

Legislative Council

Wednesday, 25 November, 1981

The President took the chair at 11 a.m.

The President offered the Prayer.

SESSIONAL ORDERS

Precedence of Business

Motion (by the Hon. J. R. Hallam on behalf of the Hon. D. P. Landa) agreed to:

That on each Sitting Day until Friday, 4th December, 1981, Government Business shall take precedence of General Business.

SESSIONAL COMMITTEES

Standing Orders

Motion (by the Hon. J. R. Hallam on behalf of the Hon. D. P. Landa) agreed to:

That the Standing Orders Committee for the present Session consist of the following Members, viz.—The President, Mr Burton, Mr Healey, Mrs Isaksen, Mr Kennedy, Mr Lange, Mr Sandwith, Mr Rowland Smith, Mr Thompson and Mr Landa, with leave to sit during any adjournment and authority to confer upon subjects of mutual concernment with any Committee appointed for similar purposes by the Legislative Assembly.

Library

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

That the Library Committee of this House for the present Session consist of the following Members, viz.—The President, Mrs Chadwick, Dr Freeman, Mr French, Mrs Grusovin, Mrs Kite, Mr Philips, Mr Solomons, Mr Thompson and Mr Watkins, with leave to sit during any adjournment and authority to act jointly with the Library Committee of the Legislative Assembly in accordance with Council's Resolution of 26 November, 1968.

House

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

That the House Committee for the present Session consist of the following Members, viz.—The President, Mr Burton, Mr Duncan, Mrs Grusovin, Mr Healey, Mr Killen, Mrs Kite, Mr MacDiarmid, Mr Sandwith and Mr Vaughan, with leave to sit during any adjournment, and authority to act in matters of mutual concernment with any Committee appointed for similar purposes by the Legislative Assembly.

Printing

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

That the Printing Committee for the present Session consist of the following Members, viz.—Mr Baldwin, Mrs Fisher, Mr Garland, Mr King, Mr Orr, Mr Pickering, Mr Unsworth and Mr Willis, with the following duties and powers, and to whom shall be referred all Petitions presented to the House, and all Papers laid upon the Table. It shall be the duty of such Committee to report from time to time which of the Petitions and Papers referred to them ought, in their opinion, to be printed, and whether in full or in abstract; and it shall be in the power of the Committee to order such Petitions or Papers, or abstracts thereof, to be prepared for the Printer by the Clerk in attendance upon such Committee and such Papers or abstracts shall be printed, unless the House otherwise order.

Committee of Subordinate Legislation

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

(1) That this House do appoint a Committee to be called the Committee of Subordinate Legislation.

(2) That the Committee shall consist of seven Members.

(3) That the following Members shall comprise the Committee, viz.—Mr Dyer, Mr French, Mr Holt, Mr Philips, Mr Reed, Mr Solomons and Mr Vaughan.

(4) That it shall be the duty of the Committee to consider all Regulations, Rules, By-laws, Ordinances, Orders or Proclamations (hereinafter referred to as “the Regulations”) which under any Act are required to be laid upon the Table of this House, and which are subject to disallowance by resolution of either or both Houses of Parliament.

If the Regulations are made whilst the Council is sitting, the Committee shall consider the Regulations before the end of the period during which any motion for disallowance of those Regulations may be moved in the House.

If the Regulations are made whilst the Council is not sitting, the Committee shall consider the Regulations as soon as conveniently may be after the making thereof.

(5) The Committee shall, with respect to the Regulations, consider—

- (a) whether the Regulations are in accordance with the general objects of the Act pursuant to which they are made;
- (b) whether the Regulations trespass unduly on personal rights and liberties;

- (c) whether the Regulations unduly make the rights and liberties of citizens dependent upon administration and not upon judicial decisions;
 - (d) whether the Regulations contain matter which in the opinion of the Committee should properly be dealt with in an Act of Parliament;
 - (e) whether the Regulations appear to make some unusual or unexpected use of the powers conferred by the Statute under which they are made;
 - (f) whether there appears to have been unjustifiable delay in the publication or the laying of the Regulations before Parliament;
 - (g) whether for any special reason the form or purport of the Regulations calls for elucidation.
- (6) If the Committee is of the opinion that any of the Regulations ought to be disallowed—
- (a) it shall report that opinion and the grounds thereof to the House before the end of the period during which any motion for disallowance of those Regulations may be moved in the House;
 - (b) if the Council is not sitting, it may report its opinion and the grounds thereof to the authority by which the Regulations were made.
- (7) If the Committee is of the opinion that any matter relating to any of the Regulations should be brought to the notice of the House, it may report that opinion and matter to the House.
- (8) The Committee shall have power to act and to send for persons, papers and records, and to examine witnesses, whether or not the Council is sitting, and all papers and documents referred to, and Minutes of the Proceedings, reports and records of the Committee of Subordinate Legislation appointed on 22 November, 1978, shall be referred to the Committee hereby appointed.
- (9) The proceedings of the Committee shall, except wherein otherwise ordered, be regulated by the Standing Orders of the Legislative Council relating to Select Committees.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION FUND

Legislative Council Trustees

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

That in accordance with Section 14 (1) (a) of the Parliamentary Contributory Superannuation Act, 1971, the Hon. D. R. Burton and the Hon. W. J. Sandwith are appointed as Trustees of the Parliamentary Contributory Superannuation Fund.

QUESTIONS WITHOUT NOTICE

COAL ROYALTIES

The Hon. W. L. LANGE: I wish to ask the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council a question without notice. Are reports in today's news media relating to legislation to appropriate coal and other minerals from private ownership correct? Does the Government intend, in this session of Parliament, to introduce legislation to take away mineral rights from private property-owners without compensation? Apart from the serious implications arising from this proposed confiscation has the Government also considered the detrimental effect this action will have on future investment in this State?

The Hon. D. P. LANDA: The Premier and Minister for Mineral Resources has made it abundantly clear to the people who have the rights to seven-eighths of the royalties being imposed on some of the coal extracted in this State that they are in a position totally different from that which applies in other States. He said that their advantageous position is unwarranted and is contrary to the best interests of the development of this State and its coal resources. The Premier and Minister for Mineral Resources has intimated that the Government will be taking legislative action to ensure a just disposition of those resources. The matter will be one for Cabinet to deal with. Cabinet will consider the rights of the property-owners and their proper entitlements. When Cabinet has completed its consideration and the Government's policy has been decided, the Premier and Minister for Mineral Resources will make an announcement. I shall then be in a position to elucidate the matter further in this House. The Leader of the Opposition knows better than to ask me to confirm a newspaper report on a matter of policy that has not yet been dealt with by Cabinet.

LIDDELL POWER STATION

The Hon. E. P. PICKERING: I ask the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council a question without notice. What is the general nature of the mechanical failures that have closed down the Liddell power station? Are the problems the same on all units? Why have those failures been described as basic design faults? As the units in question have been in operation for approximately ten years, will the Minister agree that it is highly unlikely that the faults are of a design nature? Is the Minister completely satisfied that operating techniques or maintenance procedures did not contribute to all or some of these failures?

The Hon. D. P. LANDA: I answered a question on this matter yesterday. The honourable member's question today demonstrates clearly that he is determined to indulge in political mischief-making in relation to the problem. His colleague in another place, the honourable member for Upper Hunter, who moved a substantive motion yesterday, was honest enough to concede the truth in relation to these generators.

The Hon. E. P. Pickering: What does he know about it?

The Hon. D. P. LANDA: That is a great statement from a member of the Opposition about the Opposition spokesman on energy in the Parliament of New South Wales. As the honourable member for Upper Hunter was given the shadow portfolio, he must know a little more about it than the Hon. E. P. Pickering, for he did not get the job. This question shows that the honourable member still has not learned much about the matter. This morning I spoke by telephone to the man responsible for running the Liddell power station. I asked him to clear up the furphy raised

yesterday by the Hon. E. P. Pickering in his question along similar lines. That officer, speaking from his decades of professional experience at Liddell and other power stations, said without any doubt that, so far as officers of the Electricity Commission have been able to ascertain, the problem is due to a basic design fault. I asked him whether the problem was connected with the coal being used, and he said that was highly unlikely—in fact, he described the Hon. E. P. Pickering's question yesterday about the quality of coal as silly.

When I asked the officer whether the problems were connected with the oil being used in the machines, he said that would not appear to be so. I asked him, further, whether the water being used at Liddell could be contributing to the problem. That is another aspect about which the Hon. E. P. Pickering will probably ask me. It is probable that he will then ask me whether the climate is affecting the generators. I have taken into account every possible exigency that might be the subject of a question from persons generally legitimately wishing to know the causes of the trouble. The officer to whom I spoke only an hour or so ago said that, so far as can be ascertained, the problem is caused by a design fault, and one that is appearing in the same machines overseas.

The question that should be asked is why this machinery was brought and what examinations were made of it at the time to assess whether it was the best available. I assure the honourable member that today I called for the files to see how tenders for the equipment were called and how the various Ministers of the day dealt with them. I shall give those files close scrutiny in the light of the honourable member's attempt to imply that somehow the present Government is responsible for the mechanical defects in the machinery. I asked the officer also whether the problem had anything to do with the basic practices at Liddell power station. He discounted it. At about noon today I shall be flying to Liddell to talk with the officer and other engineers on the job. I shall talk also with the men on the job. I want to learn whether any other factors should be made public. I have extended an invitation to the media to visit the power station. They may if they wish talk directly to the men—I shall not insist on being present—and the people in charge, the professionals, to get their views. I shall be delighted to facilitate an orderly and proper inspection of the station.

The fact is that the equipment, to put not too fine a point on it, is totally inadequate for the task. It was the wrong equipment to order, and that is established by the performance capacity and reliability of equipment at other power stations. Vales Point power station, which was built by this Government, operates at 73.5 per cent efficiency, way above the international average. Liddell is lucky to achieve 68.5 per cent efficiency. That has been the history of the power station since the Askin Government brought it into service. There was a good deal of hoo-haa at the opening of the power station, but the end result is as I have stated. Probably it was a precursor to the time, of which the Hon. B. J. Unsworth spoke, when during the Askin era this place was lit by hurricane lamps.

If the Hon. E. P. Pickering doubts that the equipment has a basic design fault, I invite him, if he has the time and can arrange it with the Whips, to join me today at Liddell power station where he can speak to the engineers in charge. While I am the responsible Minister, the power generation industry in this State will be an open book, provided that it is not used as a political football by the Hon. E. P. Pickering to advance his political ambitions. As honourable members know, when the Hon. W. L. Lange was elected Leader of the Opposition in this House, the person who was most disappointed at the appointment of a competent Leader of the Opposition was the Hon. E. P. Pickering. He has been plotting for months to get the job, but if he is to succeed he will have to perform much better than he has so far.

ELECTRICITY SUPPLY

The Hon. E. P. PICKERING: I ask a further question of the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council. Are the boilers installed at the new Eraring power station the first of their size and brand used anywhere in the world? In view of the problems experienced by the Electricity Commission with boilers elsewhere in the system, will the Minister assure the House that an adequate technical audit was undertaken to ensure that these experimental, unproven boilers will allow Eraring to commission on time and continue to perform successfully?

The Hon. D. P. LANDA: The honourable member has already displayed his ignorance about generators. Yesterday I told him about the size of the boilers, comparing them with a 25-storey building. As I told him yesterday, he is either deaf or daft—one or the other. Certainly, the boilers are large. From the general reading I have been able to do in the short time I have been the responsible Minister, experience overseas has shown that these boilers are the sort needed to provide the steam energy required by a 660 megawatt unit that is being installed at Eraring, and such boilers have proved to be the most efficient for the purpose.

Recently I discussed the matter with an engineer from the United States of America who said that units of this size have been operating efficiently. The honourable member asked whether a technical audit was carried out. I do not carry in my head the technical details of a power generation programme involving the spending of \$1.6 billion. If the honourable member gives adequate notice of such a query, I shall be happy to provide him with the answer to it. The main point is that the programme is proceeding on schedule. A test firing is under way—if the honourable member flies over the stacks, he will see steam emerging from them. The firing is right on schedule and energy will be brought into the electrical system in about January. Peak load will be achieved in three or four months. The scheme will provide a massive injection of 660 megawatts of electrical energy, giving the commission a breathing space to cope with the faulty equipment problems inherited by the Government.

We must encourage an energy conservation programme in this State; it must be seriously pursued. I propose to put the Government's money where its mouth is and to see that these matters are put across in the most professional way. I drew an analogy with the "Do the Right Thing" campaign which has proved most successful in litter reduction. Such a programme must be undertaken professionally and needs the support of everybody. This applies particularly to people in public life. The Hon. E. P. Pickering should take time to visit the power stations and see the engineers at work. He will find that they perform their functions in a highly professional way. They can do without the gratuitous slights that the honourable member seeks to cast upon their technical evaluations. When Parliament rises and I have more time to check on the totality of the works programme, I shall seek to complement the information that I have obtained in the short time I have been Minister for Energy.

POWER MAINTENANCE BACKLOG

The Hon. E. P. PICKERING: I wish to address a question without notice to the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council. In the House on 24th November, 1981, did the Minister describe the power generation crisis as unprecedented in this State's history? Have the power maintenance unions insisted on a series of demands before allowing the Electricity

Commission of New South Wales to use outside contract labour to help with the massive backlog of maintenance works? Will the Minister detail the demands made by the unions? If he will not, why not?

The Hon. D. P. LANDA: Once again the Hon. E. P. Pickering displays his ignorance. No wonder the honourable member for Upper Hunter has such a big future in the portfolio allegedly shadowed by the Hon. E. P. Pickering. I have never known such abysmal ignorance as he displays of these matters. I remind the honourable member that there is already contract labour in the power industry. Where has the honourable member been while all this has been happening? The question is whether we need to extend such labour. We are already negotiating with the unions seeking an extension, but the matter requires detailed negotiations. I have already had three meetings with the unions, another is fixed for today and still another is due on Friday. I hope to present a package to industry and the public of New South Wales to ensure that an extended work effort is made involving increased shifts, the use of contract labour and improved working practices. All of those matters have to be negotiated. The honourable member's knowledge of industrial relations is on a par with his knowledge of the power industry, but even the honourable member must acknowledge that negotiations take a little time. We should be in a position to reach an agreement in the near future. If agreement is not reached, the matter will have to be determined in accordance with the laws of this State via the conciliation and arbitration procedures. The power industry unions are in no different position from other trade unions. After the total collapse of industrial direction as a consequence of the decision of the national government to follow federal court decisions, there has been and there still is a general push for better wages and conditions throughout Australia.

A series of unrelated collective bargaining propositions is occurring in the Australian community. The unions in the electricity generating industry are no different from anything else, and one would not expect them to be. I assure the House and the community that the Government is doing all it can to ensure efficient working practices and high morale in the industry. In that way New South Wales will be able to generate the energy required to continue the industrial development of this State, which has led the nation.

LOTTO

The Hon. ELISABETH KIRKBY: I desire to ask a question without notice of the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council. Is the Minister aware that both licensees under the Lotto Act have received numbers of inquiries concerning the possibility of Lotto coupons going astray after validation at the point of sale? Will the Minister explain why Lotto tickets are not handled in the same secure manner as lottery tickets? Will the Minister confirm that as microfilming is the only action that registers the purchaser's claim to a prize, it is possible that a citizen might hold a winning ticket validly franked by an authorized dealer for which money has been paid and received, and yet if this ticket were to be lost or mislaid before reaching the microfilmed stage, the citizen has no claim to the prize? Does the Minister agree that the present situation is unsatisfactory and contravenes the provisions of the Trade Practices Act?

The Hon. D. P. LANDA: I have been under the impression that Lotto tickets are microfilmed and that the microfilms are kept. The assertion of the Hon. Elisabeth Kirkby is incorrect. I am not aware that numerous complaints have been made about this matter. So far as security is concerned, officers of the Treasury supervise and

ensure that these matters are dealt with in scrupulously honest manner. The Hon. Elisabeth Kirkby is the first person to raise in this Chamber a matter of this nature. It appears that the question is based on a factual error. I shall refer the honourable member's question to the Treasurer in the other place and obtain detailed advice in accordance with her demand.

