the Port Botany coal loader been developed as programmed, it would now be operating. That is disgraceful enough, but unfortunately the story does not end there. We continue to have the saga of mismanagement and malpractice in the administration of and planning for the New South Wales coal mining industry.

I refer now to the Newcastle operations. In November 1979 I made a long and detailed speech in this Chamber about the need for coal loaders in New South Wales. In it I included a future projection in which I included indications of some of the problems facing the State. In November 1979 I stated in no uncertain terms that it was essential for a coal loader to be built at Newcastle on Kooragang Island as a matter of extreme urgency. I predicted that shortly there would be a need for a major development to load vessels of 500 000 tonnes capacity. In March 1979 elements of the New South Wales coalmining industry had proposed to the New South Wales Government that it should build such a coal loader. I had discussions with representatives from large multinational companies, who indicated that they had informed the New South Wales Government that they were willing to build a coal loader at Newcastle because of a definite need for it.

Anyone who has a knowledge of the New South Wales coal industry, knows of the development in the market for steaming coal. New South Wales has not taken advantage of the opportunities it has had in this regard. The New South Wales steaming coal deposits are mainly in the Hunter Valley. The enormous development that has taken place in the Hunter Valley has to be seen to be believed. The pressures and the strains as a result of that development have also to be seen to be believed. In my private enterprise capacity I am associated with a development company in the Hunter Valley area. Recently we were involved in building a small brick structure, and it was necessary for the company to bring bricklayers in from Western Australia to do the job. That will give honourable members some idea of the pressures already developing. That is only a start, but what is to come?

In November 1979 the New South Wales Government responded to these overtures and commissioned private enterprise operators of the coal loader in Newcastle, Port Waratah Coal Services and the Maritime Services Board, to get together and formulate plans and specifications for a new coal loader. In March 1980 the Deputy Premier, Minister for Public Works and Minister for Ports agreed that those two bodies—private enterprise and the Maritime Services Board—should get together and work out specifications and details for private enterprise to build a coal loader at Newcastle. That was the position until the planning went astray. At that time the communist-dominated Trades Hall Council at Newcastle decided that it would control the development. The Communist Party knows that the coal industry is the State's most important industry and of its impact upon the future economy of New South Wales.

The Communist Party is totally and ideologically determined to smash the State's economy. Members of that party zeroed in on the important industries of the area in their determination to control the Newcastle coal loader. The Communist Party has failed in its endeavours to dominate completely and to control the New South Wales coal industry. There has been enormous conflict in the industry between the right-wing unions, the Miners Federation and the communist-dominated metal trades unions. Eventually an agreement was struck that these unions would share the industry between them. Today as every coalmine is developed in New South Wales the Communist Party is given one and the next mine is given over to the Miners Federation. The communists do not control the entire coal producing industry, but they are determined to control that part of the industry concerned with exporting coal from our shores.

The Hon. E. P. Pickering]

The Government was confronted with a dilemma. Should it give the coal loader to private enterprise and responsible trade unionism—which is desirous of seeing the State's economy develop for the benefit of all, and I am referring to the Transport Workers Union—or should the Government give in to the communists' demands and put another New South Wales coal loader under the shackles and control of the Australian Communist Party—as all the other coal loaders are—much to the detriment of New South Wales? A long delay occurred as the Government tried to come to grips with this basic decision. I shall read an editorial written in the ***Newcastle Herald*** on Saturday, 20th December, 1980. I assure honourable members that the ***Newcastle Herald*** has no obvious leanings towards the New South Wales Liberal Party. The article is in these terms:

> Everyone involved in the coal export trade acknowledges that the third Newcastle coal loader proposed to be built at Kooragang must be operating by 1983 if contracts are to be met. There is similar agreement that unless a start is made to construction by the middle of 1981 the coal loader cannot be built to deadline, which in turn would mean that the opening of new mines would be delayed and the queue of coal ships outside the harbour would become even longer. So what is being done to get this vital job-creating, income-earning, money-saving project off the ground? Nothing. The State Government has once again put off deciding whether the loader shall be publicly or privately funded, and until it determines this primary issue the project will stay in never-never land. The State may, apparently, make up its mind by the end of January. Since each month's delay will cost the coal industry $20 million, as well as damaging the State's reputation as a trader, this vacillation is unforgivable.
>
> Some Cabinet Ministers, perhaps a majority, clearly want the loader built by private enterprise. The Maritime Services Board unions want it to be publicly built and operated, although they have advanced no convincing economic or industrial arguments to show how this would benefit either their members or the industry. They have, however, already shown by a series of selective stoppages how far they are willing to go to get their way. They have not spelt out future action in detail, but the distinct possibility that a decision favouring private enterprise would block all coal exports from Newcastle, Sydney and Port Kembla must be giving the State Government nightmares.

It is incredible that in the middle of its dilemma the Government, which is supported by the New South Wales trade union movement, dragged another red herring across the trail of the proposed coal loader for Newcastle. I refer also to an editorial in the ***Newcastle Herald*** of Monday, 26th November, 1979, entitled "Special coal-loader plans draws a Maritime Services Board's blank." The article has this to say, in part:

> A report of a planned $45 million specialized coal Ioading facility for Newcastle Harbour drew a blank response last week from the body controlling the port.
>
> Maritime Services Board officials in Sydney and Newcastle said there had been initial approaches some time ago about such a facility but no firm proposal had been put to the board.
>
> Plans for the facility were revealed on November 15 at the annual meeting in Sydney of Broken Hill Metals NL.
>
> The chairman, Mr M. Parslow, in reply to a question on the company's coal deposit at Mitchells Flat, near Branxton, said the facility would be built to handle exports of pulverized coal from Newcastle.

The report continued:

> It is understood that the special loader which has been under discussion between ERC, the NSW Government and officials of US companies since mid-1978 would involve use of a monorail system to load the "baskets" on to specially fitted bulk carriers. The baskets would be carried to the port on flat-top rail wagons.
>
> The ships would be fitted with a monorail system and the baskets would be unloaded on to another monorail at the discharge port.

It is interesting to note that senior executives of the Australian National Line were able to tell me at this time that the Premier and Treasurer had informed that company that areas of land had been set aside at Newcastle and in Sydney for this specialized port development. I have no doubt whatever that this was another reason why delays were built into the decision-making process regarding port development in Newcastle for the most important industry that this State possesses. Then in January 1981 the Government announced a typical Wran compromise. The Government would have 20 per cent equity in the project and private enterprise would have the rest. The Premier and Treasurer hoped, no doubt, that the Government, by so deciding, would resolve the dilemma it has with the trade union movement, its supporters. That compromise was destined to bring little joy to the Government, for shortly after, Mr Barry Joy, secretary of the Newcastle sub-branch of the Transport Workers Union, said this:

> Mr Wran's attempt to bring down a compromise decision had meant that the State Government had compromised itself.
>
> How any free enterprise operation can exist if controlled by a 20 per cent interest, in addition to being told whom they would employ, and on what terms, is beyond my comprehension.
>
> Put simply, the Government has taken the first steps in nationalizing the coal industry of this State and has put at risk the continuance of overseas export markets and long-term development of the Hunter Valley.
>
> It is more than likely that the Japanese will be bewildered by the Government's decision and will turn to other markets, notably China and the U.S.

Mr Barry Joy replaced Mr J. Varnum, who is highly regarded and much respected by the trade union movement in Newcastle. He was recently appointed a conciliation commissioner of the Industrial Commission of New South Wales. It is of particular importance to understand the importance of the coal industry of New South Wales to this Government. One perceives the lack of interest in the matter shown by Government supporters. The continuing conflict that then occurred between the communist controlled unions of Newcastle and the Transport Workers Union has led to the most incredible backlog of coal ships off the port of Newcastle ever experienced in the history of this State. I have occasion frequently to fly to Newcastle. When one sees all the vessels lying off the port waiting for coal, one can only be flabbergasted, particularly when each of those vessels is costing the economy of New South Wales about $10,000 a day. I have seen up to forty ships at a time lying off the port, waiting for coal, while these two union groups fight for control of the New South Wales coal industry and the New South Wales Government sits by helplessly, unable to make or implement a decision. A report in the Daily ***Telegraph*** of 21st April, 1980, which is headed "Delayed ships dock at last", states:

> Only 24 ships are now waiting off the Port of Newcastle.

> Earlier this month up to 40 ships were stranded outside the port because of union disputes which have been running for the past six months.
>
> At the weekend, a Japanese ship entered the harbor to load coal after a 42-day wait.
>
> The chief officer said the ship had been delayed in Newcastle before—once for 22 days and again for 15 days.
>
> A spokesman for the Maritime Services Board said it would take until at least the end of June before the number of waiting ships was reduced to five or six—a workable number.

What is happening in the port of Newcastle at the moment is a scandal when one considers the importance of the New South Wales coal industry to the economy of this State and this country. One wonders why the Government has not been willing to take special action to deal with the problem. Not so long ago certain truckies blockaded Razorback and honourable members sat in this Chamber until the early hours of the morning to pass special legislation to deal with the problem because the truckies were private enterprise individuals. The legislation was designed to take them to the cleaners and clear up the mess. I am not supporting for one moment what they did. I merely point out that the Government was willing to act when private enterprise was involved, but when a communist controlled trade union is involved in this dispute the Government is not willing to act. I realize that the Hon. Deirdre Grusovin is upset about this matter, for she is a right-wing member of the Government. She is probably as upset about the actions of the Communist Party in this regard as I am, but I point out to her that the Government should be doing something about it. It has failed miserably.

The Non. Deirdre Grusovin: What would the honourable member suggest?

The Hon. E. P. PICKERING: If the Government were to make a decision to allow private enterprise to build the coal loader, the problem could be resolved. It is because the Government has got itself involved in a project that it ought not to handle that it faces a dilemma. Private enterprise would resolve the problem quickly. For purely political reasons, because of factionalism within the Government and not all Government supporters are members of the right-wing of the Labor Party, the Government is unable to move. Until this very day it is unable to move. The Hon. D. R. Burton is shaking his head in disbelief. He should wait until the end of my speech when I point out that to this very day the Government is unable to move despite the fact that in a cosmetic way it tried to fix up this matter before this legislation came before the House. The Government is so embarrassed about the situation facing it that in another place, during the debate on the second reading of this bill, the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer, who had the carriage of this legislation on behalf of the Deputy Premier, Minister for Public Works and Minister for Ports, was moved to say that all the ships lying off the port of Newcastle were not doing so because of an industrial dispute. He said "The amount now going through the port is 15 million tonnes a year"—and it is a 16-million-tonnes-a-year port. All these ships were supposed to be stuck outside the port. In other words, there is allegedly such a demand for coal that all the ships merely come to Australia, drop their anchors and wait for it all to happen.

For many years I have been associated with the programming of shipping between Australia and Japan. I have been involved in the loading of many millions of tonnes of coal, but I have never heard of ships coming to this country, dropping their anchors and expecting coal to fall into their holds. If that is what is expected by the Government, it is the most naive understanding of the commercial relationship between this country and Japan. It indicates that the Minister, who lives in Newcastle, is so embarrassed about the scandal that is being perpetrated on the people in that area that he utters that sort of nonsense. It really is utter nonsense. It is surpassed only by the remarks of the federal member for Newcastle. He is so embarrassed by what is going on in Newcastle that he attempted to do a "shifty nifty". He tried to divert attention from the problem. I quote this passage from the ***Newcastle Morning Herald*** because it is well worth a hearing:

> The queue of ships off Newcastle had opened up new commercial opportunities as a result of the Hunter Valley resources boom, Mr Peter Morris, the Federal Opposition spokesman on transport, said yesterday in Newcastle.
>
> "Most of the ships need servicing in one form or another and Newcastle is missing out on a golden opportunity to expand its maritime services industry, if it does not respond to that need," Mr Morris said.
>
> "The services range from simple things like regular mail deliveries and garbage removal to the delivery and repair of mechanical and electronic equipment.
>
> "Other ports deal constructively with these problems and I am confident that viable solutions can be found in Newcastle if governments recognise the problems urgently."

He then went in for the usual bashing of the federal Government:

> "Breaking through red tape is not always easy but it must be done if Newcastle beaches are to have the environmental protection they require and industry is to make the most of the commercial opportunities being offered.
>
> "The situation is compounded by a legislative and constitutional hiatus caused by the Federal Government handing back to the States the control of territorial waters."

If ever there was a shifty nifty, that is it. A total of forty-three ships are sitting outside the port and the federal member for Newcastle takes the view that the people of Newcastle have been lax. The comments, made by the local members of Parliament in federal and State spheres, give some idea of the embarrassment felt by the Government on this issue. Why is the Government in this trouble? It can be summed up in the word power. The New South Wales coal industry not only is the most powerful industry in this State but it is also growing in power. It is the avowed determination of the Communist Party in this State to smash that power.

[Interruption]

The Hon. E. P. PICKERING: The Hon. D. R. Burton says that that is not so. He knows better than most that it is so. I respect the fact that Government supporters have done more than most to fight the Communist Party in this State. I place the Hon. D. R. Burton very much in that position. He knows as well as I do that my remarks on this aspect are spot on.

I wish also to utter a word of warning to the Government and to the people of New South Wales. What concerned me when I visited the United States of America recently were the continuous reports that came to me as I visited the American coal industry of the infiltration of that industry by organized crime—by the Mafia, as it is referred to in that country. It is a fact that in that country organized crime is seeking inroads into the coal industry—for the same reasons that the Communist Party is trying to make inroads in this State—and recognizes that the quick dollar now lies in the extraction of coal. I was interested to read an article in ***News Week*** of January 1981 entitled "How the Mob Really Works". There are detailed references in that article to the infiltration of the Mafia into the American coal industry. Let me read a short comment from that article:

> Gangsters were also quick to observe that coal mining seems profitable again and——

The Hon. J. R. Hallam: On a point of order, Mr President. I know that the Chair allows a fair degree of licence in a debate of this kind. I also appreciate the absorbing interest of the Hon. E. P. Pickering in the subject of coal. However, he is now referring to matters that are not germane to the bill. I hope the Chair will request him to return to the provisions of the bill.

The Hon. F. M. MacDiarmid: On the point of order. The Hon. E. P. Pickering has dealt in his remarks with the coal industry, not only in Australia but also overseas. His remarks are relevant to the bill.

The PRESIDENT: Order! It appears to me that the Hon. E. P. Pickering is casting a wide net. I ask him to relate his remarks to the bill.

The Hon. E. P. PICKERING: I shall seek to keep my comments relevant to the bill, Mr President. The point I am making is that the fight involves the control of the New South Wales coal industry and undoubtedly is centred in the Hunter Valley. The fight is between the right and left wings of the trade-union movement. While those combatants are engaged in fighting each other, we must be careful to see that our attention is not diverted by another faction that seeks to gain control of the New South Wales coal industry without our knowledge. I put that forward as a warning.

As a completely separate matter, I note that colliery owners in New South Wales are concerned about this measure. They wish to know who will control the other 80 per cent of the equity in this company that will operate the coal loader at Newcastle. I shall refer briefly to an article in The ***Australian*** dated 26th March 1981. The article is entitled "New South Wales Collieries Fear Outside Control of Planned Loader" and reads:

> New South Wales coal producers are worried that stakes in the proposed $230 million third Newcastle coal loader may go to interests outside the industry.
>
> Some of the groups the industry believes could be offered a stake in the loader are understood to include such companies as TNT, Brambles and Lend Lease.
>
> The New South Wales Government has already said 80 per cent of the loader company will go to private enterprise.
>
> But the fears about non-industry participation have been heightened by the increasing union pressure on the New South Wales Premier, Mr Wran, to have the Government lift its equity in the new company beyond the 20 per cent level announced earlier this year.

It is nothing less than tragic, considering the history of the measure that I have detailed, that today the Government is in the same dilemma with the trade-union movement as it was two years ago. The ***Australian Financial Review*** today contains an article under the heading "Union Ultimatum on Coal Loader", which I quote in part:

> Newcastle's Maritime Services Board unions have given the N.S.W. Government a month to give a firm response to their claims for almost complete MSB control of industrial matters on Newcastle's proposed third coal loader.

> Newcastle Labor Council secretary, Mr Peter Barrack, said a meeting of the MSB unions had endorsed a resolution passed by the N.S.W. Labor Council supporting the concept of MSB control of industrial matters on the loader. He said the meeting had given the Government a month to respond.

It is clear from that article that the fight between the Communist dominated unions and the right-wing unions continues unabated, notwithstanding that a week or so ago the Premier and Treasurer asserted that this matter had been resolved. I sound a further warning to the House on a matter about which I feel sincerely and deeply. Recently I was listening to the tape recording on the last Boyer lecture delivered by Mr Robert Hawke, who is now a member of the federal Parliament. He referred to the resolution of conflict on the international scene. Part way through that lecture he referred to the growing economic importance of China to Australia. Those words will prove to be prophetic so far as the coal industry is concerned. Undoubtedly China, following its change of government, has moved much closer to Japan in terms of economic trading links. The new China will continue to expand her technological economy. China has the required technology for coal mining.

I have had the pleasure of spending considerable time both in Australia and in Russia with technical delegations from China. Although Australia leads the world so far as coal mining is concerned, the Chinese are catching up. China has unlimited manpower, coal resources and complete technology. The only thing that stops that country exporting large quantities of coal on the open market is her lack of port facilities. I have no doubt that the day is approaching when the Japanese will realize the absurdity of paying tens of thousands of dollars to have their ships stand at sea off Newcastle waiting for a berth at the coal loader for such a length of time that the seamen occupy themselves fishing. It is only a matter of time before the Japanese realize that they could lend or even give the same amount of money to the Chinese to develop their own port facilities. I foresee the time in the not too distant future when there will be no ships calling at Newcastle, Sydney or Wollongong—particularly Wollongong—as the Japanese will purchase their coal from China and overcome the frustrations they have suffered over the past thirty years.

The Hon. J. R. Hallam: On a point of order. I draw your attention, Mr President, to Standing Order 81, which deals with the matter of relevance. The remarks of the Hon. E. P. Pickering are not relevant to the measure before the House.

The Hon. E. P. Pickering: On the point of order. With respect, the legislation relates to the building of a coal loader. I am stressing to the House that unless the Government proceeds with the development of the coal loader as a matter of urgency there is a real risk of Australia losing its coal market. The importance of the matter should be appreciated by honourable members.

The PRESIDENT: Order! Again the Hon. E. P. Pickering has had a point of order taken against him on relevance. If he relates his remarks to the bill, he should not have any more problems.

The Hon. E. P. PICKERING: As I have said, the Opposition supports the development of a third coal loader at Newcastle. However, the Opposition is opposed to the fact that the Government wishes to become involved in the building of that coal loader. That will have two deleterious effects to the State. First, it will mean a diversion of public funds into an area where private industry is perfectly happy to invest; and second, in view of the enormous conflict that is inherent within the trade-union movement in New South Wales, which is intimately linked with the Government, inevitably delays will occur in the development of the coal loader. The press report to which I referred makes clear that once the legislation passes through this House, it will be a long time before the conflict is resolved and the Government is able to proceed with the building and operation of the coal loader. All honourable members will remember that a bulk loading facility lay dormant for twelve months after it was built because the trade-union movement could not decide who would operate it.

Little coal will pass through the coal loader if the Communist Party in New South Wales has its way. A large communist power, using its allies in this country, might then pick up Australia's trade in coal. The coal miners of New South Wales, who to some extent risk their lives in mines that are not the most salubrious places to work but generate much of the State's wealth, will be sold down the drain by people who pull strings in the communist dominated trade-union movement. I defy any Government supporter to deny that what I have said is not true.

The Hon. J. S. Thompson: It is pure nonsense.

The Hon. R. B. Rowland Smith: The Hon. J. S. Thompson should contribute to the debate and say so.

The Hon. E. P. PICKERING: I find it incredible that a government which claims continually it is short of funds, whether operational or capital funds, is willing to sink money into a project that is uncosted, but may involve more than $100 million, at a time when other areas of the economy are screaming out for funds. For example, the people of Wollongong are desperately in need of overhead railway crossings. Unless these are provided they will not be able to proceed from one side of the line to the other when the increased coal traffic is generated. The Government has refused to provide funds for that purpose. The citizens of Wollongong would appreciate a portion of the $100 million to which I have referred. Recently I was horrified by a programme on "60 Minutes" which dealt with child prostitution in Kings Cross.

The Hon. J. R. Hallam: On a point of order. For the benefit of the Hon. E. P. Pickering I point out that Standing Order 81 provides that no member shall digress from the subject-matter of any question under discussion. As the Hon. E. P. Pickering is referring to the Wollongong area and to prostitution rather than to the question before the House, I submit that he is out of order.

