

Legislative Council

Tuesday, 18 August, 1981

Questions without Notice—Governor's Speech: Address in Reply (Third Day's Debate)
—Special Adjournment.

The President took the chair at 4.30 p.m.

The Prayer was read.

QUESTIONS WITHOUT NOTICE

HIGH SCHOOL FOR LAWSON

The Hon. M. F. WILLIS: Will the Minister for Education and Vice-President of the Executive Council advise the House of proposals affecting the new high school for Lawson? Is he satisfied that the projected school population figures used by his department for the purpose of forward planning in the area are correct, and will he give an undertaking that the proposed school will be open for operation in sufficient time to prevent excessive pressure on the high schools at Springwood and Katoomba? What date does the Minister forecast for the commencement of work on the new high school, and when is it expected to be opened?

The Hon. D. P. LANDA: As a result of representations from the Labor candidate in the area, Mr Bob Debus—who is doing an excellent job in sorting out the issues in the Blue Mountains—recently I visited the Blue Mountains and had discussions with parents and teachers on the new high school for Lawson. They raised with me problems related to the supply of pupils for the intended high school and also mentioned the departmental figures on which the decision to build the school was based. The discussions caused me serious concern and I have arranged to have the figures further analysed by the department. I agreed to meet the parents and teachers of the area on 25th August. I shall take back to them the detailed figures, plus any substantiation of the material. If they are dissatisfied with that information, I assure the House that we shall re-investigate the proposal, if that is the parents' wish. Whatever are the most reliable figures of pupil intake in the area—be they the census figures, the figures of new building commencements or a combination of the two, together with enrolment trends—I assure the House that the proposed high school will be sufficient to meet that demand without fail.

It is important that a heavy public investment in the area should be based on the correct material. Since coming into government, the Labor administration's total commitment to the Blue Mountains electorate on education alone has exceeded \$10 million. The Blue Mountains is an expanding population area; many young couples are moving into the disirict. Therefore, it is fair and proper that the area should

receive its proper share of resources. The Government will continue to support the area. There are major programmes for Blaxland Public School, Blaxland High School, Blaxland East Public School, Mount Riverview Public School and Springwood High School. Additional facilities have been provided at Blaxland East School at a cost of just below \$1 million. A new library has been provided at Warrimoo Public School, and additional facilities have been given to Winmalee Public School at a cost of \$848,000. The new Merriwa Street school, Katoomba, was constructed at a cost of \$2.3 million. All in all, there has been a great deal of State Government expenditure on schools in the Blue Mountains.

As I said, I am willing to give the undertaking that we will meet those needs, taking into consideration pupil numbers, which have fluctuated severely. The ascertainment of pupil numbers is a science that has been developed between the demographers of my department and the community, with whom we work in close consultation. Parents of pupils attending schools in the Blue Mountains will meet with me in Sydney on the 25th of this month. The building programme of the Department of Education has been hampered severely by cutbacks in federal funding. All honourable members wait with bated breath for the federal Budget, particularly those parts of it that relate to the school building programme which has been subject to massive cuts by the federal Government. The Leader of the Opposition has remained silent on that matter both inside and outside the House.

SCHOOL FINANCE

The Hon. M. F. WILLIS: In view of the Minister's answer to the previous question, I ask whether in a vast number of schools in New South Wales there is considerable concern among teachers and parents about the neglect of existing building facilities, and the lack of new classrooms, shelters, assembly areas, library facilities and many other essential capital needs including new schools. In view of this concern, will the Minister explain why the Government and his administration have used for recurrent expenses over \$30 million allocated to it by the federal Government for capital works? How does the Government propose to make up this serious shortfall in capital expenditure on schools throughout New South Wales?

The Hon. D. P. LANDA: A number of federal budgets gave the New South Wales Government the choice of retrenching teachers, imposing a second income tax upon taxpayers to provide funds to maintain the employment of teachers, or setting aside funds allocated for capital works to bring about a reduction in class sizes, which was earnestly sought and much overdue during the years of Liberal Party—Country Party administrations in New South Wales. The Government made a firm commitment on class-size reductions in order to increase the quality of education in New South Wales following many years of neglect by the former administration. The Labor Government undertook the greatest class-size reduction in the State's history over a comparable period. That proposal was agreed to by the Commonwealth Government. Let us not have any double standards by the Leader of the Opposition. The alternative would have been to sack hundreds of teachers in the State service. Already the Leader of the Opposition in another place has promised that if a Liberal Party—Country Party government is returned to office there will be the sacking of hundreds or probably thousands of public servants in the Department of Main Roads and the water board. The Leader of the Opposition in this House is telling the teachers that a similar threat hangs over their heads. Unashamedly the Government puts children and teachers before bricks and mortar.

The Hon. Virginia Chadwick: The other States do not need to handle their school finance in that way.

The Hon. D. P. LANDA: I am willing to accompany the Hon. Virginia Chadwick on a tour of Victorian schools so that she may compare them with the superior standard of school buildings and new schools constructed in New South Wales. Ours are second to none. As I said, the Commonwealth Government was in full agreement with the State Government's conduct. The Commonwealth Government adopted a subterfuge in order to gain some political advantage, to ensure that the State would be starved of funds to pay the salaries of teachers and thus force the use of capital funds for that purpose. Let there be no crocodile tears over this matter. The Leader of the Opposition finds these issues on the eve of a State election in New South Wales. By his silence the Leader of the Opposition has been a party to the cuts that have been made in education funding. He has not mentioned the matter at **any** public forum. Last Sunday he was present with me at such a forum where thousands **of** teachers were present, but he did not offer one word of criticism of the Commonwealth Government's cutting of funds. If Opposition supporters wish to show their good faith on education they should speak up. I am confident that after tonight's federal Budget is presented there will be many areas on which Opposition members here can join with the Labor Government of New South Wales in damning the federal Government's cutbacks on vital funds for education, health and other services. They should stand up once and for all for the people of New South Wales rather than for the political parties to which they belong and their own aspirations.

PARRAMATTA POLICE-CITIZENS BOYS' CLUB

The Hon. D. D. FREEMAN: I direct my question without notice to the Minister for Education and Vice-President of the Executive Council. On 13th May I placed a question on the business paper concerning the conduct of art unions by Parramatta Police-Citizens Boys' Club. The Minister supplied me with a written reply dated 16th June, 1981, and for it I thank him. As the publishing of the answer to the question was interrupted by the prorogation of the House on 24th June, 1981, will the Minister table the answer for the information of the House and incorporation in the records?

The Hon. D. P. LANDA: Everything I have done has been in compliance with the standing orders of the House or in accordance with the normal courtesy shown to honourable members. The honourable member asked for information, and I obtained it for him. How the honourable member uses it is a matter for his discretion. I do not propose to depart from established precedent after the House rises. The honourable member has the information and it is a matter for him if he wishes to incorporate it in a speech.

PARRAMATTA POLICE-CITIZENS BOYS' CLUB

The Hon. D. D. FREEMAN: I ask the Minister for Education and Vice-President of the Executive Council a question supplementary to my previous question and in doing so I invite the Minister's attention to the terms of Standing Order 32A regarding questions on notice, which says in part, "Such answers need not be read, but shall be tabled and appear in the Minutes of Proceedings." I wish to have the question and answer incorporated in *Hansard*.

The Hon. D. P. LANDA: If the honourable member regards the matter as sufficiently serious, the remedy is in his own hands. I ask the honourable member to discuss the matter with the Clerk of the Parliaments to ascertain how the matter can be resolved.

CHILD CARE CERTIFICATE COURSE

The Hon. VIRGINIA CHADWICK: Is the Minister for Education and Vice-President of the Executive Council aware that the child care certificate course offered at North Sydney Technical College has approximately 500 applicants a year and is the only such course offered on the north side of the harbour? Is it a fact that stage 7 of the building plans that will come into effect in 1982 appears to make no provision for the continuation of this course? Does the Minister intend that the course will still be available and, if so, what facilities will be provided? If the course is not to continue at North Sydney Technical College, what alternative arrangements does the Minister envisage?

The Hon. D. P. LANDA: The honourable member's question calls for some detailed inquiries from the college. I shall make those inquiries, obtain the information and in due course advise the honourable member and the House.

ALLOWANCES FOR LABOR COUNCIL AFFILIATES

The Hon. E. P. PICKERING: Is the Minister for Education and Vice-President of the Executive Council aware of the existence of a letter dated 4th August from Mr B. R. Simpson, New South Wales Division Secretary of the Australian Transport Officers Federation, addressed to all sub-branch secretaries of the State Rail Authority and the Urban Transit Authority? Is the Minister further aware that in this letter Mr Simpson stated, in relation to the recent \$20 a week industry allowance granted by the Government:

The situation in regard to payment of the allowance, however, is that it will only be paid to members of organizations that were signatories to the agreement, and will apply from 2nd August, 1981.