LOTTO

The Hon. ELISABETH KIRKBY: I ask a supplementary question of the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council. I am aware that microfilming is the ultimate stage and that this gives the ticket its validity, but in the process after the ticket has been——

The Hon. D. P. Landa: On a point of order. The honourable member is not entitled to give an opinion. She is entitled only to ask a question in accordance with the standing orders.

The Hon. ELISABETH KIRKBY: May I re-phrase my question?

The PRESIDENT: Yes.

The Hon. ELISABETH KIRKBY: Will the Minister confirm that lottery tickets pass from agents to the New South Wales State Lotteries office in locked canvas bags receipted at each exchange of hands, but that Lotto tickets pass in paper envelopes by couriers and the couriers are not required to issue or receive receipts?

The Hon. D. P. LANDA: I cannot confirm that from memory. I shall make an immediate inquiry of the Treasurer. Details of a factual matter of this nature are simple to ascertain. I should be grateful if any honourable member has any suggestions to make about security in these matters. It is wrong to give an impression that the practices adopted are not secure if the factual basis for the assertion is not correct. This may have a deleterious effect on the success of these operations, upon which hospital and sporting programmes depend for support. Those programmes require urgently the funds generated from these sources. I urge the honourable member to take advantage of the offices of the responsible Minister to make preliminary inquiries on these matters prior to causing unnecessary concern. As everyone knows, a suggestion of lack of security in this area, far from achieving what the honourable member no doubt quite properly and with good intentions seeks to achieve, may have serious effects upon welfare services and sporting bodies that require funds to carry out their activities.

MEAT INSPECTION SERVICE

The Hon. F. M. MACDIARMID: Will the Minister for Agriculture and Fisheries inform the House of the progress that has been made for a single meat inspection service?

The Hon. J. R. HALLAM: On previous occasions I have answered in the House a question along similar lines. The precise state of play is that the Commonwealth and Victorian Governments, as a result of discussions that took place at the last Australian Agricultural Council meeting in Darwin, are considering various methods that may result in a single meat inspection service. As I have said on many occasions, my attitude is to support most strongly the principle of a single meat inspection service.

One problem is that about 50 per cent of the activities of the Commonwealth meat inspection service are subsidized, amounting to some \$25 million a year. The New South Wales Government is reserving its opinions until such time as it knows the Commonwealth's intentions for any single meat inspection service.

APPROPRIATION BILL

GENERAL LOAN ACCOUNT APPROPRIATION BILL

Second Reading

Debate resumed (from 24th November, *vide* page 623) on motion by the Hon. D. P. Landa:

That these bills be now read a second time.

The Hon. J. D. GARLAND [11.42]: In speaking to the 1981–82 New South Wales State Budget and associated issues I take the opportunity at the outset, as it is my first speech in this Chamber, to express my pleasure that after 157 years we now have a Legislative Council constituted of a majority of elected members and that in a few years to come all members of this House of the New South Wales Parliament will be elected by the citizens of this State. The credits for the initiative in this and other electoral reforms in the State go clearly to the Premier and Minister for Mineral Resources and the Labor Government of New South Wales. I record my appreciation for and thanks to the parliamentary staff, who have been considerably helpful in assisting and guiding me in these early days, as I am sure they have been with all other new members, on procedures, facilities and responsibilities. Their dedication and willingness cannot but impress. Undoubtedly their services are of great value to this Legislative Council and its members. As a representative of the Labor Party and a trade union official of some standing and experience, I welcome the opportunity to represent that party and the people of this State in this House of the New South Wales Parliament. I trust that here and outside I can render service to the people and assist in the struggle to advance the social, industrial, economic, and cultural framework in which people have to work and live.

I do not have any quotes from great poets or extracts from speeches of great statesmen to place before this House, but I do have an understanding of what is happening in our society today, what is happening in our region of the world, and what is happening internationally? As development in each of those areas has a significant impact upon State Government economic functions, including the scope and direction of the Budget, later in this address I shall have something to say about these matters. Basically what is happening, is that the rich are getting richer and the poor are getting poorer. This applies to people as it does to nations. Massive shifts are taking place in Australian society affecting the wellbeing and living standards of hundreds of thousands of citizens. For many years it has been a devastating experience—and it is far from over.

The Organization for Economic Co-operation and Development predicts that by the end of this year the unemployment level in the industrialized world will reach 30 million. At the centre of these issues are power, wealth and privilege. Unfortunately, the distribution of wealth is becoming more limited. Power and privilege are centring

in fewer and fewer hands. We are losing our economic independence. The wealthiest ten per cent own almost 60 per cent of the total wealth of all Australians. The richest 2 000 people own as much as the poorest 2.25 million adult Australians. In Australia about 2.5 million human beings exist on or about the poverty line. Nearly 60 per cent of all wage and salary earners receive less than average weekly earnings before tax. Tax evasion is rife and widespread among the rich.

These are some of the results of our economic system and the policies and attitudes of the Fraser Government and some of those who own and control. Yet even this is not the whole story. When the New South Wales Labor Government tries to alleviate and overcome some of these deplorable conditions we then have the federal Liberal Party and Country Party Government reducing financial allocations to the States with budget cuts which have slashed social welfare finances by 40 per cent, housing by 27 per cent, public education by 14 per cent and health by 50 per cent, to say nothing about the 370 razor gang decisions. Before proceeding further I should like to refer to the many mis-statements and distortions about Labors' philosophy and ideology and make a few matters clear. The Australian Labor Party stands for a mixed economy but one in which the elected parliaments have a determinant say about and power over the direction and level of economic development, not a situation where the private enterprise system dictates the major changes and direction of the economy upon which depends the living standards, working conditions, social environment and welfare of the people. It stands for a set of moral, political and social values that include quality of life for all, not just a few, and human concern for others, especially those in need.

The Labor Party stands for equality of opportunities and the removal of deep tensions caused by social injustice, gross economic inequality and discrimination. It is about a more equitable distribution of wealth and power and the alleviation and removal of want and misery caused by poverty and unemployment. The Australian Labor Party stands for the cultivation and encouragement of the numerous talents, abilities and arts of the individual based on a collective society of human and civil rights, justice and freedom. It stands for industrial democracy and co-operative activities involving the training of workers and other producers in the duties and responsibilities of management. The Australian Labor Party believes in the utilization of the economic assets of the State in the interests of its citizens and that scientific and technological advancement shall serve the interest of all and not be the exclusive right of a few. It believes in the development of a national pride in the nation's citizens, promotion of the spirit of community service and particularly an Australian nationalism giving full recognition to the cultural diversities of the various ethnic communities.

I turn to the State Budget, the Appropriation Bill and General Loan Account Appropriation Bill before this House. The Budget has clearly been set in the circumstances and background of dramatic constraints and changes imposed upon the State and its Labor Government by decisions of the Fraser federal Government. On 16th August last the Premier and Minister for Mineral Resources, in an address to the St Vincent de Paul Society, warned that the drastic cutback in federal funding would cause serious problems for the New South Wales Government in maintaining its spending on essential health, education and welfare services this year. In five major areas of spending the federal Government has refused to honour its commitments to New South Wales. First, the unilateral alteration to the income tax sharing arrangements has cheated the State out of \$143 million to which it was entitled. Second, the federal Government sidestepped the fundings of the independent Grants Commission, which recommended that New South Wales receive an additional \$117 million in 1981-82. Instead, the federal Government gave New South Wales a paltry \$25 million.

Third, the reversal by the federal Government of approvals it had previously given for infrastructure borrowings for major development projects—and its refusal to increase the State's semi-government borrowing programme—has placed a severe squeeze on the State's capital resources. Fourth, the alteration to the hospitals cost-sharing arrangements will cost New South Wales an additional \$100 million this year and \$150 million in 1982–83. Fifth, capital works spending has been curtailed by restricting increases in the State's capital funds to 1 per cent, a heavy cut in real terms. The effect of those changes is that this year total federal payments and borrowings for New South Wales will increase by less than 5 per cent.

Faced with those major difficulties of financial restrictions inflicted upon the State Government of New South Wales, this Legislative Council must surely appreciate the extent and direction of the Budget terms whereby total receipts are estimated at \$5,300 million, up 11.8 per cent on the 1980–81 estimates, with only one tax, payroll tax, being increased. It must be emphasized that this is the first time in six budgets of the New South Wales Labor Government that any tax has been adjusted. Expenditures are expected to be \$5,303 million, leaving a deficit of \$3 million. That is quite a remarkable result in the circumstances. What needs to be examined is whether the financial cutbacks imposed by the federal Government upon the State were necessary or justified. I submit most emphatically that they were not. Revenue into the federal Treasury will have almost doubled in the five years ending 1982 from \$21,380 million in 1976–77 to probably \$42,000 million in 1981–82. In the past twelve months alone the increased revenue to the Fraser Government has been more than \$5,500 million. The federal Government's savage sales tax increases and their application to a new range of consumer goods—being but one of the never-ending range of issues of tax and revenue increases by that Government—are already the subject of a motion of condemnation before this House by my colleague the Hon. J. S. Thompson.

I turn now to some of the developments and expenditure items of this State Budget for two main reasons. The first is the somewhat offensive and indefensible statements made by the former Leader of the Opposition in the Legislative Assembly alleging lack of concern by the Labor Government on welfare matters, including hospitalization and care for the sick and handicapped—a statement, I should have thought, more befitting the Prime Minister. The second principal reason I turn to those matters is that the figures show that even under the most stringent financial impositions, Labor has a clear mind and the ability to give practical expression to the urgent needs of the people and a balanced development of the State.

A major item of expenditure in the Budget will be in relation to housing. A special allocation of \$20 million will be made to the Housing Commission to enable it to increase by more than double the number of new dwellings it will be able to commence this year. The Land Commission's production programme will be accelerated, so that 26 000 blocks of low-cost residential land in the Sydney, Central Coast, Hunter and Illawarra regions will be brought on to the market, progressively, over the next three years.

Next I mention the Budget allocation for employment and training. In areas of high unemployment \$5 million will be distributed among councils to assist with projects of lasting value and to provide additional employment opportunities. There will be continued expansion of apprentice intakes and of group apprenticeship programmes. An allocation of an additional \$1 million to the Western Sydney Area Assistance Scheme will be made for welfare projects and assistance to unemployed people in the western suburbs. A further \$600,000 is to be allocated for the Youth Work Co-operative's Programme introduced by this Government.

The Hon. J. D. Garland]

The allocation for welfare and community services will increase by 13 per cent on last year's expenditure. There will be an \$8.5 million allocation for pre-school subsidy rates for children of parents in economic need and for handicapped children. A sum of \$3.8 million will be allocated for long day care centres, including \$700,000 for new projects. The Home Help Service will receive \$8.3 million. A special allocation of \$457,000 is to be made for Vacation Care Centres, together with a \$2.8 million allocation for the operation of women's refuges, youth refuges and half-way houses for young people. Further, there will be an increase in payments to foster parents and child care organizations.

Provision has been made for the allocation of seventy-eight additional teachers for handicapped children, an increase of 40 per cent since 1976. In the western suburbs a handicapped activities centre is to be established. Four additional residential units will be established in the metropolitan area, two for handicapped adults and two for handicapped children. The sum of \$300,000 will be allocated for the first stage of a new programme to improve access to public offices and cultural buildings. An allocation of \$2.6 million—an increase of 14 per cent over last year's allocation—will be made for ethnic affairs. Within the allocation, \$770,000 will be available for cultural and welfare grants and language classes.

In the field of general education during this financial year, a net increase of 120 will occur in the number of teachers for primary and secondary schools. That represents an increase of 7 500 teachers since July 1976. Increases will be made in teaching staffs for remedial teaching, Aboriginal education and migrant education. Living-away-from-home allowances and school bursaries will be increased by 10 per cent. Grants to non-government schools will total \$72.3 million. Expansions and improvements will be made to forty primary schools and thirty-five secondary schools. Construction of twelve new primary schools and four new secondary schools will take place. Major expansions will be made at Sydney, Blacktown, Brookvale, Forbes, Newcastle, Petersham, Shellharbour, Tamworth, Wagga Wagga and Wollongong technical colleges. New technical colleges are under construction at Baulkham Hills and Wyong. This year 580 additional technical teachers will be employed.

An extension will be made in the guidelines for free treatment at public hospitals. An additional 133 000 persons will now be eligible for free treatment though they would not be eligible under the federal Government's guidelines. A new 200-bed hospital will open at Mount Druitt this year. Provision has been made for major new buildings at St Vincent's, Hornsby, Tweed Heads and Coonabarabran hospitals. Expansion programmes are planned for Nepean, Royal Prince Alfred, Shellharbour and Sutherland hospitals. Provision is also being made for new medical and psychiatric teaching facilities at Royal Newcastle Hospital and the Mater Misericordiae Hospital at Waratah. An allocation of \$3.3 million has been made for the Drug and Alcohol Authority, mainly for distribution to organizations that help drug and alcohol victims. An increase of 10 per cent will occur in expenditure on community health facilities.

A record capital works programme of \$48 million is planned for the Water Resources Commission, including expenditure of \$13 million on the Glennies Creek Dam in the Hunter Valley and \$9 million to commence work on the main dam wall at Windamere Dam, near Mudgee. This year, expenditure from the Country Industries Assistance Fund of \$25 million—an increase of 24 per cent—will be made. A grant of \$60,000 will be made to the Royal Far West Children's Scheme and \$300,000 to the Royal Flying Doctor Service. An allocation of \$4 million will be made for biological and chemical research in the Department of Agriculture, \$10 million for plant industry and horticulture and \$30 million for animal health and production and cattle tick control.

So far as the State Rail Authority is concerned, 82 suburban and interurban carriages and 400 freight waggons will be delivered. That will continue the massive capital works programme that commenced in 1976. Extensive work will take place on three new power stations, Eraring, Bayswater and Mount Piper. The State's generating capacity will rise by more than 50 per cent, as the power stations are commissioned between 1982 and 1988. The programme for the Department of Main Roads will cost \$519 million. Six years ago, federal road grants provided 46 per cent of road building costs in New South Wales. In the coming year the proportion will be 36 per cent.

I shall say something about the economic and industrial position internationally, nationally and in the region of the world in which we live, as the framework has a significant influence upon State finances, economic conditions and the welfare of the people of New South Wales and Australia. Earlier I mentioned the prediction of the Organization for Economic Co-operation and Development on employment in the industrial world reaching 30 million by the end of this year. The organization has also claimed that the serious economic position will continue through the whole of the 1980's. It should be remembered that in 1968 world headlines read, "International Monetary Fund in Crisis". At that time the ten major western world's financial leaders were in crisis session in Bonn, Germany, and broke up without agreement on how the international monetary system was to be saved from chaos. Subsequent meetings of the International Monetary Fund have only taken bandaid decisions and cannot reach agreement on the major changes that are necessary for western world stability. This situation and growing contradictions in the international economy have already been the subject of several studies by the United Nations and by world centres of applied economic research.

In 1974, at the sixth special session of the United Nations General Assembly a declaration for the establishment of a new international economic order was approved. Later in the same year the long-sought General Assembly approval of the Charter of Economic Rights and Duties of States was won by the non-industrialized countries. This was followed by the preparation of an agenda for the reform of the economic international order which was agreed upon in principle at the United Nations seventh special session in September, 1975. Subsequent discussions at the United Nations Conference on Trade and Development in May, 1976, and at the conference on international economic co-operation in Paris in 1977, followed the general ideas of the United Nations new international economic order.

It is now generally accepted that there are entirely new conditions operating in the world economic scene and national economies which are different from those of previous periods. A product of the existing crisis which destroy past theory and arguments is that of joint increases and high levels of unemployment and inflation. Further products of our modern society are that the tremendous power now in the hands of the few big corporations and transnational companies is destroying past concepts about free enterprise competition, and that the market-place is the self-regulator of the system. Is it any wonder that there is grave instability and economic stagflation? Those who suffer are the ordinary people in society, particularly wage-earners and salary-earners, small and medium sized businesses and farmers.