The Hon. E. P. Pickering: On the point of order. The bill sets out to enable the Government to expend capital funds on the development of a coal loader by buying a 20 per cent equity in the company that is to build the loader. I am suggesting that I am perfectly in order to suggest that there are many meaningful ways in which the Government could spend its capital funds rather than on this purpose. If I am not permitted to reinforce my argument by giving some examples of the way in which it could spend these funds, there is something terribly amiss in this Chamber.

The Hon. L. A. Solomons: On the point of order. Obviously there is no digression from the bill. The honourable member is seeking to give examples which are clearly relevant to the bill. Therefore, I suggest that no point of order is involved.

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

The Hon. E. P. PICKERING: I was horrified by what I saw on the "60-Minutes" television programme that dealt with child prostitution at Kings Cross. One of the; social workers who appeared on the programme spoke on the need for refuge:

housing for these young people, but that of course would involve capital expenditure by the Government. An important role of the State Government is to provide housing of that nature, but the Minister responsible said on that television programme that he simply did not have sufficient funds to do any more along that line. I put it to honourable members that $100 million is going begging here. It would not need anything like $100 million to solve the problem at Kings Cross. Any honourable member who saw that television programme could only be touched by the human tragedy that is occurring in that area.

I spoke recently about the need for Housing Commission homes, which again requires capital expenditure. The waiting list for Housing Commission accommodation has lengthened from two to four years; therefore, there is pressing need for this type of accommodation. I am speaking of housing for the poor who are in desperate circumstances—people about whom the Government says it is very thoughtful. The Opposition also cares for those people. I ask honourable members opposite how they can justify the spending of $100 million on a coal loader which any number of companies are willing to construct for the Government, thus relieving it of all the industrial problems involved. This is at a time when the Government says it does not have sufficient money to get rid of the backlog in Housing Commission development.

One could go on quoting examples *ad infinitum*, but I shall not test the patience of either myself or other honourable members. Obviously, given the fact that this Chamber is dominated by members of the trade-union movement, the majority of whom represent right-wing unions, and genuinely believe in the development of the economy of this State for the benefit of all, I do not believe, in view of the history I have put before the Chamber today, that they could in all conscience vote for this iniquitous piece of legislation. I hope that when we oppose the second reading of this measure it will be a test of their consciences, for they will have to decide whether control of the loader and the economy is to be by the moderate, responsible Transport Workers Union, or the left-wing, communist controlled unions. Honourable members opposite will choose today.

The Hon. P. S. M. PHILIPS [3.25]: There is no clear economic case for the third coal loader at Newcastle to be publicly owned. In August 1979 the industry advised the Government that they were prepared to finance, build and manage the third coal loader. That proposal, at today's prices, would have cost an estimated $290 million and would have afforded considerably more operating flexibility than the Maritime Services Board scheme. In addition, it would have been superior environmentally and in terms of optimizing land use at Kooragang Island. It has been estimated that the cost of the facilities to be provided by the board will be $365 million, including two ship loaders, escalation and preproduction interest. The industry was willing to put up the funds necessary to construct the initial stage and to expand it subsequently to provide an additional capacity of 50 million tonnes a year, at a cost of aproximately $800 million in escalated dollars.

Another strong consideration that should be in the minds of the Government is the private sector's record at Newcastle. Port Waratah Coal Services Limited, which is owned by the industry and consumers, is clearly dedicated to servicing the needs of its owners and shareholders in the most efficient fashion. Experience has shown that Port Waratah, which owns and controls the second coal loader, has a much more efficient operation than the Maritime Services Board loader, and up till now has not lost one day's operation because of industrial stoppages concerned with its own operations. The loader that the private sector proposed was not a general purposes facility. It would have been dedicated to servicing the coal industry as a common user facility for coal shipments.

In these circumstances it is clear as a pikestaff that if private industry is willing to put up the money I mentioned, the Government should accept the private sector proposition so that funds which are now to be spent through the board in taking up a 20 per cent shareholding, as envisaged by clause 13 of the bill, are released and, as a result, can be committed to essential expenditure on such things as housing, roads, hospitals, education and the like.

It is preposterous that the Government, through its instrumentalities such as the Electricity Commission, should have a 50 per cent involvement in the $250 million coal mining joint ventures at Bird's Rock near Lithgow and at Mount Arthur South near Muswellbrook, involving a commitment of at least $125 million in capital for coal mining that is specifically geared to the export market. In addition, the Electricity Commission is involved in a further $675 million worth of other coal mining projects which could have been carried out by private industry.

However, the position is much worse than I have suggested to date, in that the government proposals do not envisage that the third coal loader will be operational until December 1984—a full year later than would have been possible had the Government agreed to the private sector proposal. In fact, the actual operational date is likely to be much later than December 1984 because it is understood that the Maritime Services Board design proposals envisage a 48-month construction period. Making reasonable assumptions about the time which would be required to sort out and document ownership, a common charge, management arrangements, et cetera, the earliest date for completion of the third loader under the Government's proposals is likely to be August or September 1985. This is an appalling state of affairs, as tonnage projections agreed within the industry, with consumers and the Government indicate that expected shipments from Newcastle will exceed 25 million tonnes a year by the end of 1983, and could be as high as 28 million tonnes a year by March 1985. These tonnages are well in excess of the projected capacity of the existing facilities which, if the rail receival capacity of the basin loader is not immediately upgraded, will be limited to around 23 million tonnes per annum. However, we are discussing today a bill that gives the Maritime Services Board the power to invest in an equity to give a 20 per cent interest, and potential shippers and consumers an 80 per cent interest. To get the matter going, the industry is agreeable to this.

However, apparently even this proposal is now being fiddled with, despite the fact that it could only be inferred from the statement of the Premier and Treasurer on 20th January last that this would be the situation. However, it is now understood that invitations to take up equity in the new company have been issued to companies that do not fall into the category of shippers, potential shippers or consumers. Quite apart from the fact that such an arrangement is a breach of what it was understood the Premier and Treasurer stated on 20th January last, it would be highly inappropriate, in the light of the industry's past offers to build and finance, that ownership be widened. Such proposals, moreover, are utterly unnecessary and would clearly introduce elements into the ownership of the third coal loader whose interests would be in conflict with those of the industry.

I now turn to the provisions of the bill dealing with accounts, in particular, clause 28 (2), 28 (4), and 28 (7). These provisions are in the same terms as the equivalent provisions in the State Bank bill debated in this Chamber yesterday. As the

Minister knows, it is my view—and, I believe, thk Auditor-General's aspiration—that accounts be submitted to him within two months of the end of the board's financial year and hence can be included in his report. Yesterday's *Hansard* is not yet available;. but my understanding is that the Minister said that the Auditor-General was satisfied with clauses similar to clauses 28 (2), 28 (4) and 28 (7). I should be most disappointed if the Minister were expressing the totality of the Auditor-General's views, If he were, I should have to disagree. I again ask that these provisions be amended, in particular to provide that accounts be presented to the Auditor-General within two months of the end of the financial year. As I said yesterday, the Auditor-General's audits are continuous, and consequently this requirement should not be excessively onerous.

The Hon. J. R. HALLAM (Minister for Agriculture) [3.33], in reply: I shall refer first to the comments of the Hon. E. P. Pickering. Once we isolate the rhetoric, the irrelevancies and many inaccuracies in his long-winded address to the House, the objections of the Opposition boil down essentially to two issues. First, the Opposition objects to the Government's having 20 per cent equity in a facility of the sort that it already operates at Balmain, Port Kembla and at Newcastle. The other principal objections seems to be to the traditional maritime unions—and fourteen of them are involved—being the unions to operate the third coal loader at Kooragang Island. That decision has been approved by the New South Wales Labor Council on the vote of about 400 delegates. What could be clearer than that?

The Government has examined some of the objections, irrelevancies and inaccuracies of the honourable member, especially about the more effective distribution and expenditure of public funds. What it is all about is that suddenly all persons involved in the coalmining industry want to take all the coal out of the ground within the first twelve months of operation and have all the profits in their lifetime. The Government has *in situ* reserves in New South Wales extending from Newcastle to Gunnedah and down nearly as far as Ulladulla. The Government has 500 million tonnes of coal in reserve. The State's exports are only now beginning to expand.

The Hon. R. B. Rowland Smith: Twenty-three ships are lying idle off the coast of Newcastle waiting to transport coal. How is that helping our exports?

The Hon. J. R. HALLAM: Last year the State's total exports of coal were about 21 million tonnes.

[*Interruption*]

The PRESIDENT: Order! The Minister should be heard in silence.

The Hon. J. R. HALLAM: The Government has acknowledged the need for a third coal loader. The Opposition has taken a philosophical or ideological objection *to* the Government's 20 per cent equity in what is now widely acknowledged as the State's most important natural resource, which presents enormous potential for boosting the State's economy, It would not occur to the Hon. E. P. Pickering or the Hon. P. S. M. Philips that it could well be that there may not be a great amount of capital involved. It could be that when the equity break-up is considered the amount that the Government holds may not sigaify a great proportion of equity in this facility. To me that would be good business by the New South Wales Government. The Government has a proven track record in attracting business and capital to this State.

The Hon. R. B. Rowland Smith: The Government has a track record of not delivering the goods.

The Hon. J. R. HALLAM: When the Government came to power in New South Wales the State had the highest level of unemployment in the Commonwealth. It now has the lowest. In the past twelve months investment in New South Wales will exceed $2,000 million. A large proportion of that capital is invested in the Hunter Valley. The Hunter Valley now holds almost 50 per cent of the State's coal reserves. That is acknowledged by the capital pouring into New South Wales. It is inaccurate and fallacious for the Hon. E. P. Pickering to assert that there is any lack of confidence of business investment in New South Wales. Could the honourable member wave the magic wand and remove industrial disputation? The level of industrial disputation is at a higher level in the States that are governed by parties of the Hon. E. P. Pickering's political persuasion. The Queensland Premier, the Hon. Joh Bjelke Petersen has been confronted with some of the longest strikes on record in the coal fields. The federal Treasurer provoked another lengthy strike in Queensland coal fields. I again compliment the Deputy Premier, Minister for Public Works and Minister for Ports, who has done everything possible to end these problems as quickly as possible—such as the ships lying idle at the Newcastle coast, and the introduction of coal loading facilities for Newcastle. I am advised that ships travel to Australia on the possibility of getting a load of coal on spec. Honourable members are aware of the travels of the Hon. E. P. Pickering, but we do not know who paid for his world trips.

The Hon. R. B. Rowland Smith: What has that to do with the matter under discussion?

The Hon. J. R. HALLAM: There is as much substance in the assertions made by the Hon. E. P. Pickering about this matter as there were in his assertions about the Energy Recycling Corporation. Honourable members are aware of his constant and excitable remarks on that issue, which, of course has now been put to rest. The bill is important. It is an indication that the Government of New South Wales can work with private enterprise in a share equity relationship, as it has done in the petrochemical industry and elsewhere. The score of the Government's achievements is on the board. The Government has reached an agreement with the New South Wales Labor Council. It is natural for some unions who wish to have access to the coal industry—as they may have had at Port Waratah—to be dissatisfied. One does not have to be brilliant to understand the statements made by Mr Joy. I do not see that they are a revelation about the matter before the House. I commend the bills.

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

The House divided.

Ayes, 19

Mr Baldwin	Mr Healey	Mr McPherson
Mr Burton	Mrs Isaksen	Mr Thompson
Mr Dyer	Mr Kaldis	Mr Turner
Mrs Fisher	Mr King	
Mr French	Mrs Kite	*Tellers,*
Mrs Grusovin	Mr Landa	Mr Melville
Mr Hallam	Mr McMahon	Mr Watkins

Noes, 17

Mr Calabro	Mr Doohan	Mr Kennedy
Mrs Chadwick	Mr Freeman	Mr Lange
Mr Darling	Mr Holt	Mrs Lloyd

Mr Orr	Mr Sandwith	*Tellers,*
Mr Philips	Mr Rowland Smith	Mr MacDiarmid
Mr Pickering	Mr Willis	Mr Solomons

Question so resolved in the affirmative.

Motion agreed to.

Bills read a second time.

Committee and Adoption of Report

Bills reported from Committee without amendment, and report adopted, on motions by the Hon. J. R. Hallam.

Third Reading

Bills read a third time, and returned to the Legislative Assembly without amendment, on motions by the Hon. J. R. Hallam.

POISONS (AMENDMENT) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [3.50]: I move:

That this bill be now read a second time.

The object of the bill is to amend the Poisons Act, 1966, so as to reinforce the powers of the police in relation to the detection of illicit drug traffickers and to insert new provisions in that Act to allow courts to deprive convicted drug traffickers of their illegally-derived profits and to order the forfeiture of vehicles, vessels, aircraft and equipment used to assist in the commission of drug trafficking offences. With the exception of the provision relating to the forfeiture of vehicles, vessels, aircraft and equipment used to assist in the commission of drug trafficking offences, the provisions of the bill reflect recommendations made by the Hon. Mr Justice Woodward in the first report of the Royal Commission into Drug Trafficking.

The Government considers that the provisions included in the bill are a further important step in its continuing efforts to take all possible action against drug traffickers. In this regard, honourable members will recall that the maximum fine in respect of indictable offences under the Poisons Act, 1966, was increased from $50,000 to $200,000 by the Poisons (Amendment) Act, 1979. Honourable members will recall also the other significant law enforcement measures that have been taken by the Government in relation to drug trafficking which were referred to at the time of the introduction of the Drug and Alcohol Authority Act, 1980.

I shall now elaborate on the more important provisions of the bill. Clauses 1 and 2 deal respectively with the short title and commencement dates. Clause 3 provides that the Poisons Act, 1966, shall be referred to as the principal Act.

Clause 4 sets out the arrangement of the bill. Clause 5 provides that the principal Act will be amended in the manner set forth in schedules 1 and 2. Clause 6 provides that the savings and transitional provisions in schedule 3 of the bill shall have effect. Schedule 1 of the bill contains the amendments arising out of Mr Justice Woodward's recommendations and some minor amendments designed to clarify certain existing provisions in the principal Act and to achieve consistency between the principal Act and the Crimes Act, 1900.

Item (1) (a) of schedule 1 will revise the definition of "drug of addiction" in section 4 (1) of the principal Act so as to make it clear that prepared opium and Indian hemp come within the definition. Item (1) (b) seeks to amend the definition of premises in section 4 (1) of the principal Act so as to make it consistent with the definition in section 354 (S) of the Crimes Act, 1900. Item (1) (c) will amend the definition of "supply" in section 4 (1) of the principal Act so as to include distribution. Item (2) will amend section 16 (1) (a) of the Principal Act to make it clear that medical practitioners, pharmacists, dentists and veterinary surgeons are entitled to possess only a prescribed restricted substance for the purpose of the lawful! practice of their respective professions. Item (3) (a), (3) (b) and (3) (c) are consequential amendments. Item (4) provides that a counterfeit substance supplied upon the basis that it is a particular prescribed restricted substance shall, for the purpose of any legal proceedings against the supplier, be deemed to be that prescribed restricted substance. Similar provisions in relation to the supply of counterfeit substances instead of prepared opium or Indian hemp, other drugs of addiction, prohibited drugs and prohibited plants are included in items (5) (c), (5) (f), (7) (b) and (8) (C) respectively. Items (5) (a), (5) (b) and (5) (d) are consequential amendments.

Item (5) (e) will amend section 21 (2A) (b) of the principal Act to specify that a medical practitioner, dentist or veterinary surgeon is entitled to supply a drug of addiction other than prepared opium or Indian hemp only for the purpose of the lawful practice of his profession. The amendment does not affect the provisions contained in section 21 (1) of the principal Act which, subject to the exemptions specified in section 21 (1A), prohibit any person, including a medical practitioner, dentist or veterinary surgeon from possessing or supplying prepared opium or Indian hemp. Item (6) (a) is a consequential amendment. Item (6) (b) will substitute the modern term of misconduct for the outmoded term infamous conduct in section 24 (1) (h) of the principal Act. Items (6) (c), (7) (a), (8) (a) and (S) (b) are consequential amendments. Item (9) (a) will delete the requirement that a member of the police force be named in a search warrant issued pursuant to section 43 (2) of the principal Act; item (9) (b) makes it clear that such a warrant may be acted upon at night. Item (9) (c) is a consequential amendment.

Item (9) (d) will increase the maximum penalty for wilfully delaying or obstructing a police officer in the exercise of his powers under a search warrant issued pursuant to section 43 (2) of the principal Act from a fine of $200 to imprisonment for two years and/or a fine of $2,000. Item (10) seeks to insert a new section 43A into the principal Act. New section 43A will provide that a stipendiary magistrate may issue a search warrant to a police officer by telephone if he is satisfied that the police officer has reasonable grounds for believing that a prohibited plant or a traffickable quantity of a prescribed restricted substance, drug of addiction or prohibited drug is in the premises and is likely to be destroyed or otherwise disposed of before a search warrant under new section 43 (2) can be obtained and executed. A search warrant issued under new section 43A will be valid only for twenty-four hours from the time that it is granted. The new section makes provision for both the stipendiary magistrate and the police officer to make a written record of the terms of the search warrant and for the police officer to furnish his written record to the stipendiary magistrate within seven days from the time that the warrant was granted.

Where, for some reason, a police officer does not wish to proceed with a search pursuant to a warrant issued by telephone, he need not make a written record of the terms of the warrant as required by subsection **(4)**. Where this occurs, the search warrant is to be regarded as not having been issued. In such a case the police officer will be required to furnish the stipendiary magistrate with a written statement to the effect that the search warrant was not proceeded with. New section 43A prescribes a penalty of imprisonment for two years and/or a fine of $2,000 in relation to the offence of wilfully delaying or obstructing a police officer acting under a search warrant issued by telephone. Item **(10)** inserts a new section 43B into the principal Act. It will provide that any police officer may stop, search and detain a person who is reasonably suspected by that officer of having illicit drugs in his possession and provide also that a police officer of the rank of sergeant or above or in charge of a police station or police vessel may stop, search and detain a vehicle, vessel or aircraft if he reasonably suspects that illicit drugs are being transported therein.

Item **(11)** will insert new section 45AC into the principal Act. New section 45AC provides that where a person is convicted of a drug trafficking offence, the court may, in addition to any penalty it may impose, order that any vehicle, vessel, aircraft or equipment used to assist in the commission of the offence be forfeited to the Crown and that the convicted person pay to the Crown an amount equivalent to the profit derived by him from the drug trafficking offences which the court has taken into account in determining the penalty imposed. As I said earlier, the forfeiture of vehicles, vessels, aircraft and equipment used to assist in the commission of drug trafficking offences was not recommended by Mr Justice Woodward. However, in view of the very great social evils associated with drug trafficking, the Government considers that the courts should be given a discretionary power to order forfeiture of those items. In adopting such an approach the Government was aware of the fact that the Commonwealth Customs Act, **1901–78,** makes provision for the forfeiture of vessels and aircraft used for the purpose of carrying out certain offences against that Act.

The power of a court to order forfeiture of a vehicle or equipment will not be restricted to the interest, if any, of a convicted person but will extend to the interest of any other person who allowed it to be used to assist in the commission of the offence. Provision is made in new section 45AC for the court to hear a third party with an interest in such a vehicle or equipment on the question of its forfeiture. Item **(11)** will insert a new section 45AD into the principal Act which provides that courts may make temporary restraining orders in relation to property or money held by or on behalf of a person accused or convicted of a drug trafficking offence. Item **(12)** is a consequential amendment.

Schedule **2** of the bill contains minor amendments to the principal Act in the nature of statute law revision. Schedule **3** of the bill contains savings and transitional provisions. Item **(1)** of that schedule provides that a search warrant granted under section **43** (2) of the principal Act prior to the commencement of clause **9** of schedule **1** shall continue to have effect. Clause **2** provides that any proceedings which are being taken, or which could be taken, for an offence committed prior to the commencement of the bill, shall not be affected. I commend the bill.

The Hon. D. D. FREEMAN [4.0]: The Opposition supports the measure. I shall refer in particular to a minor detail. I am sure all honourable members support any move by any authority that may reduce effectively the incidence of drug taking, a subject that has been given widespread publicity by way of innumerable committees, inquiries and investigations. As far as can be measured, those inquiries and the implementation of measures by the Government or any other authority to try to reduce the incidence of drug taking in our community, have had little effect. All honourable members will appreciate the enormous social problems for young people caused by their taking drugs, particularly drugs of addiction. It goes further than the old concept of letting people go to hell in their own way. One knows the effects extend into other areas of the community. Those who take drugs, whether of the light variety or addictive kind, are less likely to be gainfully employed in the community and are more likely to have to find methods other than honest work to pay for their drug taking habit. This leads to a general exacerbation of crime throughout the community.