Non-union members and members of unions not affiliated with the Labor Council are not to receive the allowance.

Will the Minister advise the House on what grounds this union leader makes this statement?

The Hon. D. P. LANDA: I shall obtain advice from the Minister for Transport in the other place and, in accordance with the normal courtesies, after I obtain the information required by the honourable member I shall advise him of it.

EDUCATION ALLOCATION

The Hon. M. F. WILLIS: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council. My question follows the Minister's answer to an earlier question in which the Minister sought to blame the priorities of his Government on the federal Government. Is it a fact that in the Education Week supplement of yesterday's *Sun* newspaper, the Minister is reported as saying, "The education budget for New South Wales is now an unprecedented \$1.5 billion." Does the Minister agree that such a statement could create a false impression about the State Government's priorities for education funding? How can that statement be reconciled with the fact that the New South Wales Government's annual contribution for each student in this State is approximately \$1,500 compared with the national State average of \$1,590? Will the Minister agree that the facts establish that the Government is lagging behind the other States in the priorities it gives to education?

The Hon. D. P. LANDA: The answer to the first part of the honourable gentleman's question is, yes; the answers to the latter parts of the question are, no.

HOME BUSH ABATTOIR CORPORATION REPORT

The Hon. W. L. LANGE: I ask the Minister for Agriculture a question without notice. Will the Minister say when the report for the Homebush Abattoir Corporation for the year ended 30th June, 1980, will be printed and available to the public? Is the Minister able to tell the House the reasons for the long delay in its availability?

The Hon. J. R. HALLAM: The delay in the submission of the report of the Homebush Abattoir Corporation was occasioned by problems with computer facilities used by the corporation. Those problems have been overcome. The report is available and will be printed at the first opportunity.

HOME BUSH ABATTOIR CORPORATION REPORT

The Hon. W. L. LANGE: As a supplementary question I ask the Minister for Agriculture whether the Homebush Abattoir Corporation report was sent to the Auditor-General in September 1980? Why has it taken almost another twelve months for the report to become available to the public?

The Hon. J. R. HALLAM: As I do not have the precise details that the honourable member seeks, I shall obtain them and advise the honourable member tomorrow.

MICROSURGERY RESEARCH CENTRES

The Hon. D. D. FREEMAN: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council. Did the Premier and Treasurer open a microsurgery research unit in Surry Hills on 29th October, 1978? In his opening address did the Premier state: "It is a centre of excellence that deserves and will get the support of the State Government."? Did the Premier go further and state, "This support will enable the microsurgery research centre to maintain its world lead in microsurgery"? When will the Premier and Treasurer honour that promise and provide the Government's first dollar for the centre, of which the Premier and all honourable members are justifiably proud?

The Hon. D. P. LANDA: I shall first refer the honourable member's question to the Minister for Health for his advice and, if necessary, to the Premier and Treasurer. I shall further advise the honourable member in due course.

LEURA PRIMARY SCHOOL CROSSING

The Hon. M. F. WILLIS: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council. Is the Minister aware that approximately 300 pupils at Leura primary school are required to cross a 6-lane highway at Leura to get to and from school? Is the Minister aware that that part of the highway is on a downhill run, and many vehicles, either because of the speed of travel or inattention on the part of the driver, ignore the pedestrian crossing that the children use, thereby causing considerable danger to the children? Is the Minister aware that some three years ago approval was granted for the construction of an overhead bridge at this point to alleviate that danger? As a consequence of a decision

to move the bridge five metres from its originally planned location, has work not yet commenced on its construction? Will the Minister say when work will begin on it, and when it is expected to be completed, for it is necessary for the safety of the schoolchildren?

The Hon. D. P. LANDA: I am aware that the Minister for Transport has been concerned for some time about the need for the bridge. He had that concern long before the Leader of the Opposition in this Chamber went to the Blue Mountains seeking votes for the Liberal Party. The decision to build a bridge in that locality was made by the Minister for Transport to alleviate the danger to the schoolchildren. I might add that it was a danger that the children had experienced throughout the administration of Liberal Party-Country Party governments. The highway was still there and the cars still sped along, especially downhill. The former Government was, apparently, totally oblivious of the danger. The Minister for Transport is giving this matter urgent consideration. I shall discuss it with the Minister to ascertain the exact position and I shall further advise the honourable member and the House.

LEGAL LIABILITY OF TEACHERS

The Hon. M. F. WILLIS: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council. Will the Minister advise the House on the legal liability of teachers who have schoolchildren under their care and control during school hours and, by arrangement through their schools, outside school hours? If in such circumstances teachers are liable in civil law for any injury **or damage suffered** to children while under their care and control, **what is the Government's** policy on the provision of legal representation and financial indemnity for the teachers?

The Hon. D. P. LANDA: I am surprised that the Leader of the Opposition, who is a lawyer, has been unable to ascertain the position for himself. The indemnification of teachers is covered by well settled and traditional policies. I shall obtain the relevant legal advising of the Crown Solicitor and provide a copy of it to the honourable member. I should not want to trivialize a matter of fundamental importance concerning the rights of teachers. There are definite legal obligations, rights and indemnities for the Crown and its servants, including teachers. I shall give the honourable member further advice in due course.

SYDNEY COVE REDEVELOPMENT AUTHORITY

The Hon. W. L. LANGE: I direct a question without notice to the Minister for Education and Vice-President of the Executive Council. Can the Minister say whether the Government has acted on the recommendation of the **Ashton** report on the Sydney Cove Redevelopment Authority? Will the Minister advise, also, whether the Government has reconsidered its decision not to release for public examination and comment the report in respect of this public authority?

The Hon. D. P. LANDA: The Ashton report was commissioned by me when **I was** Minister for Planning and Environment. Neither I nor the Government has announced that any or all of the recommendations would or would not be implemented. The report, which was for the information and consideration of the Government **on** the role and function of The Rocks committee, is being considered by the Minister for Planning and Environment. Needless to say he will make what he considers to be appropriate decisions after he considers that report.

GOVERNOR'S SPEECH: ADDRESS IN REPLY

Third Day's Debate

Debate resumed (from 13th August, *vide* page 102) on motion by the Hon. Kathleen Anderson:

That the following Address be adopted and presented by the Whole House to the Governor, in reply to the Speech which His Excellency had been pleased to make to both Houses of Parliament, viz.—

To His Excellency Air Marshal Sir JAMES ANTHONY ROWLAND, Knight Commander of the Most Excellent Order of the British Empire, upon whom have been conferred the decorations of the Distinguished Flying Cross and the Air Force Cross, Knight of Grace of the Most Venerable Order of St John of Jerusalem, Governor of the State of New South Wales in the Commonwealth of Australia.

May it Please Your Excellency—

We, Her Majesty's loyal and dutiful subjects, the Members of the Legislative Council of New South Wales, in Parliament assembled, desire to express our thanks for Your Excellency's Speech, and to affirm our sincere allegiance to Her Most Gracious Majesty.

2. We beg to assure Your Excellency that our earnest consideration will be given to the measures to be submitted to us, and that we will faithfully carry out the important duties entrusted to us by the people of New South Wales.

The Hon. R. D. DYER [5.0]: I join with the honourable members who have spoken previously in the debate in congratulating His Excellency the Governor, Air Marshal Sir James Anthony Rowland on the manner in which he is performing the duties of his high office. Also, I wish to congratulate the mover and seconder of the motion for the adoption of the Address in Reply, the Hon. Kathleen Anderson and the Hon. R. G. Melville, on the excellent content of their speeches. I listened closely to the remarks of the Hon. J. W. Kennedy. I am bound to say that, along with my colleague the Hon. P. J. Baldwin, I was astonished by some of the honourable member's comments about the present economic malaise in Great Britain. The approach of the Hon. J. W. Kennedy, to place the blame for Britain's troubles squarely on the shoulders of the Labour Government, the trade unions and nationalized industries, is an ideological and simplistic approach that has little relationship to the facts.