In our modern society, not only has the nature of the company changed but also its relationship to the national economy. In the early 1900's the top one hundred manufacturing companies were responsible for only 15 per cent of net output. That was in the period of competitive capital which extended from about 1890 to the period immediately prior to the commencement of the Second World War. By 1970 the top one hundred manufacturing companies were responsible for 50 per cent of net

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output, in the period of monopoly capital from 1945 to 1965. By 1980 these one hundred companies were responsible for two-thirds of net manufacturing production and industry structure had now moved well into the transnational capital stage which commenced about 1966. Foreign ownership and control of Australia's natural resources and its industries are second only to that of Canada, and honourable members have read in the past of the deleterious effect upon that nation's economy because of the lack of national economic independence.

In Australia the following industries are foreign owned or controlled: motor vehicle, petrochemicals, petroleum, refining, tobacco, paint, aluminium, copper, pharmaceutical, transformers, switch gear, tyres, food processing and manufacturing, manufacturing generally, all aspects of mining, banks and financial institutions. Foreign ownership of our rural land is growing considerably, as was seen in the recent departmental inquiry ordered by the Minister for Agriculture and Fisheries, the Hon. J. R. Hallam. It is concentrating on the northern slopes, plains and tablelands where some of the State's best and deepest topsoil exists. Much of this ownership is purely speculative. The inquiry shows that these areas received more than 50 per cent of total foreign investment value in the five years from 1976-77 to 1980-81.

The extent of concentrated economic powers, in what has been appropriately named "The Commanding Heights of Capital", was referred to as far back as 1963 by Dr Alex Hunter, who reported that the concentration of merged and monopolized industries in Australia is twice as great as it is in Britain and three times as great as it is in the United States of America. Professors Karmil and Brunt reported in the same year that at least 60 per cent of the Australian manufacturing work force was concentrated in the first eight firms in the nation, which account for 50 per cent or more of national sales. They went on to show—and this was eighteen years ago—that there was concentration of economic power in several major sectors of the Australian economy, which was distorting stability. These and other works reflect on the clear undermining of the powers of the elected representatives of the people. It is to be noted that these findings came out five years before the international monetary fund broke up in crisis session—not being able to agree on how the international monetary system was to be saved. It was also several years before the spectre of permanent unemployment again began in Australia and subsequently grew to the levels that apply today.

The role of the multinational corporations and their effect upon national and international economies and world trade, also has been the subject of a number of important studies by the United Nations and several other world bodies. These corporations have been—and still are—under attack by the United Nations and world centres of applied economic research for their production and investment policies, their role in marketing and distributing the third world's exports and imports, of which they have virtually taken control. Charges range from price fixing and manipulation of local and oversea markets to total control of trade channels, and include tax avoidance, cartelling and devices to spirit excess profits out of various countries.

At home we are being led and pushed into a substantial narrowing of Australia's former diversified industrial base. The strategy supported by the federal Government is to trade off substantial sections of this country's manufacturing industries, which are the main areas of employment of our citizens, for huge foreign investment which extracts our nation's natural resources of minerals and energy for export. This also involves opening up the national economy by removing tariffs and quota protection for Australian manufacturers, deregulating the finance and banking sectors and removing restrictions on the inflow and outflow of capital. Also, it means giving lip-service to Australian equity participation in proposed foreign projects, and the removal of certain assistance and subsidies to Australian manufacturing industries.

Opening up this nation's economy to international foreign ownership and control without maximum Australian equity, government control and public accountability, means, to a large degree, that the structure and direction of development of Australia's industries and services will be determined by the long-range planning and objectives of global corporations. It is inherently chaotic and disruptive—and we have all heard of the situation of board room decisions in the head offices of corporations in other countries. I instance the most recent decision, where the head office of Nissan Motor Corporation in Japan decided not to have certain of its vehicle transmission assemblies done in Australia at Albury. This means that the livelihood and well-being of some 1 000 Australians will be seriously affected. But this is only one of hundreds of such decisions. It has been calculated that since 1974 some 176 000 jobs in Australian manufacturing and construction have disappeared. Being poor or without a job puts tremendous strains on health, family life and mental well-being of hundreds of thousands of Australians.

The Health Commission of New South Wales has found growing levels of drug addiction in areas of high youth unemployment. The Royal Commission on Human Relationships found that unemployment is an important cause of wife-beating and violence towards children. The misery and anguish of living on or near the poverty line is creating a society where teenage alcoholism is increasing by 15 per cent each year, where juvenile crime has increased by 60 per cent over three years and where those seeking shelter at homeless refuges are mainly under twenty-five years of age. The folly of opening up and deregulating the economy, and its integration into global networks of huge corporations, ensures that wild fluctuations in the international economy are instantly transmitted to Australia. It means also, that many of the mechanisms by which national government in Australia can maintain a screen between this country and the chaos of the international economy will be dismantled, as will many of the mechanisms used to manage the domestic economy. This is not the sort of strategy we want for Australia.

What I have put before this House is the situation facing the Labor Government of New South Wales. That situation has been created by others—nationally and internationally—and the Government has to contend with it. The Budget is, in part, a product of those circumstances. The Premier and Minister for Mineral Resources is conscious of the effects of this economic and industrial background, as evidenced by his most recent and earlier visits to Asian countries for talks on matters of industrial development and trade.

I conclude my remarks with some related comments about aspects of the region of the world in which we live; this region has relevance to Australia and this State. In the past thirty years, we have witnessed the growing and sometimes successful struggles of peoples' national independence movements from colonial and imperial rule—with all that that implies—with its hundreds of years of misery and suffering for millions of human beings. There have been other vast changes as a result of World War II so far as Japan and China are concerned. Japan has had an extensive injection of American capital since the end of World War II. In the main, it has meant a change from direct foreign, political and social control to indirect foreign private capital control, without any real countervailing forces. I instance Indonesia, Singapore, Malaysia, South Vietnam, South Korea, the Philippines and Taiwan.

What really effective opposition political parties are allowed to exist in those countries? In none of those countries is there in existence a true trade union movement that is permitted to operate without severe restrictions. On the contrary, political and industrial suppression are rife in the regimes in command. The capital cities and major towns are thriving centres of business and commerce, yet the ordinary citizens

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live in poverty and squalor. The extremes of rich and poor are enormous. In the main, hours of work and working conditions are deplorable. The rights of workers are virtually non-existent. Amnesty International reports regularly of arrests and detentions without charge, the gaolings without trial, the tortures, disappearances and even legalized executions of workers and political opponents. The September, 1981, issue of that organization's journal lists many instances of such happenings.

The forces of unfettered private capital are extensively at work in our region demanding and applying pressure for total free trade, the restructuring of national economies and global integration. A number of free trade zones already exist and professional lobbyists and highly paid public relations men who can open almost any door and are provided with huge amounts of money are part of this pressure. In the past few weeks we have been reminded of huge bribes that have reached across the world involving a former Japanese Prime Minister in a sum of \$1½ million, and similar involvements for Dutch royalty. The ten commandments of these forces are:

- (1) Foreign investment untrammelled by rules and requirements.
- (2) Maximum encouragement, aid and support for private companies.
- (3) Minimum government or other intervention in business functions.
- (4) A flexible labour force.
- (5) Extremely high work rate.
- (6) Low tax on profits.
- (7) Severe restrictions and even opposition to the existence of trade unions.
- (8) Little or no minimum requirements on wages, hours and conditions of work.
- (9) Gaolings, bashings, intimidation and even disappearances of those who dissent and resist.
- (10) The maximum utilization of the resources of the nation for the interests of national and transnational corporations.

Make no mistake, the process of restructure is under way. The multinationals and the really big local companies will be safe for they dominate about half the market. It is the 30 000 small and medium size companies in Australia that will be most directly affected. A lot of them will be forced out of business. If thousands of workers, professional people and self-employed can be thrown out of a job, and our diversified industrial base destroyed by forced closure of a substantial section of our manufacturing industry as a result of decisions made in Tokyo, New York, London and Europe, what is to be the price of our economic independence? And, what price democracy? Professor W. Leontief, of the Chair of Economics, University of New York, said in 1977:

Modern society is facing a number of dilemmas that only further extension of government responsibility for management of the national and even international economy can solve. Proponents of unrestricted free enterprise ignore the fact that whenever their advice is followed government intervention is not avoided, it simply takes a different form. It is that of suppression, sometimes violent, of the social unrest resulting from the ruthless operation of private capital and monopoly.

I commend the bills.

The Hon. J. J. DOOHAN [12.12]: I begin by joining other honourable members in extending a warm welcome to the newly elected members of this Chamber. I congratulate them on their election. I congratulate also those who, so far, have made their maiden speeches in this House. I can see that these people will make a big contribution to the debate that takes place here. Certainly, I shall look forward to working with all of them.

The Budget, an extremely clever one, can be regarded as good for the purposes for which it was designed, namely to return the Wran Government to office. Obviously, it was designed to mislead the electorate of New South Wales into thinking that this State is being well managed under the leadership of the Hon. N. K. Wran, Premier and Minister for Mineral Resources. Prior to the elections no mention was made of a number of revenue procedures that obviously the Wran Government had planned but has introduced only since being returned to office. The list is an impressive one and increases each week. It includes the 25 per cent increase in rail freights, the 20 per cent increase in hospital charges, the \$20 million-plus for legalizing casinos and starting price betting, the imposition of \$10 million charges on the Maritime Services Board to be paid into Government funds, and the 25 per cent increase in electricity charges.

I shall deal with specific items in the Budget and return to revenue aspects later. First, I should like to direct the minds of honourable members to as far as they can go in New South Wales, to places where the wild dog border fences protect this State from the ravages of wild dogs from Queensland and South Australia. Honourable members might think that my priorities are rather warped and that the issue I raise is not the most important of those covered in the Budget, but I make no excuses for raising this and other matters which affect the isolated population of New South Wales. Such areas have sparse parliamentary representation. Under the Wran Government that level of representation has worsened. I feel it is my duty, as one who comes from far-flung parts, to raise some of the problems faced in those areas. I do it with great pleasure. The Budget Papers, under the heading "Wild Dog Destruction Act" set aside a fixed sum of \$100,000. When this Government amended the Act in 1979 it allowed for the wild dog levy on landholders to be increased by regulation but fixed the Government contribution at \$100,000. That action was highly criticized by the Opposition at the time and should have been totally abandoned by the Government. It is a big undertaking to maintain the border fence, which extends for 616 kilometres. Of that length, 359 kilometres are on the Queensland side and 257 on the South Australian side of the State. The Government will have to face up to its responsibilities and again amend the Act to provide for a much larger contribution to the Wild Dog Destruction Board to help finance its endeavours to do a proper job.

The Hon. Marie Fisher: It depends on the capacity to meet the interest charge. The money was raised at your own request.

The Hon. J. J. DOOHAN: I shall come to that point later. Unfortunately the interest rates have to be met. I believe the Government should contribute at least \$1 for every \$2 collected in rates. Honourable members might think that this is a sectional matter. It is not. True, the rates are collected only from Western Division landholders, but the money is spent on protecting the whole of the State from the ravages of dingoes. Dingoes breed in mountainous areas and such locations have a wild dog problem, but if the border fences were not maintained the whole State would be adversely affected. The people of the Western Division are not complaining. They have a good method of handling the problem and, generally, they would prefer not to have outside interference. If a wild dog levy were imposed throughout the State the people of the Western Division might lose some of their independence and it is probable that the job of dingo destruction would not be done efficiently.

The Wild Dog Destruction Board had great problems in maintaining the fence during the recent long drought, when miles of drifting sand either covered the fence or were blown away from underneath it. Constant vigilance is required to keep wild dogs out of the State. Some time ago a number of dogs came into the State as a result of the difficulty in keeping the fence in first-class order. When this happens it costs a considerable sum to eradicate the dingoes. The dogs cause serious losses of stock, and this is a matter that should be of concern to any State government. The problem of maintaining the fence goes back for a long time. About every 50 kilometres along the fence there is a homestead occupied by a boundary rider. These homesteads are situated in some of the most isolated areas of Australia. The comforts in them should be improved, but this would require the expenditure of a considerable sum of money.

The Auditor-General's Report discloses at page 306 that for the calendar year 1980 the amount collected from ratepayers for wild dog eradication was \$311,318, so the Government contribution was slightly less than \$1 for every \$3 collected in rates. In addition, the board raised a loan from Treasury of \$50,000 to buy plant and raised a further \$330,000 from private lending institutions to purchase fencing materials. This was the matter to which the Hon. Marie Fisher referred. When the Act was amended in 1979 provision was made for the board to borrow. Members of the Opposition accept that as a good move.

In the current calendar year, 1981, the Wild Dog Destruction Board, after discussions with farmer organizations, in an attempt to cope with the interest on borrowings and to provide funds for other purposes, doubled the rates on landholders. The Government contribution for 1981 has remained at \$100,000 and the Budget makes no provision for any increase in that sum. It cannot do so until the Act is amended. Members of the Opposition were critical of this aspect when the legislation was introduced into this House. On another occasion I have given members the history, as I know it, of the border fence. I shall not go over it again, but I remind honourable members of a couple of points.

First I remind the House of the great problems involved in maintaining the fence, especially in the period after World War II. The degree of control of the entry of wild dogs proved unsatisfactory. The Minister for Lands at the time, the Hon. R. B. Nott, introduced legislation which set up the Wild Dog Destruction Board. In my view that was one of the most progressive steps in the history of the border fence. The Hon. R. B. Nott continues to visit the Parliament. I wonder what his reaction would be if he became aware of the Wran Government's failure to provide adequate funds for this worthy project. He took a keen interest in things that happened in the west and made a number of visits to the area. The Hon. T. L. Lewis, when he was Minister for Lands, went to the area frequently to see what the problems were. I trust that the present Government will heed what I am saying and that its members will visit the area and see the problems for themselves. If they do, I am confident that they will be convinced that the Government was wrong in deciding to limit its contribution to the maintenance of the fence.

In the Estimates for the Department of Services, there is an allocation of \$1.9 million for bushfire brigades. Though I welcome the increase from \$1.6 million last year, it is disappointing. It will certainly disappoint many rural landholders to discover that the Government has made no provision for the elimination of the iniquitous fire brigades levy on areas that are served by volunteer fire brigades. This is another example of the Wran Government's lack of concern for rural landholders and the people who reside in the remote areas of the State. The Livestock and Grain Producers Association pointed out clearly in its submission to the Government that the levy is unfair. Though the great bulk of the revenue from the levy

goes towards financing fire brigades, people living in the country areas and paying this levy have to establish volunteer fire brigades for fighting fires in their areas. They should be assisted rather than levied.

The allocation for agriculture this year has increased by only 4.19 per cent over the sum set aside last year. Members of the Opposition welcome any increase, but the higher allocation for this year will not nearly cover increased costs. In real terms the allocation is being significantly reduced. Animal health seems to have suffered most severely in the field of agriculture. One must conclude that there will be a slowing down of necessary activities to improve animal health. I have said in this House more than once that this State has an excellent record in this field and the Government should endeavour to maintain that record. Much work still needs to be done. I trust that the reduction in real terms will not in any way delay the various animal health programmes. The allocation for the Water Resources Commission includes an item for subsidies for farm water storages, bores, wells and so on. I have pointed out that the maximum subsidy allowable under this scheme is very much out of date.

The Hon. J. R. Hallam: It is the most generous in Australia.

The Hon. J. J. DOOHAN: I do not deny that it is the most generous in Australia. This subsidy, which was introduced in 1973, has proved to be of great benefit to individual landholders and to agricultural production generally. I have read the record of the debate when the legislation was introduced and I congratulate members of the Government who were then in Opposition, who supported the introduction of the scheme. It was supported by all honourable members. It was a good move. However, the maximum of \$1,000 that was set at that time is now very much out of date. I trust that the Government will increase the maximum subsidy as soon as it can. I am pleased to note in the allocation for the Water Resources Commission provision for some necessary work in isolated areas. One example is the Tibooburra water scheme. Another is the small increase—not nearly enough—towards the construction of Darling River weirs. The Government is really only scratching the surface. The Estimates do not mention the Ivanhoe water supply which during the recent drought was reported in the newspapers to be contaminated with all sorts of things, including kangaroos and 1080 poison. I ask the Government to give urgent attention to that matter.