I understood the Minister to say that by establishing the Drug and Alcohol Authority the Government has taken some action to try to alleviate the serious social problem caused by drug taking. The bill represents a minor approach to the problem. It was introduced in another place by the Minister for Health. It is not a measure put before the Parliament by the Minister for Police and Minister for Services. It has resulted obviously from some complaint that the police did not have sufficient powers to act precipitately and quickly to overcome some problems they have encountered in searching for and seizing drugs. I should prefer a more organized approach rather than a scattered approach, with a variety of bills to combat one of the most serious community problems. I should prefer the Government to marry its proposals into a consolidated attack on the problem of drug taking. I refer the House to some pertinent comments contained in the report of the joint committee of both Houses of the Parliament that inquired into the problem of drugs. Page 38 of the report states:

> 158. The Committee found alarm and anxiety throughout the State over the nature and extent of heroin use and the accompanying commission of crimes amongst those who were directly affected by the problem—the parents, friends, the treatment community, law enforcement officers. It is clear to them that the heroin plight in particular is no longer something which happens to "other people" or to some unidentified citizens in the lower socioeconomic groups of our society. No single group in our society has a monopoly on either harm or injury due to crime arising from narcotic dependence . . .
>
> Heroin is at the core of a problem which has wide ramifications beyond State borders at both the national and international level. Long-term planning and co-ordination is absolutely necessary. For too long, our response has been piecemeal and truncated.

That is the comment I make about the Government's current approach to the problem—a relevantly minor amendment to the Poisons Act. The report continues:

> 161. Undoubtedly, to deal with the heroin trafficking problem on the scale on which it now exists demands more effective and efficient law enforcement. But heroin trafficking is only one limited aspect of the heroin addiction and accompanying crime problem. Law enforcement alone will not provide a solution. Our past reliance on such enforcement has led us into a state of self-delusion and allowed us the luxury of avoiding the compelling and unpleasant evidence underlying drug dependency.

The Government may say, "Look at all we are doing to overcome the drug problem". The parliamentary joint committee found that law enforcement alone would not provide a solution. The Government has not taken any action that goes beyond law enforcement and into the social arena. At page 39 the final paragraph states:

> We must recognize that application of predominantly punitive sanctions to treat drug dependence will only result in greater drug dependence

> and reaffirm the disenchantment and alienation of those young people who have become enslaved by murderous drugs. Concomitantly, we have denigrated respect for law and constituted authority by the continuing application of the arrest sanction to drug-users and consequently emasculated the deterrent effect of such a sanction. Thus the Committee believes in the urgent importance of more effective and enlightened law enforcement and the need to create conditions in which the crisis of drug-use amongst the young and associated crime can be overcome.

That is an important point to be made in conjunction with the measure before the House. The Opposition supports the increase to *$20,000* of the maximum penalty for obstruction. I have said before in this House that the money involved in the drug scene is so large that penalties do not act as a deterrent. A striking example is the Mr Asia case in Great Britain. Part of the evidence at the trial disclosed that some people involved in the drug trade gave information to a narcotics inspector about certain people. Apparently later a narcotics agent was bribed to obtain a tape recording. The bribe amounted to *$250,000,* which is indicative of the huge sums of money available to these people. So the penalties provided for drug offences do not mean a great deal to them.

New section 43A provides for the policeman to obtain over the telephone a warrant from a stipendiq magistrate. Though I do not imagine that there would be many occasions of such urgency that would require a warrant outside the normal office hours, provision is made for the issue of a warrant in those circumstances. Subsection (3) of proposed section 43A states:

> (3) Where a stipendiary magistrate grants a search warrant under subsection (1), he shall cause a record to be made in writing of—
>
> (a) the name of the complainant;
>
> (b) the details of the complaint;
>
> (c) the terms of the warrant; and
>
> (d) the date and time when the warrant was granted.

I should think it reasonable that when a policeman enters premises he should provide the occupier of the premises with a copy of a document showing the name of the magistrate from whom the warrant was sought, the details of the complaint and the terms of the warrant.

The Hon. L. A. Solomons: That is probably referred to in subsection (4).

The Hon. D. D. FREEMAN: Yes. I do not see why a copy of the document cannot be made available for production, if necessary. I can imagine how a person would feel if a policeman arrived without a written authority, and said, "I am here on a telephone warrant." In some instances it could lead to violence, which could be avoided if the policeman had a copy of an official document that would make the event appear to be more official than just being confronted by a policeman seeking entry to the premises at any time of the day or night.

We have to be careful about this because constant assaults are being made on the privacy of the individual. This is a most difficult matter, but in the circumstances I support this particular provision. Nevertheless, we have to be ever careful, because in recent times there have been attacks on privacy, particularly in the consumer affairs legislation, in which inspectors are given the power to enter premises and seize documents. In that particular case, the entry is made even without a complaint from the person affected, or to a member of the staff who rendered the service. That is a severe invasion of privacy. We saw it again in the electoral funding legislation that was dealt with in this Chamber yesterday. In that instance, I do not know whether it is because of pressure from the Council for Civil Liberties or from the Opposition, the Government is re-examining the legislation where it provides for inspectors to come into premises and seize documents.

In proposed new section 45AC I notice that the heading is "Orders for forfeiture of vehicles, vessels, equipment and proceeds." Subsection 2 (a) of proposed new section 45AC states: "an order that any specified vehicle, vessel or equipment used in the commission of the offence be forfeited to Her Majesty." I should like the Minister to clear up for me the possibility of confusion that might arise in regard to a person who is unwittingly involved in the commission of an offence. I believe a clear distinction is necessary.

There are clear examples of what could be involved. From where I live I can see the unloading of thousands of motor cars imported from Japan. I should imagine that it would not be difficult for someone to conceal drugs such as heroin in the spare tyre of one of those thousands of cars. The drug would arrive in this country, to be picked up later by the importer. I should like to know whether there is some provision for a person who becomes unwittingly involved in such an offence, and whether his property would be forfeited. Subsection (2) (a) speaks of vehicles, vessels and equipment used in the commission of an offence. They could include an aircraft.

For the first time, in subsection (4) of new section 45AC, the Government talks about the forfeiture of any interest in real or personal property acquired by the person by means of proceeds derived by him from the commission of an offence. That is putting a quantitative value on the amount of money that might have been derived from the commission of a crime. It might interest honourable members if I recount to them a comment that was made to me by the officer in charge of the police station at Kings Cross. He made a novel suggestion that if a percentage of the moneys recovered were paid to an informer, it might do much to clear up the problem of large-scale drug distribution. In a large drug organization a hierarchy of people must be involved. If an informer were paid a percentage of the proceeds for putting in his boss—the sum involved could run into millions of dollars—that action might be an enormous attraction for people to give evidence against those at the top of the drug trade.

I still ask the Government whether it can name in the past ten years any person at a high level in drug trafficking who has been arrested, apart from Mr Murray Riley. It seems that the present law is not working, because none of the major crime bosses in drug trafficking, who supposedly organize the distribution of drugs in this State, has been brought to book. I come now to what I believe is a drafting anomaly. I have given notice that in Committee I shall move to correct it. I refer to page 10 of the bill. Subsection (2) of proposed new section 43B provides:

> (2) A member of the police force of or above the rank of sergeant, or in charge of a police station or police vessel, may at any time with as many members of the police force as he thinks necessary—
>
> (a) enter into any part of any vessel or aircraft; and
>
> (b) search and inspect the vessel or aircraft.

The full stop after "aircraft" where it last appears there is most important, for it is not followed by the qualification that appears elsewhere. I believe that the words "where it is reasonably expected the law has been broken in this regard" are missing. In item (e) of the explanatory note one of the purposes of the bill is said to be:

> . . . to provide that certain vehicles, vessels and persons may be stopped, detained and searched where it is suspected that prohibited substances are unlawfully in possession;

However, subsection (1) of proposed new section 43A contains the words "suspects or believes that", and in paragraph (b) of that subsection the words "is satisfied that there are reasonable grounds for that suspicion or belief". Proposed section 43B (3) contains the words "reasonably suspects" and they appear again in subsection (4) (a). However, they do not appear in subsection (2) of that new section. In other words, an absolute power, without any qualification, is to be given to a member of the police force to enter into any part of any vessel or aircraft and search and inspect the vessel or aircraft. That power is not qualified; it does not conform with the other provisions to which I have called attention. To make the position absolutely clear, in Committee I shall move an appropriate amendment.

Subsection (3) of new section 43B is clear, though it is not qualified to the extent that I should like. That is obviously necessary for the police force, which continually wages the battle on behalf of the people. It is too much to ask the police to bear this problem on their own. The Opposition supports the proposal, but it seems to be done in isolation. It seems strange that the Poisons (Amendment) Bill introduced by the Minister for Health should contain the penal clauses. I believe that the Government has not made a sufficient, coherent and comprehensive approach to the problem, and I should like it to do what I have proposed. I support the bill.

The Hon. J. R. HALLAM (Minister for Agriculture) [4.19], in reply: I thank the honourable member for his qualified support. The Government has not been reluctant in taking action against drug trafficking in New South Wales. This measure is only one of a series of actions that the Government is taking in an attempt to eradicate this acknowledged cancer in our society. In recent times the Government has adopted many other initiatives, including the establishment of the Drug and Alcohol Authority, the introduction of the drug diversionary programme, and an expansion of drug rehabilitation measures. I should think that the massive increase in penalties is an example of the Government's intentions. Those avenues were open to our predecessors when they were in office.

Drug trafficking has certainly proliferated in our society in recent years. However, it was extremely prevalent when the Liberal Party–Country Party was in power. Those parties had every opportunity to do something effective about the problem. Earlier legislation provided for a fine of up to $50,000 or fifteen years' imprisonment for offences relating to drugs of addiction and heroin. In 1979 the fines were further increased to $200,000, which was in keeping with the substantial profits derived from drug trafficking. The main reason for the objections of the Hon. D. D. Freeman is proposed new section 43B in regard to the powers conferred to stop, search and detain. There is no inconsistency by the Government in this clause. It clarifies the position. An identical provision is already contained in the Crimes Act of 1900. For the benefit of the Hon. D. D. Freeman, in Committee I shall detail both provisions. The honourable member expressed concern about a policeman who seeks to enter premises, having been issued with a telephone warrant. The point made by the Hon. D. D. Freeman—and I think he was supported by an interjection from the Hon. L. A. Solomons—is that the policeman should be required to produce some form of documentation.

The Hon. L. A. Solomons: He has to prepare a document to support the warrant.

The Hon. J. R. HALLAM: Exactly. There is no reason why a resident of premises should not request the production of such a document, as would be done if an ordinary search warrant had been issued. I am advised that no such requirement is contained in the statute regulating the issuing of search warrants, but the position is covered by the common law. The common law could be expected to have a degree of consistency in the issuing of telephone warrants. An additional safeguard is provided whereby a resident citizen could telephone the magistrate rostered for duty to check the bona fides of the police. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Page 10

(2) A member of the police force of or above the rank of sergeant, or in charge of a police station or police vessel, may at any time with as many members of the police force as he thinks necessary—

(a) enter into any part of any vessel or aircraft; and

(b) search and inspect the vessel or aircraft.

The Hon. D. D. FREEMAN [4.22]: I thank the Minister for his comments, Nevertheless, I move:

> That at page 10, line 20, after the word "aircraft" there be inserted the words "in which he reasonably suspects there is, in contravention of this Act, any prohibited substance or any prohibited substance which is in contravention of this Act in the possession or under the control of any person"

The Minister has said that the Crimes Act contains similar phraseology. That does not make the drafting any better. Proposed new section 43B confers an absolute power. There is no qualification. One can go on only what is contained in legislation, not on what the Minister says or on what may be contained in another measure. The legislation will become the law should it be passed by the House today. New section 43B provides in subsection (2):

> A member of the police force of or above the rank of sergeant, or in charge of a police station or police vessel, may at any time with as many members of the police force as he thinks necessary—
>
> (a) enter into any part of any vessel or aircraft; and
>
> (b) search and inspect the vessel or aircraft.

It is reasonable—or it should be—for the Government to accept a specific qualification, If the Minister cares to look carefully at the comments he made at the second reading stage, he will see that he used the words, "reasonably suspect". I was so impressed by them that I made a note of them. The Government should accept the amendment for it will clarify the situation and remove confusion.

The Hon. J. R. HALLAM (Minister for Agriculture) [4.26]: The statements made by the Hon. D. D. Freeman are incredible. Prior to the 1978 elections, Liberal Party supporters made false allegations that the Government was going soft on drugs and drug traffickers. The Government is merely seeking to clarify a measure that will give powers to the police. It must be borne in mind that many drugs introduced into New South Wales reach here by ship. Australia, an island continent, has an enormous coastline. The Government's aim is to give police powers similar to those that the previous Government gave the police in the Crimes Act, The arguments of the Opposition are a further example of its duplicity and inconsistency. For the benefit of the Hon. D. D. Freeman I shall read section 357C of the Crimes Act. It states:

> 357C. **A** member of the police force of or above the rank of sergeant or in charge of a police station or police vessel may at any time with as many members of the police force as he thinks necessary—
>
> (a) enter into any part of any vessel;
>
> (b) search and inspect the vessel;
>
> (c) take all necessary measures for preventing injury on the vessel to persons or damage to property by fire or otherwise;

Compare that provision with proposed new section 43B (3) of the Poisons Act, which states:

> (2) A member of the police force of or above the rank of sergeant, or in charge of a police station or police vessel, may at any time with as many members of the police force as he thinks necessary—
>
> (a) enter into any part of any vessel or aircraft; and
>
> (b) search and inspect the vessel or aircraft.

It continues in identical terms with the provision in the Crimes Act. I feel that that adequately explains my point.

The Hon. L. A. SOLOMONS [4.29]: Does the Minister claim that by new section 43B (1) the police are to have unlimited powers to search any vessel or aircraft in the hope that during the course of such search they find an illegal substance? Is that the purpose of the Government's amendment?

The Hon. J. R. HALLAM (Minister for Agriculture) [4.30]: My understanding is that that is precisely the purpose of the provisions of the Poisons Act. One must assume that the police would be meticulous and would embark upon searches of this type only when they had grounds for suspecting that these types of substances might be on or attached to or inside a vessel.

The Hon. D. D. FREEMAN [4.31]: The Minister has supported what I said, that the suspicion should be on reasonable grounds. This is the point I make. The Minister seems to be incapable of understanding the purpose of the amendment. I am not saying in any way that the police should not have this power. I am saying that it should be related to the Act. The police are to be given this power under this Act which specifically provides that if they have reasonable cause to suspect that there is a prohibited substance on a vessel, they may take certain action. Otherwise, as the Hon. L. **A.** Solomons said, absolute and random power will be given to the police. It is a scatter gun approach. The police will not even have to suspect reasonably that there may be some wrongdoing taking place. I do not believe the Government realizes that. The Minister said in his closing remarks that the police have this power of inspection where they reasonably suspect something is wrong. That is exactly the situation covered by the amendment I have moved.

Question—That the words be inserted—put.

The Committee divided.

Ayes, 16

Mr Calabro	Mr Lange	Mr Rowland Smith
Mr Darling	Mrs Lloyd	Mr Solomons
Mr Doohan	Mr MacDiarmid	
Mr Freeman	Mr Philips	Tellers,
Mr Holt	Mr Pickering	Mrs Chadwick
Mr Kennedy	Mr Sandwith	Mr Orr

Noes, 17

Mr Baldwin	Mrs Isaksen	Mr Melville
Mr Burton	Mr Kaldis	Mr Thompson
Mr Dyer	Mr King	Mr Turner
Mrs Fisher	Mrs Kite	Tellers,
Mrs Grusovin	Mr McMahon	Mr French
Mr Hallam	Mr McPherson	Mr Watkins

Question so resolved in the negative.

Amendment negatived.

The Hon. L. A. SOLOMONS [4.39]: I shall deal with subclause (4) of proposed new section 43A. The Minister said he could see no reason why, in the execution of a telephone warrant, the necessary document should not be served on any person who is in occupation of the premises being entered pursuant to the warrant. I have drafted an amendment to deal with preparation of the document which I do not believe would receive the approval of the Parliamentary Counsel, but it seems a good idea to me and obviously to the Minister that such a document should be prepared by the police officer before the warrant can be used. I ask the Minister whether it would be possible between now and the third reading to have drafted a simple amendment for insertion between proposed subclauses (4) and (5), to provide that the document prepared for the purpose of effecting the warrant may be either served upon or produced upon request to the person who is in occupation of the premises being entered pursuant to the warrant.

The Hon. D. P. Landa: I shall do so.

The Hon. L. A. SOLOMONS: The Minister indicates that he will do so. I wish to draw attention to one other matter in the schedule, namely proposed new section 43B. Subsection (4) provides for a member of the police force to stop, search and detail. I am concerned about the term detain. Detain for how long? The bill is silent on that matter. The nature of the detention is not referred to elsewhere in the legislation. It is clear to me from the terms of the Act that detention is not necessary for the purpose of search. If the detention is only for the purpose of search, perhaps the legislation could make the matter clear, lest a new type of arrest without search is introduced. If the purpose of detention is that of search and that search does not result in the finding of a substance which is the subject of the Act and no charge is laid, when does the power to detain under the provisions of proposed new section 43B cease? Perhaps the Minister will enlighten honourable members.

The Hon. J. R. HALLAM (Minister for Agriculture) [4.42]: I shall take advice on that point. I assume that it envisages an adequate search in a period of time to ascertain whether a vehicle may contain any such substance. I am advised that the term is covered by the ordinary principles of statutory interpretation. I understand that the same wording is contained in section 357E of the **Crimes Act.**

The Hon. D. D. FREEMAN [4.43]: I wish to ask the Minister about the provision on page 11, line 30, in respect of the forfeiture of any vessel or equipment. What happens when somebody's property is used unwittingly?

The Hon. J. R. HALLAM (Minister for Agriculture) [4.44]: My interpretation is that the magistrate will be expected to use due discretion. If the action is unwitting, that will be taken into account by the court.

Schedule agreed to.

Adoption of Report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. J. R. Hallam.

CUMBERLAND OVAL BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [4.45]: I move:

That this bill be now read a second time.

As the long title suggests, the principal objects of the bill are to withdraw from Parrarnatta Park an area of land known as Cumberland Oval and to provide for the granting of leases, easements and licences in respect of that land. Cumberland Oval is now used and occupied by the Parramatta District Rugby League Football Club by virtut: of a deed of licence granted to the New South Wales Rugby Football League by the then trustees of Parramatta Park on 24th February, 1975. The licence was granted pursuant to the Crown Lands Consolidation Act, 1913, with the consent of the Minister for Lands at that time, for a term of ten years, with an option for a further period of ten years. In late 1978 the club submitted to the Minister for Lands a proposal to construct and operate a football stadium on the oval. Negotiations with the club continued for almost two years and culminated in an environmental impact statement in relation to the club's proposal being prepared on behalf of the club. The statement, together with a draft plan of management for Parramatta Park, was placed on public exhibition from 8th December, 1980 to 30th January, 1981.

Written submissions were invited from the public on both the environmental impact statement and the draft plan of management. Many submissions were received both during and after the period. The main objective of the club's proposal was the provision of a 40 000-seat stadium, currently estimated to cost $16.5 million, to enable the presentation of football matches and a wide range of other activities, such as concerts and conventions. The proposal also envisaged associated works within Parramatta Park, necessary for the construction and use of the stadium, including access routes and landscaping of areas adjoining the oval. The club was to finance the construction, subject to a suitable long-term lease being arranged for the operation and management of the stadium. Although Parramatta Park is clearly a reserve within the meaning of the leasing provisions of the Crown Lands Consolidation Act, 1913, doubt has arisen as to the validity of such a lease having in mind the provisions of the Parramatta Domain Act, 1857, which requires the land to be used for promoting the health and recreation of the inhabitants of Parramatta. Because of the legal uncertainty the Government has decided to introduce this measure.

Under the bill the area known as Cumberland Oval will be withdrawn from Parramatta Park and vested in Her Majesty freed from any trusts or other interests. The Minister for Lands will be empowered, from time to time, and upon such terms and conditions as he thinks fit, to grant a lease of the land comprised in the oval authorizing that land to be used for the purpose of, or for purposes connected with, sporting activities. He will also be empowered to grant easements and licences over adjoining land comprised in Parramatta Park for purposes connected with the use of the oval, such as for access and services. In this regard the Government has set out strict conditions.