The economic performance of Britain under Conservative governments over the past twenty years has been much worse than when the Wilson and Callaghan Governments held office. Who can forget that the Conservative Prime Minister, Edward Heath reduced Britain to the low ebb of a 3-day working week? Who can deny that the Thatcher Government's monetarist policies have produced levels of unemployment in Britain far worse than at any time since the Great Depression? In some areas of Britain, such as Liverpool, Newcastle, Scotland and Wales unemployment levels exceed 10 per cent of the working population. The economic cost of this is bad enough, but the social cost of the resultant alienation of young people, who feel that modern society has nothing to offer them other than a life of idleness, is far worse.

The Hon. J. W. Kennedy, in his critique of Britain's economic decline, might well have directed his attention to the entrenched class system in Britain and the resulting lack of proper communication between labour and management, which has produced an appallingly bad industrial relations climate. The Hon. J. W. Kennedy should have directed his attention also to the undoubted fact that since the Industrial Revolution started in Britain in the last century, industrial plant and equipment have been allowed

to become outdated and to fall behind the technology of countries of Western Europe. I am tempted to deal with the Hon. J. W. Kennedy's comments at greater length, but the Hon. P. J. Baldwin has dealt effectively with that honourable member's attempts to blame Britain's ills entirely on the public sector. The Hon. J. W. Kennedy dealt at some length with port congestion at Newcastle and the third coal loader for Newcastle. Again, the honourable member got on his hobby-horse about the harm that, in his view, is being done by the trade unions. The matter of congestion in the port of Newcastle is far more complex than the Hon. J. W. Kennedy imagines. Coal exports from New South Wales to Japan, in particular, are booming. This, inevitably, imposes strain on the capacity of the port until the necessary facilities can be installed to keep up with the demand for coal loading facilities. As an indication of the extent of the boom in New South Wales coal imports, I shall quote from an article in the *Sydney Morning Herald* of 21st July. The article, which was published under the headline, "Sales up 40 per cent", is in these terms:

Dearer OPEC oil lifted NSW's coal exports to a new peak of 23.7 million tonnes in 1980–81 in the face of reduced purchases by a depressed world steel industry.

The worldwide switch from oil to coal was reflected by a 40 per cent leap to 9.28 million tonnes in steaming-coal exports. This more than cancelled out a 5 per cent decline to 14.43 million tonnes in coking-coal exports, leaving total overseas shipments 8.4 per cent higher than in 1979–80.

Japan accounted for two-thirds of the total exports and for most of the explosive growth in steaming coal sales.

Although its steel mills cut coking-coal shipments by 6.1 per cent to 11.46 million tonnes, Japan's electric power utilities and other industries expanded their steaming coal offtake by 164 per cent to 4.34 million tonnes to mark the beginning of the spectacular growth which has been forecast for the next 20 years.

Total shipments to Japan increased by 14.1 per cent to a record 15.8 million tonnes.

Apart from the sheer volume of exports and the rapid growth of increase, there is another equally important problem that affects coal exports in general and the port of Newcastle in particular—that is, that much of the demand is for relatively small parcels of different types of coal. An article by Mr Lance Norman, published in the *Australian Financial Review* of 29th May and entitled, "NSW faces port dilemma over its coal exports", is in the following terms:

The NSW coal industry, Government and Maritime Services Board face a major dilemma in port construction for future coal exports because much of the demand is for small parcels of coal, requiring moderately sized ships, while the trade to Europe in particular is in bulk loads for which very large ships would be more economical.

This point was made by the executive director of the NSW Combined Colliery Proprietors' Association, Dr J. Barry Ritchie, when he addressed the Australian Chamber of Shipping's quarterly luncheon in Sydney last Wednesday.

The awkward question was whether to spend enormous sums developing ports and facilities which could handle ships up to 250 000 dwt in order to be more competitive in that segment of the world market, or to remain with facilities suitable for ships less than half that size.

The Hon. R. D. Dyer]

Later in the article Mr Norman deals with different types of coal. This is an important point to bring to the attention of the House. One would imagine, after listening to the Hon. J. W. Kennedy, that the honourable member considers that coal is a black substance that is exported willy-nilly in bulk lots, ship by ship. In fact, the position is much more complex than that. The article continues:

The only common feature of coal was that it was black when it came from N.S.W. or Queensland and mainly bituminous in nature. Its quality governed its use. **At** one end of the spectrum were scarce hard coking coals suitable for steel making, while at the other end were **thermal** coals suitable for power production.

In the middle were coals suitable for cement manufacture, for tile and brick manufacture, as raw material in the manufacturing, chemical, industrial and home products industries, as a raw material for conversion to oil and as fuel for heating and processing in a number of industries.

Generally speaking, hard coking coals were produced from south of **the** Sydney Basin in NSW with thermal coals and soft coking coals **coming** from the west and north.

The critical part of Mr Norman's article refers to the special difficulties obtaining in the port of Newcastle and reads:

In 1980, for example, coal shipments from Newcastle approximated 14 million tonnes comprising nine million tonnes of soft coking and briquetting coal and five million tonnes of steaming coal. Yet, because Newcastle shippers were servicing some 90 different contracts during 1980, the average brand cargo size was less than 26 000 tonnes and the average total shipload only 44 000 tonnes.

During five different sample months in 1980-81 at the Port Waratah Coal Services Pty Ltd loader at Newcastle, 234 cargoes were handled in 140 ships, the average number of cargoes per ship being 1.7 and the average consignment 25 600 tonnes.

Detailed forecasts indicated that while total Newcastle shipment tonnages were expected to increase by 150 per cent by 1985, the average contract size was only expected to increase by half this amount—from 160 000 tonnes to 280 000 tonnes per year with only 10 out of 128 buyers requiring more than 600 000 tonnes of coal per year.

The industry in Newcastle was therefore characterized by multiple coal type shipments in small tonnage lots. This was a unique characteristic which was not found either in other coal ports throughout the world or in handling other types of products by shipment.

The Hon. J. W. Kennedy painted a gloomy picture when speaking about the construction of the third coal loader at Newcastle. He bewailed the fact that the New South Wales Government has decided to take up an equity share in the loader. This Government has a large stake in the coal industry, for it is required to spend tens of millions of dollars on ports, railways and other infrastructure. Also, the Government receives large revenues from coal royalties. It is more than reasonable that the Government should participate in the third coal loader at Newcastle to the extent of the 20 per cent share it has taken through the Maritime Services Board.

The remaining equity is shared between the Broken Hill Proprietary Company Limited, with a 30 per cent interest; Howard Smith Ltd, with 12.5 per cent; a consortium of other northern colliery proprietors, with 27.5 per cent; and Japanese interests which are taking up the remaining 10 per cent. The Hon. J. W. Kennedy

carefully avoided mentioning that the Broken Hill Proprietary Company Limited has taken over from the Maritime Services Board all work and responsibility for the third Newcastle coal loader. The company's assumption of control of the loader means that it has taken over as manager of the loader and that the Maritime Services Board is now merely a 20 per cent shareholder in the project. The remaining problem to be solved is the question of union coverage and manning. Writing in the *Australian Financial Review* on 13th August, Mr Glenn Dyer said that it appears that a way will be found to give both Maritime Services Board unions and the Transport Workers' Union an involvement in the award coverage and manning of the loader.

After all the gloom and doom expressed by the Hon. J. W. Kennedy, it should be remembered that the New South Wales coal industry is booming and that it is making a significant contribution to the State's economy and to the prosperity of the Hunter region in particular. An article by Mr Glenn Dyer published in the *Australian Financial Review* on 18th June is in the following terms:

Employment in the NSW coal industry has started exploding upwards with an 11.7 per cent increase—the sharpest growth rate for decades—being recorded in the 12 months to end of May. The surge in employment over the past year is expected to continue for at least the next year to 18 months as a number of large-scale open-cut mines in the Hunter Valley, plus several new developments and expansions on the western coalfields come on stream at that time.

The Hon. R. B. Rowland Smith: How does the honourable member account for the twenty-eight days' delay in shipments?

The Hon. R. D. DYER: The Hon. R. B. Rowland Smith should have listened to what I said.

The Hon. R. B. Rowland Smith: I heard every word the honourable member said.

The Hon. R. D. DYER: If the honourable member would wait for my response, he might have heard me say something about the complexity of coal exports from the port of Newcastle and the fact that the lots exported by ship tend to be small parcels. Also, he might have heard me say that the Government, BHP and the other members of the consortium to which I referred are going ahead with the construction of a third coal loader in Newcastle. I return to the growth of employment in the New South Wales coal industry. What I am about to say gives the lie to statements often made in this Chamber by members of the Opposition, who claim that the Hunter region is being, in some way, despoiled by the development that is occurring and that the people of New South Wales are not deriving any benefit from that development. A few years ago the Hunter region was depressed; it is now booming.