I now turn to the industrial problems confronting Australia. I know that many honourable members are close to these problems and experienced in them, but nevertheless I want to raise a few points. I hope honourable members will not feel that the matters I raise are a lot of garbage. Though I am concerned about the garbage lying round in Martin Place, my concern goes much further than that. Another disappointing aspect of the Budget is that the Government has made no provision for financing the State Industrial Relations Advisory Committee. Honourable members may think I am naive and may say, "What the devil can that achieve?" But we have to start from small beginnings. The committee constitutes the biggest mystery I have encountered since I became a member of Parliament. Nowhere can I find a record of its origin, nor do I ever hear of its activities, though periodically one hears it referred to as though it exists and is contributing to the solution of industrial problems. I feel strongly that a committee of this kind should be established forthwith, having on it responsible members of the trade union movement, responsible employers and government.

In the present industrial climate such a committee would not, in the short term, be given real teeth, for I do not envisage it as a committee that would resolve industrial disputes once they have arisen. Perhaps there is another way of attacking the problem

and I shall mention that shortly, but the best way to deal with it is to have discussions between interested parties to try to resolve industrial problems in the long term. A few years ago I travelled in a number of countries in Europe to explore some of their methods. It seemed to me that the only countries that were making progress were those in which these committees had been established. They sat round a table regularly and discussed their problems, without becoming involved in specific issues. Then they reported to the responsible authorities. I am bitterly disappointed that nothing of that kind exists in Australia. The alternative is one that I do not think anyone relishes, and that is a firm policy, with sanctions and penalties that are imposed on parties that break the policy. That solution is not attractive to anyone. A start should be made forthwith to form a committee that would function in the way I have mentioned. The Australian Bureau of Statistics published the following statement:

During June, 1981, approximately 369 400 working days were lost by 169 700 workers involved in 314 disputes in which 10 man days were lost.

The main disputes involved metal product industry employees in 5 States, communications employees in all States, and transport workers in all States and the Territories.

In the six months to June, 1981, approximately 1 419 000 working days were lost in 1 425 disputes.

This compares with 1 836 000 working days lost in 1 067 disputes in the six months to June, 1980.

It can be seen that the number of working days lost is decreasing, though more disputes are arising. I agree with the remarks made by the Hon. R. D. Dyer about knocking our performance and our country. Too much of that sort of thing is happening in the industrial field and elsewhere. For example, I mention a matter that I am close to, the meat substitution issue. That matter was made a lot worse by politics not only in government spheres but also industry. Many persons made statements about it. It is an example of what can happen when we knock our country. Nevertheless, problems exist and surely this Parliament is the place where they should be raised and discussed. Whether the issue is a federal matter is irrelevant for it affects New South Wales.

In the twelve months from August 1980 to July 1981 in excess of forty days coal loading were lost through industrial disputes. The majority of those disputes involved maritime services employees. The stoppages prevent the export of a national 2 million tonnes of coal of an approximate value of \$80 million. I have other figures on that issue but I shall not quote them. I am concerned most about the future. The *Sydney Morning Herald* of 27th October, 1981, reported the executive director of Nippon Steel Corporation as saying—

Japan wished to continue its good relations with Australia and hoped that Australia could continue as a major and stable supplier of coal.

Despite goodwill on all sides, however, industrial disruption and slowness of port development has forced Japan to diversify to other countries and downgrade its projections of supply from Australia.

I remind honourable members that Nippon Steel Corporation is an important customer of this State. I am particularly concerned about the wheat industry. I wonder how many wheatgrowers would have supported the Government at the last elections had they known they would be faced with an extraordinary increase in charges. I refer to the 25 per cent increase in rail freights. I am concerned about not only the increase but also the timing of it. I hope the Minister and the Government will reconsider this matter, if it is not too late.

The Hon. J. R. Hallam: There was a delay of two-and-a-half years.

The Hon. J. J. DOOHAN: It was to be brought in from 1st November. I am sure the Minister is aware that the Australian Wheat Board operates its scheme from 1st December. Because the scheme is being introduced a month early, I understand the board will face an additional cost of \$1.5 million—in other words, part of last year's crop is caught. If there had to be an increase, it should have taken effect on 1st December. I hope it is not too late for the Government to reconsider this matter.

The Hon. J. R. Hallam: It is still the cheapest freight rate in Australia.

The Hon. J. J. DOOHAN: I remind the Minister that wheat and coal production is subsidizing the urban commuter. Also of serious concern to the wheat industry is the \$10 million which the Maritime Services Board has been instructed by the Government to pay into the Treasury. It will involve an increase from \$1.09 a tonne to \$1.35 a tonne for all wheat delivered.

The Hon. J. R. Hallam: It is still cheap.

The Hon. J. J. DOOHAN: It is four times as costly as wheat in Victoria.

The Hon. J. R. Hallam: Is the honourable member talking of freight rates?

The Hon. J. J. DOOHAN: I am talking about the Maritime Services Board.

The Hon. B. J. Unsworth: Has the honourable member dealt with railways?

The Hon. J. J. DOOHAN: Yes, I have already dealt with that aspect. The wheatgrowers and the board have no idea what the \$10 million is to be used for; they have not been told. This appears to be a way for the Government to obtain revenue. It will be a burden to the grower in the long run. The Hon. R. D. Dyer referred to the interim increase in payroll tax from 5 per cent to 6 per cent. That is a severe blow to many country industries, particularly to abattoirs.

On the credit side, I wish to mention a few matters that are of interest to people who live in the remote areas and to the farm sector—indeed, I welcome these initiatives in the Budget. I refer to the elimination of the inter-State inspection fee for meat transported across State boundaries which is to be completed this financial year, and to the discontinuance of the 3 per cent administrative levy payable by pasture protection boards. The Opposition also welcomes the continuation of the feral pig eradication programme in western New South Wales at a cost of \$100,000. As for the \$60,000 grant to the Royal Far West Children's Health Scheme, one could not think of a better or worthier cause. An equally worthy cause is the grant to the Royal Flying Doctor Service of \$300,000, 9 per cent up on the figure in 1980–81. I give the Government full credit on that score. I also draw particular attention to the correspondence school to be established at Bourke with a staff of four. Had the Government been honest and informed the electorate beforehand that it intended to raise extra revenue from charges, the election result might have been different. Next time the Government may have to engineer an even greater gerrymander to get back in.

[The President left the chair at 12.45 p.m. The House resumed at 2.20 p.m.]

The Hon. K. W. REED [2.20]: Mr Deputy-President and honourable members, it is with a great deal of humility that I stand before you in the Chamber of the Legislative Council on this, for me, momentous occasion. Indeed, my expressions of appreciation to so many people for this moment in time cannot be stated sufficiently in my comments here today. I thank each one of them. Indeed, to many people who sit on my side of this Chamber I owe a great deal of thanks for

their faith, sincerity and assistance. I look forward in the period ahead to fulfilling my obligations to the electors in New South Wales and also to those persons in the Australian Labor Party who have shown faith in my preselection, and ultimately my election to this House. In particular, I place on record my appreciation to the Hon. P. D. Hills, the Minister for Industrial Relations and Minister for Technology, the retired honourable member for Parramatta, Mr Dan Mahony, and the general secretary of the Australian Labor Party of New South Wales, Mr Graham Richardson, without whose faith and support I would not be here today. Thanks also to the members of the parliamentary staff who have already provided me with a warm and friendly welcome. I look forward to a happy and fruitful time working with them over the period ahead.

This is only the second occasion in New South Wales when Legislative Council members have been elected by the people. I place on record my awareness of the great responsibility the electors have placed upon me. It should not go unmentioned that democratization of this House, after better than a century and a half of its operation, is a major reform made by the Labor Government of New South Wales, so responsibly and capably led by the Premier, the Hon. N. K. Wran, Q.C., M.P., who is also the Minister for Mineral Resources. Although the reform of the upper House in this State was a great and historic occasion, it is but one of the many electoral reforms since 1976 brought about by the Wran Labor Government in New South Wales. I refer also to the introduction of the optional preferential system, amendments to the Constitution Act, 1902, and the Parliamentary Electorates and Elections Act, 1912, which relate to the marginal allowance of quotas in electorates of 10 per cent, and dispense with country weighting of electorates, the public funding of election campaigns in New South Wales and, most recently, two referendum matters extending the parliamentary term from three to four years and also the disclosure of pecuniary interests of members of Parliament, and there are others. Though the Opposition, particularly the Country Party, has sought to object strongly to many of these reforms, the resounding success of the Government, supported by popular vote, has shown clearly how out of touch these people are in this State. It is a question of how long it will be before we see the Opposition taking advantage of the public funding of elections, in spite of the campaign raised at the recent poll.

There are a number of areas in relation to the Budget and appropriations to which I shall address my comments. However, I preface my remarks by indicating to all members that, in particular, my outlook over a number of years has been greatly influenced by a former member of this House, the Hon. J. P. Ducker, who is now serving the State as a member of the Public Service Board. Mr Ducker is well known for his ability to work in a distinguished and constructive manner. He is able to blend his activities on many fronts, and he retained his relationship with workers and the union movement as secretary of the Labor Council of New South Wales. As president of the Labor Party in this State he advocated moderation and, most important to me, he recognized the need to bring city and country folk together. He, of course, is followed here in this House by another Labor Council secretary, the able and competent Hon. B. J. Unsworth, M.L.C. If I achieve one thing in this House, I hope it will be an extension of John Ducker's efforts for welding the community together. There is a need for farmers to understand the unions and vice versa. City and country must be united, though a world of problems confront each group in the diverse areas of the State.

I should like to make it known to the House that I have lived in the country on a rural property, a beef property, for the past eleven and a half years and prior to that I spent my youth living in Sydney. Resulting from such an experience I have witnessed the diversities of industry, primary and secondary, as well as differing life

styles, associated problems and benefits. I hope that my understanding and appreciation of the variety of problems—and they are numerous—will assist me in presenting to this House in the period ahead a balanced point of view. It should be stated also that the Wran Government, since coming to office, has shown its desire to represent people throughout the entirety of this State. The Government has given humane assistance to people no matter where they lived, in the country as well as the city. This has been appreciated by the people. A reflection and acceptance of the Premier and Minister for Mineral Resources and his Government in country New South Wales was shown clearly in the recent election, the Labor Government now holding thirteen seats in country New South Wales and an increase in vote of approximately 8 per cent since 1976. The Labor Party is now the major country party in this State with 48 per cent of the rural vote. This has happened during a period of tremendous economic strain, when the State Government has been forced to tighten its belt and take many measures of economy.

I note on page 6 of the Financial Statement that a deficit of some \$25 million above the original estimate was incurred, largely due to additional drought relief. The records show that the Government has met its commitment to country people and has not forsaken them just to balance the books. Through a difficult period more than \$78 million was approved in the most comprehensive drought aid programme ever seen in Australia. This included some 40 000 individual drought relief grants. It is pleasing to see that the Government will continue its role of compassion. I note that a special allocation of \$20 million is provided for the Housing Commission, to more than double the number of dwellings it will commence in this coming year. In addition to the many employment creating initiatives, which continue, a special allocation of \$5 million is provided for areas of higher unemployment, \$3 million of this to go to country New South Wales. These are but examples of the many beneficial concepts provided in the Budget which illustrate my point. Indeed, any reference to the State Budget in this debate should be made bearing in mind the hardships placed upon New South Wales, and indeed all areas of the Commonwealth, as a result of the restrictive nature of the federal Government's Budget brought down in August this year. It should go on record once again that, though the federal Government outlay rose by over 15 per cent, it has provided through tax reimbursements and payments a mere 8 per cent increase to the State, and in so doing has created many hardships, not the least of which are those being felt in country New South Wales.

I turn now to item 8 of the capital works programme for 1981–82 relating to roads. The total allocation of expenditure for the Department of Main Roads programme is \$590 million, including \$87 million from the General Loan Account and borrowing programme. It would be no exaggeration to state that one of the greatest problems confronting local government and people in country New South Wales is the appalling state of roads. In my own municipality of Hastings—and similar circumstances would apply elsewhere—the council is facing a losing battle because of lack of funding. The problem is further intensified by the rapid growth in usage resulting from increasing population and tourist traffic. Doubtless, roads have always been a major problem in Australia, and this was adequately illustrated recently when Mr Peter Morris, M.H.R., Labor Party spokesman on transport matters in the federal Parliament, in addressing a local government conference, said:

On a distance basis there are two and a quarter times as many roads per head of population in Australia as there are in the United States.

The problem need not be as acute though and, as outlined in the Financial Statement, to a large degree results from the falling federal Government funding of roads. According to the Minister assisting the Minister for Local Government in a statement

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in April this year, the New South Wales Government funding of main roads over the past four years has risen by 80 per cent, compared with an increase in federal Government funding of only 32 per cent. In real terms, he said, this represents a 24 per cent increase by the New South Wales Government and an 8 per cent decline in funding by the Commonwealth. Such assertions have followed in this Financial Statement by the Treasurer, that in six years federal road grants have dropped from 46 per cent to 36 per cent of the road building funds programme. Sadly—or should I say alarmingly—the position will further deteriorate in the immediate years ahead, with only 7 per cent increase next year, followed by 6 per cent in the two following years, by way of assistance from the federal Government.

Recent analysis by the National Roads and Motorists Association in conjunction with Mr Richard Munro of the Department of Transport Engineering at the University of New South Wales, shows that the road use is still rising, particularly on rural roads—a significant number of them remote rural roads—despite the fact that petrol consumption is steady. Although the study acknowledges a dampening of growth, it illustrates that in three years from 1976 there was an increase of 3 713 million vehicle kilometres per annum. With local government having sole responsibility for 77 per cent of 189 000 kilometres of trafficable roads in New South Wales, I am sure all honourable members here would support Mr Max Lawrence of the National Roads and Motorists Association in his comment in the local government bulletin in April in reference to the Commonwealth Government. Mr Lawrence said:

Commonwealth Government, the primary taxing authority in the country, must accept the responsibility of providing the necessary funds. By its past action in refusing to discharge its responsibility the Government is failing in its duty to act in the best interests of the nation.

I believe that what I should attempt to do today is give some insight into the region in which I live. I should like, if possible by using the liberties as tolerated in this, my maiden speech, to outline some of the problems as I see them confronting the people of the North Coast of New South Wales. It would be no surprise to any honourable member here and it would be well known to many, that in percentage terms the North Coast region is suffering a growth rate far in excess of all other parts of the State. Overall growth for 1979–80 is 3.5 per cent, according to the Australian Bureau of Statistics. Places like Port Macquarie have a growth rate as high as 10 per cent.

Recently the Minister for Industrial Development and Minister for Decentralisation indicated that an Australian Nationwide Opinion Polls Proprietary Limited study had shown that we can expect that in the next five years 150 000 people in New South Wales will move to the North Coast. Although the ANOP figures announced by the Minister are striking, the additional impact of 2.75 million visitors in the period March, 1980–81, with an average stay of five nights each, heralds a more startling impact. A 5-year projection on tourist traffic is 3.5 million people, or 20 million visitor nights a year. By the year 2001 an estimated permanent population of 535 080 people is projected. Indeed, such developments—such unprecedented growth—are placing tremendous strain on all aspects of government in the North Coast region.

Many local government leaders foresee problems. So great is their concern that in October last a regional seminar was held at Lismore by local government and community bodies, representing the area stretching from Taree to the Queensland border, to discuss the North Coast population explosion and future action needed to cope with it. It is pleasing also to see that the Minister for Industrial Development and Minister for Decentralisation was in attendance on that occasion and expressed the Government's interest and willingness to co-operate with any sensible conclusions emanating from that seminar.

What are the implications in relation to these few statistics so far as the Budget and the Government's policy are concerned, and what other features of significance emerge? There are many of course, but I shall note some of the more pertinent aspects as I see them and I shall develop some of them. Though New South Wales has the lowest level of unemployment of all States at 4.9 per cent, according to Dr R. G. Munro, the demographer of the Northern Rivers College of Advanced Education, the North Coast suffers around 20 per cent unemployment. This is despite an annual increase in industry establishment on the North Coast, 50 per cent higher than the State average, and an input of \$27.9 million in industrial assistance from the State and federal governments, with more than three-quarters of that assistance coming from the State.