The improvements are to be within the boundaries of the current oval and no increase in that area will be permitted in the future for parking or for any other use. Vehicles shall not be allowed into Parramatta Park for the purpose of additional parking for the stadium. The height of the new stand is not to be higher than the highest point of the existing stand within the oval. The height of the new lights are to be no greater than the highest point of the existing lights within the oval. Satisfactory alternative parking arrangements, subject to the above conditions, are to be made. The oval shall be for sporting purposes. Any exception to a use for sporting and ancillary purposes shall be with the express consent of the Minister. The programme of improvement and upgrading of Parramatta Park for passive recreation shall be undertaken by the State Government in co-operation with the Parramatta City Council. Development applications shall be lodged with the Parramatta City Council and processed in accordance with the Environmental Planning and Assessment Act.

All plans and specifications relating to any works to be carried out on the oval or on any easement or licence area must be approved by the council before they are submitted for the Minister's approval. Rent paid under the lease will be required to be used for improving Parramatta Park or, if the Minister approves, for improving other parks and reserves within the City of Parramatta. The bill also enables a plan of management for the park to make provisions facilitating the use of the oval and enables by-laws to be made with respect to the park so as also to facilitate that use. By-laws may also be made with respect to the control and management of the oval and providing for a penalty of $500 for a breach of such by-laws. I commend the bill.

The Hon. W. J. HOLT [4.50]: The Opposition opposes the bill *in toto*. It mourns the suggested demise of historic Parramatta Park and the loss of the quality of life of the 10000 people residing along the nineteen kilometres of residential streets which will be blocked with traffic to service the Government's proposed monster. No Government should countenance this proposed development without first resolving the traffic problems or holding a public inquiry. Why has the Department of Lands not made public a report of its examination of the environmental impact statement under clause 64 of the regulations made under the Environmental Planning and Assessment Act? What account has been taken of the adverse report of the draft plan of management for the park prepared for the Department of Lands by Planning Workshops Pty Limited, Bruce McKenzie and Associates and Ove Arup and Partners. I invite the Minister in his reply to answer those questions otherwise I shall raise them again and again in Committee. I provide the House with a short history of the matter which I take from the draft plan of management for Parramatta Park, to which I previously adverted. This study, which was commissioned by the Department of Lands, commences with this statement:

> Historic evolution of Parramatta Park:
>
> The most historically significant area in Parramatta is its magnificent park which stands as a memorial to the many and varied past uses of the area. It is parkland of the greatest importance, not just to Parramatta and surrounds but to Australia as a nation. Most of today's

> park is freely accessible to the general public, and although it shows many signs of neglect it attracts patronage from well outside the Parramatta area.

The study then goes through the whole history of the park. Indeed, Parrarnatta Park is the site of Australia's first successful wheat farm and of what is known now as Old Government House, which was the country residence of colonial Governors from 1790 to 1857. The report states also that the park, although immensely valuable for its regional and local resources is often used extensively to fulfil the open space needs of local residents and citizens it attracts from wider areas. The report then continues:

> It holds special significance as the cradle of the nation and the heart of agriculture in Australia. Yet examination of its resources reveals it to be nowhere befitting its importance at any of these levels. Facilities, whether for picnic and barbecue, or day trippers, or simply play by local children are equally antiquated and inadequate. Valuable historical monuments and artifacts lie virtually unrecognized and often vandalised. Activities are few and poorly developed. Parkland quality is extremely rundown and deteriorated. Large portions of the parkland have been gradually leased or bought, or in some way alienated from public space over the years.

From that starting point this draft plan of management for Parramatta Park, which is a report of more than 20 pages prepared as a guideline for the Department of Lands to show how the park ought to be preserved and retained, or in part developed as a park, states at page 174:

> Active recreation:
>
> It is proposed that an ongoing programme should thus be implemented to limit the introduction to the park of recreational activities which are incompatible with these criteria and with the objectives of the Management Plan generally. In terms of policy this would prohibit professional sport—

I emphasize those words—

> —fixtures at which admission charges are made—

And I emphasize those words—

> —or activities confined by fencing off a particular area of the park.

I also emphasize that, as that is precisely what the proposal is all about. The report continues:

> It should be noted that the present confinement and use of Cumberland Oval, and the fencing of Kings Oval are contrary to these objectives.

I remind the House that this is the report that the Government commissioned to advise it on how to manage the park. At page 179 the report states:

> Prevention of Further Alienations:
>
> Objectives: Prevent further alienation of Parklands to sectional interests—

Like Parramatta Leagues Club. It continues:

> Proposals: A major step in ensuring the preservation of the amenity of the Park is seen as the prevention of further alienations to its area. Under the 1857 Act by which the park was created, an "area of not less than 200 acres was to be set apart for the health and recreation of the inhabitants of Parramatta".

The Hon. W. J .Holt]

The Government's proposal will bring 19 kilometres of further pollution to the inhabitants of Parramatta. The report then states:

> While the present area of the Park is in the vicinity of 230 acres, we believe that any further reduction in this area, particularly for private sectional use, cannot be justified. This is particularly the case where part of the Park is to be leased to a sectional group at a nominal or "peppercorn" rental. Further, any such action would create a precedent in which further alienations would be difficult to prevent. For these reasons alone, we do not consider that the Cumberland Stadium should be permitted within Parramatta Park.

Those are the proposals put forward by well-known consultants who reported on the future management of Parramatta Park. When did the Government receive this document, which is dated November 1980? It is a draft plan. I ask the Minister to inform the House when it will be put on public exhibition. I have no doubt that then people will make further suggestions, most of which I suggest would support the statements of objectives in the report. Next the final plan of management will be prepared. I ask, how can the Government in the face of that report now introduce legislation to alienate an area from this time-honoured park?

I shall come now to the next step in the sorry history, if that were not enough in itself. The Minister for Lands, the Hon. A. R. L. Gordon, announced, apparently on 6 May, 1980, that following the consideration of the proposal the New South Wales Government decided that the environmental impact statement should be prepared. This vast document is headed "Proposed Redevelopment of Cumberland Oval, Draft Environmental Impact Statement", and extends over only 162 pages. They probably could not think of anything else to say. On page 1 they quote the Minister as saying:

> As you will no doubt be aware when such a study is required as part of the process of consideration of a major proposal the responsibility for the preparation of the document rests with the developer, in this case, the club.

This is referring to the environmental impact statement. It goes on to say:

> The environmental impact statement will need to be prepared in accordance with the prescribed requirements.

The report itself then goes on to say:

> The prescribed requirements are contained in clauses 57 and 58 of the Environmental Planning and Assessment regulations 1980.

The extraordinary thing is that the Minister called for an impact statement in May 1980, but the regulations were not prescribed until September 1980. We are told that the statement was made four or five months before the regulations were prescribed under clauses 57 and 58. The Minister seems to find that amusing; I do not. I am interested to know how it was possible to receive that document under non-existent regulations.

There is another matter to which I invite the Minister to reply. I notice that he is not taking notes of the questions I am asking. I hope that he will remember them, for I shall keep hammering away at him until he does. On page 2 the report states:

> The scope and guidelines of the environmental impact statement were made public during June 1980 and public comment has been considered in preparing this report.

I have obtained a copy of the report from the Parliamentary Library. It did not reach the Parliamentary Library until 12th December, and the public exhibition started four days previously, on 8th December. What public comment, as they said, was considered? A few abject press comments were made I suppose. That is the beginning of the story. If they are doing this under clauses 87 and 58 of the EPNA regulations, which refer to a requirement under clause 60 for the proposal to be advertised in the newspapers—and I understand that it was advertised--calling for comments, and a certain time was given to the public, what happened between 8th December and the end of January? One of these reports says that the Minister will be invited to reply in relation to clause 64 of the regulations, which says:

> The determining authority shall make public a report of its examination of an environmental impact statement and of its examination of any representations as soon as practicable after those examinations have been completed.

First, we know the representations went to the department. The Minister mentioned that in his second-reading speech. We know that it went to the determining authority as soon as practicable. That would be after 30th January. We know that the determining authority as soon as practicable is bound to make a public report of this examination. Has it examined, and where is the report? That is what the Opposition and the people of New South Wales—particularly those in Parramatta—want to know. The Government, without this report, moved in this matter in this Chamber today, and in the other Chamber yesterday.

The Hon. J. R. Hallam: There is very little opposition from the people in Parramatta.

The Hon. W. J. HOLT: I ask the Minister to listen to what I have to say. I shall tell him a little about what happens in the Centennial Park area. But at this stage I ask him to answer the questions I am putting to him. Has the examination been done, and where is the report? Did the Government have it when it took the decision to go on, or did it take its decision before any of these reports came out? That is what we want to know.

I have no doubt that the Minister will favour me with a reply to another matter I wish to put. I ask honourable members to look more closely at the environmental impact statement to which I have been adverting, bearing in mind that under the regulations the developer is bound to prepare the statement. The department is not required to do so, although the department's report is dead against the proposal. Indeed, if one reads through this draft environmental impact statement one can only conclude that it too is against the proposal. Finally, there were some comments on the statement made by another town planner; I shall refer to those in due course.

I turn now to page 3, and refer to the summary of the main environmental impact statements. They have made a comparison between the Cumberland Oval site and the site at Clyde, which is adjacent to the Rosehill racecourse. Outside the House this morning was a magnificent exhibition that had been prepared by students at the University of New South Wales who had done a project on the proposals. There is no question that the Clyde site is the one that must be preferred. Using the proposal in the bill and the Government's guidelines, the report finds:

> A capacity crowd will use all the available parking within 1.5 to 2 kilometres of the site. Crowds of 10 000 will affect 6 kilometres of residential streets. With crowds of 25 000 this would rise to 9 kilometres, and capacity crowds of 40 000, at least fifteen times a year will affect 19 kilometres of residential streets.

The Hon. H. B. French: They would have to walk a long way.

The Hon. W. J. HOLT: Yes. They will not walk there. People will double park on the footpath. As luck or misfortune had it, I moved into a new house in Robertson Road, Centennial Park, while the Royal Easter Show was on. Prior to then I had lived in a comparatively quiet residential district. I had no concept of what went on when heavy traffic came into the area. Many cars are parked in the street in which I live—and not only during the Royal Easter Show. Over Easter friends coming to visit me could not park within cooee of my house. A lane runs behind my house and the police put up a barrier during the Easter show period so that local residents could get into their garages by the back entrance. Some of the time children let down the tyres of cars parked in the area. Cars parked in front of the lane prevented residents up the street from entering their garage. Fortunately my garage fronts the street. By evening I observed that all the cars parked in the street had had their tyres let down by some furious person. One car was still there at midnight. I looked out the window and saw the owner returning to his car with four new tyres.

The police often book motorists who park in the roads round the show ground area and those who park in Lang Street in the evening. It is a favourite spot for motorists. On one occasion two cars were parked on the nature strip outside my house. One car was parked across my drive. A rather apologetic motorist knocked on my door to ask me to let him out because I was blocking his way. I was tempted to tell him it was my daughter's car and to come back at ten o'clock that night, but I let him out. I wonder how many honourable members have experienced this type of thing. I am glad that I had experience of traffic congestion prior to the introduction of this bill. I am told by another town planner that a crowd of 10 000 will affect an area of 19 kilometres of road.

The Hon. H. B. French: Where would people park at Clyde? There is only one outlet at Clyde, and that is Parramatta Road.

The Hon. W. J. HOLT: Figures are given for the Clyde area. I am pleased the honourable member raised that matter. Parking for crowds up to 7 000 spectators can be accommodated on the site. Parking for capacity crowds can be accommodated within 1.5 kilometres of the proposed site. The prime effect would be on industrial land uses. Of course the land would not be in use during the weekends. Crowds of 25 000 will have no effect on the residential areas. Capacity crowds will affect 7 kilometres of residential streets. Students from the University of New South Wales have informed me that the plan they propose would affect only 3 kilometres of residential area. That is to be contrasted with the 17 kilometres affected by the proposed Parramatta Park plan.

Parramatta Park is an historic area. The proposal for a stadium at Clyde would have the benefit of upgrading the area. I am not necessarily saying that a stadium should be placed at Clyde. I am saying that wherever it is put adequate parking should be provided. The report then deals with the fifteen events each year that are estimated to attract a capacity crowd of 40 000. It would take one and a half to two hours to clear the vehicles from the area when an event attracted a crowd of 40 000. It would take one to one-and-a-quarter hours to clear vehicles when there is a crowd of 20 000, and 20 to 30 minutes with a crowd of 10 000. The Government's plan will affect one of the most historic parks in New South Wales or Australia. The Opposition knows what the Labor member, Mr Tom Uren, thought about it.

The Hon. H. B. French: He is not the member for the area. He is the member for Reid.

The Hon. W. J. HOLT: He is a New South Wales member of Parliament and the Labor Party's federal spokesman on this issue.

The Hon. H. B. French: He is not. He is the member for Reid.

The Hon. W. J. HOLT: It does not matter whether he represents Parramatta or Cronulla. The fact is that the Labor Party's federal spokesman on these issues, Mr Tom Uren, wrote letters to the newspapers condemning the Government's conduct in this matter. He stated also that one of the local Labor Party branches opposed the proposal. Honourable members opposite may sit there and grin, suggesting that everything is all right. I should like to see how they will defend their decision after the technical evidence is presented. All the experts employed by the Government and the Parramatta Leagues Club to prepare reports have condemned the proposal. The Friends of Parramatta Park obtained the services of yet another well-known town planner, the firm of Wellings, Smith and Byrnes Pty Limited. That firm was requested to write a report on traffic as it would affect Parramatta Park. I shall quote the report because it answers the Government's problems and will make honourable members opposite realize why the Government's proposal is uterly unacceptable. The report has been in general circulation. It refers to the lack of off-street car parking and comments upon the draft environmental impact statement. The report is in these terms:

> The Proposal advanced for the redevelopment of Cumberland Oval does not incorporate any off-street parking except for 50 spaces for VIP's, press and emergency vehicles. The Draft Statement admits that with a capacity crowd, some 10 000 cars will be drawn to the site. It proposes that these be accommodated, partly in Parramatta Park, partly in existing off-street carparks both public and private, and partly on-street.
>
> With smaller crowds, cars will be accommodated in the Park and on-street and possibly in some off-street carparks.
>
> The parking in Parramatta Park is confined to the two existing carparks—that providing 350 spaces at the swimming pool and the League Club's carpark for 535 vehicles—plus the VIP carpark at the Stadium. At present, there are considerably more cars parked in the Park even for quite minor fixtures but the Draft Statement proposes certain measures to prevent patrons of the Stadium using the balance of the Park for carparking. Chief among these is the "games day fence".
>
> If the balance of Parramatta Park is protected, parking is expected to spill across Parramatta to the north, east, and south for distances, varying with the crowds attending, of up to 2.5 km with all available major private and public off-street carparks being used within that area. The scenario presented parallels that surrounding the Sydney Cricket Grounds and Royal Agricultural Society's grounds at Moore Park. The effects of the amenity of nearby streets will be similar to those suffered in South Paddington and Centennial Park. Strangely, the Draft Statement does not draw this parallel.
>
> The Draft Statement proposes that the inevitable problems arising from intensive use of on-street parking can be controlled by devices such as resident parking stickers and street enforcement.

I agree with Mr Smith that it is absolutely impractical and nonsensical. It just will not work. It does not work at Centennial Park and it will not be any different at Parramatta. The report continues:

> These are in operation in South Paddington but have not appreciably improved the chaotic conditions which prevail there. Numerous cars are

> illegally parked on corners, across driveways, on footpaths, etc. around the Cricket Ground when football matches are in progress and the local residents have to suffer them.
>
> The suggestion in the Draft Statement that patrons coming by car will fill spaces in an orderly fashion outwards from the Oval ignores reality. Late arrivals will not park 20 or *25* minutes walk away from the Oval—they will attempt to park much closer to it and will not be deterred by the legality or otherwise of the space their car occupies.
>
> The suggested system of charging for parking at the time of purchase of entry tickets appears cumbersome and impractical especially when the largest off-street carpark to be utilized (and paid for)—the Westfield Shoppingtown—is some 1.5 km from the Oval.
>
> It is difficult to believe that the Proponent of what would be one of the largest generators of parking in the metropolitan area (and certainly the largest in Parramatta) could be so insensitive to the amenity of local residents as to put forward such a proposal.

They are strong words. The report continues:

> Local residents would not be the only ones affected. Local businesses which might operate on weekends (and which are often heavily dependent on passing trade and easy parking) would also be affected as would any body or group seeking to run functions at churches, schools, historic buildings, etc. The area affected would extend at times across practically the whole of the commercial centre of Parramatta and into the residential areas of North and East Parramatta. While the Draft Statement is not explicit, in suggesting a peak crowd would affect 19 kilometres of residential streets, this could equate to some 10 000 people being affected.
>
> If the Stadium were permitted at the Oval, the obvious chain of events would be that local residents, suffering from parking and the noise and damage associated with it, traffic, etc., would plead for relief and all eyes would focus on Parramatta Park standing pristine and virtually empty behind the "games day fence". While the Draft Statement suggests the capacity of the Park for parking is limited (because of the restricted access available through existing gateways) it would be a simple matter to increase that capacity. It is not difficult to see the large open area in the western section of the Park off Park Avenue becoming a massive parking area akin to Moore Park.
>
> This scenario would be more likely if the Park's general condition is not substantially upgraded as advocated in the Draft Plan of Management.
>
> While most attention in the Draft Statement is given to conditions likely on weekends, if the pattern of usage of the Stadium alters for any reason and more use is made of it during business hours, there could be similar effects. Any private person proposing a large convention centre in Parramatta would be required to provide off-street parking because there is an overall shortage of parking throughout the area. Yet the Proponent in this instance seems to consider its proposal should be treated differently adding yet another public subsidy to that of a cheap site, etc.
>
> Finally, it is not improbable that evolutions in industrial and social conditions including shorter working weeks, etc., will reduce the significance of weekends as interludes for major spectator sporting events. At the same time, longer retail trading hours may also be adopted by an increasing number of businesses. Any such trend would destroy the rationale advanced

> in the Draft Statement for shared use of parking facilities. Without that, the Proposed Stadium would either bring chaos to Parramatta or would prove to be a "white elephant" because of the difficulty of reaching it.

I have read that section of the report in order that the public and honourable members may be informed of the comments that have been made even about the draft environmental statement by a group of well thought of town planners. Their report contains many more pages of matters of concern about this proposal but I shall not go into them in detail because of the time that would take. Wellings, Smith and Byrnes Pty Limited referred to all eyes being focused on parking at Parramatta Park with the possibility of 19 kilometres of streets being congested with car parking. The Friends of Parramatta Park have handed me a document which was sent to them when they were attempting to get a report from the Traffic Authority of New South Wales. The document reads, in part:

> TRAFFIC AUTHORITY OF N.S.W.
>
> Working Party on Redevelopment of Cumberland Oval
>
> Date: 10.00 a.m., Friday 3rd April, 1981.
>
> Venue: Department of Main Roads, 111–113 George Street, Parramatta.
>
> Terms of reference
>
> The State Cabinet has approved the construction of a new stadium at Cumberland Oval. The Working Party is to discuss means to best manage pedestrian and vehicular movements associated with the stadium. Initial emphasis will be on items which should be included as part of the Development Application.
>
> Agenda
>
> A. Parking
>
> (i) On-site parking: Potential for 2,000 space multi-storey car park on current Leagues Club parking area; alternative locations for the above of benefit both to stadium and to City centre.
>
> (ii) Management measures to prevent general stadium parking in Parramatta Park,

and so on. The Minister said that there will be no on-site parking, as I understood it, apart from parking for 50 VIP cars. I cannot see why those people should not put their cars somewhere else. On 3rd April, 1981, the Traffic Authority of New South Wales was looking for on-site parking for 2 000 cars. I ask the Minister to tell the House whether there is a final report from the Traffic Authority of New South Wales upon this proposal in Parramatta Park. Honourable members are now aware of the expanded area which is proposed to be included in the park. What will the additional area be used for? Will it be used for a multi-storey car park? I ask the Minister to reply to me on this matter. I tell Government supporters in this House now that by their actions tonight they will be judged by the people of future generations who live in the city of Parramatta.

The Hon. J. R. HALLAM (Minister for Agriculture) [5.28], in reply: In a long and notable speech, the Hon. W. J. Holt, self-appointed spokesman for the Opposition on the environment——

The Hon. W. J. Holt: I am not self-appointed.

The Hon. J. R. **HALLAM:** The speech of the honourable member took no account of the history of the measure before the House. It took no account of the needs of the people of the western region of Sydney, which is more or less the demographic centre of the metropolitan area of Sydney. It took no account of the stringent conditions attached to the development which I mentioned in my second reading speech and which were released when the statement was made.

The Hon. W. J. Holt: What are the stringent conditions?