The Hon. W. L. Lange: No thanks to the Government.

The Hon. R. D. DYER: That interjection is spurious and ridiculous. The Government is encouraging the growth of the coal industry by every means at its disposal. The article which I began to quote from the *Australian Financial Review* continues:

Employment in the NSW coal industry at the end of May this year totalled 19,626, which is 2,057 or 11.7 per cent above the figure at the corresponding time in 1980.

That is in a period of one year. The article continues:

The number of people employed in the industry is now within 2,000 of the 1930 peak of 21,343 and within 700 of the post-war peak in 1952 of 20,310. Forecasts from the Joint Coal Board show that the level of employment in the NSW coal industry will breach the 20,000 level by the end of this month . . . Employment will rise to 22,035 by the end of June, 1982, according to the forecast which would mean an increase of just over 10 per cent—or a rate a little slower than in the 12 months to the end of May.

The Joint Coal Board's forecast sees a large increase in employment between 1983 and 1984, with an extra 2,760 people being employed, with the total rising 11.35 per cent from 24,310 to 27,070.

A further increase of more than 11 per cent—or 3,000—is forecast between 1984 and 1985 (with a total of 30,075) in the latter year. The Joint Coal Board estimated employment in 1990 at 34,390.

So it can be readily appreciated that the coal industry is booming. It is providing employment and that is not only——

The Hon. R. B. Rowland Smith: That is worldwide. It is not applicable only to New South Wales.

The Hon. R. D. DYER: New South Wales is richly endowed with coal resources and the Government is facilitating, by every means at its disposal, the growth of the coal industry. I read with interest the carefully reasoned arguments of the Hon. P. S. M. Philips regarding workers' compensation insurance. The honourable member must realize, though he did not appear to say so specifically, that intense competition and rate cutting to unrealistically low levels by the private insurers has contributed to the problems of the industry. I personally favour a national compensation scheme, such as the one proposed by the Whitlam Government, to cover both workers' compensation and common law liability, as the most just and efficient means of compensating victims of accidents according to their actual needs during their lifetime.

I was interested also to read the remarks of the Hon. P. S. M. Philips regarding the possibility that the Trade Practices Commission might authorize the admission of corporate members to stock exchanges in Australia and his expressed fear that banks in particular—especially foreign owned banks—and other large financial institutions might be admitted as members of stock exchanges. I agree with the arguments advanced by the honourable member against such a development, but I wonder why he expresses fears about foreign ownership and control when it affects the stock-broking industry but remains silent in the face of the wholesale takeover of other far larger areas of Australian industry, resources and commerce by foreign interests.

Recently the Minister for Agriculture expressed alarm at the extent of foreign ownership of Australian rural land and proposed the appointment of a rural representative to the Foreign Investment Review Board. The Minister's plea fell on deaf ears so far as the Fraser Government and non-Labor politicians were concerned. If the Hon. P. S. M. Philips is genuinely concerned about foreign intrusion into Australian industry and commerce, he should extend his concern beyond the stock-broking industry.

The Governor, in his Speech, referred to the fact that the Commonwealth Government has withdrawn or reduced its support from essential areas of Government responsibility, especially in the fields of health and hospital services, education and welfare housing. The cuts in health and hospital services are particularly severe and

have thrown a heavy burden on all State governments. The 50–50 hospital cost sharing agreement introduced by the Whitlam Government has met the same fate as Medibank; it has been abolished. The decisions announced earlier this year by the Commonwealth Government mean that as from the 1981–82 financial year there will be a heavy and progressive reduction in the level of funds provided by the Fraser Government for hospital and health services. That Government has announced that its contribution to health services in New South Wales will be cut by \$77 million in 1981–82 and by a savage \$171 million in 1982–83.

State health Ministers, irrespective of political affiliation, Liberal Party-Country Party and Labor Party alike, have condemned unanimously the federal Government's recent changes to Australia's hospital funding system. At a recent meeting with the Commonwealth Minister for Health, the State health Ministers carried the following resolution:

The State Ministers reject as unrealistic the base from which the levels of Commonwealth funding for national health services have been calculated. We observe that we have never been consulted in the real sense of the word and at no time prior to its recent decision has the Commonwealth indicated any clear intentions to the States. We also note that the Commonwealth cannot provide the data upon which its assumptions and calculations are based and yet the federal Minister claims that the Commonwealth stance is not negotiable. We believe that the Commonwealth financial decisions are arbitrary and dangerously unfair to the people of Australia. We urgently request the Commonwealth to take the proposals back to federal Cabinet with the objective of establishing an adequate base for funding distribution, together with more realistic estimates of attainable revenue for 1981–82 in line with the State proposals. We ask for a further ministerial conference at an early date to consider the results of federal Cabinet's reconsideration.

Needless to say, that request was rejected by the federal Government and the changes to the health funding system remain. The Fraser Government, though slashing funds for public hospitals has, at the same time, bolstered the incomes of the private hospital system and the doctors who service them. The federal Government has increased the present \$16 a day bed subsidy for surgical patients in private hospitals to \$28 a day. Not only is this move against the interests of public hospitals; it also contradicts the Fraser Government's expressed justification for the changes to health funding, the so-called user pays principle. In addition, this decision to bolster the private hospital system at public expense makes a mockery of the longstanding criticism by the Commonwealth that there is an oversupply and maldistribution of hospital beds.

It is instructive to recall the sorry history of the Fraser Government's almost constant meddling with the health funding system in Australia. Honourable members will be aware that in July 1975 the Whitlam Government introduced Medibank. The scheme provided for an 85 per cent rebate of all medical services with no insurance premium paid by the patient. In October 1975 Medibank was extended to cover hospital treatment in New South Wales. Standard ward treatment was free and private shared accommodation was set at \$20 a day. No insurance premium was required to be paid by the patient.

In November 1975, after the infamous dismissal of the Whitlam Government, Malcolm Fraser became Prime Minister and made an equally infamous promise. He said, "We will maintain Medibank". From that point on the Prime Minister proceeded to dismantle Medibank with frequent changes to the health funding system. In October 1976 patients were required to take out private health insurance for both medical and hospital treatment or pay the Medibank levy. Standard ward treatment continued to be free. The private shared fee was set at \$40 a day. In July 1978, the 85 per cent

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medical benefit was reduced to 75 per cent, except for pensioners. In November 1978 the Medibank levy was abolished and the 40 per cent Commonwealth medical benefit **was** introduced, insurance became voluntary, bulk billing was abolished, except for pensioners and disadvantaged persons, as determined by their treating doctor. In September 1979 the 40 per cent Commonwealth benefit was abolished and replaced with a system where the patient paid the fee up to a limit of \$20, with the Commonwealth bearing the rest of the scheduled fee. It should be noted that 85 per cent of consultations in New South Wales attract a fee of under \$20.

In 1980 the Fraser Government made no change to health funding—but that might have had something to do with the fact that in that year there was a federal election. In 1981 the sorry saga came to an unhappy end, with the abolition of Medibank and a return to the pre-Whitlam health scheme. Under the present scheme everyone has to pay for hospital and medical care, except in the case of those persons the Commonwealth defines as disadvantaged. At this point, I shall quote from an editorial in the *Hospital Journal of Australia* issue of June, written by a guest editorialist, Mr S. T. Williams, chief executive officer of the Hornsby and Ku-ring-gai hospital, who is highly respected in hospital circles. Mr Williams wrote:

Are we going back to the bad old days? The answer from the information available is yes. And, in fact, we may be going back further than the bad old days. Irrespective of one's political philosophy, there are features of the new proposals which should be of concern to all of us. Hospital administrators will recall that one of the worst features of the bad old days was that the means test to qualify as a public-ward patient gradually became so restrictive that only those close to the poverty line could qualify. It appears that in the future there will be no means test—only those below the poverty line will qualify for free treatment. All others will pay \$80 a day. Even in the bad old days an outpatient department did not charge more than a general practitioner.

That is the present position. Persons attending an outpatient department will be charged \$15 a service, not \$15 an attendance. If a person has an X-ray and is referred for one or two other procedures he could quickly attract a fee of \$45—well in excess of what he would be charged if he consulted a private medical practitioner.

Under the guidelines adopted by the federal Government, large numbers of Commonwealth social service recipients do not qualify as disadvantaged persons and, accordingly, have to insure or pay the full rates. As at 30th June, 1980, the number of age pensioners not covered by pensioner health benefit cards was 283 863; invalid pensioners numbered 18 790; wife pensioners totalled 12 667; widow pensioners totalled 15 120; and persons receiving a supporting parent's benefit totalled 4 196. Those persons total 334 636. They are not covered by the pensioner health benefit card, and accordingly are on the same basis as anybody else in the community in respect of hospital or medical treatment.