Another matter that should be mentioned is the diversified life style. There is a continual community conflict with four basic groupings—Aboriginal; traditional settler—pensioner; tourist promoter—land developer; and alternative life style. There are also two significant age groupings. The younger generation is in the 18–24 years bracket. It is interesting to note that the recent ANOP study suggests that 70 per cent of people in this age bracket would prefer to live outside the Sydney area. There are also the over 65's. According to Dr R. G. Munro's projections, the aged population will increase from 13.98 per cent in 1981 to 16.6 per cent in the year 2001. The total percentage in New South Wales will increase from 9.6 per cent to only 10.1 per cent in the year 2001.

I shall refer also to rural poverty. A staggering 44 per cent of the population in the North Coast region is supported by a pension or benefit of some kind, according to the Health Commission. There is also an indication that there are significant mental and physical health problems in the young groups. No doubt they are related to the unemployment levels of the area.

The need for forward planning and provision of infrastructure and land use control is paramount. Farmlife life style is soaking up rural land. Many communities find that they are now unable to service the demands of the static population, not to mention the influx of tourists who come each year, expecting a high standard of services. Trouble has been experienced with provision of sewerage in the Coffs Harbour area. In the Hastings municipality, with which I am associated, the water supply in Camden Haven is insufficient for the local population, let alone for tourists. I note with satisfaction that in 1982 the Government will commence work to correct that problem.

There is an inadequate provision of education and health care. I shall briefly expand on this point. The main factor, though, is that the growth rate is outstripping the ability to provide services. Many of the needs will eventually have to be met by capital works expenditure. An allocation of \$146 million for school building programmes is provided in the Financial Statement and \$6.5 million is allocated for technical colleges. Despite increased funding for at least the past six years, according to the principal of Northern Rivers College of Advanced Education, Mr W. Hawkins, the backlog of capital works in New South Wales technical and further education colleges is running at an estimated value of \$350 million. Enrolments have increased statewide over the period 1975–81 from fewer than 200 000 to about 300 000—a growth rate of 50 per cent.

Let us consider how this affects the North Coast. Referring to tables provided by the college of advanced education, and using current secondary enrolments as a reasonable index of potential TAFE demand in the four country regions, North Coast, Western, Riverina and North West, it appears that North Coast students are already somewhat disadvantaged. To illustrate my point, let us look at these four regions. With a mean capital allocation per college of approximately \$709,000, the Western

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Region has twelve colleges and 28 per cent of secondary enrolments. The North Coast, with 2 per cent of enrolments has only nine colleges, with a mean capital allocation per college of approximately \$646,000. The Riverina has thirteen colleges and only 21 per cent of secondary enrolments. At this stage the North West appears to be in much the same position as is the North Coast. If we project to 1990, in terms of percentage of secondary enrolments, the North Coast region will have 36 per cent, the Western region will have 24 per cent, Riverina 22 per cent and North West 17 per cent. These figures show North Coast increasing by 9 per cent with all other regions showing a decline.

The example relating to TAFE is but one aspect of the education question. Other areas also support the claim of sustained growth. For example, of the eleven educational regions of New South Wales, on the projected trends for primary enrolments for the period 1980–85, North Coast region growth is 6 per cent, followed by Liverpool, 1 per cent. The remaining nine regions all show a decline in percentage terms. Secondary enrolment projections also support the argument. For 1980–85 the North Coast region shows 25 per cent increase, but the average increase for New South Wales will be 7 per cent. In the period 1985–1990, North Coast enrolment will increase by 5 per cent, though all other regions show a decline. The cumulative pattern for 1980–1990 shows a North Coast region growth of 30 per cent, followed by Liverpool region with 19 per cent, and all other areas showing a decline. The average decline is 4 per cent. From these figures—presumably they are responsible projections provided by the college—the picture is clear. There will need to be a reassessment of the priorities in the not too distant future. I draw that to the Government's attention.

Health care is particularly important also, bearing in mind the age structure in the region. The Government has allocated \$68.4 million to construction work for hospitals and associated health facilities. I note that, amongst the new works, \$200,000 has been allocated for the commencement of a new 30-bed assessment and rehabilitation unit, a day hospital, cafeteria, and so on, at Tweed Heads. Other works were completed at Casino, Grafton and Tweed Heads from funds allocated in the 1981 Budget. Provision of an adequate service in health care is probably the most pressing problem facing the Government in the region.

It is pleasing that the Government acknowledges through the commission that the North Coast is a "health scarcity" area. Unfortunately the position seems likely to deteriorate much more before it improves. I shall provide a few figures in this regard. Seemingly the North Coast is well catered for with acute hospital beds at 3.5 per 1 000 population, with the New South Wales average at 1.1 per 1 000 population. But, in every other sphere the North Coast would appear to be most disadvantaged.

Let us look at care for the aged. According to the Health Commission North Coast region, there are currently 1 069 licensed nursing home beds in that region—a rate of 2.5 beds per 1 000 population. This compares dramatically with the State minimum acceptance provision of 20 nursing home and 20 hostel beds per 1 000 population aged 65 and over. It is likely, in my opinion, there will be pressure on some hospitals in the region to convert acute beds to geriatric care. Having made these observations, I remind the House that earlier I stated that any assessment of the State Budget needs to be made having in mind the effects upon New South Wales of the federal Government's Budget of last August. I note that in the Financial Statement the Treasurer clearly stated:

Capital works are severely curtailed by restricting the State's capital fund to a rise of only 1 per cent representing a heavier cut in real terms.

In addition, the federal Government has abandoned the hospital cost-sharing agreement in favour of a general purpose health grant, at a cost to this State by 1982–83 of \$150 million, and I understand from the former Minister for Health that this year the cost to this State will be something like \$75 million. New South Wales was refused approval of infrastructure projects expenditure of at least \$160 million, and the federal Government failed to adopt the recommendations of the Commonwealth Grants Commission, costing the people of this State a further \$116 million. Having briefly expounded just two small aspects of the mammoth difficulties which are currently affecting, and certainly will affect, health and education on the North Coast, the difficult task of the Treasurer in forming this Budget is acknowledged. The hobbles the federal Government has placed upon the future of the people of the North Coast of New South Wales are only too obvious.

The recurrent allocation for welfare and community services is \$111.2 million, an effective increase of 13 per cent, and therefore a welcome aspect of the Budget. Needless to say, demand for this type of funding is high in percentage terms on the North Coast, and in my own area, on the Hastings, many aged people benefit from such services as the home help service. A special allocation of \$457,000 has also been provided for vacation care centres, and many rural children benefit from such funding. I shall use the small village of Beechwood, in my area, as an example: excellent supervision of funds is ensured and many children from disadvantaged situations are able to enjoy such things as organized visits and activities of which they are usually deprived because of financial restrictions on families, as well as by their remote location and relative inaccessibility. A Coffs Harbour environmental study of regional significance recently undertaken by the Department of Environment and Planning illustrates, by example, the Government's awareness of the need to properly plan the regions of the State. Indeed, few would argue that this Government's timely actions regarding matters of the environment—I refer to the Environmental Planning and Assessment Act and the establishment of further national parks and reserves—were not long overdue. Though there is a cost related to correct implementation of the Act, the obvious need and benefits to the community resulting from better planning cannot be disputed.

It is pleasing to note, also, the increase in the Estimates to \$16.2 million for the National Parks and Wildlife Service. Since its establishment in 1976, this service has proved to be most effective and there is particular need for stable management so that the people will reap the benefit of our natural assets.

In relation to the environment, though, the vigorous nature of many individuals and groups has of recent times brought into conflict current attitudes in relation to established land use, industry and so on. Bearing in mind my earlier comment relating to unemployment on the North Coast, I should like to touch upon the current conflict involving a long-term North Coast employer, the timber industry. It would be fair to state that the timber industry is one of the State's largest decentralized industries and is about the fifth largest industry in the State. Certainly, it is a major employer on the North Coast.

It will be well known to most that the problem related to the industry is a dispute over the management of our State forests and, in particular, the native softwoods found in the rainforest situated predominantly on the coastal belt. Relating to forestry, the Budget Papers estimate this year receipts of \$28.2 million from timber inspection fees, royalties, and so on. This is an increase of \$5.4 million over last year's receipts, though \$19.1 million has been allocated to the Forestry Commission's operation. Of this, I note that the sum of \$13.1 million is allocated for salaries.

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What does not show up in dollars and cents is the contribution the Forestry Commission provides to the people of New South Wales by way of recreational areas in the State forests, as well as the tremendous contribution made by the commission in protection of human life. There is no doubt in the mind of anyone who comes from the country that when there is a bushfire problem, not only is the Forestry Commission equipped, but also it has the personnel who have the knowledge and experience to cope with such problems, often in extreme circumstances.

The Government has been hard pressed on the issue of rainforest logging, with an endless onslaught by strong environmental pressure. Those in the timber industry argue the alternative point of view. Workers in the industry have been the pawns in a very heavy game. Timber workers are living in fear, struggling for the right to work, most of them with little alternative, and forestry employees are being frustrated in their honest attempts and endeavours to undertake their services to the State of New South Wales and the Forestry Commission. And, if I may say, the most striking difference between city and country as far as being a worker is concerned, observed by myself, is that in Sydney, people ask you what type of job you have. Indeed, the type of employment each person has sets the pattern or the standard of living in every day life. On the other hand, what I have found in the country is not, "What type of job have you got, mate?" It is "Have you got a job, mate?" Though I accept the point of view of the environmentalists, those people, many of whom seem to be self-employed or in safe government jobs or otherwise decidedly unemployable, also have the obligation to look at the other person's point of view. They have to accept that, though some do not want to work, others in the country do. Not all people are equipped to be doctors or teachers. Some people are good manual workers and, indeed, in many instances in the country, the opportunities have not been present for people to develop skills outside such industries as the timber industry.

I have illustrated here, today, that in education the people of the North Coast are already disadvantaged. As far as industry is concerned there is tremendous development in tourism, but there is nowhere near the amount of development for industry to meet the huge population growth which is besetting the North Coast. It is interesting to note that, despite the acknowledged abuse of land clearing by the early settlers, according to the Minister responsible there remains rainforest proper totalling some 300 000 hectares, which is one-third of the original rainforest area. This is due mainly to the able management of such government authorities as the Forestry Commission. The Government has been responsible in the way it has handled this very delicate issue.

I am mindful that the Government has a policy of multiple use of forests, and at the same time is obliged to follow a policy of full employment. The balance between employment and environmental goals is difficult, and despite the tremendous uproar from the various groups, I am sure that even-handed people will acknowledge that the Government is solving this problem in the best way possible. This problem of rainforests has gone from Terania Creek to Washpool and now has landed on my own front doorstep in the Hastings catchment area, where the Forestry Commission has recently released an environmental impact statement. It is obvious that the Forestry Commission, to date, has had the support of the timber industry, though I note that on this occasion the Forestry Commission has brought upon itself the wrath of all groups, irrespective of their standing on the issue of rainforest logging. Probably the most significant variant in the Hastings catchment area, as opposed to Washpool and Terania, is the fact that in 1984—prior to the impact statement it was to be in 1986—softwood logging in the Wauchope or the Hastings catchment area will cease, whereas the logging proposals for Terania and Washpool were based on a sustained yield programme. That is a significant aspect.

In commenting on the Hastings area, I should say also that in recent years the timber industry has not had a particularly proud record in relation to its attitude to employees, particularly those involved in softwood peeling. Hancock Bros Pty Limited, which, according to the environmental impact statement has an annual quota of 10 000 cubic metres of softwood, employs twenty-seven people. In 1974, when Hancock Bros took over the rights of that quota, it was published in the *Hastings Gazette* on 25th July of that year that the mill then employed 129 workers, excluding bush workers. It is clear from the statement at that time by Mr Pat Cox, who was the Australia-wide production manager for Hancock Bros, that the owners of the mill prior to Hancock—William Mallison and Son of Australasia Pty Limited, an English based firm—had failed to update their machinery. I quote again from the *Hastings Gazette*. In an article on the issue relating to efficiency, Mr Cox said, "The company's Ipswich mill could produce 25 000 000 square feet of ply with 126 employees, compared with 6 000 000 square feet at Wauchope with 125 people." I understand that today in Queensland the mill is still processing New South Wales raw material, at the expense of New South Wales workers.

The other major quota holder of softwoods in the Hastings area is Wood Products Yarras Pty Limited, and according to the commission it is currently holding a quota of 11 080 cubic metres net per annum. That firm employs 127 people, according to the timber industry's statistics issued in March this year. That represents a decrease of thirty-eight people compared with the time of purchase, which was to take effect in January 1981. I might say that in the mid-1960's that mill employed 200 people. The Government provided assistance to Wood Products Yarras to the sum of \$50,000 by way of a grant through the Department of Decentralisation and Development for that firm to purchase the mill from the previous owners, Cemac Wood Products Division, a division of Cemac Associated Limited. What does seem certain is that without assistance from the Government and subsequent financing for Wood Products Yarras, those people now employed by that firm would have all been on the unemployed market early this year. It seems quite apparent that though Cemac was aware of the declining situation of the timber industry and of the 1986 deadline, it took no significant steps in terms of reforestation or alternative products to sustain the employment of these people in the industry. The peeling machinery was also somewhat antiquated.

Such inaction contrasts dramatically with the more responsible approach of the management of mills such as that on Herons Creek. The previous manager gave to me information which showed that the Herons Creek firm had timber-cutting programmes of sustained yield and, as well, undertook a responsible reforestation programme. He said also that that firm had planted between 15 000 and 20 000 blackbutt seedlings a year and was turning marginal farmland into timber production. So much for radical environmentalists and irresponsible industry. I should say today that it seems to me that people who have control of the industry in the area are operating responsibly, providing stable employment for the people of the Hastings district. Indeed, I note that Wood Products, Yarras, is endeavouring to diversify its industry in order that the people who work for that firm will have a future. The Yarras mill is now basically controlled by local people and I wish to say here, in this House today, that the mills will have my support while ever they retain a responsible attitude towards the men and women who work within that industry.

Needless to say, I share the concern of all people in the Hastings area when they express their fear for the future of the village of Yarras and the future, indeed, of townships such as Wauchope. In a recent issue of a local newspaper, the chamber president, Mr Fred Frary, said that it was estimated that some 900 people

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would be seriously disadvantaged by the loss of the softwood industry to the area. He quoted the product value of the brushwood mills at \$6 million and the cost of wages for employees at some \$3.5 million to the area. One then has consumer spending by brushwood millers and contractors including \$625,000 for fuel oil, \$90,000 for electricity and \$320,000 for spare parts and consumable stores, all in addition to the ordinary spending of the wage-earners.

However, unlike most organizations at this time I do not wish to take issue with the Forestry Commission for I believe, in most difficult circumstances, the commission has produced a document which attempts to accommodate the environmental aspect though maintaining employment at a reasonable level. I am not suggesting that it is a perfect document; indeed, judging from the variety of comments by the many self-styled knowledgeable authorities from all sides, it would have been impossible to provide that. So, basically, I support the commission in its efforts to present an acceptable document in impossible circumstances. I am sure many proposals will be put to the commission suggesting variations to the environmental statement, and I would ask that it look sympathetically at any sensible proposal that might extend the life of the industry to 1986, as was originally expected, or beyond, provided that the mills are able to retain their final cutting levels as provided by the commission for winding up the industry in 1984. The mills have intimated that in some areas of ply production they are able to substitute different timbers, conserving the veneer of the more precious material.

I note that in the Budget, on a \$-for-\$ basis an amount of \$30,000 has been allocated towards the cost of a joint government-industry research programme for the forestry industry. This is \$30,000 which was not allocated last year. One would hope that it may be directed towards research in areas of development of alternative proposals such as glues and suitable timbers for peeling. I note that lately there has been some experimental work in the eucalypt varieties in the Kempsey area. I hope that the commission will see fit to extend the bulk of those funds to such a needy area. There may also be a good case for further assistance by the Government in upgrading the equipment in some of these mills in order that they may be able to compete more economically with other operations in the industry throughout the State. And certainly, if I might be so bold as to say, it is my belief that the Government should seriously review the 10 000 cubic metre allocation to Hancock Bros which, according to industry figures, employs only 27 people in this State. It seems to me, on balance, that there lies within that huge quota of this State's raw material, a tremendous amount of security in terms of years of employment for people in an area which is starved of adequate alternative industry within this State, and quite likely further concessions could be provided for people with an environmental outlook.