The Hon. J. R. **HALLAM:** If the honourable member continues to listen to me, I shall go through them in detail for his benefit. His speech completely ignored the fact that the Cumberland Oval project is a redevelopment of an existing site which offers the worst sporting conditions in Sydney. The argument being advanced by many people and the confusion in the minds of the public is based on this project requiring a subdivision of Parramatta Park. In fact, it involves the much needed modernizing of sporting facilities and the provision of facilities for the people of the western suburbs of Sydney.

Anybody who has watched a game of football at Cumberland Oval on a rainy day will realize that gumboots are the order of the day and that hundreds of people have to stand on tomato boxes to see the match. Obviously such considerations do not apply to the Hon. W. J. Holt. Probably he watches Rugby league or Rugby union or plays croquet or badminton in much greater comfort. No doubt he has much better facilities in the part of Sydney where he lives than are provided for the community who go to Parramatta Park. This proposal has been discussed with interested groups for over two-and-a-half years. No acknowledgment was made by the Hon. W. J. Holt of the fact that 48 652 people petitioned in support of the proposal and only 175 against. To put forward the Clyde Showground as an alternative venue for such a development is to ignore completely the fact that there is no entrepreneur available who is willing to build an oval of this kind——

The Hon. W. J. Holt: But the Minister put it up.

The PRESIDENT: Order! The Minister is entitled to be heard in silence.

The Hon. J. R. **HALLAM:** Moreover, as there are already alternative uses for the Clyde Showground, the suggestion does not merit serious attention. For the benefit of honourable members, I shall reiterate the stringent conditions set down by the Minister for Lands, Minister for Forests and Minister for Water Resources on this matter. He has laid down the requirement that the improvements must be within the boundaries of the current oval and no increase in that area will be permitted in future for the parking of cars or for any other use. Vehicles shall not be allowed into Parramatta Park for the purpose of additional parking for the stadium. The Hon. W. J. Holt made great play of that point. The height of the new stand is not to be higher than the highest point of the existing stand within the oval. The height of the new lights are to be no greater than the highest point of the existing lights within the oval. Furthermore, satisfactory alternative parking arrangements must be made subject to the aforementioned conditions.

The Hon. W. J. Holt: To what conditions is the Minister referring?

The Hon. J. R. **HALLAM:** The conditions I have just read out. The oval is to be used for sporting purposes only, and any exception to a use for sporting and ancillary purposes must be with the express consent of the Minister. Obviously the needs of the community will be taken into account. The programme of improving and upgrading Parramatta Park for passive recreation will be undertaken by the State Government in co-operation with the Parramatta city council. That will be a beneficial piece of spin-off for Parramatta Park. In addition, development applications are to be lodged with the Parramatta city council and processed in accordance with the Environmental Planning and Assessment Act. What could be clearer than that?

In the eyes of the Hon. W. J. Holt, the plan of management is obviously unsatisfactory. However, it has been considered by the Government and all issues have been taken into account. The decision by Cabinet to enact legislation for the stadium has had its effects. Reference was made to removal of these proposals from the normal process of impact assessment. However, the construction work will have to be processed in accordance with the normal building and development application procedures. I have referred to the degree of public support given to these proposals, which the Hon. W. J. Holt appears to contest. The proposals relate to an area of Sydney that has been sadly neglected in the provision of sports facilities of this nature. There is a degree of urgency for it. A detailed car parking scheme has been developed utilizing a number of public and private parking areas and there will be appropriate parking controls. The Hon. W. J. Holt spoke of the traffic congestion in proximity to the Sydney Cricket Ground. No doubt that is a matter of fact, but the traffic is controlled by the police.

The Hon. W. J. Holt: The point I made was that the police cannot control the traffic adequately.

The Hon. J. R. HALLAM: That is a fact of life. I have covered the safeguards on which the Government will insist. I have listed also the degree of public support for this measure and have emphasized that a great deal of discussion has taken place on it over the past two-and-a-half years. I commend the bill.

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

The House divided.

Ayes, 18

Mr Burton	Mr Kaldis	Mr Turner
Mrs Fisher	Mr King	Mr Watkins
Mr French	Mrs Kite	
Mrs Grusovin	Mr McMahon	
Mr Hallam	Mr McPherson	*Tellers,*
Mr Healey	Mr Melville	Mr Baldwin
Mrs Isaksen	Mr Thompson	Mr Dyer

Noes, 16

Mr Calabro	Mr Lange	Mr Rowland Smith
Mrs Chadwick	Mrs Lloyd	Mr Solomons
Mr Darling	Mr MacDiarmid	
Mr Doohan	Mr Orr	*Tellers,*
Mr Holt	Mr Pickering	Mr Freeman
Mr Kennedy	Mr Sandwith	Mr Philips

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Clause 4

The Hon. W. J. HOLT [5.43]: Subclause **(2)** of clause 4 gives the Minister for Lands power to grant leases of designated land—in other words Cumberland Oval and its surrounds—from time to time and upon such terms and conditions as he thinks fit. As I mentioned in my speech at the second reading stage, there is no resolution of the parking conditions that will apply for this proposed stadium. Some 19 kilometres of residential roads will be congested with parked motor vehicles. I ask the Minister to inform the Committee of the Government's proposals for parking, especially as parking in Parramatta Park will not be permitted. Further, what does the Minister mean when he refers to "satisfactory alternative parking arrangements subject to the above conditions are to be made" as referred to in one of the proposed conditions? In other words, there will be no parking within Parramatta Park. I ask the Minister where will the parking areas be, what studies have been made on the subject of parking, and has the Government any reports on it? As the Minister did not reply to a question that I asked during the second reading debate, again I ask where is the report under section 64 of the regulations, which was supposed to be made public? If it is not to be made public, does the Government propose moving in this matter of Cumberland Oval and Parramatta Park prior to receiving that report?

The Hon. J. R. HALLAM (Minister for Agriculture) [5.45]: **A** detailed car parking scheme has been developed utilizing a number of public and private car parks, and appropriate parking controls will be introduced.

The Hon. W. J. Holt: Where?

The Hon. J. R. HALLAM: They will come within the guidelines and stringent conditions set down in my second reading speech. In relation to the other question asked by the Hon. W. J. Holt about part V of the Environmental Planning and Assessment Act, I am advised that clauses 56 to 65, which deal with the requirements of the environmental impact statement and the regulations, were being followed until the Government made a decision to introduce special legislation to authorize the construction and the operation of the stadium.

The Hon. W. J. Holt: Does the Minister mean that the Government never allowed the report to be made public?

The Hon. J. R. HALLAM: I ask the honourable member to wait a moment. The provision in the regulations requiring the Minister for Lands, who is the determining authority, to make public the assessment of the environmental impact statement, is no longer applicable, and the decision has been taken by the Government. The Government has stood by that decision, which will be implemented by the bill and this will allow the proposal to proceed. Parking will be regulated by the stringent conditions that have been outlined. All the submissions were considered before the Government made its decision. The matter will be proceeding in accordance with the Environmental Planning and Assessment Act.

The Hon. W. J. HOLT [5.46]: Again I ask the Minister to state where in Parramatta the cars will be parked. The draft environmental impact statement states that there will be some cars in public and private car parks, referring to the Westfield development and the Grace Bros development at Parramatta. Of course some cars may park there, but I am referring to the parking of some 10 000 cars. The report says that even using up all the public and private car parking spaces in Parramatta there will be an overflow of cars that will fill up 19 kilometres of residential streets in Parramatta. The only answer the Minister gave was that there will be some restrictions. I remind the Committee that there were restrictions at Centennial Park during the Royal Easter Show, of which I spoke before, adjacent to my home. Motorists parked their cars on the pavement. I assume that if a motorist took his family to the show it may cost him $50, and another $10 for a parking breach may not have mattered to him. The Government did not wait for a final report. The draft report states that 19 kilometres of residential streets will be crowded out with motor vehicles. If parking is not permitted in Parramatta Park, what does the Government propose should be done about those cars?

The Hon. J. R. HALLAM (Minister for Agriculture) [5.48]: The Hon. W. J. Holt is assuming that a maximum number of people attending a sporting function at Cumberland Oval will travel there by motor vehicle. The honourable member seeks the ideal of no traffic congestion. Any reasonable person who understands the nature of Australians attending sporting fixtures, especially Rugby league matches, would realize there could well be some short-term congestion caused by motor vehicles. Detail design, development and traffic control measures are being formulated with the relevant authorities to ensure a minimum disruption of traffic flow.

No one has ever denied that there would be a degree of congestion at peak periods, but the people of Parramatta are not as lucky as the Hon. W. J. Holt, who lives in the Centennial Park area, and need merely walk across the road to see or use all sorts of sporting facilities. He wants to prevent the development of a sporting complex for the people of the western suburbs who never support the Liberal Party, and are never likely to do so. I am advised that by the time the proposed stadium is constructed there will be more than 11 000 car parking spaces available from private sources. This would be in a variety of sites within proximity of the oval.

The Hon. W. J. HOLT [5.51]: The Minister now says that there will be 11 000 car parking spaces from private sources in Parramatta. Has a study been done of this matter, and can the Minister produce it to the House? This is the first time we have heard about it; it was certainly not mentioned in the report. I think the report suggested that between 20 per cent and 30 per cent of the people would be accommodated in private car parks; the figure was certainly less than 40 per cent. That still leaves 19 kilometres of residential roads that will be taken up.

While the Minister is answering that question, will he also answer this query: he said that some small congestion will occur when people are getting home. His own report says that on fifteen days during the year when there will be an estimated crowd of 40 000 in attendance at the oval, it will take one-and-a-half to two hours for the vehicles to clear the area. The Hon. F. M. MacDiarmid says that a football match takes about eighty minutes; let us be generous and accept ninety minutes as a good round figure. If one adds to that hour-and-a-half the two hours it will take to clear the area, bringing the calculation to three-and-a-half hours, one must then add the time it takes people to park their cars, and to walk to and from the oval. For the people who go to watch the preliminary games, their vehicles could be in the area for five, six or even seven hours. I am basing those figures on the estimate given by the Minister's advisers, who say that a crowd of 40 000 people will generate about 10 000 vehicles.

The Hon. J. R. HALLAM (Minister for Agriculture) [5.54]: For the benefit of the Hon. W. J. Holt, who probably rarely visits Parramatta, and does not often go past Phillip Street, Sydney—

The Hon. W. J. Holt: I have been to Parramatta Park many times, and have spoken about it in this place.

The Hon. J. R. HALLAM: Probably the honourable member goes to Camp Cove or some other attractive spots in Sydney.

The Hon. W. J. Holt: On a point of order. I take offence at the Minister's allegation that I patronize Camp Cove. I have not been there once in forty years.

The CHAIRMAN: Order! There is no point of order.

The Hon. J. R. HALLAM: I could have said Lady Jane beach, but I did not, and as the honourable member objected to my reference to Camp Cove, I withdraw that comment. I am advised that in the Parramatta area some 8 000 parking sites are presently available from private sources.

The Hon. W. J. Holt: The Minister has come down from 10 000 to 8 000.

The Hon. J. R. HALLAM: I distinctly recall saying that when the stadium is finished it is estimated that 11 000 car parking spaces will be available. I am now informing the honourable member—and he obviously was not aware of the fact—that already there are 8 000 car spaces.

The Hon. W. J. Holt: Will the Minister tab': the report?

The CHAIRMAN: Order! I ask the Hon. W. J. Holt to allow the Minister to continue without further interruption.

Clause agreed to.

Adoption of report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. J. R. Hallam.

Third Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [5.56]: I move:

That this bill be now read a third time.

I shall elaborate on my answer to the question raised by the Hon. W. J. Holt about car parking by giving the sources of the information relating to those parking sites. I refer him to page 69 of the report. He will find that it says: "On Street parking, 4680, and off-street parking by private sources, round about 8 000."

Motion agreed to.

Bill read a third time.

Bill returned to the Legislative Assembly without amendment on motion by the Hon. J. R. Hallam.

ALBURY–WODONGA DEVELOPMENT CORPORATION

Personal Explanation

The Hon. W. L. Lange: I seek the indulgence of the House to make a personal explanation relating to a matter raised today in another place. Today the Minister for Industrial Development and Minister for Decentralisation in another place, in answer to a question from the honourable member for Albury, made some quite unfounded allegations about me. The Minister claimed that I have gained considerable personal advantage from the sale of land to the Albury–Wodonga Development Corporation, and he implied that this was done improperly. Also he claimed that, because I had not been able to reach agreement with the Albury–Wodonga Development Corporation on a question of a flood-free earth bank across an anabranch of the

Murray River upstream from my property, subsequently I carried on a feud with the development corporation and the Minister, and attempted to relate these matters to the review of the Albury–Wodonga growth centre recently announced by the Commonwealth Government. The matters are, of course, quite unconnected.

I refer now to the sale of an area of land to the corporation and the inference that somehow I have obtained an unfair advantage from it. Let me detail the true position. I state categorically that I have absolutely nothing to hide and I am absolutely disgusted that the Minister and the honourable member for Albury should stoop so low in a desperate attempt to hold the seat of Albury. I hope I do not go into the matter in too much detail, but it is important to set the record straight. I shall touch upon some personal matters, and apologize for so doing.

In 1971 my wife and I had planned to build a home on land at Bowna Waters, which adjoins the Hume Weir. On it a large water storage dam was located. On 6th February, 1972 our second son, then aged three years and ten months, was drowned in a swimming pool accident. Following that family tragedy, naturally my wife was apprehensive about building a home near the water storage for she was concerned about likely danger to our other young children. We decided to look elsewhere, for a home rather than build a house. Accordingly, on 9th May, 1971, we attended an auction for a house. We did not buy that dwelling because the reserve price was too high. However, a friend of ours, who also attended the auction, advised us that a mutual friend, Mr Ray Paton, could be interested in selling portion of his property at Lurgoona, which might suit us.

On the following Sunday, 14th May, 1972, we inspected Mr Paton's land. He made an offer to us of 41 acres of that property at a relatively high price for that time, but we accepted it on 19th May, 1972. The offer included most favourable terms. Mr Paton was ill with suspected cancer and he offered favourable terms so that his wife would have an income from the transaction and at the same time a favourable price would be realized for the land. A deposit was to be paid and settlement to be effected when funds became available from the sale of our Bowna Waters property. The necessary instructions to prepare a contract were given during the following week to Mr Brett, a solicitor of Albury.

Later Mr Paton agreed to include in the contract a provision that one acre of the land could be subdivided to allow for the erection of a home. The purpose was to enable the l-acre area plus the proposed house to be provided to the bank as security for a housing loan, and for the vendor to obtain security for his mortgage on the balance of the 40 acres. The initial deposit was paid on 14th July, 1972, and contracts were signed and exchanged, but not dated. Mr Brett, a solicitor, acted for both parties. On 11th August, 1972, approval was sought from the Albury city council for the subdivision. It was approved on 17th August, 1972, and the linen plan of the subdivision was submitted to council for endorsement on 14th September, 1972. Council confirmed the approval and endorsed the linen plan on 28th September, 1972. These dates are relevant, because it was implied that I might have purchased this land after the announcement of the former federal Leader of the Opposition, the Hon. E. G. Whitlam, about the Albury–Wodonga growth centre.

The contract was dated 10th October, 1972, and was submitted for stamping. This had not been done previously, merely to delay the payment of stamp duty. Settlement was effected on 1st December, 1972, after receipt of funds from the sale of the Bowna Waters land in November 1972. I believe that the facts, as I have outlined them, clearly discount the inference of the Minister for Industrial Development and Minister for Decentralisation, especially as I was not elected to this House until March 1974. At the relevant time I was not a member of this Parliament.

The Hon. W. L. Lange]

Though I was a member of the Liberal Party I did not have any prior knowledge of the announcement of the growth centre by the former Leader of the federal Opposition, Mr Whitlam, a member of an opposing political party.

Mr Whitlam, at that time Leader of the Opposition, made an announcement about the growth centre in October 1972. There was nothing positive or concrete in his statement, and I could not have foreseen that the growth centre would develop as it did. The area of land was not designated for acquisition by the corporation until about July of 1974. So I would have had to be extremely foresighted to know what would take place two years later, bearing in mind that I had agreed to buy the land in May 1972—five months before Mr Whitlam's announcement in October of that year.

The price that I obtained for the land was less than my private valuer considered reasonable. The price was about half way between the development corporation offer and my claim—a quite normal level for these sorts of settlements. I emphasize that at all times I and the corporation were at arm's length. In fact all the negotiations with the corporation—apart from the initial one—were carried out by my valuer.

If by vague innuendo the honourable member for Albury and the Minister for Industrial Development and Minister for Decentralisation are claiming that I have done something wrong, all I hope is that their consciences are as clear as mine. I am certain that they are not. The Minister stated that there was something I might need to reply to regarding the loss of files from the Albury–Wodonga Development Corporation. In fact, as I understand it from press reports of some years ago, hundreds of files were stolen from the corporation. Apparently, my personal file was included among them. If the honourable member believes that I had anything to do with this matter, it is so ludicrous that it is hardly worth mentioning. Also, the Minister claimed that I had unreasonably requested the Albury–Wodonga Development Corporation to replace an earth bank on a property adjoining mine. The property does not adjoin my property. That is only one minor error, when taken in conjunction with the tenor of the Minister's statements, which are completely unfounded and are quite untrue.

For many years the River Murray Commission and the Water Resources Commission have been concerned, following complaints from farmers along the Murray River, that during periods of high regulated irrigation water flows, access to properties or parts thereof is difficult, and in some instances impossible. Following the major flooding in 1976, the earthwork levee bank on Bronalla—the property acquired by the development corporation—upstream from my property was washed away. This caused considerably greater quantities of irrigation water to flow through Cook's lagoon to adjoining waters. I did not consider that I or my neighbours should bear the cost of replacing that earth bank. Over a period of years the working party of officers on behalf of the River Murray Commission inspected the affected properties, including mine, my neighbour's, Bronalla, and many others. The party recommended with regard to the Bronalla problem that, instead of placing a large and costly access crossing on my property and my neighbour's, a new bank on the corporation's land would be less costly and would have the advantage of allowing the corporation to lease its property more readily and on better terms.

The River Murray Corporation then proceeded to have the work completed at three-quarters of the cost to the commission and one-quarter to the Albury–Wodonga Development Corporation. As I say, I had declined to contribute to the cost and I consider that to be quite fair and proper. Far from this small incident causing me to carry on a feud with the Albury–Wodonga Development Corporation, my views on that body are well documented in *Hansard*. They go back to at least **1975,** well before any discussions over the Bronalla matter. The Minister's allegations are spurious. I consider his attack is quite reprehensible. I refute absolutely the statement of the Minister and the honourable member for Albury and regret that they have not more important matters to attend to than personal vilification of members of Parliament. The claims are completely unfounded and designed to do nothing more than to discredit me and the Liberal Party in an attempt to retain the seat of Albury. I am not ashamed of my position and I do not hide from my **20** years of professional activity prior to entry into Parliament as a representative of the Albury area.

Those within the Labor Party, particularly the honourable member for Albury, who seek to smear or disparage me will not receive any satisfaction from their cowardly attempts under the privilege of Parliament to create the false impression that I have somehow done something wrong in relation to the Albury–Wodonga Corporation. I shall continue to work to correct the errors of that body in the growth centre. I know that the review of the operations of the Albury–Wodonga Development Corporation, similar to the review undertaken by the Minister for Agriculture when he was Minister for Decentralisation and Development in relation to Bathurst–Orange, is unpopular, but I believe it is necessary and desirable. The wilful and despicable attack upon me and my family in the other place today is clearly part of a campaign against me, as I am obviously a thorn in the side of the Government in the Albury area. I will not be intimidated by their threats, nor will I be silenced in my championing of the cause of what is right, not only for those in Albury but within New South Wales. As I said, I shall seek redress, if necessary through the courts, if given the opportunity. Anything that I say in this Chamber tonight—unlike what the Minister and the honourable member for Albury in another place have said—I have no fear of saying outside. I thank honourable members on both sides of the House who have expressed regret to me over this matter. I thank them for their indulgence and trust that these comments will set the record straight.

ELECTION FUNDING BILL

Third Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) **[6.12]:** I move:

> That this bill be now read a third time.

Motion (by the Hon. J. R. **Hallam**) agreed to:

> That the question be amended by the omission of the words "read a third time" in order to the insertion in their place of the **words,** "recommitted **with** a view to the further consideration of Clause **110".**

In Committee (Recommittal)

Recommitted clause **110**

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) **[6.13]:** As I said earlier in relation to clause **110,** the Government—after receiving representations from the Council for Civil Liberties—was seeking a suitable form of words to deal with the concern which was expressed by that body and in this Chamber by the Hon. L. A. Solomons. The form of words he suggested is acceptable to the Government. I move:

> That at page 59, after line **9,** there be inserted the words

(6) The power of an inspector shall only be exercised under the provisions of this Act when the Authority is satisfied upon reasonable grounds that the provisions of section 93 have not been complied with.