I am pleased to note that the Wran Government has relaxed and extended the Commonwealth guidelines so that treatment will be free to all uninsured social security pensioners and income support beneficiaries, veterans affairs pensioners and recipients of handicapped child allowances and their dependants. Those categories cover all persons ineligible for a Commonwealth pensioner health card. Free care will also be provided for wards of the Minister of Youth and Community Services and children in the care of voluntary child care agencies not otherwise covered by health insurance.

My final comment on hospital funding points to a direct comparison between total federal grants for capital expenditure—that is, building projects in New South Wales health services. I shall deal with two years—1976 and 1981. For the financial

year 1976–77 the Commonwealth Government granted \$36 million to hospitals; in 1980–81 the contribution was nil; in 1976–77 the grant to community health centres was \$3.4 million, and in 1980–81 the figure was \$750,000. In 1976–77 school dental clinics received \$1.4 million and in 1980–81 the sum was \$950,000. In 1976–77 ambulance services received \$1.6 million. No allocation was made in 1980–81. The total allocation for 1976–77 was \$42.3 million and for 1980–81 it was \$1.7 million. Those figures do not need any elaboration; they tell their own disgraceful story.

The Governor in his Speech made reference to the report of the task force on domestic violence. I have had the opportunity of reading a copy of the report and I congratulate the members of the task force on the thoroughness of the report, which was prepared with a minimum of delay. The principal term of reference of the task force was to examine the laws relevant in New South Wales to domestic assaults in relation to the capacity of the law and its process to provide protection to people who are married to their assailant and people who are not legally married to each other but whose relationship exposes them to the same stresses and threats, and to make appropriate recommendations. The task force was required also to examine health services, welfare services, legal services, and police services, with a view to formulating policies, rationalizing services and identifying areas in need of reform in relation to the treatment and support of victims of domestic violence, and to make appropriate recommendations.

There can be no doubt that domestic violence is a serious problem in our community, although few case studies of domestic violence have been attempted in Australia. One study referred to in the report of the task force consists of an examination by the police of the types of telephone calls received at four police stations in New South Wales. Between June 1977 and May 1978 the number of domestic complaints received at Mount Druitt police station was 733; at Blacktown 829; at Pymble 27; and at Chatswood 118. The domestic complaint calls expressed as a percentage of all "peace keeping" calls to the police were 25.7 per cent at Mount Druitt; 32.1 per cent at Blacktown; 6.4 per cent at Pymble; and 15.3 per cent at Chatswood. In all four areas domestic complaint calls exceeded those relating to other types of assault, and in some areas were three times as many. The report mentions that in the United States of America, according to the few studies so far completed, between 50 per cent and 60 per cent of the nation's 47 million married couples have had at least one violence incident, and 10 per cent to 25 per cent suffer violence as a common occurrence.

The report of the task force is lengthy and there is not the time available to me even to summarize its many recommendations. One of the recommendations which probably will be controversial is that a specific power of entry should be given to allow entry by police, without warrant, into private premises to investigate a complaint that an assault has occurred on certain premises, or where there are reasonable grounds to suspect that such an assault has occurred. The task force adds that the terms and administration of such a power of entry should be limited so that it does not allow arbitrary intrusion into private homes at the instance of malicious complainants or other abuse.

In concluding my remarks in this debate I wish to concentrate on the problems raised by domestic violence and the law of homicide. Most, if not all, honourable members will be aware of the cases of Violet Roberts and Georgia Hill in this State and the "axe murder" case in South Australia. Each of these cases involved a woman who was battered by her husband, or de facto husband, over lengthy periods of time and who finally, in the midst of a violent situation, killed her husband. To take the Georgia Hill case as an instance, the facts were that the woman lived for two years with a man who frequently subjected her to violent assaults. Eventually, in the course of one such incident, she shot him. Hill was charged with murder and was duly

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convicted. She appealed to the New South Wales Court of Criminal Appeal which quashed the murder conviction and substituted a conviction of manslaughter. The court stated in its judgment that the repeated violence of the *de facto* husband had led to a situation of great emotional tension and that there had been provocation of the accused by the deceased.

The difficulty in these "domestic" violence cases is that section 19 of the Crimes Act, 1900, requires that the trial judge, following a conviction of murder, must impose a penalty of penal servitude for life. The judge is not permitted a discretion to impose a lesser penalty. On the other hand, where a person is convicted of the offence of manslaughter the judge is permitted to impose a sentence of penal servitude for life; or he may impose any lesser penalty, depending on the circumstances. Mr Justice Nagle stated in the report of the Royal Commission into New South Wales Prisons:

It was also pointed out that life sentence is applied indiscriminately for different sorts of murder. Whereas some offences are brutal, callous and sadistic and deserve the greatest public opprobrium, others are committed in extenuating circumstances which considerably reduce the moral blame attributable to the wrongdoer and the danger of repetition of the offence. In some cases juries, when convicting an offender of murder, request that he should be dealt with leniently. Judges have no power to do so, but are obliged to sentence an offender of this type to life imprisonment.

Many legal and judicial authorities, including the present Chief Justice of New South Wales, Sir Laurence Street, have criticized the mandatory life sentence for murder. The Chief Justice has expressed the view that the judge sentencing for murder, as for other offences which formerly attracted a sentence of capital punishment, should have a discretion to impose a sentence of any determinate term up to a maximum of life imprisonment. The trial judge should also have power to specify a non-parole period.

I make a plea to the Government to consider amending the Crimes Act to allow a discretion in sentencing for murder. Such a reform would enable judges to sentence according to the merits of the individual case and should eliminate the public campaigns that arise in cases such as those of Violet Roberts and Georgia Hill where there is a general public belief—and in my view a justified belief—that an injustice has been done. Also there appears to be a need to reform the law of provocation in relation to murder. This defence may be raised at a trial for murder and, if the defence of provocation is established, the jury should then convict of manslaughter rather than murder. In general in a criminal trial the burden of proof rests on the prosecution, but in this State the burden of proof of provocation rests upon the accused. In all other Australian States, England, New Zealand and Canada the burden of proof in regard to provocation rests on the prosecution. The different position in New South Wales has occurred because the law of provocation was set out in section 23 of the Crimes Act rather than being left to the common law as in some other jurisdictions such as Victoria and South Australia.

Section 23 of the Crimes Act provides that where on the trial of a person for murder it appears that the act causing death was induced by the use of grossly insulting language or gestures by the deceased, the jury may consider the provocation offered as in the case of provocation by a blow. That is not a suitable test of provocation in the sort of case to which I have referred, namely, that of Georgia Hill and Violet Roberts. It is not as though something happened suddenly, which is the only defence on which these women may rely; there was a course of conduct—or I should say misconduct—over months or years and in the heat of the moment the women finally snapped. That test of provocation is not really suitable. I return to the point I was making, of where the onus should lie. There is a widely held view among

members of the legal profession that the prosecution should have an onus of disproof regarding the defence of provocation and that the existing onus of proof on the accused is unfair. For the reasons I have mentioned, I request the Attorney-General and Minister of Justice, and the Government, to give serious consideration to amending the Crimes Act to reverse the onus of proof of provocation so that it rests on the prosecution rather than upon the accused.

The Hon. N. M. ORR [5.40]: I join with other honourable members in congratulating His Excellency Air Marshal Sir James Anthony Rowland, Governor of New South Wales, on the presentation of his Address to this House. I cannot extend similar congratulations to those who wrote the Speech delivered by His Excellency. As a record of achievements, it is an uninspiring document. As an indication of the Government's proposals for the next term, it is equally uninspiring. It is unfortunate that the leader of the Government can hide behind a person who is not directly responsible to this House. Obviously His Excellency does not have the opportunity to comment upon any part of the Speech, as do members of this House.

I was interested to hear the remarks addressed to the House by the Hon. Kathleen Anderson, who spoke about social conscience. I agree whole-heartedly with her comments. If ever a State needed a social conscience, it is New South Wales. I was a little surprised that the honourable member used the term "poverty card" in relation to disabled persons. The Hon. Kathleen Anderson is a kindly person, and her use of those words concerned me considerably. I took the trouble to find out what a disadvantaged person's card was and why it was issued. Those entitled to such a card include migrants who have been in Australia for six months and do not have a command of the English language. Surely, they are disadvantaged persons. However, I do not accept that all pensioners are poverty-stricken. A number of pensioners, because of their age and lack of concern for them, have been dumped in the lap of the Government. Those persons find it difficult, because of high rents and other circumstances, to make ends meet. In general, the social services of this country provide adequately for the average person. I believe the use of the term "poverty card" is out of order.