That concludes my comments on this, my maiden speech. I thank each one of you for the attentive way in which you have listened. In conclusion, I should like to express my congratulations to each of the honourable members who has taken a position in this House of an executive nature. In particular, Mr President, I extend to you my best wishes. You have offered me sound advice over many years and I look forward to a continuation of your fond support. May I, in winding off, take this opportunity to express my appreciation to my mother and father, Marie and Harry Reed, who have, through a difficult period, brought me up in a way which would have me reflect a straightforward viewpoint on issues within the community. They have always projected an attitude which coincides with a Labor viewpoint and I am thankful that, through their upbringing, they have set me on what I consider to be the right course for the benefit of mankind within this State of New South Wales and the Commonwealth of Australia. To my wife, Shirley, and my three lovely little girls also, I extend thanks for their support.

Reverend the Hon. F. J. NILE [2.59]: I take this opportunity to thank you, Mr President, and the officers of the House for the courtesy and impartiality you have shown me and for the great assistance I have received as a newcomer to this esteemed House. I share with my colleagues on both sides of the House confidence in your impartial rulings and learned administration of the business of the House. I offer my congratulations to the Leader of the Government in this House, and also to the Premier and Minister for Mineral Resources who leads the Government in another place, on achieving office in this State; for the reform of this House which made it possible for me to be elected to this Chamber by the people; and for the public funding programme which assists independents to stand, as I have, for this office.

I assure the leaders of the Government in both Houses that my time in this House will be devoted not to the frustration of legislation, but to its improvement where needed, for the good of the people of New South Wales, irrespective of who receives the credit. I shall be concerned with issues, not parties, with policies not personalities. I shall seek to give warm and sincere support to all members of the House, irrespective of their parties. I congratulate the Hon. K. W. Reed who preceded me in this debate, and the other honourable members who have made their maiden speeches in this session of Parliament, especially the Hon. G. Brenner for the sincere speech he delivered last night, and the Hon. Elisabeth Kirkby for her professional presentation. Also I wish to thank all those supporters who worked and prayed that I might be elected to the Parliament. Those supporters were from all churches and included non-church goers, known in the Bible as people of good will. These people included also decent members of all political parties of New South Wales. A sincere expression of thanksgiving to God was also held to give credit where credit is due. The service in the Sydney Town Hall was not intended to reflect on any other member of this House or the other place who may or may not share in those same beliefs.

I express my appreciation to the huge number of voters in New South Wales for the confidence that they demonstrated in voting No. 1 for me or, rather, for what I stand for—an unprecedented number of well over 200 000 citizens of New South Wales representing more than 9.2 per cent of the electorate, with an even higher response in some electorates in the State. I refer to the electorates of Murrumbidgee, 18.2 per cent, Tamworth 14 per cent, Merrylands 13.1 per cent, Albury 13.3 per cent, Bass Hill 12 per cent, Georges River 12.9 per cent, Broken Hill 11.4 per cent. This was a most pleasing result in both country and urban working-class electorates. As honourable members know, I stood as a non-party, independent candidate with a slogan, "Vote for Fred Nile and then the party of your choice".

My presence in this unfamiliar environment is helped by the knowledge that my election has restored an earlier precedent whereby in 1825 the Archdeacon of the Colony of New South Wales was appointed a member of the first Legislative Council under the Governor Lt-Gen. Ralph Darling. It was comforting also to learn from the staff of this House that this Council Chamber was originally built and intended to be a church in Bendigo. Perhaps this helps to account for its hallowed atmosphere. I should therefore in this congenial atmosphere be better able to serve all the citizens of New South Wales and to articulate the concerns of the moral majority who belong to all parties and to sincerely make this House, with the help of God, a pulpit and a platform to promote justice and decency for God and the family.

As honourable members know, my election crusade was based on the theme of Amos chapter 5 verse 24 "The Lord God of Hosts said, 'I want to see a mighty flood of justice, a torrent of doing good'." This text, chosen in November 1980, has had an even greater relevance that we realized at the time when we were concerned mainly with the murder of the antidrug campaigner, Don Mackay, and the desire for an early inquest into his death.

Some honourable members of this House would have heard of my name before and have perhaps formed impressions of me based mainly on the mass media. All honourable members know how dangerous that can be. I would rather be judged in this House for what I really am, rather than the news media image, which may or may not be true to life. To assist honourable members, I should like to call on their indulgence to share briefly some points of my background so honourable members may, I trust, see me as a more balanced or rounded person than the media sometimes present me, or as one media medical columnist wrote jokingly, "Fred Nile thinks all people are paralysed from the waist down". That is certainly not the case.

My background has brought me into touch with all sections of the community. My late father was a British World War I ex-serviceman who survived the hell and the nightmare of the trench warfare in France with serious wounds. For many years he was a Red Cab taxi driver in the Kings Cross area. My late mother, a young woman from New Zealand, was a waitress, also in the Kings Cross area. My parents met in Kings Cross and were finally married in the Darlinghurst Anglican Church. I was born as their first child of four in a small two storey cottage that still stands today next to the Jewish Club in Darlinghurst Road. From that background honourable members will see that I am truly a Sydney citizen. Because of that background I have a sincere and genuine love for the city of Sydney. I am proud of Sydney and the welfare of this State. Sydney has been my home all my life and my workplace. Though I am an ordained Minister of Religion, almost all my appointments have involved me working either in Pitt Street or Elizabeth Street in Sydney. I had two brief periods away, one in Melbourne and the other in Newcastle.

My late father had an avid interest in horse and dog racing, which I shared up to my teenage years, even becoming a runner for the local starting-price bookmaker. When I became a practising Christian I ceased all involvement in this type of activity, which I hope will please the House. I will not even now, on principle, purchase a raffle ticket. I attended schools at Mascot, Crown Street and Cleveland Street until I left at the age of 15 years. I then applied to the Commonwealth Employment Service for a position and took the first job offered to me as a junior storeman at Mascot airport. In this company, Paul and Gray, I worked my way up the ladder and became assistant to the manager. As a response to God's leading in my life to serve the world wherever he led as his servant, I resigned and entered theological college, first in Melbourne and then in Sydney. For two years I served as a pastor in Newcastle and four years in Sydney in the local parish churches of Bexley and Brighton-le-Sands.

Since 1953, when I became an active Christian, I have sought to be a consistent pro-child and pro-family campaigner for a caring, compassionate and responsible society. With God's help I have been a crusader against crime and corruption in every way. For example, honourable members may not realize that many years ago I organized the successful demonstration against the opening of the stage show *Oh Calcutta*. My interest in these areas has been consistent and persistent for many years and is not simply a flash in the pan. I have gathered valuable experience in a number of important community and church positions, including as a local youth worker from 1953 to 1963; national director of the Christian Endeavour youth movement from 1964 to 1974; director of the Methodist newness campaign from 1970 to 1971; the Central Methodist Mission with the Reverend Alan Walker from 1971 to 1973, including inner city youth programmes and conference family programmes at Vision Valley, Sydney. Those activities brought me into contact with people I had not met previously and people I have not seen since. They include persons like Mr Pat Clancy, Mr Jim Cairns and others. I appreciated hearing their personal explanations of their philosophies.

In 1967 and 1968 I served as full-time director of the Billy Graham Crusade at the Sydney Showground. I was appointed in a full-time capacity as national co-ordinator of the Australian Federation of the Festival of Light community standards organization from 1974 until this time. This has involved me in a number of major national campaigns, including two Australia-wide tours by Mary Whitehouse of London, Malcolm Muggeridge of London, Pat Boone of Los Angeles, Ray Gauer, anti-crime lawyer of Los Angeles, Professor E. Blaiklock, a famous classical historian, Dr Hardin Jones, a drug expert from San Francisco, Svend Laursen, a pro-family campaigner from Denmark, and recently, as honourable members know, Mother Teresa from India.

During the past eight years in this Festival of Light-type work naturally I have been involved with a number of State and federal social and moral issues, State and federal legislation, State and federal Government inquiries, as well as inquiries concerning film censorship and television standards, and in other areas. I am grateful for the opportunity of perhaps exercising an influence through the news media—rather than sometimes being a victim of them—in a weekly column in the *Sunday Telegraph*, and a radio programme on 2GB each Sunday night. These provide valuable opportunities of further community involvement and feedback. In view of some of the comments made about me, it might surprise honourable members to learn that after being one of the first persons—or indeed perhaps the only person—to volunteer for national service, in case I missed out, I spent twenty years in the army reserve. That provided practical and valuable experience for my life that I hope will be of benefit to the House as honourable members discuss issues. The administrative experience I gained may assist me in my duties.

I finally qualified as a major and served as a substantive captain, as officer commanding “D” company, an infantry company of 4 RNSWR. I do not intend to boast, but I say this simply to put the matter on record, as it might help to round out my personality in this House and assist all honourable members in the work that they seek to do for the good of the people. I received a number of awards, including the efficiency decoration, the commanding officer’s award for the best officer in the battalion, and my company won the shield for being the best company in the battalion. Of course, the credit goes to those who served with me.

I have been involved also with a number of community organizations. I have edited a number of magazines, which again has helped me in my understanding of the media. The magazines include the *A.C.E. National Magazine*, *RAP Youth Newspaper*, and currently *Australian Christian Solidarity*.

I should place on record my appreciation of my wife Elaine, who has been a faithful supporter since our engagement in 1955 and our marriage in 1958; to our four children who have given me loyal and loving assistance in all of the tasks I have outlined to the House, and I hope will continue to do so in this present responsibility as a member of the Legislative Council. My eldest son, Stephen, who is twenty-one years of age, is now a police officer in the Police Prosecution Branch. My second son, Mark, is a trainee physical education teacher at the Polding Catholic college of advanced education at Castle Hill. David is in year 11 at Hunter’s Hill High School and my daughter Sharon is employed in the sailing industry. I hope this varied experience will assist me in becoming a useful and positive member of this esteemed House.

My election to the House has resulted from some of the developments in this State over a number of years. In August this year a prominent Catholic church leader, Bishop Thomas Muldoon, said:

I see a very grave threat. I can see a philosophy behind all this . . . secular humanism . . . a deliberate attempt to remove Christian influence
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from the field of hospital care, et cetera. I think the people of New South Wales should sit up and take notice.

I agree with Bishop Muldoon and share his concern about the sincere but misguided efforts of some of the secular humanists in New South Wales, elsewhere in our nation and in other countries, as they have sought to implement what may be news for some of the members of the House, manifestos described as Humanist Manifesto No. 1 of 1933 and Humanist Manifesto No. 2 of 1973. Secular humanism which is the humane face of atheism has made serious inroads in our State, as I shall seek to show. This has led to a fundamental struggle between absolute values and relative values, between the Judeo-Christian ethic and the humanist ethic, between compassion and greed, and between spiritual values and materialism. That struggle is occurring in every area of our society—our schools, streets, prisons, welfare organizations, the media, universities, and even, dare I say, within political parties. I believe sincerely in the separation of church and state. But I do not accept the separation of faith and state. No nation can live or survive for very long in a spiritual and moral vacuum. As Professor Toynebee said:

All human cultures grow around a central core of moral ideas and ideals which command obedience, respect and general observance. There is right and there is wrong. This is what is called the ethos of a people, of a culture.

Professor Blaiklock, to whom I referred earlier, gave examples of this:

The Roman Pietas, when Rome was at its peak, based on loyalty to family and State, a courageous sense of duty and truthworthiness; or the nation of Israel, the Decalogue, its Ten Commandments; or western society—its ethos is the Christian faith—its central beliefs, its ethics. Hence the love of liberty, which we boast, the reverence for human life, the old stabilities of marriage, honour, care for the weak. The moral core of this ethos of western civilization, the heart of it all, the strength by which it stands, is embodied in the Holy Bible.

Professor Blaiklock in his writings then proceeds to give a serious warning that I believe is relevant to our State and nation. He says:

For commonly in the story of a nation's rise and fall there comes the time when the authority of the ideal is questioned. Then comes permissiveness—that state of the spirit in which that which once stirred shame and revulsion is first tolerated, then accepted, and finally embraced. It is the beginning of the end, unless intelligent enough, endowed sufficiently with courageous leadership, frightened enough, or swept by a revival of faith, a people rallies and returns to strength.

I believe the people of New South Wales have elected me because they have been profoundly disturbed by some of the permissive developments in recent years—I would say over the past ten years at least—which are changing the moral and social climate of our State. Those developments cannot be placed at the feet of any one person or any one party. There are good men and women in this House, and in the other place, who share my concern and the concern of the citizens of this State about some of those developments, which are in fact part of a world-wide trend in western society.

Some of the harmful developments that have been raised with me by citizens of New South Wales from all political parties and have led many citizens to elect me to this place are increased disrespect for our laws and institutions, the very laws that this House and the other place pass, with resulting breakdown of law and order.

Recent examples have been the mob violence in the Star Hotel, Newcastle, riot that occurred in 1979, and the Bathurst riot in 1980. Those developments have put more pressure on the New South Wales police force. They have led the Government, and rightly so, to form a special riot-type squad. In the bills before the House the police appropriation of \$273 million to my observation allows for only an extra one hundred police officers.

In view of the increased duties of the police under some of the Acts that have been passed, such as the Bail Act and others, can the police truly cope with the current situation? The citizens of New South Wales have also been dismayed by the expansion of certain criminal activity in the State, for example, prostitution, the flagrant advertising of brothels and prostitutes under the very thin guise of massage parlours, escort agencies, model agencies, et cetera, with the resulting increase in moral pollution, exploitation, degradation of women, extortion, bribery, corruption and violence. We have seen increasing fire bombings of certain premises in the State and even violence against town planners, as occurred at Campbelltown in May this year. In his book *The Enforcement of Morals* Lord Devlin, the famous law lord of the House of Lords and distinguished judge in England, wrote as follows:

Society means a community of ideals; without shared ideas on politics, morals and ethics no society can exist. If men and women try to create a society in which there is no fundamental agreement about good and evil, they will fail.

Lord Devlin continued:

If society has the right to make a judgment that a recognized morality is as necessary to society as, say, a recognized government, then society may use the law to preserve morality. Therefore a society has a right to legislate against immorality as such.

Lord Devlin then said:

Morals and religion are inextricably joined. The moral standards generally accepted in western civilizations being those belonging to Christianity. The true principle is that the law exists for the protection of society.

The citizens of New South Wales have been shocked by the increase in brutal assaults, rapes and murders against women and children, senior citizens and taxi drivers, as well as others, particularly the violent crime carried out by teenagers without any sense of compassion or respect. One teenager is alleged to have said, "Then I did the hero act." Allegedly he went on to describe the brutal stabbing of an aged taxi driver. Another taxi driver was probably alive when he was placed in the boot of his cab and the cab was then set on fire. Other teenagers are alleged to have brutally murdered the Greek Consul in Sydney this month. What kind of society is it that breeds heartless teenagers of that sort? Where does the blame lie? Perhaps society, with its emphasis on greed, cruelty and violence, with weekly emphasis at drive-in theatres and the so-called "sin and skin nights" and the immorality practised in the rows of packed "sin bins" are to blame. Perhaps our society should be in the dock and not the teenagers it nurtures.

The police station at Blacktown is reported to have had a sign outside it reading, "We can no longer guarantee your safety on the streets at night." Are we giving the New South Wales Police Force sufficient resources and manpower to do the job that we expect the police to do? I sincerely commend the Government for appointing the Hon. P. T. Anderson as Minister for Police. I call on honourable members of
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both Houses of Parliament and members of the public to give him a fair go. The Hon. P. T. Anderson and Mr Lees, the Commissioner of Police, together can restore to the community its faith and trust in the police force.

Another area of concern to the citizens of New South Wales has been the spread of moral pollution centres in the form of blue movie houses, video porn cassettes, a number of pornographic bookshops and obscene live sex shows on stage, with one operating almost next to the Catholic church in George Street, Haymarket, and another operating almost opposite the Uniting Church in Pitt Street. Similar places have opened in many suburbs and towns throughout the State, sometimes under the innocent title of a book exchange.