The Hon. M. F. WILLIS (Leader of the Opposition) [6.14]: I congratulate the Government on having the good sense to accept the amendment. It will make at least one part of this otherwise obnoxious piece of legislation a little more acceptable,

Amendment agreed to.

Recommitted clause agreed to.

Adoption of Report

Bill reported *secundo* from Committee with a further amendment, and report adopted, on motions by the Hon. D. P. Landa.

Third Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [6.15]: I move:

That this bill be now read a third time.

The Hon. M. F. WILLIS (Leader of the Opposition) [6.16]: The Opposition in this place and in another place has opposed this measure at every stage and we oppose it at the third reading stage. I do not intend to weary the House with the arguments that have been put at length, and with great cogency against this measure by the Opposition in this Parliament. Suffice it to say that the Government has brought forward this measure as something which will enhance and protect democracy in this State. The Opposition most sincerely and genuinely takes exactly the opposite view. Our view is that this piece of legislation will have a most detrimental effect on the processes of democracy in this State. Political parties are undoubtedly fundamental to democracy in the Westminster system. Instead of their being enterprising, free, not dependent and vital, this legislation will make those parties that are tempted to accept this tainted money from the Treasury dependent, mendicant and sterile.

The Liberal Party and the Country Party have stated quite clearly that they will not accept public funding to do the job that they believe they have to do in this democratic society. If the Labor Party wishes to accept money from the Treasury and become dependent upon that to do the job which it should be doing in this democratic society, then I repeat what I forecast in my speech at the second reading stage; it will be the beginning of the undoing of that party which will lose its vitality, its voluntarism and ultimately its credibility. We oppose the third reading of the bill.

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [6.19], in reply: One can always respect the viewpoint taken on a matter of principle by people of integrity with a history of sustaining and defending the democratic procedures that are part and parcel of the Australian way of life, I have had to sit here and listen to these mealy-mouthed platitudes from an Opposition that was once the Government in this State, which has pushed some of the most outrageous gerrymanders through this Parliament in the dead of night and in the early hours of the morning. Members of the Opposition resisted the democratic reform of this House. They resisted the bringing about of one vote one value and of optional preferential voting, which are hallmarks of true democratic conviction. They now seek to sustain their control over the flow into the coffers of their parties of the majority of their funds from large companies, multinational companies, foreign companies and oil companies. They seek to sustain that secret arrangement and keep it hidden from the eyes of the people of this State, so that the promises with the strings attached to the gifts to these political parties can fall due if and when the coalition parties ever regain Government in this State. Their opposition to this legislation is the height of hypocrisy.

The opposition of the Liberal Party-Country Party coalition to the proposal is based purely on self-interest. I can understand the shudders that must run through people connected with the Federation Insurance Limited and the company's kick-back arrangement with the Country Party when they know that these matters will have to be disclosed by statutory declaration.

The Hon. R. B. Rowland Smith: It has never been hidden and the Minister knows it.

The Hon. D. P. LANDA: The Government revealed it in the House.

The Hon. R. B. Rowland Smith: It was published in *Countryman.*

The Hon. D. P. LANDA: That refers to the advertising programme. We want to see the rest of the kick-back arrangements and to know what else is involved.

The Hon. R. B. Rowland Smith: They publicly present the party with a cheque every year.

The Hon. D. P. LANDA: I should say they do. I want to know what they get in return.

The Hon. L. A. Solomons: The Minister should try saying that outside the House.

The Hon. D. P. LANDA: I thought it was something the Opposition was proud of and wanted to be open about. Perhaps I am a little naive in these matters. I am an innocent abroad among these experts in the arrangements they can make with companies. They have got the matter to a fine science. Under the Askin–Cutler Liberal Party–Country Party Government this State went through the greatest increase in property development in its history. It involved 6 million square feet of surplus office space that was built by large development companies. Those properties have been occupied only in the past two years; originally they stood empty. The arrangements entered into in those days are now well known to the people of New South Wales, and I have no doubt it was that knowledge that led to the downfall of the Liberal Party and Country Party Government. Therefore I appreciate the Opposition's concern on this matter. I would be worried if my party had that history of party funding. It is about time the people of New South Wales knew these things. I believe that deep down the Opposition is afraid it will become known that its support in the way of contributions is pathetic. In the forthcoming election Opposition supporters will be ashamed that this will be known to members of the public. The Opposition certainly does not want to show the support it has in the business community.

The Hon. R. B. Rowland Smith: The Minister knows that 70 per cent of people do not want these proposals. Why does the Government not have the guts to put the matter to a referendum?

The Hon. D. P. LANDA: The high point of the Opposition's case came when it put forward its pathetic amendment. The Opposition's view was that as it did not want to take public funding it could avoid the public disclosure provisions. That shows how high-principled the Opposition is. It still wants to keep its secret arrangements. That shows how much it is interested in democracy or in the public having access to information. I understand the Opposition's concern, but all good things must come to an end. The day of reckoning is upon the Opposition, and it is about time that the Australian public knew the people to whom the Liberal Party and Country Party members are indebted for financial support. One has only to look at the latest piece of legislative history when the Rt Hon. J. D. Anthony gave support to an oil pricing parity policy that was detrimental to the man on the land, the farmer, but very much in favour of Esso, BP and other multinationals. We shall soon know to what extent the piper of the Liberal Party calls the tune. I congratulate the Government on one of the great hallmarks of democracy.

The Hon. R. B. Rowland Smith: The truth is that the Labor Party is in a mess and needs the money.

The Hon. D. P. LANDA: We shall soon know how much the wool companies are kicking back to keep the Hon. R. B. Rowland Smith here. The public is entitled to know these things and soon will be able to make a judgment on the facts. That knowledge is the bastion of democracy. I commend the bill.

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

The House divided.

Ayes, 18

Mr Baldwin	Mrs Isaksen	Mr Turner
Mr Burton	Mr Kaldis	Mr Watkins
Mr Dyer	Mr King	
Mrs Fisher	Mrs Kite	
Mr French	Mr Landa	Tellers,
Mr Hallam	Mr Melville	Mrs Grusovin
Mr Healey	Mr Thompson	Mr McPherson

Noes, 16

Mrs Chadwick	Mrs Lloyd	Mr Solomons
Mr Doohan	Mr MacDiarmid	Mr Willis
Mr Duncan	Mr Orr	
Mr Freeman	Mr Philips	*Tellers,*
Mr Holt	Mr Pickering	Mr Calabro
Mr Kennedy	Mr Rowland Smith	Mr Lange

Question so resolved in the affirmative.

Motion agreed to.

Bill read a third time.

Bill returned to the Legislative Assembly with amendments, on motion by the Hon. D. P. Landa.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION (AMENDMENT) BILL

Third Reading

The Hon. D. P. LANDA (Minister for Education and Vice-President of the Executive Council) [6.32]: I move:

That this bill be now read a third time.

At the second reading stage the Leader of the Opposition suggested that the Government consider an appropriate amendment in relation to a child over the age of 18 years but nevertheless dependent on a former member of Parliament. The matter has been considered by the Government and it has decided that it would be inappropriate to have the matter included in the bill. It will be referred back to the appropriate Minister and, if necessary, at some further date it will be discussed with the trustees and interested parties and again reconsidered.

Motion agreed to.

Bill read a third time.

Bill returned to the Legislative Assembly without amendment, on motion bp the Hon. D. P. Landa.

[The President left the chair at 6.35 p.m. The House resumed at 8.5 p.m.]

CHURCH OF ENGLAND (NORFOLK ISLAND) BILL

CHURCH OF ENGLAND TRUST PROPERTY (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. J. R. Hallam.

First Reading

Bills read a first time, and ordered to be printed, on motions by the Hon. J. R. Hallam.

Suspension of Standing Orders

Suspension of certain standing orders agreed to on motion by the Hon. J. R. Hallam, on behalf of the Hon. D. P. Landa.

PUBLIC AUTHORITIES (FINANCIAL ACCOMMODATION) BILL

Message

Message received from the Legislative Assembly agreeing to the Legislative Council's amendment.

LIQUOR (AMENDMENT) BILL

REGISTERED CLUBS (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. J. R. Hallam, on behalf of the Hon. D. P. Landa.

First Reading

Bills read a first time, and ordered to be printed, on motions by the Hon. J. R. Hallam.

Suspension of Standing Orders

Suspension of certain standing orders agreed to on motion by the Hon. J. R. Hallam.

WORKERS' COMPENSATION (AMENDMENT) BILL

WORKERS' COMPENSATION (DUST DISEASES) AMENDMENT BILL

WORKMEN'S COMPENSATION (BROKEN HILL) 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. J. R. Hallam.

First Reading

Bills read a first time, and ordered to be printed, on motions by the Hon. J. R. Hallam.

Suspension of Standing Orders

Suspension of certain standing orders agreed to on motion by the Hon. J. R. Hallam, on behalf of the Hon. D. P. Landa.

NORTHERN RIVERS COUNTY COUNCIL (UNDERTAKING ACQUISITION) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [8.17]: I move:

That this bill be now read a second time.

The main purpose of the bill is to provide for the final stage in consolidating the electricity supply arrangements on the northeastern seaboard of the State, by conferring upon the Northern Rivers County Council the necessary powers with respect to the acquisition by it of the electricity undertaking of the South East Queensland Electricity Board in the shire of Tweed. The first stage of this matter commenced late in 1979, when Parliament passed the County Districts Reconstitution Act, the general effect of which was to provide for the amalgamation of certain electricity councils along the eastern seaboard of the State. That legislation extended the county districts of certain core wuncils, with the result that the wre councils were responsible for the supply of electricity in the extended areas.

One of the councils affected by the legislation was the Northern Rivers County Council, the county district of which was extended to include the municipality of Mullumbimby and the shires of Byron and Tweed. Since 1958 the Tweed shire area has been supplied electricity by the South East Queensland Electricity Board under a franchise agreement between the board and the Tweed shire council. The supply of electricity by the Queensland supply authority to the shire under the agreement was the only feasible arrangement at the time. Though the agreement itself provided for the acquisition by the council of the board's Tweed undertaking, on termination of the agreement this was never considered a feasible proposition.

Recognizing, however, that the acquisition of the undertaking was economically acceptable for the Northern Rivers County Council, the Government included in the County Districts Reconstitution Act a provision that substituted the Northern Rivers County Council in the agreement for the Tweed shire council, with the result that the option to acquire the undertaking vested in the county council. The franchise agreement is due to expire on 30th June, 1981, and the county council has been negotiating with the Queensland authorities to effect transfer of the undertaking on the due date.

The Tweed shire is serviced by two South East Queensland Electricity Board depots, one at Murwillumbah in New South Wales serving the Tweed shire only, and one at Coolangatta in Queensland, serving both New South Wales and Queensland consumers. Because the undertaking to be acquired by the county council is essentially a Queensland undertaking and consists of assets both in New South Wales and Queensland, the powers of the council need to be supplemented if it is to carry out its obligations under the terminating franchise agreement.

On the question of staff, the agreement makes provision for the transfer of some staff who were wholly or principally employed in connection with the undertaking, from service with the South East Queensland Electricity Board to service with the county council. Discussions between the South East Queensland Electricity Board and the council suggest that all of SEQEB's Murwillumbah staff, some 36, and part of the Coolangatta staff—some 37 out of a total of 80—could be involved when the acquisition takes place. Though the agreement itself makes provision for the transfer of staff, because the staff involved are servants of Queensland authority, specific provision% are necessary if the remuneration and other rights of transferring staff are to be protected. Accordingly, the bill will confer upon selected staff a right to elect to transfer their service to the county council. Once the election takes effect, the persons who make the election become servants of the county council and are then entitled to the protective provisions contained in the bill. These provisions are designed to safeguard the rate of remuneration, the conditions of employment, rights of accrued leave and the like, to transferred servants.

The legislation provides that the employment of transferred staff will not be terminated on the grounds of redundancy arising from the acquisition and that transferred staff will not be required to be based outside the Tweed Shire in New South Wales. In essence, the safeguards are substantially similar to those that applied to council staff affected by the amalgamation of electricity councils early in 1980 under the County Districts Reconstitution Act. On the subject of superannuation. SEQEB's staff are contributors to a scheme under the Queensland Electricity Act. The bill therefore allows employees to elect either to remain in the Queensland scheme or to transfer to the New South Wales Local Government superannuation scheme. This will be a once-only election. It should be noted that the Queensland Government has already passed the necessary legislation to permit the employees involved to remain in the Queensland scheme notwithstanding their service with a New South Wales authority. In the event that some transferring officers might elect to remain in the Queensland scheme, the bill will confer upon the county council power to carry out the obligations of an employer under that scheme.

With respect to employees who elect to join the New South Wales local government scheme, the bill contains appropriate provisions to enable the transfer from the Queensland scheme to be effected. For purchase of the undertaking the agreement requires the county council to pay in cash or securities, to the satisfaction of SEQEB as to the term and interest rates, an amount equal to the fixed capital of the undertaking. That will involve payment of an amount estimated to be in the order of **$1.3** million per annum over ten years. It is estimated that the amount is broadly equivalent to the amount the council would have been repaying in loans if it had itself been managing and carrying out the works associated with the undertaking over the years in which the franchise agreement operated.

As stated previously, certain assets in Queensland form an integral part of the undertaking. I refer to the 33 kV substation which is sited at Coolangatta immediately adjacent to the border, forming a necessary part of the supply network to the Tweed shire. The reasons for the siting of these assets on the Coolangatta site is now a matter of history but the importance of their role in the maintenance of supply to the shire is clear. For these reasons it is considered essential that if the county council is to have adequate control over the electricity supply to the Tweed shire in the future, it must also acquire the Coolangatta site with its substation and other on site assets. The purchase price for these Queensland assets, which is subject to negotiation between SEQEB and the council, would be in the order of $1.6 million. The acquisition by the Northern Rivers County Council of the Queensland board's electricity undertaking in the Tweed shire is an important move in consolidating the eicctricity supply arrangements on the northeastern seaboard of the State. In addition, rationalization of supply arrangements in that part of the State is essential if the Government is to achieve its stated policy on the introduction of tariff rationalization throughout the State. Accordingly, I commend the bill.

The Hon. J. W. KENNEDY [8.24]: The Opposition supports the bill and agrees with its concept. As the Minister said, the South East Queensland Electricity Board until now has controlled power in part of the Tweed shire. The board has done a good job in supplying power to that part of New South Wales. It is known that the board has its hands full and is keen to relinquish the franchise. The New South Wales Government now has an opportunity to carry on the operation itself. The bill will authorize the Northern Rivers County Council to resume the role now being carried out bv that board. The financial commitment for the acquisition will be about $10 million.

Will it be the obligation of the Northern Rivers County Council alone to fund the purchase of assets of the South East Queensland Electricity Board, or will the Electricity Commission of New South Wales meet part of the cost'? Some concern has been expressed in the area that if the Northern Rivers County Council has to meet the whole financial commitment. there could be steep increases in charges made for power. I am informed that the bulk supply of electricity will continue to be received from the Queensland Electricity Generating Board. The New South Wales Electricity Commission will buy the power from the Queensland board and re-sell it to the NRCC. If that is to be so, there will merely be a change in distribution of the power-

The Hon. J. R. Hallam: It is being purchased in bulk.

The Hon. J. W. KENNEDY: From the Queensland authority. That is what the Queensland body was doing previously—purchasing it from the Queensland generating authority. There will be a simple change in the distribution of power in *this* area. I am informed that the tariff will be on the same basis and level as charged under the New South Wales bulk tariff supply. The capital content of the acquisition may have to be financed in part by the New South Wales Electricity Commission. The bill does not say who will pay for the assets. When the matter was being discussed with the councils in the area, the Minister for Local Government and Minister for Roads, and Minister for Industrial Relations and Minister for Energy visited the area and gave undertakings to the council. I shall read three of the undertakings contained in a letter from the office of the Minister for Industrial Relations and Minister for Energy and signed by the Hon. H. F. Jensen, Acting Minister for Energy. It is addressed to Councillor Ball, the president of the NRCC. The third paragraph reads:

> However, under the planned consolidation, Tweed Shire Council can be assured that its residents would enjoy electricity tariffs from Northern Rivers County Council no less favourable than they would receive from the South East Queensland Electricity Board, and indeed, it is to be expected that significant numbers of consumers would receive a significant reduction in their electricity charges.

I shall now read an extract from the record of a meeting held with the former Minister for Mines and Energy on Thursday, 28th June, 1979. Paragraph 4 reads:

> The Minister said that should the tariff under N.R.C.C. be higher in isolated cases because of the variances in different tariff structures, those consumers will pay no more than if they had stayed with S.E.Q.E.B.

Paragraph 11 reads:

> In answer to a question about the capital cost of bringing bulk supply lines into Tweed Shire from the south at some later stage, the Minister gave the assurance that the cost of bulk supply lines will be met by the Electricity Commission and not by the people in this area.

The Minister went on to say that:

> Funds for this purpose are raised from consumers in city areas, also funds for rural electrification works.

He pointed out that it is government policy to deliver electricity to any part of the State of New South Wales at the same price, and to achieve this, consumers in the city are paying a little more to subsidize the delivery of power to the rural areas of the State. The last paragraph I shall read is paragraph 17 which states:

> In answer to a question about guarantee agreements in rural areas, the Minister gave an assurance that such consumers would pay no more under the new scheme than they do at present.

Users of electricity in the Northern Rivers County Council area, particularly in the area I am speaking of, may expect to pay no more than they have been paying or would have paid had they remained with the Queensland board. That is a critical point that should be cleared up, for there are some misgivings in that area that it may not be the case.

The Hon. J. R. HALLAM (Minister for Agriculture) [8.32], in reply: I thank the Hon. J. W. Kennedy for his contribution. I shall answer specifically the queries that he raised. In the first instance he wished to know, in relation to the assets which are estimated to be worth about $1.6 million——

The Hon. J. W. Kennedy: About $10 million for the lot.

The Hon. J. R. HALLAM: The Northern Rivers County Council will pay for the assets. That agreement was reached in discussions that have taken place. So far as the cost of electricity is concerned, the electricity will be purchased in bulk by the Electricity Commission of New South Wales from the Queensland authorities and then sold to the Northern Rivers County Council. Consumers of electricity in the

Northern Rivers County Council area will not be disadvantaged by the increase in tariffs which occurs in different months of the year. The increase in New South Wales occurs in January. The increase in Queensland is in July.

Motion agreed to.

Bill read a second time.

In Committee

Clause 5

The Hon. E. P. PICKERING [8.34]: I ask the Minister whether any investigation has been conducted to determine whether some employees who transfer from the Queensland operation to the New South Wales operation will be remunerated at a higher level than is applicable to similar classifications in New South Wales. If that is so, has the Government considered a course of action that might resolve the conflict that will inevitably occur in such a situation?

The Hon. J. R. HALLAM (Minister for Agriculture) [8.35]: The answer to the question is, yes. Employees transferring will have the option, depending on their personal evaluation, of remaining in the Queensland superannuation scheme or contributing to the New South Wales scheme. They may elect to continue to contribute to the Queensland scheme even though they will be employed by the New South Wales authority.

The Hon. E. P. PICKERING [8.36]: I think the Minister may have understood me. Clause 5 deals with remuneration of transferred servants, rather than superannuation. It provides that the remuneration of an employee who transfers from Queensland to New South Wales will not be reduced. If the remuneration in Queensland is higher than the remuneration for a similar classification in New South Wales, some conflicts may develop. First, is that a possibility? Second, if it is, what action does the Government propose to take to overcome the problem?

The Hon. J. R. HALLAM (Minister for Agriculture) [8.37]: The clause provides that:

> A transferred servant shall, subject to Part V of the Industrial Arbitration Act, 1940, be remunerated by the County Council on terms not less advantageous than those on which he was remunerated by The South East Queensland Electricity Board immediately before the appointed day.

If the honourable member applies his mind to that clause he will find the answer that he is seeking.

Clause agreed to.

Clause *6*

The Hon. D. R. BURTON [8.38]: I ask the Minister what would be the position of a transferred employee of the county council, based in Queensland, but working for the Northern Rivers County Council, who was injured at work; would he be covered by the New South Wales Workers' Compensation Act because he was employed by a New South Wales organization or would he be covered by the Queensland Workers' Compensation Act because he was working in Queensland when he was injured?

The Hon. J. R. HALLAM (Minister for Agriculture) [8.39]: A worker in Queensland must be covered by the Queensland Act. If he is working within the State of New South Wales he would be covered by the legislation applicable to this State.

Clause agreed to.