The Hon. Kathleen Anderson spoke also about hospitals and a selfish society. I agree with her comments on those matters. Some families have abdicated their responsibilities to the old and the handicapped; they are trying to hand over their problems to the State. I should like to give an illustration of the attitude of European families to their old and handicapped. Recently, when on a tour through Austria and Switzerland, I noticed that many large homes have nearby a smaller residence, invariably connected by an enclosed walkway. When I inquired about the reason, I was informed that normally, when the eldest son inherits the family business, farm or industry he accepts responsibility for his parents while they live. When the son marries, the parents move into the smaller house; the young family remains in the larger building. The covered walkway was necessary because of the blizzards experienced during winter. That is the attitude adopted in Europe, where people have not abdicated responsibilities for the older members of a family. The handing over of the care for the aged and handicapped places on the State a tremendous cost burden, which is increasing continuously.

The Hon. R. D. Dyer made some comments about social services, hospitalization, et cetera. Some of my colleagues will reply to his comments in greater detail than I propose. However, the Whitlam Government, in its wisdom or lack of wisdom, increased social services and assumed responsibilities that should properly have remained with parents and families. The result is that, to finance the extra cost, more money must be printed, which will contribute to inflation, or those earning incomes must pay additional tax. Expansion of social hand-outs places a greater

impost on the source of the finances. Social services are a problem for the nation. The Whitlam era did more to wreck the home life of Australians than any other era. The Hon. R. G. Melville mentioned the rural areas of New South Wales. He spoke about drought relief payments made by the Government.

The Hon. J. R. Hallam: The Hon. R. G. Melville made a good speech.

The Hon. N. M. ORR: I have no doubt that the Minister, within the restrictions placed upon him by a Government that realizes there are few votes in the country, and acts accordingly, did an excellent job as Minister for Agriculture. However, there were inconsistencies in the comments made by the Hon. R. G. Melville, one of which was that in 1976 \$10,000 was made available to each applicant in need of rural assistance, and in 1981 that amount had increased to \$30,000. That might seem a remarkable increase in funds allocated by the Government to needy individuals in rural circumstances. What the honourable member failed to say was that in 1976 one could buy a thousand breeding ewes for \$10,000; in 1981 the same number of ewes would cost at least \$45,000—if one can buy breeding ewes. Statistics reveal that the increase in drought relief did little to alleviate the problems of the rural man. The Hon. R. G. Melville said also that the Government had made \$70 million available to the rural community through various assistance schemes. I was pleased to read in His Excellency's Speech the following reference to the rural situation:

Primary producers in most parts of New South Wales have been gravely affected by the State's worst drought on record, which has cost over \$1 billion in failed wheat crops, reduced animal reproduction, freight revenue losses and government financial assistance. Never before in the State's history have so many districts been affected for so long.

I am pleased that the Government has acknowledged in writing the part that the rural areas play in the economy of this nation. The Governor went on to say:

The Government has implemented a wide range of drought relief. Assistance totalling some \$66 million has been made available during the past 18 months—\$23.5 million of which was grant money.

That does not quite fit in with the statements made by the Hon. R. G. Melville about \$70 million.

The Hon. J. R. Hallam: The latest figure is \$78 million. The Hon. R. G. Melville used an earlier figure.

The Hon. N. M. ORR: I assume that the Governor's Speech was written recently. I shall leave it to the House to make its own decision on that matter. On the subject of agriculture and the proposals mentioned in the Governor's Speech, I inform the Minister for Agriculture that Australia—New South Wales in particular—needs more skilled export market assessments and an understanding of potential markets, where they are to be found, what they are looking for in our export products and how they want the product presented. The rural community is severely disadvantaged in this matter. The Government should take the initiative and look most carefully at this aspect. Many more market consultants should be sent to other countries. Unfortunately, recently horse meat was slipped into a consignment of beef to the United States of America. It is not clear whether this occurred in the United States or in Australia. However, it is indicative of the tremendous damage that can be done when an exported product does not come up to the represented standard.

New South Wales needs more seaboard storage for wheat. Though I reserve the right to disagree with the Minister for Agriculture about the composition of the Grain Elevators Board, I congratulate him on the expeditious inquiry into the wheat

industry and the handling of grain in New South Wales. No doubt grain handling was in a complete mess and it would have been in a much greater mess had not the inquiry triggered off a series of actions that I hope, in common with many other wheat-growers, will prevent chaos in the wheat industry in the event of a couple of good seasons in New South Wales. It has been made quite clear there is a need for greater seaboard storage. Many things that came out of the inquiry indicated that a third port will not be easy to provide. Loading facilities at the other ports must be upgraded. In this debate reference has been made to the capacity of Newcastle Harbour. As well as exporting large quantities of coal, Newcastle exports a large quantity of wheat. There is a great need for increased storage at both Newcastle and Sydney to cater for the extension of the New South Wales wheat industry in the near future.

Much comment has been directed towards the remarks of my colleague the Non. J. W. Kennedy about thirty ships waiting off the port of Newcastle. Probably about twenty ships lie idle off Port Kembla. I do not know how many are idle off Sydney. I was surprised at some interjections from honourable members opposite suggesting that coal does not deteriorate. It appears that some Government supporters are not well-informed on this subject. Brazil has tremendous coal reserves, and Japan imports a quantity of coal from that country. The only reason that it does not import more is the freight rate difference between that country and Australia. If the loading of ships is not expedited and they lie idle—as they do off the coast at Newcastle—the difference in the Brazilian and Australian freight rates will be narrowed to such an extent that a third coal loader at Newcastle will not be required. If that happens, much more coal will be exported from other parts of the world, Brazil in particular. A big percentage of wheat produced in New South Wales is exported also by ships that are lying idle off Newcastle.

For the past few years over 2 million tonnes of wheat has been sold annually to China. I stand to be corrected, but to the best of my knowledge the contract written with China for the past wheat season was for only 0.5 million tonnes. The market has been depressed merely because shipments have been held up and other sources of supply are available. It is no use having a cheaper product if we cannot get it to the buyer. The Government must examine closely what is happening in New South Wales ports. It is responsible for monitoring the wheat industry and should take a much greater interest in labour problems at the ports.

The Hon. R. D. Dyer's comments about the Government's financial commitment to the coal loader were pointless. The New South Wales Government upbraids the federal Government for not making money available and also for withdrawing money from the New South Wales Government loan allocation. Members of this House hear these remarks *ad nauseam*. However, the State's finances are being used when private enterprise could construct and efficiently run some projects, such as a coal loader. The Government has a 20 per cent financial commitment to the construction of the coal loader. That does not make sense to me or to anyone else.

The Hon. R. D. Dyer: Why?

The Hon. N. M. ORR: Because private enterprise could find the money, and the \$30 million that the Government has committed would be available to finance schools and hospitals. The Government's principle is socialization. I raise this issue without **dealing** with it in depth. When the Hon. P. J. Baldwin came **down** from his ivory tower I thought he would say something interesting, having regard to his academic knowledge of industrial relations. However, he brought his ivory tower with him. It was necessary for the Hon. R. D. Dyer to back him up by attempting to make his arguments at least sound feasible. Unfortunately, he was not able to do that. The Hon. P. J. Baldwin spoke about the United Kingdom and tried to make a

case for socialism. The present United Kingdom Government is not responsible for that country's plight. It has to live with the situation created by the previous Labour Government, which was hellbent on socializing many industries. The result is **there** to see.

Anyone who has toured recently in England or on the Continent does not need a collection of academic tomes to tell him what is going wrong with the economy in those regions. The practical result is there for all to see. If a government interferes with the balance of private enterprise, supply and demand, and introduces artificial limits and arbitrary restrictions on business activities, the result is inefficiency and trouble. That is the cause of the present economic problems of the United Kingdom and much of Europe. Yet the Government of New South Wales is hellbent on following the path taken by the former Labor Government in Britain and is ignoring the result of the application of those policies in other parts of the world. I am shocked that this should be so.

The Hon. R. D. Dyer: How does the honourable member explain the fact that the position has become so much worse under the Thatcher Government?

The Hon. N. M. ORR: When one suffers any malady, the fever has to break before one starts to get better. The fever from which England is suffering was generated some time ago, and it will get worse before it gets better. The present British Government has a difficult job to do. As the honourable member knows, scrambled eggs take a lot of unscrambling.