I commend the Lord Mayor of Sydney for his steps to clean up Sydney. I urge the Government to give him all the help he needs by legislation and through the courts. I note that the Appropriation Bill allows—it seems to me as a newcomer—only \$750 for the Publications Classification Board for 1981–82. The board appears to have spent only \$14 in 1980–81. I urge the Government to reactivate the board in the face of a flood of offensive material and to include video cassettes in its area of authority and control.

Another area of concern has been the dramatic increase in the sexual exploitation of children with hundreds directly involved in this dirty business. We can now, unfortunately, add the word child to most of our serious moral and social problems. For example, child prostitution, child pornography, child drug use, child drug pushers, child alcoholics, child gamblers, child criminals, child murderers, child arsonists and even kiddies' porn comics, sold in many newsagencies. Dr Clair Isbister, a leading paediatrician, has drawn attention not only to the exploitation of living children but also to those who are as yet unborn. She said:

The most dangerous place for a child today is in the mother's womb.

If that statement is true it is a tragedy for the unborn children of New South Wales and of Australia. I warmly commend the Government for establishing, in recent years, the child abuse centre at Montrose and following it up with the special police child protection unit. I urge the Government to continue to give these areas top priority. I support the allocation of the sum of \$110 million to the Minister for Youth and Community Services. I am confident that the new Minister will give the necessary leadership to cope with the problems I have been outlining.

The people of New South Wales are also concerned at the gambling explosion in New South Wales and at what appears to be increasing dependence by the Government on revenue raised from taxation on various forms of gambling. The temptation to legalize casinos and starting price betting to raise extra revenue may result finally in the tail wagging the dog. Estimated taxation revenue from gambling for 1981–82 is already too high a proportion of the State's revenue and thereby has had an undue influence on the conduct of the business of the State. For example, bookmakers' tax is shown at \$140,000, betting tax at \$13 million, TAB off-course betting \$85 million, TAB \$120 million, pools \$1.5 million, lotto \$61 million, State Lotteries \$37.5 million and taxation from poker machines will be \$152.4 million of which \$1 million will go to the housing fund and the balance to the hospital fund. In addition to those amounts, which are only a small proportion on the actual turnover from gambling one needs to include the amounts involved in illegal gambling. Naturally, no one has accurate figures in order to do that but some estimates suggest that the turnover in starting price betting is well over \$1,000 million.

It is estimated that for casinos the figure will be at least another \$1,000 million. It has been estimated that the State's legal gambling turnover is nearer \$7,000 million, not \$3,500 million, as was recently quoted in the news media. That is because the turnover from poker machines is being greatly underestimated. According to my calculations the turnover would be nearer to \$4,000 million. The Government must resist the temptation to add new forms of gambling and, through them, new tax revenue without carefully counting what the true cost will be in regard to family life, social breakdown and criminal involvement.

It seems to me that the working class is bearing the full brunt of the policy of indirect taxation. When anyone mentions gambling it naturally raises a spectre of organized crime in New South Wales and the allegation that Sydney is the Pacific centre for organized crime. I share the concern of many citizens that the brazen activities of the leaders of organized crime in Sydney and allegations of police and even political corruption must cause members of this House and the other place deep concern. I await the report by the Commissioner of Police with great interest. When the facts are known, concern might be relieved. The long awaited inquest on the Don Mackay murder is another urgent priority. Naturally the majority of parents in the State and a great number of other citizens are concerned with matters that I have not mentioned in detail and do not propose to mention, because I do not happen to have skill in those areas except that I am simply involved as a citizen. I refer to high taxation, unemployment and inflation.

In future I hope to be able to give attention to these matters and to expand my knowledge of them. As honourable members know, to many people these matters are simply an unavoidable part of life. However, most parents are not so nonchalant about the quality of education. They are concerned not only about the three R's, but also about the value system that underlies the basis of our State school system. They are particularly concerned about the introduction of sex education as part of the personal development course in the primary schools, as recently occurred in the Kempsey Infants School. I was advised by the parents that children as young as five or six years were attending sex education classes. I share the deep concern of those parents who had not been approached for permission and had no knowledge of this sex instruction or the use of films.

Other parents are also concerned about the promotion of homosexuality in State schools and the proposed homosexual kit which, I understand, has been prepared by two New South Wales teachers. I know that statements have been made that it is not proposed that the course will be used automatically; it has to be evaluated, but I am concerned to ensure that the course or kit should not even be permitted. I know it was financed by the federal Government and not by the State Government. I urge the Government to be most careful to see that this kit is not used in State schools in New South Wales.

I am pleased to commend the Minister for Education, the Hon. R. J. Mulock, for recently taking action to have an obscene homosexual publication *Young, Gay and Proud* banned from all New South Wales State schools. That is a step in the right direction. I trust that the New South Wales Teachers Federation will sincerely support the Minister for Education in his endeavours in that direction. The parents of New South Wales expect a decent education for their children, especially when we see in the Budget that more than \$1,649 million is being spent on education—almost half the State Budget of \$4,639 million. Unless the parents see a real improvement in the true quality of education they will increasingly turn to the comparatively new parent controlled schools. This will place another heavy financial burden upon parents already struggling to cope with the high cost of living.

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Another area of concern relates to the growing illegal drug usage in New South Wales, with an estimated 10 000 heroin addicts and a large number of marihuana users. Naturally, parents are most concerned about active lobbying by various organizations, particularly one called NORML, which stands for the National Organization for Reform of Marihuana Laws. It is apparently a campaign to legalize marihuana and to legalize heroin for addicts. The Government must resist these pressures which, in my opinion, will only add to the need to allocate further funds to the Health Commission the annual expenditure of which already has reached \$717 million. The Government has rightly promoted health campaigns. Because of that it must be consistent and restrict the promotion of such harmful legal drugs as alcohol and tobacco. It must again resist the temptation to increase tax revenue from alcohol which is now \$92 million, and from tobacco, which is now \$49 million, by increasing sales and increasing tax revenue. I believe that that occurred with Sunday trading. I have seen estimates which claim that one hospital bed in every ten is already directly linked to alcohol-caused illnesses.

Another area of concern within the Appropriation Bill relates to the Minister for Corrective Services. Over the years the community has been subjected to a breakdown of prison discipline, to prison murders and to prison escapes. The recent news of the use of heroin and other drugs in prisons supports my view. I support the Minister for Corrective Services, the Hon. R. F. Jackson, who has given strong leadership already in his new portfolio. I agree with what he said in the other place—"Prisons are not meant to be zoos or supermarkets". I commend the Minister for Corrective Services for his forthright action in getting discipline back into this important area of society. Compassion and rehabilitation are necessary but we must never allow to develop a situation where a hardened criminal can regard the Government, the public or the police as—to use the vernacular—mugs ready to be taken for a ride. In the interests of genuine rehabilitation I ask the Minister to investigate in the Appropriation Bill out of the total allocation of \$86 million to the Department of Corrective Services, the \$90,000 which is shown against periodicals and books to ensure that this does not include harmful material that could fall into the hands of prisoners—sexually arousing material which would not assist the rehabilitation of prisoners living in a secluded and closed environment.

In response to the wishes of more than 200 000 New South Wales citizens who voted for me, in this House I pledge myself to carry out the immediate objectives, so far as I can, of our independent citizens' group, with the help of God and the assistance of members of both Houses. First, I shall continue to give support to the family. I was pleased to hear the Hon. J. S. Thompson voice strong support for the family. That is encouraging. The family, I believe, is the God-given basic unit of society, the natural and basic unit of society which is entitled to the support and protection of society and the State as set out in the United Nations' covenant. This means I shall promote the concept of family impact studies, family educational and medical benefits, low interest rates for home and housing loans, first family home finance plans, family and community planning in new areas and so on, to create genuine environmental centres that provide warmth, security and entertainment. Second, I shall do all I can to improve the protection of children, including the unborn, from all forms of exploitation and abuse such as drugs, pornography, vice and so on, and so help build their lives on a solid foundation of faith, hope and love, and wherever possible, in a secure and loving family environment.

In the area of justice I shall seek to expose, with the help of this House, all forms of organized crime and vice in this State, especially in matters of drugs, prostitution, pornography and gambling, as well as any other corruption that may be

occurring. In education I shall seek to support the Government in the improvement of the true quality of education, particularly in teacher training, school courses and curricula and to promote Christian-based values and family life in every school in this State. In road safety and alcohol I shall seek to introduce ideas and plans that could save perhaps, on the basis of the Victorian experience, an estimated 500 lives every year by improving road safety through random breath tests of drivers, together with restrictions on alcohol advertising and outlets. I shall seek, with the help of God and this House, to make New South Wales a decent State, one of which we can all be proud, by closing down all moral pollution centres such as pornography shops or massage parlours and by enforcing, as has been shown necessary in the recent Wollongong case, decent standards of dress and behaviour on all public beaches. I share the concern of the Government in this House for issues that come under the general heading of quality of life.

I will do all I can to improve the quality of life for all citizens of this State by giving special attention to the environment in every area—air, water, food, beaches and so on—as well as suitable leisure and sporting facilities and opportunities, and the provision of employment opportunities for all, especially young people. I have some plans that I should like to share with the House in the future which I describe as a community youth employment campaign in co-operation with government and business. I would seek, with the help of the House, to support the Government in its campaign to eliminate illegal drugs from our State. I would seek to build a drug free society through prevention, education and control. With your help I will seek to build a safe society for young and old by improved police facilities, police strength and police-community relationships. Every policeman is a citizen and every citizen is a policeman in the creation and maintenance of a just and decent society. By that I mean that we are not simply spectators. Every citizen should be concerned.

Finally, I would seek to build a caring and responsible society based on the Judeo-Christian ethic of the Bible, the Ten Commandments and the Beatitudes which are upheld by other religions in this country and other countries of the world and by people of good will. I will do all I can to discourage the growth of greed and materialism, which is being promoted through various activities such as gambling and the permissive playboy philosophy. The early Christians, in Acts 17.6 were accused of turning the world upside down. Actually, they were turning the world, with God's help, right side up. I hope and pray, with God's help and your friendship and co-operation, to continue this apostolic ministry in this esteemed House. I conclude with the words of a leading non-Christian French philosopher, Albert Camus, who lived from 1913 to 1960 and won the 1957 Nobel prize. He said:

The world expects of Christians that they will raise their voices so loudly and clearly and so formulate their protest that there is not even the slightest doubt what they are saying. Further, the world expects of Christians that they will eschew all fuzzy abstractions and plant themselves squarely in front of the bloody face of history. We stand in need of folk who have determined to speak directly and unmistakably and, come what may, to stand by what they have said.

I thank honourable members most sincerely for their attention and their support on the occasion of my maiden speech.

The Hon. FRANCA ARENA [3.44]: I would like to speak on a few aspects of the Appropriation Bill and the Budget Papers. They refer to matters in which I have taken a special interest in the past years—ethnic affairs and women's affairs. However, my speech will also indicate other vital interests of mine such as Aboriginal

affairs, education and constitutional reforms—and I will do that with the indulgence of the House as this is my maiden speech. On the definition of maiden speech may I say that the very term “maiden speech” is sexist and should be changed to first speech, and so I shall call it from now on.

I am one of the nearly 30 per cent of the New South Wales population which is of non-English speaking background. I am the first Italian–Australian woman to be elected to an Australian parliament, and I am deeply proud to be so honoured—even if I might add that I would have been happier if there were more women, ethnics and Aborigines in Australian parliaments, and if there were a long tradition of electing them. I use the word ethnics intentionally. It is a word that displeases some people. However, it is a word that has come to convey a meaning no other word can quite convey. To speak of ethnics as Australians-of-non-English-speaking background is too long and cumbersome.

I cannot say that I am one of few immigrants elected to Australian parliaments. The legislatures of the infant Australian colonies were dominated by immigrants who, because they had been born in the United Kingdom, were sometimes seen as more worthy than native-born Australians. And this state of mind continued for much too long. For too long everything which came from the United Kingdom, certain parts of Europe, and from the United States of America seemed to some Australians, simply because it came from overseas, better than anything Australian. Now there seems to be change. More and more we see the growth of our national spirit. However, attempts may be made to stunt this growth by those who would sooner see Australia in vassalage to some great and powerful friendly nation. Whatever nation this may be, and however friendly, let us remember that it will still be foreign, with its own national interests that will not necessarily coincide with our national or regional interests.

I came to Australia in 1959 not knowing whether I would stay. Like many members of our earliest legislatures, I came freely, knowing I had a country to which I could return. But I would like us to think for a moment of those many Australians, both living and dead, who were not so fortunate, who as history reveals, came to Australia having been forced to leave their native lands. Many families, after generations of wandering, have put down roots into this great country of ours; and have given the social landscape new richness and texture; and have learnt to love this country of ours, the great coastal cities, the weird melancholy of the Australian bush. Our country has seen a massive immigration programme and I wish to pay tribute to the millions of people who have migrated to our land since 1788 and especially to the great numbers who arrived after the Second World War and worked, built, sacrificed, and often experienced the pain of not belonging—the hurt of exclusion. I think of the words of Italy’s greatest poet, Dante:

. . . come sa di sale—lo pane altrui, e com’e duro calle—
lo scendere e il salir per l’altrui scale . . .

Which means—

. . . you will learn how salty is the taste of other people’s bread
how hard the way going up and down other people’s stairs . . .

Dante was exiled from his native Florence 700 years ago, but his voice speaks down the centuries urging us to tolerance and compassion, and in this Chamber of the oldest Parliament of our nation I would urge us to the same tolerance and compassion, and to a commitment to encourage tolerance and compassion among all Australians, to whichever of 140 ethnic groups we belong and whichever of 80 different languages we were born to speak. Not only should we aspire to tolerance but also to an understanding of history which teaches us that in every nation and every civilization there

is both pride and shame. I would like to quote the words of the Premier and Minister for Mineral Resources, the Hon. N. K. Wran, at the recent centenary celebration of the Lebanese presence in this country, when he said:

In a country like ours, the important thing is not where one was born, or the number of generations of Australian residence one can claim. The only important thing is our commitment to Australia and being Australian.

I am proud of being an Australian, not because of any chauvinism, but because I love this great sunburnt country of incredible beauty. I have spent here now more years than I spent in my native land of Italy. They have been fruitful years spent serving many good causes, the most important of which is that of the Australian Labor Party. I joined the Labor Party because it believes in that great rallying cry, that great call to the barricades of humanity: "Liberte Egalite, Fraternite". Yes indeed, liberty, equality and fraternity—remembering that liberty does not mean licence, equality does not mean conformism, and fraternity includes women as well as men. Ideally society should provide social justice and equality of opportunity and respect for every member, regardless of sex, creed, race, national origins, citizenship, age, sexual preference or economic status. I am proud that my party stands for all that and much more, and that our New South Wales Labor Government has initiated legislation in the past few years, and will continue to do so, to make this State of ours a fairer and better place in which to live.

My commitment to the Australian Labor Party is not intended to belittle the compassion or the honesty or the belief in liberty of my honourable colleagues on the other side of the Chamber. But the actions of their colleagues in Canberra speak louder than my words. There is in Canberra and other places a school of thought that believes the poor should look after themselves, that the victim should lick his own wounds, that social welfare should be scaled down, and that human dignity has a bank account attached to it. While the New South Wales Labor Government has been working against social discrimination, the federal Liberal Party–National Country Party coalition, since it took office in Canberra in 1975, in circumstances that demean us all, has been concerned with ingraining social and economic injustice. The refusal to monitor effectively the operation of multinational business operations in our community may be disastrous. These operations, with their effects on employment and the economic structure of the nation, are of enormous social significance. The poor must look after themselves—but the rich? I ask, is there effective, equitable taxation of the profits of multinational companies, profits that come, in spite of the claims that are made, not even from capital that could be gained only from outside Australia, or from original enterprise that looks for a just reward for its striving, but profits that come instead from resources that belong to the Australian people, and could be worked by the Australian people?