Clause 10

The Hon. P. F. WATKINS [8.40]: Clause 10 (1) (a) refers to the termination of employment of any transferred servant. What will happen so far as long service leave is concerned if a servant who has eight years' service resigns his position? Will he still be entitled to that long service leave under this legislation?

The Hon. J. R. HALLAM (Minister for Agriculture) [8.40]: Yes, I can say quite categorically that such a person would have the right to long service leave.

The Hon. E. P. PICKERING [8.41]: The Government now has had a fairly extensive experience of county council amalgamations. Has the Minister evaluated the cost of paying gratuities to servants who have terminated their service or who have resigned?

The Hon. J. R. HALLAM (Minister for Agriculture) [8.42]: I do not see how I can be expected to carry in my head detailed cost assessments. Some gratuities are payable under the Local Government Act. A more specific answer to that query would necessitate detailed research.

The Hon. E. P. PICKERING [8.43]: The thrust of my question was whether the Government had attempted to evaluate the likely cost of this part of the legislation.

The Hon. J. R. HALLAM (Minister for Agriculture) [8.43]: I assure the Hon. E. P. Pickering that all these factors were considered at Cabinet level. I do not have at hand any specific assessment. It may still be too early to evaluate our estimates as opposed to the actual position.

Clause agreed to.

Adoption of Report

Bill reported from Committee without amendment, and report adopted, on motions by the Hon. J. R. Hallam.

Third Reading

Bill read a third time, and returned to the Legislative Assembly without amendment, on motions by the Hon. J. R. Hallam.

CHURCH OF ENGLAND (NORFOLK ISLAND) BILL

CHURCH OF ENGLAND TRUST PROPERTY (AMENDMENT) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [8.46]: I move:

> That these bills be now read a second time.

These bills are being sponsored by the Government for the Church of England in Australia at the request of the Anglican Archbishop of Sydney, Sir Marcus Loane. As the Archbishop of Sydney, Sir Marcus Loane has ecclesiastical responsibility for the affairs of the Church of England on Norfolk Island and successive Archbishops of Sydney have had this responsibility since 1938 when episcopal oversight was transferred from the Bishop of Melanesia. Despite this long-standing relationship between the church on the island and the Archbishop of Sydney, formal links have never been established and, in fact, the island has not formed part of a diocese of the church since it was severed from the diocese of Tasmania in 1869 by an Act of the Imperial Parliament. In 1979, the members of the church on Norfolk Island requested that they be formally included as part of the diocese of Sydney and the synod of the diocese in that year passed an ordinance which was intended to effect the merger of the island into the diocese.

At this point I should mention that the constitution of the church, which is a schedule to the Church of England in Australia Constitution Act, 1961, authorizes diocesan synods to alter boundaries and to accept new territory into dioceses. The difficulty with Norfolk Island, however, is that it is not part of the State of New South Wales as defined by section 17 of the Interpretation Act, 1897, but is a Territory of the Commonwealth of Australia. To achieve the incorporation of the island into the diocese of Sydney, it will be necessary to give extraterritorial effect to the statutes of this State which are designed to regulate the affairs of the Church of England. These church statutes contain references which expressly limit their operation to within the borders of New South Wales and the bills now before the House provide that in the future when these statutes are being construed, a reference to New South Wales will be taken to include Norfolk Island. As part of this exercise, the legislature of Norfolk Island recently passed complementary legislation in the form of the Church of England Act, 1981, which applies the principal church statutes of this State to the island as if they had been passed by the island legislature.

As I have already indicated, these bills were introduced at the request of the Anglican Church and were prepared by the Parliamentary Counsel on the instructions of the church's solicitors. On 13th April, 1981, the standing committee of the synod of the diocese of Sydney formally approved the bills as achieving the objects of the church. I deal now with the provisions of the Church of England (Norfolk Island) Bill. Clause 1 states the short title by which the Act will be known. Clause 2 provides the principal part of the Act will commence on a day to be appointed by the Governor. Clause 3 provides that the bill applies to the Church of England Constitutions Act Amendment Act, the Church of England in Ausralia Constitution Act and section 17 of the Interpretation Act, to be known as the principal Acts. Clause 4 provides that the principal Acts are to be construed as if Norfolk Island were part of New South Wales. In the Church of England Trust Property (Amendment) Bill, clause I states the short title of the Act and clause 2 provides that the principal part of the Act will commence on a day to be appointed by the Governor. Clause 3 provides the Church of England Trust Property Act is to be amended as provided for in schedule 1. Schedule 1 varies the definitions of Church of England and New South Wales. Norfolk Island has passed its own legislation dealing with church property and so the New South Wales Church of England Trust Property Act will not extend to the island. These definitions must be amended, however, in order that it will be possible for the Act to apply only to that part of a diocese which actually lies within the borders of the State. I commend these bills.

The Hon. L. A. SOLOMONS [8.50]: As the Minister stated, the purpose of the legislation is to cure an unfortunate anomaly that has developed because of the relationship of the Church of England in Australia and the Church of England in Norfolk Island. Again, as the Minister said, New South Wales has no power to enact extraterritorial laws that will have effect in Norfolk Island which, under the terms of the Interpretation Act, is not part of this State. Agreement has been reached between this State of New South Wales and the Legislature of Norfolk Island that the law of New South Wales, as printed, will apply to that island so far as the ordinances relating to the church in that particular jurisdiction are concerned. Consequently, the legislation is brought before the House to make certain that the agreement is given full and free effect. There is no contention about the measures, with which the Opposition is in wholehearted agreement.

The Hon. J. R. HALLAM (Minister for Agriculture) [8.52], in reply: I thank the Opposition for its unanimous support of the measures.

Motion agreed to.

Bills read a second time.

Committee and Adoption of Report

Bills reported from Committee without amendment, and report adopted, on motions by the Hon. J. R. Hallam.

Third Reading

Bills read a third time, and returned to the Legislative Assembly without amendment, on motions by the Hon. J. R. Hallam.

WORKERS' COMPENSATION (AMENDMENT) BILL

WORKERS' COMPENSATION (DUST DISEASES) AMENDMENT BILL

WORKMEN'S COMPENSATION (BROKEN HILL) AMENDMENT BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture) [8.53]: I move:

That these bills be now read a second time.

Honourable members are aware that the Workers' Compensation Act was extensively amended in **1980,** as was promised by the Government before election to office. However, certain matters that the Government planned to have included in that amending Act proved difficult in principle or in drafting, but have now been prepared for Parliament's attention. A number of the amendments have raised controversy between unions and employer groups. But, as is the Government's policy, the differing interests have been consulted during the preparation of the bill. In response to criticism of aspects of the insurers' contribution fund by the insurance industry, the right of recovery from the fund in respect of common law verdicts will be repealed by item (11) of schedule 3 of the principal bill and certain administrative amendments enacted.

At the request of the Department of Mineral Resources and Development an amendment has been included as item (7) of schedule 1 to deem auxiliary mine rescue workers to be workers for the purposes of the Act, employed by the district committee of the district in which the rescue corps is situated. As these people carry out a valuable service to the mining community, it is only proper that they should be clearly covered for workers' compensation in the execution of their duties and in travelling to and from rescue operations, training or competitions.

Recently the Hon. P. S. M. Philips raised in this House matters of concern to the Metal Trades Industry Association and relevant to the Anti-Discrimination (Further Amendment) Bill, **1981.** The Government has been conscious that members of the

Metal Trades Industry Association have been dissatisfied with the industrial deafness provisions of the Workers' Compensation Act. Because the current employer, or, where the worker is no longer employed, the last employer in noisy industry is liable for the full current work-related hearing loss, some employers have been refusing to employ workers with over a certain percentage hearing loss. I am informed that employers in the metal trades require applicants for employment to be tested for hearing loss as a matter of course. Some workers are refused employment until they have put in a claim for the current percentage loss against their last employer. Employers are naturally concerned that this policy may be held to be contrary to law following the recent amendments to the Anti-Discrimination Act which. became law on 22nd April, 1981.

The **bill** will facilitate the employment of those workers who have experienced industrial deafness. The date of injury will be changed by item (1) of schedule 2 from the date of the claim to the date of notice of injury. The notice can be given immediately a percentage hearing loss is detected, whereas a claim follows when the worker has seen specialists and had the percentage assessed by more accurate means. Once the notice of injury is given, a new employer may employ that worker, in most instances without the risk that he will be liable for the full hearing loss. The amendments provide also that all employers in noisy industries within a maximum of five years prior to the date of injury will be liable to make contributions to the employer who is liable at the date of injury. The industrial deafness amendments will take effect on a day to be notified in the ***Government Gazette,*** so that procedural arrangements may be effected before commencement.

The main bill includes important amendments to section 9 of the Workers' Compensation Act relating to weekly benefits payable to injured workers. The concept of the current weekly wage rate, payable during the first twenty-six weeks of incapacity, was introduced by this Government in December 1977. There have been a number of teething problems in relation to section 9, which the present amendments will rectify. In particular, a number of awards do not fix or provide for the **fixing** of a rate for a weekly or longer period, as required under that section. In such cases the statutory amount prescribed pursuant to that section applies. This prescribed amount was designed originally to be the maximum amount payable for persons **not** remunerated under an award, as defined in the Act.

The Government recognizes that certain classes of workers, whose awards are not appropriately worded to fulfil the requirements of the section, nevertheless should not be compensated at the statutory amount. Section 9 (8) has been redrafted in item (2) of schedule 2 so as to allow for the prescription of a particular formula **in** respect of a class of workers, under a particular award or awards. **When the** current weekly wage rate was enacted, the Government intended that compensation would reflect the actual award rate during the first twenty-six weeks of incapacity. If an award were increased during that period, so the compensation payment would increase. However, insurers took the view that the various subsections interacted, so as to limit the current weekly wage rate to the worker's average weekly earnings, as **defined** in the Act. The present amendments attempt to remedy this defect, in the interests of all workers, by limiting subsection 10 of section 9 to apply to part-time workers only.

By item ***(6)*** of schedule ***4*** section ***60*** **(2A)** will be repealed to allow the commission, in reviewing a weekly payment, to increase the current weekly wage rate if the circumstances justify an increase. It is expected that the combination of these amendments will rectify anomalies that have become apparent since the concept was introduced. The amounts payable under section 16 for injuries of specific types will be increased by schedule **2** (4). Lump sum compensation rates that have not been increased since December 1977 will be increased by 31 per cent.

The amount payable for severe facial disfigurement, which was increased in April 1980, and the amount payable for loss of sex organs, which was introduced in April 1980, are being increased by **15** per cent. **The** death benefit payable under the Workers' Compensation (Dust Diseases) Act, 1942, for dependent widows will be increased from $10,300 to $16,500. This increase is commensurate with the increase to $40,000 in the death benefit under the principal Act, which became **effective** on **17th** December, 1980. This amendment will be retrospective to that date, and will be indexed twice yearly. The sum payable for dependent children under that Act is to be increased to $20 a week from the same date and indexed twice yearly thereafter.

Discriminatory aspects of the principal Act and the Broken Hill legislation will be rectified in the present amendments. Of particular note is the amendment to the definition of a ***de facto*** spouse, whereby the qualifying requirement of three years' cohabitation is being removed. Provision is made in schedules 2 (3) and 4 (2) for the prescription of a rate payable per kilometre for the use of a private vehicle for attendance at medical treatment or examination by a referee or medical board. This amendment will bring consistency between insurers in the important area of compensating medical costs.

The definition of public hospital under the Act is restricted to New South Wales public hospitals. It frequently occurs, however, that workers are hospitalized outside New South Wales as a result of work injuries. At present the insurer compensates the worker at the prescribed rate in respect of a private hospital—a lesser amount generally—even though the treatment has been given at a State public or recognized hospital, because those hospitals do not fall within the definition of a public hospital. Schedule 2 (3) will allow the prescription of public hospitals in other States, so that rates charged by such hospitals can be recovered from the insurer.

It has long been a principle of workers' compensation that all workers should be eligible to receive compensation if injured in the course of employment. Since 1926, however, casual workers, employed otherwise than for the purposes of the employer's trade or business, have been excluded from the definition of worker in the Act. This exclusion has been narrowed by legislative amendment and by interpretation of the courts, but it is proper time for Parliament to repeal the exclusion. So that the public may be fully informed of any additional liability, the repeal of this subsection will commence on a date to be notified in the ***Government Gazette.***

In 1976 the Court of Appeal held in ***Employers' Mutual Indemnity Association Ltd*** v. ***Hutcherson*** that a principal under section 6 (3) of the Act is not insured against his liability to a contractor's workers by **a** policy of insurance taken out as an employer, as required by section 18 (1) of the Act. Schedule 1 items (4) and (5) of the principal bill will amend section ***6*** (3), so that the principal under a contract for the execution of work shall be liable to pay workers' compensation in respect of a contractor's workers, only where the contractor is uninsured. Where the principal is uninsured, such a worker shall be entitled to make a joint claim for compensation against his employer, the principal and the uninsured liability scheme.

By item (1) of schedule 3 any new or renewed policy of insurance shall contain such provisions as are prescribed in relation to insuring an employer, who is a principal under a contract for the execution of work, against a liability arising under section 6 (3) of the Act. By schedule 6 (1) existing policies are to be deemed to insure a principal against his liability under this section, if they do not already do so. It is provided also that where the insurer of a principal under a contract for the execution of work pays compensation to the contractor's worker, if that insurer has not received a premium in respect of workers under the relevant contracts he shall be entitled to recover a premium from the principal. It is expected that these provisions will encourage principals to make sure that their contractors have current workers' compensation policies. Workers will be advantaged in that, in most cases, either the employer or principal will have obtained insurance cover which is quickly identified and accessible for immediate payment of claims. Only in rare cases will the uninsured liability scheme be involved, with resultant delay in finalizing the claim. Schedule 6 to the bill to amend the principal Act contains transitional and savings provisions of the usual type.

One innovation, which honourable members should note, is the provision that any further loss of function resulting from an earlier injury will be compensated at the new section 16 amounts, so long as that further loss has not been compensated or agreed to be compensated prior to the commencement of the Act. Though I have not detailed every amendment introduced by the bills, I have outlined the most significant changes. I refer honourable members to *Hansard* and the itemized schedule presented in another place for greater detail. I commend the bills.

The Hon. L. A. SOLOMONS [9.6]: The bill is, at least in principle and substantially in practice, supported by the Opposition. It deals with some simple concepts and some extremely complex and difficult concepts. As the Minister said, these are complex matters that have been in the boiling pot for some time and have finally come out. I would that we on this side had had greater time to examine them, but so far as I have been able to see in the time available to me, the legislation should effect the objects contained in the explanatory notes.

With regard to the matters dealing with the contribution between employers, contractors and principals, and the provisions on boilermakers' deafness, I foresee some further legislation in due course to determine the precise meaning of the provisions. However, without appearing to be critical of the Government, because I know something of the complexity of the issues involved, I see in this legislation that at least an attempt has been made to grapple with the problems involved.

Turning to the bills, I refer first to a matter that has caused considerable comment. It is intended to omit from the definition of dependants the words "a woman so dependent who for not less than three years immediately before the worker's death" with a view to substituting the words "a person so dependent who". It is intended also to omit from this definition the words "him, lived with him as his wife" with a view to inserting the words "the worker, lived with the worker as the worker's husband or wife".

Some concern has been expressed in the community about this amendment, but to the people who have that concern I should like to say that I see no difficulty with the proposal. It will put a common law wife and a legal wife in exactly the same position. Both must (a) prove that the relationship is one of husband and wife, on either a de facto or a legal basis; (b) that there was injury; and (c) that there is a relationship of dependency between that person and the person who was so injured. I see no difficulty with that concept but I express concern about the three years' provision referred to later in the bill. It was inserted in the Act by the 1980 amendments. I did not see the need for it then, and I still do not see the need for it.

If a woman can prove she is a wife, she will be regarded as dependent. If she is not a wife and cannot prove she is dependent, other considerations arise. On those facts depends the result of a compensation claim—namely, the consideration whether there be a legal or a *de facto* relationship of husband and wife. Another alteration that goes right through the terms of the bill is that the legislation no longer distinguishes between male and female. A male worker or a male person who is dependent upon an injured female worker will be entitled to the same compensation as was formerly limited to female persons. That is progressive legislation. Concern was felt by a number of persons in business that the number of claims would be increased. Frankly, I do not consider that there is justification for anything like the concern that has been expressed. Claims will not be increased substantially, if at all.

Section 6 (3) and the subsequent sections of the principal Act are being amended to ensure that a person who works for a contractor or for someone else—and who is employed by a principal of that contractor—will not be entirely without compensation if the contractor for whom he is working has no compensation insurance coverage. This has been a bugbear in workers' compensation legislation for many years. A number of decisions have been given on this matter. The legislation will remedy the matter once and for all and provide a formula whereby the defaulting contractor will be made to meet a reasonable part of the cost—a cost that his own default has brought about because of a failure to observe the injunction cast upon him by the law to take out workers' compensation insurance. At the same time it will ensure that principals who employ contractors should examine their insurance policies to see that they are cast in the appropriate form before such contractors commence to work. The provision will ensure that principals of contractors make certain that their own insurance is adequate to cover a contractor's employees.

Proposed new subsections 6 (9A) and (9B) of section 6 deal, as the Minister said, with persons acting with a permanent rescue corps under the Mines Rescue Act when summoned so to do; or for attending training for such purposes or journeying for such purposes when summoned or for such training. These people carry out a valuable function. It would be wrong not to introduce special provisions for workers, such as bushfire fighters, who perform similar tasks. Often the tasks they perform are as onerous or dangerous as the tasks performed in the terrifying work of mine rescue. It is proper that the legislation should embrace such people. I take it that the appropriate information will have to be promulgated to the district committees responsible for rescue corps to ensure they are aware of the new-found liability and have adequate insurance cover.

The most difficult part of the legislation is that dealing with boilermakers' deafness. Honourable members would be aware that that term does not necessarily apply to boilermakers working in their trade. It applies to anyone who works in noisy conditions and where the deafness is gradually brought about by constant exposure to noise. I refer to tractor drivers or sawmill workers; indeed, to workers in any noisy plant. Many young musicians in pop groups would come within that category.

In this noise-besotted age widespread classes of people in the community suffer because the form of their employment diminishes their ability to hear. When such people apply for a different type of employment many employers are reluctant to take them on. The reason is that an employer's insurer may be aware of an employee's history of boilermakers' deafness and does not wish to have to accept responsibility for a total or substantially increased deafness and be compelled to incur the expense. The amendments to the Act are concisely set out in the explanatory notes to the bill.

The Hon. L. A. Solomons]

It is far simpler to read these notes than to analyse precisely this complex legislation. The legislation provides as follows:

(g) provide that in gradual hearing loss cases (for example, boilermaker's deafness)—

(i) the date of the injury shall be deemed to be the date notice of the injury is given if the worker is then employed in an employment to the nature of which the injury was due or, if not so employed, the last day of his employment in employment to the nature of which the injury was due;

(ii) compensation shall be payable by the last employer in an employment to the nature of which the injury was due;

(iii) the last employer shall be entitled to recover contributions from the worker's previous employers in employments to the nature of which the injury was due during the preceding period of 5 years (or, if the worker has been compensated for a prior injury of the same kind within the preceding 5 years, during the period that has elapsed since the prior injury);

(iv) the Commission may, out of the Uninsured Liability Scheme, pay a contribution to an employer who is unable to recover a contribution referred to in subparagraph (iii),

Honourable members may think that provision contains a fair amount of gobbledegook, but it merely means that an employer who takes on a worker with a previous injury of this type to his ears will be responsible for the worker's compensation insurance and will have to pay compensation if the worker receives further injury. However, the employer will be able to recover a proportionate part of the compensation from the insurer of the worker's previous employer, having regard to the nature of the injury at the time he left his previous employment. If there is no previous employer—because an employer may have gone out of business or disappeared from sight—the amount of compensation may be recovered from the Uninsured Liability Scheme. Briefly, that is a synopsis of the scheme. I trust it will work. There will be litigation under the new Act. For the sake of workers in New South Wales, I hope my predictions prove to be incorrect.

I understand that in the other place an amendment was moved to provide that any person who has had an injury to his ears should be subjected to some form of audiometric testing to determine the state of his hearing at the time he takes up work with his new employer. I do not believe that is practicable. A provision of that nature would be likely to frighten off prospective employers. The question of contribution between parties to an injury of this nature will be determined by the commission upon the appropriate medical evidence, as it determines other matters. The requirement for any one class of principal to have a medical examination when any other class of insurer is not required to have such a medical examination may breach the provisions of the anti-discrimination legislation in this State.