I come now to two major matters of concern, neither of which is touched upon in the Governor's Speech. The first is the need to find a more equitable distribution of the world's wealth. The second is a social matter that I referred to a little while ago and was referred to by the Hon. Kathleen Anderson. I begin by reading from an article in the *Sydney Morning Herald* of 13th August, reporting on a speech by Mr Bob Hawke, a federal member of Parliament. The article says:

"There is considerable evidence of bloody-mindedness and the pursuit of unqualified self-interest on the part of employers and trade unions," he said.

In a country "uniquely blessed with human and material resources" an essential ingredient in maximizing opportunities was an efficient, equitable and realistic industrial relations system.

That accurate statement of the situation was made by a man for whom I have a lot of respect, though his brand of politics differs from mine. In my view he is genuinely concerned with human as well as political issues. I am firmly convinced that until we, as a nation, face up to this issue and put politics aside, we have no future. I have stated what in my view are the two main issues to be dealt with. If we pander to a materialistic society by increasing social services and enabling people to abdicate the responsibility to care for themselves, this nation has no future. The cost of social services will be prohibitive and will bring about the economic breakdown of the nation.

If we continue to conduct industrial relations on the basis of confrontation and allow the unions to run wild rather than to sit down with the manufacturers and commercial people—and I do not exempt them from criticism—in other words, if we do not substitute consultation for confrontation, this State has no future. I leave those issues with the House. I regret that the Government has failed to recognize **them** and include them in the Governor's Speech.

The Hon. J. S. THOMPSON [6.4]: At the outset I pay tribute to His Excellency Sir James Rowland, our Governor. His Speech in this Chamber last week showed his feeling for the State. He has a difficult task in succeeding Sir Roden Cutler, who was one of the greatest Governors this State has ever had. Sir James Rowland is doing an excellent job and in my view will continue to do so. I take this opportunity also to congratulate the Hon. Kathleen Anderson and the Hon. R. G. Melville on their contributions to the debate. Both members made fine speeches.

I was gratified to hear in the Speech of His Excellency in this Chamber last week reference to the progress that the State has made during the life of this Government, especially over the past three years. I have not the slightest doubt that when the Government is judged by the people at the coming elections, the vast majority of them will agree that it has done an excellent job. I forecast that the Government will be returned to office with an even larger majority. The best judges of the achievements of a government are its peers. When soon this Government is judged I have no doubt of the result. That people appreciate good government is obvious from a by-election held recently in Victoria. It revealed the dissatisfaction of the people over the record of the Victorian Government. The electors were searching for an alternative, which is one reason why the Australian Democrats polled so well. The people will judge the New South Wales Government on its performance. It will be interesting to see what happens in a few weeks' time.

The Hon. R. B. Rowland Smith: The honourable member can babble on. We do not mind.

The Hon. J. S. THOMPSON: I shall remind the honourable member of that remark when we return to the Chamber after the elections. The numbers on the Government side will be even greater than they are at present and there will be fewer members on the opposite side.

The Hon. N. M. Orr: The honourable member should not bet on that.

The Hon. J. S. THOMPSON: We shall see. I take this opportunity to congratulate the Hon. J. R. Hallam on the job he has done as Minister for Agriculture during a most difficult period. It is pleasing that the drought in New South Wales has broken. It must be difficult for a new Minister to take over such an important portfolio as agriculture during a most serious drought. The Minister has done a fine job in difficult and trying circumstances.

Returning to the Speech of His Excellency, it was pleasing to note that New South Wales has the best level of employment of any State. The level of unemployment is dropping more sharply in New South Wales than in any other State. We are certainly making fine progress. Because of the continuing and advancing prosperity of New South Wales, work is being channelled to other States in a way that has not been possible for years. It is a matter of regret that the States which are benefiting from this flow of work from New South Wales do not encourage reciprocity. As a result of the State Government's success in improving the transport system operated by the State Rail Authority, a major problem has occurred in that New South Wales does not have enough locomotives or rolling-stock to cope with the huge flow back to public transport in both goods and passenger services.

The two major rolling-stock manufacturers of this State have so much work that they cannot handle any more at present. As a result, the Government has found a necessary to let contracts to other States, in particular Queensland and Victoria, for the building of rolling-stock. The industry in this State is working to capacity, and with very little industrial disputation. I mention that purposely. Over the years the Queensland Government in particular, the South Australian Government and to a

lesser extent the Victorian Government, have had a rigid policy of having all their rolling-stock built in their own States. Those governments are benefiting from increased employment as a result of the rapid advancement and prosperity of New South Wales. The true Labor State of New South Wales is assisting its weaker sister states by improving employment opportunities in those places. It pleases me to place the fact on record.

Also I wish to comment on the action taken by the Government to expand technical and further education. I have said many times in this Chamber that the training of a skilled work force in an advanced society such as Australia is one of the most important avenues for progress. I have visited Japan on numerous occasions and although I disagree with many facets of their industry—and I shall deal with that aspect later—I give full credit to the Japanese for the value they place on skills. Japan has few raw materials but it has tremendous skills and a dedicated work force. It should be awarded full marks on that score. Those skills have enabled Japan to take tremendous industrial strides over the past twenty years.

The Hon. R. B. Rowland Smith: Japan has plenty of skilled workers.

The Hon. J. S. THOMPSON: The point I am making is that Australia is not taking enough action to promote the training of skilled workers. At least the New South Wales Labor Government is attempting to rectify the imbalance. I note from the Speech that the Technical and Further Education Teaching Service has been established. The passage in the Speech reads:

Following a vigorous recruitment campaign to attract successful people from various branches of industry and commerce, this Service now employs close to 5 000 full-time TAFE teachers—an increase of some 800 during the past year.

No fair-minded person would criticize any government for making such massive increases in the training of skilled people in this State. That increase of 800 full-time TAFE teachers is a massive step in the right direction. I instance the number of new apprenticeships commenced since the Labor Government took office. The number of new apprenticeships in the State has reached nearly 18 000, 57 per cent higher than the figure five years ago. Surely that is a sign of progress in the State. During the years of Liberal Party–Country Party governments I criticized the decision to wind up a large number of apprenticeships in the State Rail Authority. The Government of the time announced that there was no need for more apprentices. However, the chickens came home to roost and the State Rail Authority became desperately short of tradesmen. That state of affairs was caused by the decision of the Liberal Party–Country Party Government to cancel apprenticeships. I am proud to say that it took a Labor government to put the situation right.

There is another matter of great concern to this State and the nation. The federal Government constantly expresses belief in the progress and future of Australia, yet that very government is frantically engaged in tearing down many of Australia's basic secondary industries. It is almost on a par with the mismanagement of the apprenticeship scheme in this State by that earlier government. What is now **being** done is on a much larger scale and is affecting large areas of Australia's secondary industries.

Earlier I mentioned what was happening in Japan. In the period from January to August this year the exchange rate of the Australian dollar to the Japanese yen has appreciated from 240 yen to 276.5 yen. The change in the exchange rate has had a dramatic effect. It means that Japanese goods are entering Australia much more cheaply and we are getting **much** more for our exports. That fact demonstrates the

risk of relying on tariffs. Changes in the exchange rate can destroy a tariff system overnight. An assembled vehicle sourced from Japan at 700 000 yen f.o.b. would have fallen in relation to the Australian dollar from \$2,916 in January 1981 to \$2,532 in August this year; customs duty would have declined from \$1,677 in January 1981 to \$1,456 in August this year. The vehicle will cost the Australian importer \$605 less in August 1981 than it did in January 1981. However, I have certainly witnessed no reduction in the price of Japanese cars. Indeed, throughout this year prices have risen rapidly.

That gives the lie to those who take the view that tariffs must be removed if industry is to be competitive and prices are to fall, thus benefiting, it is said, the Australian consumer. Of course, that is not the position. I have just given clear evidence of the opposite effect related to the change in the value of the Japanese yen *vis-a-vis* the Australian dollar. I emphasize that for an assembled vehicle the Australian importer will be paying \$605 less in August 1981 than he did in January 1981. It appears that the change in the exchange rate has had the opposite effect for the consumer—a dramatic increase in prices. Those who believe that all our problems will be solved once the tariff walls are down should realize that we could be putting ourselves at the mercy of some foreign importers and manufacturers. People who take that view have a great deal to learn.

The Hon. R. B. Rowland Smith: The idea was for a progressive reduction in tariffs.

The Hon. J. S. THOMPSON: If the honourable member will pay attention to what I am saying, he will get it right.

The Hon. R. B. Rowland Smith: It was the Whitlam Government that tore down the tariff barriers.

The Hon. J. S. THOMPSON: Yes, and I criticized that step at the time. I thought it a foolish decision and said so. However, what is being done by the federal Government is worse.

The Hon. E. P. Pickering: What has the federal Government done?

The Hon. J. S. THOMPSON: If the Hon. E. P. Pickering will listen, I shall tell him. At the Australian-Japanese exchange rate applying in January 1981 the vehicle companies have gained access to 72 000 million yen of Japanese components. A very large number of Japanese components make up Australian cars. The Gemini, for example, which is sold as a General Motors-Holden's product, is for all practical purposes made up of Japanese components. The car is built in Queensland but consists mainly of imported components. On the face of it, because of the exchange rate between the two countries, there was a fall in the price to the importer, but that price has not been reflected in the vehicle cost to the consumer.

The Hon. R. B. Rowland Smith: This flows from an increase in the value of the Australian dollar.

The Hon. J. S. THOMPSON: That is what I am saying. The point is not being fully taken by the Opposition. As the Australian dollar becomes more expensive, imports become cheaper and our exports earn more. I am merely saying that parts imported from Japan should be cheaper to the Australian customer but they are not. In fact, prices for them have risen.

In August last the nation would have had access to an extra 82.95 million yen and an additional 10 950 million yen for what we call *oversea* exporter component parts. This represents an increase of almost 50 per cent in the real value of what are called

certain by-law entitlements. This is the method for bringing component parts into Australia, duty free. As a consequence of the automatic application of the by-law to what is called original equipment the percentage points have risen by 17.2 per cent. As a consequence of the change in the value of our currency over the past few months, the Australian manufacturer of motor vehicles using mainly Japanese component parts has been at an advantage. Unfortunately the price of parts has risen, not fallen; thus the general public has not gained an advantage.

In the past two months the Nissan Motor Company has given official notification that from May next year it intends to cancel its contracts for purchasing Australian automatic transmissions and, as a result of the federal Government's export credit **plan**, **will** be able to bring them into Australia duty free. I regard the Nissan Motor Company as the most rapacious of motor vehicle manufacturers. The company's plan is to build a new foundry in Victoria where it will rough cast aluminium parts, and ship them by Japanese-owned vessels to Japan for machining, which is a skilled process. The machined parts will be exported to meet world demand. The insidious aspect is that by exporting those aluminium components the company will receive an export credit enabling it to bring into Australia, duty free, all types of completed transmissions.

The proposals of the Nissan Motor Company may result in the closure of ~~the~~ Borg-Warner plant at Albury, which employs some 1 140 people. Further, that company manufactures transmissions for the Ford Motor Company, General Motors-Holden's Limited, the Nissan Motor Company, the Toyota Company and Mitsubishi. In other words, every motor vehicle manufacturer in Australia is using a type of Borg-Warner transmission. Those who are familiar with the motor manufacturing industry are aware that the main problem is the low volume of manufacture. The lower the volume the higher the per-unit cost. Many people, including myself, have been advocating a greater commonality of parts among manufacturers to achieve a lower per-unit cost. Borg-Warner provides a classic example of how the principle has been followed. It has the most modern transmission plant in Australia. With the exception of a small General Motors-Holden's plant in South Australia it is the only transmission plant in Australia. It is a vital part of Australia's major secondary industry.

If the Nissan company is permitted to implement its current proposals, and my information is that the federal Government will allow it to do so, after May next year one will observe the first signs of the destruction of a major secondary industry now employing some 1 140 highly skilled people. The employees at the Borg-Warner plant belong to one union and, as a result, it has had no inter-union problems or industrial disputes. Because it fulfils orders from five motor manufacturing companies it has a large volume of production. Unfortunately the plant will be destroyed should the federal Government allow the Nissan company to rape this country's major transmission producer. I can find no more appropriate term to describe that company's plans. It is incredible that the Nissan company should be permitted to take advantage of Australia's cheap energy, which is sold at bargain basement prices, so that it may cast aluminium components in rough form, ship them to Japan for the skilled machining and be permitted to bring into Australia component parts or transmissions, duty free. In the process a major section of Australian industry will be torn down.

I doubt that Opposition supporters, who shed crocodile tears about the state of Australia's defences, appreciate the consequences of the proposals to which I have referred. They go further than the Borg-Warner plant. New South Wales has a modern and efficient die casting industry. The workers in it have extensive skills. If the Nissan Motor Company is successful with its proposed venture, it will irreparably damage the transmission manufacturing industry and cause the closing down of large sections of the nation's die casting industry. Australia will be left with the production

of rough castings, which requires the use of only semi-skilled or unskilled labour. The skills of the die casting industry will be lost to the nation, and **that** will be disastrous. No nation can afford to lose its die casting and heavy engineering industries.

Over the past few weeks I have observed how other countries protect their industries. I studied the motor industry in South America, particularly Brazil. Tonight other honourable members referred to the progress taking place in that country. Australia could take a leaf from the industry protection book of Brazil. Last year that country produced over one million motor vehicles, which is more than double the Australian production of vehicles. Japanese cars are barred from Brazil. That country's government has the policy of insisting that manufacturers manufacture a product completely in Brazil or not at all. The success of that country's policy is reflected in the large number of vehicles that it produced last year. Further, that country is about to export motor vehicles. I foresee that within two years, under the so-called implementation plan, Australia will be importing component parts manufactured in Brazil. In contrast with the Japanese, who are ripping us off virtually with the approval of the federal Government, the Brazilian Government expands its local industry. New plants are opening up all over Brazil.

The Hon. N. M. Orr: It all comes down to labour costs.

The Hon. J. S. THOMPSON: It does not come down to labour costs; it comes **down** to the Brazilian Government's policy of encouraging industry. I should be pleased if Opposition supporters could inform me of one other country in the world that is adopting measures similar to those of Australia, of tearing out the heart of the nation, particularly its secondary industries. When I was overseas I attended a conference in Detroit of the International Metal Workers Federation. One seminar I attended was chaired by the vice-president of the General Motors Corporation. For once that group gave an honest assessment of its future plans. He said that the days when the company permitted its various plants throughout the world to have a lot of autonomy were finished. With the advent of the world car the General Motors Corporation would remove from all of its oversea companies the autonomy they had and they would be brought under the direct control of the parent company in the United States of America. He gave as an example the manufacture of seat belts in a factory in Ireland for use in cars throughout the world. Further, an engine plant in Brazil would build motors for use throughout the world. Australia, Mexico and Brazil are expanding the operations of their engine plants. General Motors-Holden's is expanding its engine plant in Australia to utilize this nation's bargain priced energy. Though that company is not endeavouring to copy the Nissan Company, it is taking every advantage **of** Australia's cheap energy.

The Government has taken care in setting the direction in which New South Wales is headed. I have documented information, which I shall make available to any honourable member who requests it, showing that in the next few years, if the federal Government proceeds with its plan, New South Wales will lose 15 000 jobs. I find it difficult to understand why any government that calls itself responsible would take action to wind down secondary industries, to tear the heart out of the die casting, steel, rubber, paint and plastics industries—industries that have taken fifty years to establish. One must ask oneself why that is being done. Australia is the only country doing it; other countries are building up their industries. The only answer to the query is that it will make Australia more competitive. Brazil does not seem to be concerned about being competitive. Last year that country built over one million motor vehicles, which is more than double the number of motor vehicles built in Australia. In the near future components for cars will be exported from Brazil to Australia.

Australia is about to face a serious employment decline as its industries are wound down. I have always believed that the heart of any country can be measured by the skill of its people and the strength of its secondary manufacturing industries. At least New South Wales is doing something to improve the skill of its people by increasing the intake of apprentices. However, I cannot find one shred of evidence that the federal Government intends to help Australia. On many occasions I quarrelled about the tariff policies of the Whitlam Government. I make no apology for having done so. But when I go to Canberra I find that the persons who were giving the Whitlam Government terrible advice, are giving the present Government similar advice. They should be weeded out of Canberra. Those highly paid academics have never done a day's work yet the Government accepts their advice. I congratulate the New South Wales Government on its efforts to improve the lot of the people of this State. A few weeks from now the people will judge the performance of the Wran Government. If it were to follow the path taken by the federal Government, New South Wales would soon be in dire straits.

Debate adjourned on motion by the Hon. L. P. Connellan.

SPECIAL ADJOURNMENT

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

That this House at its rising today do adjourn until tomorrow at 4.30 p.m., *sharp*.

House adjourned, on motion by the Hon. J. R. Hallam, at 6.34 p.m.