I turn to the amendments to section 9, which carry through to the ordinary week-to-week compensation payable under the Act. The definition of worker is to be amended to take out the classic connotation and remove the concept of male and female by inserting person. The de *facto* relationship concept will be removed, as will the *de facto* relationship for three years, and it will be replaced by the phrase husband and wife whether the relationship be legal or ***de*** *facto*. Provision will be made for classes of workers whose wages cannot be determined by reference to an award for determination of the rate at which they will be paid for the first twenty-six weeks following an injury.

The second reading speech of the Minister dealt adequately with the principles that are to be applied, except for one piece of draftmanship which intrigued me so much that I shall share it with the House. I am referring to proposed section 9 (10A). I ask honourable members to bear with me and see whether they can help me determine what the proposed section means. It reads:

(10A) In subsection (10), the reference to a part-time worker—

(a) includes a reference to a worker belonging to a class of workers prescribed for the purposes of this paragraph; and

(b) does not include a reference to a worker belonging to class of workers prescribed for the purposes of this paragraph.

The Lord giveth and the Lord taketh away. I suppose the answer is hallelujah. I think I know what the draftsman means but surely he could have used a less complicated method of saying it. It is another example of what I have thundered about over the years. If a layman were to read this part of the legislation, he would be bound to agree with the famous aphorism of Charles Dickens about the law being a ass. Proposed section 9 (13) (d) sets at rest a query that has existed for many years about whether an award of the Coal Industry Tribunal is an award for the purposes of workers' compensation. This will now be provided for by statute.

I am particularly pleased with the amendments to section **10** dealing with travelling expenses. This matter has for many years been a bugbear for lawyers practising within the commission, for each insurer has its own view about how to deal with travelling expenses. To illustrate the problem I shall cite a typical case in my own area. If a worker who lives in Tamworth is injured and has to go to Sydney for the purposes of the Act—for treatment, medical examination or any other purpose—he gets a taxi to the airport, which he can claim, he gets so much for the air ticket from Tamworth to Sydney, and he gets his taxi fare from the airport to Tamworth on his return journey. But what happens to a worker from Bingara who is injured? Bingara is about a hundred miles from the nearest airport in two directions. The nearest base hospital is at Tamworth, which is a hundred miles away.

If he has to travel in and out for specialist treatment on a number of occasions, he cannot use public transport between the two areas, for there is none. He may be able to travel more easily to Inverell, but it does not have the specialist facilities that are available at Tamworth. If he suffers a serious injury he may have to make a hundred journeys by car of a hundred miles each way or two hundred miles a time. I have known a number of cases where an injured worker has had to make a hundred or more journeys when he has been incapacitated for two years and the doctors have prescribed as being necessary for his rehabilitation intensive physiotherapy two, three or four times a week. When one tries to recover the travelling expenses from the insurer there is a scream like that of the proverbial cat which has suffered a certain fate. I am pleased to see the amendment to section 10. Over the years lawyers have developed a technique for dealing with these people, but it has never resulted in an adequate return to the worker who has been affected by such an injury.

I am pleased also to see that in the amendments to section 10 and in the later amendment to section 54 provision will be made to enable the commission to prescribe a rate to compensate an injured worker for the use of his own motor car in a case where that is the only means of transport available to him. If he does not have a motor vehicle. he usually gets a mate to drive him. If he cannot get a mate to drive him, there is no way for him to attend for specialist treatment in the example I gave as there is no direct connection between Gingara through Barraba and Manilla to Tamworth. This matter has caused concern in the insurance industry. It has been the cause of much complaint. I am pleased that the nettle has been grasped at last.

*The Hon. **L. A.** Solomonsl*

The amendment to the definition of public hospital in section 10 (2) will give statutory approval to what has been done for a considerable time. The amendments to section 16 are in the nature of an updating of compensation payments. As the Minister said, they will provide for an increase in the amounts payable for permanent injury in respect of statutory injuries and those in the table attached to section 16. The Minister referred also to the provision for lump sum contribution in the Act amending the Workers" Compensation (Dust Diseases) Act. Those amendments are proper to deal with inflation and its effect in reducing the value of payments under the Act.

The provisions of section 18 with respect to the forms of policies have been the subject of consideration by the Workers' Compensation Commission of New South Wales for some time and have been awaiting clarification. They do what is set out in the explanatory note. Proposed new section 18B requires the employer to disclose a name and address for the service of documents upon him for the purpose of the Act. Although I commend the fact that the requirement will be given statutory force, I should like to see also the insurer's name added. One rarely has difficulty in finding the name and address of the employer, but in the early stages substantial difficulty is often experienced in determining who is the insurer. There are three specific circumstances where that applies. The first is where a person has been employed by somebody who, prior to the statutory amendment, has continued to pay the full amount of the wage to the insured worker and who, having paid the worker the full amount, then pockets the insurer's cheque. There is nothing wrong with that—it is a proper thing to do—but the worker never learns the name of the insurer.

The second case is where such a long time has elapsed that the worker forgets the name of the insurer, if indeed he ever knew it. The third case is where an insurer, as is increasingly the case these days, has his insurance arranged through a broker. Time and again a worker who sees me about a compensation claim gives the name of the broker rather than that of the insurance company. When one presses for the name of the insurer the worker often does not know the answer. Indeed, one often has trouble to discover the insurer's name from the employer. Recently I was involved in a worker's compensation claim on behalf of an applicant. One counsel appeared in respect of the injury that finally brought the matter before the commission, but six counsel represented the various insurers for the same employer. The applicant had experienced a number of episodes over a number of years, and had been a most valued employee of his employer. His employer had changed his insurers seven times in nine years. In each case the insurance had been effected through a broker. To compound the difficulties in that case, one of the insurers was Australian General Contractors. That firm went broke and legislation was enacted to rescue it. There are problems to be faced in this legislation. I hope that at an appropriate time there will be added to proposed new section 18B the duty to disclose the name of the insurer so that it is on record. Often, as I have said, mere inquiry from the employer does not yield the correct answer. Sometimes even the employer does not know the name of the insurer. That may seem strange but unfortunately on occasions it is so.

There are a number of other matters relating to alterations to the Act and with respect to non-requirement in the case of claims against the uninsured liability fund concerning redemptions where a common law judgment has been obtained against an uninsured respondent. That is a proper provision. Compliance with the Act often milks the funds in the uninsured liability fund, where there is no possibility of recovery, If the person had been insured he would have been able to pay, but most people who are not insured cannot meet a common law judgment. The purpose of these cognates bills is basically to amend the Act along the lines enunciated by the Minister.

The complexity of the legislation governing the relationship among principals, contractors and workers and the provisions regarding boilermakers' deafness will in due course give rise to additional litigation. I believe that these matters will undoubtedly come before the House for further consideration at a future date. Apart from those considerations I have no major complaint about the bills and support them in their present form.

The Hon. F. J. DARLING [9.37]: I do not echo the words of support for this bill expressed by the Hon. L. A. Solomons. I wish briefly to discuss several matters of principle. I refer to submissions made to the Government by the Metal Trades Industry Association in respect of boilermakers' deafness. The Hon. L. A. Solomons was spot on in his comments on that topic. These bills will undoubtedly give rise to a great deal of litigation. The legislation will be unsatisfactory and litigation, almost without end, will follow. In short, it will prove to be another lawyers' paradise—a habit into which the present Labor Government seems only too keen to fall. The present procedure in the purview of the Workers' Compensation Act requires the current employer, in appropriate cases, to be responsible for any compensation paid under the Act. The measure seeks to take the purview back five years, theoretically removing an anomaly. This will result in an enormous amount of litigation aimed at establishing the percentage of disability suffered by the worker in respect of previous employers. The employers will have little say in the matter. The insurance companies will resist and fight claims. I remind the committee that thirty cases of boilermakers' deafness have been contested in the past year. A figure of $25,000 has been expended, with costs, and less than $12,000 has been recovered. This added impost upon the insurer would add to his total cost ratio and, in turn, make a mockery of the Government's objective to reduce premiums to 80 : 20 ratio rather than the former 70 : 30 ratio, and the current 75 : 25 ratio. It means that the industry will pay more and eventually consumers will all pay more for the products they consume.

Boilermakers' deafness is a cause of concern to workers. I appreciate the principles behind the Workers Compensation Act, namely, that a person injured at work is entitled to reasonable compensation. On the subject of liability, honourable members should not kid themselves for one moment that this legislative change will, in some miraculous fashion, make more equitable the distribution of the costs of compensating workers for boilermakers' deafness. It will do quite the opposite. The Government's proposal will add materially to the total administrative costs of workers' compensation cases. The spin-off will not be in the best interests of all persons. Notwithstanding the suggestion by the Hon. L. A. Solomons that boilermarkers' deafness may be induced by a disco band or similar cause, there is no doubt that workers suffering from the disability face real problems. I do not consider that they will be met adequately by the proposed change in the legislation in these particular circumstances.

I draw the attention of the House to the proposal that a principal contractor will be responsible because a contractor does not ensure that the workers employed by him are adequately covered by workers' compensation insurance, thereby placing the onus on the principal contractor. When one speaks about industry one is referring to a well-established undertaking which employs experts of all kinds, including those versed in production techniques, accountancy, workers' safety and debt recovery. Further, major undertakings and reputable contractors ensure that they have effective insurance cover in accordance with the provisions of the Workers' compensation Act and that the insurance is continued; in other words that the premiums are paid on the due date, thereby ensuring that their workers are fully protected under the law.

The effect of the amending legislation will be that an employer who engages a contractor who, in turn, employs labour will be responsible as the principal for ensuring the contractor has all his workers adequately covered and protected under the law by way of compulsory insurance. That is right and proper with established businesses as those employers understand and accept the principle. The ordinary householder who engages a painting contractor, who in turn engages a landscape gardener or any one of a dozen tradesmen will not be so well informed. Few householders would be sufficiently expert in the provisions of the legislation to ask the contractor, through their wives, who are the persons that the contractor contacts when the husbands are at work, to produce the current receipt issued by his insurance company to prove to the householders that workers' compensation premiums in respect of every subcontractor employed on the site are fully paid up and current. The Government, which claims to protect working people, is at times way off beam. It fails to understand the real problems facing ordinary people in a decent community.

No householder would wish that workers employed in or about his house should be disadvantaged or say that it is proper that workers should come on to the site and not be covered by the workers' compensation legislation. It is nonsense for the Government to thrust the onus on the poor little housewife by asking her to make certain that, in accordance with the legislation, every worker employed by a contractor entering her garden plot is appropriately covered under the workers' compensation legislation. I ask the Government to examine further what it is seeking to do.

Other provisions of the legislation do not refer simply to persons employed by others but extend to people who are employed on a casual basis. I refer particularly to the handyman, the happy young man, who is probably a seaman on holidays. I refer also to a young girl who may be the neighbour of a family for whom she works as a casual babysitter. No housewife would ask her husband whether every person who comes on to the property to work is covered by workers' compensation. No husband in the ordinary household would say to his wife, "When Jessie comes tonight to babysit please make certain we have workers' compensation cover, and if not, please ring up the broker and arrange it". The Hon. L. A. Solomons mentioned that even if one arranges insurance through a broker one may still face problems. In an ordinary household no husband would say to his wife, "Have you spoken to the broker or to an insurance company representative to ensure that the babysitter tonight is adequately covered under the workers' compensation law?"

One must be realistic. Workers' compensation legislation was designed to ensure that those persons inadvertently injured at their place of work through no fault of their own, with no contributory negligence, were looked after during their period of incapacity and thus did not become a burden on the community, or on their families, and would be able to look after their wives and families in a reasonable manner. Over the years since 1926, when the legislation was introduced into New South Wales, the benefits have been increased until they now amount to 100 per cent of award wages. Injured workers are also compensated for the fares they pay to attend medical centres for treatment. All their medical and hospital expenses are covered and recoverable according to the schedule. I have no objection to that course. It was always intended that persons covered by workers' compensation would be engaged in industry. Running a household is not equivalent to running a business. My household is not run as a business—perhaps that is why it is losing money. The Act defines a worker in these terms:

> "Worker" means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of

manual labour, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing, but does not include . . .

(d) a person whose employment is casual (that is for one period only of not more than five working days) and who is employed otherwise than for the purposes of the employer's trade or business; or

That is the provision that this measure now proposes to delete. Take the words ""persons employed otherwise than for the purposes of the employer's trade or business". The ordinary householder is not in a trade or business when he is running an ordinary household in the suburbs of Sydney, but this legislation proposes that he will be in every sense the equivalent of the mighty BHP, CSR, CRA or any of the other multinationals to which the Minister keeps referring. Confusion is being created. We must understand that the ordinary householder is the ordinary working person of this world. However, by the definition proposed in the bill he is to be loaded with responsibilities that he will not even know about.

At present the average householder has a general comprehensive all-purposes insurance policy against accidents in and around the home. In the normal course of events, if a babysitter were to trip down the stairs after having been upstairs to look at the baby in the nursery, and wrench her ankle, a claim could be made by the householder under his comprehensive insurance policy, and it would be 10/1-on that compensation would be paid in those circumstances. One must bear in mind that the babysitter is probably a 14-year-old schoolgirl or the boy next door who is doing babysitting while engaged in studies.

The relationship of employer and employee will be changed by the proposed legislation. The babysitter will be deemed to be a worker employed, not by an industry or by a person running a business, but by an ordinary little householder who knows nothing whatever of the law. The moment this legislative change is made it is an odds-on bet that no insurance company in the world will meet a claim under a comprehensive policy for compensation for the little babysitter who wrenches her ankle by tripping down the stairs. The insurance companies will say, "That is a workers' compensation claim, and should be pursued under the new law that the generous Wran Government has introduced."

Then the fun will start because, as the Hon. L. A. Solomons pointed out, without any cover the average householder will suddenly find that he has insufficient funds to meet the demands of this claim for an injury sustained during an exercise in which he had no direction or control of the person involved. Yet the fundamental test for who is a worker, coming as it does from the relationship between master and servant, is that the worker is employed under a contract of service, subject at all times to the direction, control and supervision of the employer.

Honourable members know the circumstances in which a babysitter works—if work is the right word. I do not believe it is, but whatever the word is, a babysitter may be left in charge of the house, to attend to a baby for three, four, five or six hours, with no supervision or control. He or she might be cavorting up and down the stairs instead of sedately negotiating them, as she would be if her employer were present to chide her. Where there is the exercise of control this problem would not arise.

The Hon. H. B. French: Surely the control test is only one aspect?

The Hon. F. J. DARLING: Yes. I am only raising the problem. If the Hon. W. B. French can overcome that problem, he will have done well. When the claim comes in for injury sustained by the boy or girl babysitter, and you are not covered because you happen to be a little householder, what will happen? The Government should reconsider the inclusion of this casual worker provision. Since 1926 successive legislatures have decided it was not appropriate to cover by this legislation persons defined within existing subclause (d). That was for the very good reason that the employer is not an industry; the worker is not *an* industry. The worker is in every sense casual. On what basis does one assess the average weekly pay of such a person when it comes to working out the compensation rate for a **13-** or 14-year old babysitter? I have in mind the young person from next door who is doing the right thing by neighbours. What compensation would be paid to such a person? Nothing in the legislation gives a guide in that direction, and there is no prescription in the amendment. Every householder will have the sword of Damocles hanging over **him.** What will the Government do about this? How will any insurance company be able to strike an appropriate premium?

The Government has produced this legislation. I am posing to Government supporters a few of the problems they should consider before this proposed legislation is submitted for Royal assent. Failure to do so will put the entire suburban community at risk. Do not think that I am exaggerating. I am not. The legislation has been based on people in industry. No consideration has been given to the problem I have mentioned, except to say that this was raised yesterday in a debate on another bill. The Government said on that occasion also that it was doing the right thing by the community and showing everybody how sympathetic it is to the plight of the casual worker. The Government said "We will look after him". I doubt that the Government is looking after him.

The Hon. H. B. French: Someone has to look after him.

The Hon. F. J. DARLING: He would be covered previously under a comprehensive insurance policy.

The Hon. P. F. Watkins: How did the casual worker get on before?

The Hon. F. J. DARLING: At the present time a person is not entitled to compensation unless he can establish a claim at common law.

The Hon. P. F. Watkins: How does the babysitter get on now?

The Hon. F. J. DARLING: Only under a comprehensive insurance policy. The alternative is for the householder—the so-called employer—to pick up the tab for any medical expenses involved. But that is not what we are debating. Compensation can go on and on. The babysitter need not necessarily be 13 or 14 years of age. The babysitter might well be Mrs James from next door, who is in employment and is paid $150 or $250 a week. What happens if she is injured while doing a favour for the lady next door? Suddenly the babysitter says: “I am now unable to earn my income of $250 a week. Will you please compensate me, because I cannot run my house and cannot look after Charlie without some compensation?"

The Hon. P. F. Watkins: That is a different point.

The Hon. F. J. DARLING: No. The honourable member is stopping there, and he is not even thinking the exercise through. He is shedding crocodile tears about casual workers. I am drawing attention to a group of casual workers the Hon. P. F. Watkins has not considered. I am thinking of the principal involved—the ordinary householder. The Government is going to a lot of trouble by deleting subclause (d), but it will create more trouble than the Government anticipates at this stage. The Government is doing no favour for the people it has a duty to protect. This will create another lawyers' paradise. Few people will gain an advantage, but a large number of people will be very seriously disadvantaged. I close my case with those remarks.

The Hon. H. B. FRENCH [9.59]: I support the bill and the remarks made by the Hon. L. A. Solomons, who brought up the matter of boilermakers' deafness. I am aware of the problems associated with that disease, and I can see only good coming from the amendment in the bill to cover it. In the past five years my union, in conjunction with my colleague the Hon. J. S. Thompson, has initiated hearing screen tests once or twice a year for its members.

Technicians with audiometric equipment conducted hearing tests in my union's offices on a Sunday. Members of the union found to have a hearing deficiency or loss were sent to an ear, nose and throat specialist to check the percentage deafness loss. Two of our technicians were married and went elsewhere. Last year my union sought the services of Medicheck, and in November eighty-four out of ninety-six people tested were found to have a positive hearing deficiency. The object was to try to get employers to do something to keep the noise in their factories at a minimum.

Prevention is better than cure. In the past five years insurance companies have got on the backs of employers in an endeavour to get them to improve working conditions. The measure is designed to improve the conditions of the workplace for an employee working day in and day out in noisy conditions. My union has handled the claims of employees who have worked for twenty-five years in industry. Some of these employees are now practically stone-deaf. Many of their claims have been successful. The Hon. L. A. Solomons raised the issue that many employees are penalized when it takes a long time to process a claim. Before employing a worker many employers have him medically examined to ascertain whether he has a degree of deafness.

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

The Hon. H. B. FRENCH: Yes. Someone has to pay. I do not care who it is. A worker may have a hearing loss of 10 per cent in one ear and 5 per cent in the other. The responsibility for a worker's deafness or partial deafness is placed on his last employer. The new employer should not be obligated to pay for a worker's injury sustained in other employment. I agree with the Hon. L. A. Solomon's remarks about insurance companies. Many members of my union—and some employers—do not know the name of the company handling their insurance policies. Some employers farm out insurance business to a broker, who in turn farms it out to many different insurance companies. When a claim form to an insurance company has to be completed, many employers have to chase up the broker to find out the name of the insurance company handling its business. Claims of employees are delayed in such instances. A worker is not paid in such circumstances and does not know whether the insurance company will accept or reject liability. Buckpassing occurs continually.

I have previously spoken in this Chamber about the amounts allocated by section 16 of the principal Act. These amounts are often updated. I am sure all honourable members would like to see a standard amount set throughout Australia for a loss of an arm or other part of a person's body. The amount allocated to a worker for such loss should be the same whether he is injured in Victoria or Western Australia. There should not be any differentiation. Fortunately, the New South Wales Workers' Compensation Act is vastly superior to those of other States. Notwithstanding the complaints made by the Hon. F. J. Darling, the legislation should be supported. He has painted a woeful picture. The proof of the pudding is in the eating. It remains to be seen whether his fears will materialize. I do not consider they will. I wholeheartedly support the bill.

The Hon. P. S. M. PHILIPS [10.7]: I wish to put a slightly different emphasis on a matter raised by the Hon. L. A. Solomons. I register strong objection that no provision in the bill covers audiometric testing as a means for employers to limit their liability under the Act when such a facility is available. I ask the Minister to comment on that in his reply. The matter has been raised by the Metal Trades Industries Association, as the Minister would be aware.

Debate adjourned on motion by the Hon. J. R. Hallam.

SPECIAL ADJOURNMENT

Motion (by the Hon. J. R. Hallam) agreed to:

That this House at its rising today do adjourn until tomorrow at **2.30 p.m. *sharp.***

House adjourned, on motion by the Hon. J. R. Hallam, at 10.8 p.m.