The Australian Labor Party is not a revolutionary party. The socialism that it wishes to practise is not the nightmare paraded in panic at election times by its political opponents, the nightmare of people's homes, people's private possessions and people's workplaces threatened by a takeover of jackbooted monsters, the nightmare of totalitarian bureaucracy. The socialism of the Australian Labor Party is based on the fair go, that uniquely expressed Australian concept. It is a concept that demands that the poor and the incapacitated, the unfortunate and the dispossessed will not be swept aside, will not become further disadvantaged, but will be given opportunities to fulfil their potential and live a decent life. We live in a community with complex social and economic structures. We are mutually dependent. Those of us who have been fortunate should not begrudge a helping hand to the less fortunate. It is a measure of our civilization that we expect from our government equitable taxation paid proportionately by all citizens. We expect a fair redistribution of our taxation money in

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services to all sectors of the community. But the unpredictability of federal Government financing has been scandalous, when viewed by the human anguish it causes. Threats to the funding of women's health centres, women's refuges, child care centres, community youth support schemes, and the education sector have created an atmosphere of uncertainty bordering on despair.

Of the nearly 2 million people in Australia living on or below the poverty line, 75 per cent are women, who are especially vulnerable because of the demands of children, the lack of skills and the tightening of the labour market. Women voters will remember at the next election the treatment meted out to them by the federal Government. The New South Wales Labor Government will do all it can to keep the social safety net, but I ask my honourable colleagues to consider the ramifications. An Australian national government concerned with cutting its own spending, and saying to the State governments "If you want that sort of thing you go and do it", is raising the possibility of horrifying social welfare differences within the nation. We have to look only at the treatment of Aborigines in the various Australian States to realize the difference place of residence already makes. What does that do to the uniquely Australian expression of a fair go? In November 1972 the Hon. E. G. Whitlam, then Leader of the federal Opposition, said:

Australia's real test as far as the rest of the world, and particularly our region, is concerned is the role we create for our own Aborigines . . . More than any foreign aid programme, more than any international obligation which we meet or forfeit, more than any part we may play in any treaty or agreement or alliance, Australia's treatment of her Aboriginal people will be the thing upon which the rest of the world will judge Australia and Australians—not just now, but in the greater perspective of history . . . The Aborigines are a responsibility we cannot escape, cannot share, cannot shuffle off; the world will not let us forget that.

The New South Wales Labor Government has committed itself to taking new initiatives and assuming new responsibilities to try to give a fairer go to Aborigines. I am sure that all members of this Parliament, on whichever benches they sit, are spurred on by the report of the New South Wales Legislative Assembly Select Committee Upon Aborigines, which was tabled in April of this year. In part, that report reads:

The Aboriginal citizens of this State mainly exist in conditions of abject poverty. Their housing is substandard and overcrowded. Their health and education, abysmal. Their employment, negligible. Their welfare and culture, ignored or deprecated . . .

Blatant discrimination based on race and the colour of skin is one of the reasons for the present intolerable situation in which Aborigines find themselves today. Apathy, indifference and ignorance by those who have the power to change this situation are the others.

I wonder what reasons the Aboriginal citizens of this country will have to celebrate our bicentenary if we do not act to rectify some of the terrible injustices they have had to suffer. The year 1988 might be one of celebration for us if, by then, we have made some real reparation. I congratulate the State Government for appointing today the first Aboriginal woman as permanent head of the Department of Aboriginal Affairs. Mrs O'Shane is a splendid woman who will need the support of members on both sides of the House to carry out the difficult job she has to perform. I congratulate Pat O'Shane and send her my best wishes.

I would also like to hope—and this is a dream shared by many Australians—that 1988 will be the year in which we cease to see ourselves as a quasi colony, and take our place in the world community with an Australian head of State, a new Constitution and a Bill of Rights. In the past few years I have been deeply concerned with helping promote discussion on the need for a new Australian Constitution. My concern about the dangers of the Australian Constitution is one shared by hundreds of thousands of Australian citizens. Some may wonder why I raise this question in a Legislature remote from where such decisions will be made. From time to time I intend to seek your permission, Mr President, to convey to the members of this Council developments in the move for constitutional change. I believe it is our duty as representatives of the people of New South Wales to be aware of change that will affect our electorate and to work for change that will benefit it.

I was pleased recently to accept an invitation to join the consultative council on constitutional reform of the Law Foundation of New South Wales. This magnificent initiative taken by a New South Wales organization, but including on its council men and women from many parts of Australia, is an example of the sort of reaction we should all hope for when governments dally too long on matters of vital community interest. I commend the Law Foundation's programme to this House, and I would like to see other examples of such initiative. I believe that the cause of constitutional reform should be pursued at every opportunity with the aim of enhancing Australia's status as a free and independent state.

It is no secret that I hold republican views and that I would like to see Australia become a republic—a republic that enshrines in its constitution the concepts of freedom, tolerance, fairness and equality of opportunity; a republic that fosters the diversity and richness of cultures that make up the Australian nation. A short time ago, as a member of this House I did indeed swear allegiance to an absentee monarch. That is the law. I accept the law and comply with it. However, I make it known that my desire was to swear allegiance to Australia and the Australian people. I believe firmly our head of State should be an Australian who lives among us and shares our daily problems and joys. We have been a colonial people too long. Why should Australia have a resident of England as its own head of State? In Sweden and Denmark, where the monarchy has been reduced almost to a vanishing point, some people might put republicanism low on their list of national priorities, but it is a Swede, resident in Sweden, who is the Swedish head of State, and a Dane, resident in Denmark, who is the Danish head of State. Our great national poet, the republican Henry Lawson, his father a Norwegian-born digger, his mother an Australian-born campaigner for women's rights, wrote:

Let Britannia rule for ever,
O'er the wave, but never never
Rule a land great oceans sever
Fifteen thousand miles away.

In the meantime, I am grateful that the concept of Australia as a republic has now become part of the platform of the Australian Labor Party, and I am proud that my views are shared by such Australian patriots as Patrick White, Donald Horne, Gough Whitlam, Faith Bandler and Manning Clarke, to name just a few. Our country is a regional power with regional interests. We are a rich nation, but not a lucky country for all.

We should take a more active role in the region, have stronger ties with our Asian neighbours, and provide inspiring leadership. This will require new, clear concepts of a new Australian patriotism that discards forever the leftover of the empire.

I have entered this House with great trepidation and also great hopes of being able in years to come to do some good for the people of New South Wales and the people of Australia. I will conclude my first speech with the words of a man I admire greatly, Bertrand Russell, who wrote in the forefront of his autobiography:

Three passions, simple but overwhelmingly strong, have governed my life: the longing for love, the search for knowledge, and the unbearable pity for the suffering of mankind.

I would hope that those three would govern my life, along with one other: the determination to rectify at least some of the terrible injustices that still beset our society. It is our ideals that will be our most worthwhile monuments and our most important legacy to future generations.

The Hon. L. A. SOLOMONS [4.5]: In the budget debate for the year 1981 the House has been fortunate to have a number of—and I hesitate to use other than the word required—first speeches. I should say here and now that the speeches have been of unusual quality. When listening to first speeches in this House one expects that one will gain some indication of the philosophy of the speaker; but to hear the philosophies so well outlined, with such precision, articulated and clear thinking, on so many occasions, is quite exceptional. Perhaps of itself it is justification for the new constitution of the House that the methods of selection can bring forward members of such quality.

I do not wish at the outset to refer to the content of any of the speeches or to refer to other than two of the honourable members individually. Strangely, those two honourable members bear totally opposed political views to mine. I refer especially to the speech the House has heard today from the Hon. Franca Arena and also to that made in the House last night by the Hon. G. Brenner. I wonder, as I hope other members also wonder, whether anyone understands the difficulty of the task of a person with a non-English language background coming into and speaking in a House such as this, in the manner in which the two honourable members to whom I have referred have done.

As the Hon. G. Brenner told the House about those horrifying early years of his life as a child and a young person in Hungary, I wondered, if I had been forced into the same situation and how, so many years later, had been called upon to address a tribunal such as this in Hungary, in a language totally foreign to my culture, whether I would have made anything like the attempt that he made. I understood every word that the honourable member said. I understood each concept that he put. The same should be said of the speech made by the Hon. Franca Arena. For some considerable time this House has been fortunate in having representation from the ethnic community. My colleague the Hon. F. Calabro has been a member of the House for many years. He was the first member of the expatriate Italian community to become a member of Parliament in New South Wales. Some years ago the House was fortunate in having the Hon. J. Kaldis become a member of the House. I remember well that he opened his first speech in the House by addressing honourable members in four languages. No one else has been able to do that. That demonstrates that the ethnic community has brought to this country a measure of richness in culture, life and traditions which have greatly improved Australian society.

I understand the republican sentiments expressed by the Hon. Franca Arena. The deep-rooted monarchical concepts of the Anglo-Saxon part of the Australian nation is equally well rooted as is her concern for republicanism. They must be to her, as they are to many ethnic groups, totally foreign concepts. It is not likely that for many years there will be a basis on which common agreement will be reached, but

that there is a difference of opinion and a forum such as this House where opinions can be expressed freely is probably the greatest indication of the health of our society. I congratulate those honourable members.

I congratulate also the Reverend the Hon. F. J. Nile and the Hon. Elisabeth Kirkby for their contributions, which were awaited for different reasons. They have brought to the House something new by way of political philosophy. It is clear from their submissions today that the House will be a better place for their attendance. I may be called a little one-eyed if I notice a measure of gloating in the speeches from honourable members on the Government benches. There is, no doubt, a basis on which they can be justifiably proud of the electoral success gained by them—not unexpectedly—in the recent general election. At the risk of being somewhat of a Jeremiah I would however give them some words of advice which will, no doubt, go in one ear and out the other. I do not mean that literally. One sees that they are starting to believe their own propaganda. Their constant blaming of the so-called evil federal Government is starting to have a hollow ring. As the true financial position in which they are placing themselves comes home to them—as it will most certainly during the course of this Parliament—they will find that there is a financial truth to be faced and a responsibility to be vested in a State Parliament.

It will not do just to cry crocodile tears constantly with respect to the federal Government, particularly as the figures indicate that the Government has had vastly more money in real terms from the federal Government than any other government in the history of the Parliament of New South Wales. One does not have to be an accountant or have a computer to look at the Budget Papers to see how true that statement is. Government members should read carefully the speech of the Hon. P. S. M. Philips who said that the honeymoon is over. It is. The figures and facts he gave are worth considering with a fair degree of scrutiny. The Government will have to face up to the situation.

A new member of the House—I think it was the Hon. J. D. Garland—said something with which I shall deal. I trust that he will excuse me for doing so as it is not my intention to take issue with anything that any of the new members have said today. That would be wrong. I would take issue on many things with those honourable members but I shall reserve that right to some other occasion. I think it was the Hon. J. D. Garland who said there had not been sufficient shift of the Australian income so far as the relationship between the rich sector and the poor sector of the community is concerned. It does him a grave injustice to put the concept as simply as that. He brought to my mind when he was speaking a graph that will interest the Hon. J. S. Thompson, who has probably already seen it. The graph, which is published by the Australian Automobile Association, looks at Commonwealth Government Budget outlays from 1969 to 1981. The lowest figures on the graph relate to road grants. The middle figures, which are pretty much on a par, are for quite important matters such as defence, health and education. Those figures show a reasonably continuous evenness, with some exceptions, as to percentage national expenditure. The figure that shows a great leap is for social services.

The nation is spending equivalent to almost 15 per cent more of the national income on social services than it was spending in 1969 and 1970. When one considers the figures involved, that is a dramatic shift in the distribution of income. Whether one likes it or not, it is a fact that Australia as a nation is growing older. Accordingly, it is perfectly clear that the shift will continue. It is almost irreversible because once a form of welfare payment is established, it is virtually impossible to turn one's back on it. The best possible example of that—and I shall not enter into the whys and wherefores—is the problem that the British Government, under both Labour and Conservative administrations has to face.

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In Britain the problems are irreversible—perhaps they are in Australia. If they are, that underlines the argument I make that there is no way in which the federal Government will be able to come to the States and say that it can give them more and more, to do everything the States want to do, irrespective of the Commonwealth Government's national responsibility. More and more of the money provided by taxpayers will go into the provision of the various social security payments which will become necessary. I cannot quarrel with that as a system. That will be as it may, but when one hears constantly from the government side of the House—and it is undoubtedly a well-orchestrated and devised plan—that the federal Government is being blamed for everything that happens, it bears further consideration. It can be guaranteed that every speaker from the Labor Party in Australia, whether speaking in South Australia, Western Australia or the Northern Territory will mention the shortcomings of the federal Government. That is good politics.

The results achieved in New South Wales show that the members of the Labor Party have proved themselves to be good politicians. I commend them for that, but I point out that the time is coming, and it is not far away, when they will have to accept their own responsibilities. As, I think, the oldest—at least in length of service—member of the House, that is the only word of advice I have for the new members. In giving that advice I do not wish to detract from my admiration of their initial contributions to the debates of the House. In my time in the House the quality of those contributions has been quite unparalleled.

In his interesting and, as always, lucid contribution to the debate the Hon. R. D. Dyer, mentioned the Bill of Rights in the Cook Islands Constitution. The principles contained therein are completely unexceptionable. They are unexceptionable because they were designed by the United States Organization and were taken direct from the Universal Declaration of Human Rights. I am mindful that the request made by the Hon. R. D. Dyer is for it to be brought into the statute law of New South Wales. For some time I was concerned about that, particularly when I remembered what happened to the Canadian Bill of Rights at the hands of the Supreme Court of Canada.

The matter of whether Australians should be concerned with bills of rights was put with more authority than I hold, and far more cogently than I could put it, by Mr Justice Stephen of the High Court of Australia. Last night, in a speech which I believe was delivered in Melbourne, he pleaded that Australians ought not to get involved with statutory bills of rights. His reason, made more eloquent by the Canadian experience, makes it only too clear that bills of rights, even those as plain and completely acceptable as that referred to by the Hon. R. D. Dyer, transfer their interpretation to the courts. Accordingly, Parliament loses another part of its powers, for the court interprets the law. The court looks at each statute passed by Parliament with respect to that bill of rights and then it determines—not Parliament—whether the law is valid or invalid, having regard to its compliance with such a bill of rights.

Basically, I had not intended to speak in this Budget debate but the Hon. R. D. Dyer, whose ability and dedication I greatly respect, referred to a point upon which I felt I had a view to offer. When my view was reinforced by what Mr Justice Stephen said in his address last night, I was minded to speak. I might add that I was also prompted to speak because of my great admiration for the contributions to this House. Whilst on my feet, and before covering the main basis of my speech at some short length, I felt the need to have a little chip at another of my close friends on the other side of this Chamber, the Hon. J. S. Thompson. In one of his classic, broad-brush speeches he accused the federal Government of putting up interest rates. The federal Government has no power to put interest rates up or down. They are affected

by matters over which the federal Government has little control, by international monetary pressures and by the need the federal Government has to get money for its purposes. One such purpose was the giving of an additional \$212,000 million to this State in direct moneys during this budget year. Money does not come from nowhere. It must be earned, come from the taxpayer, be borrowed or perhaps be printed. Let us not think too closely about the last, for it has horrifying overtones. What the Hon. J. S. Thompson did not refer to when he was praising the Wran Government's monetary policies were the rates of interest which are being offered by the statutory corporations and semigovernment authorities in this State.

The Hon. R. D. Dyer: That is because they have to compete for funds.

The Hon. L. A. SOLOMONS: That is right. The federal Government has to do precisely the same thing. The Hon. R. D. Dyer has said exactly the same thing I would say in answer to what the Hon. J. S. Thompson put to the House. They put it up one and one-half percentage point because they had to get money. It is precisely for the same reason that the federal Government is compelled to put up interest rates when the pressure for money is great. It will bring them down when it can possibly do so because the federal Government also has the responsibility of repaying amounts which it borrows.

The basic reason why I rose to my feet to speak was to inform the new members of this House how fortunate they are in the services they receive, and will receive, from the staff of this Parliament. I have been here longer than any other member and consequently, I suppose, I have had the opportunity to observe more of the service, dedication and efficiency of the staff of this Parliament from senior executive officers to attendants. Just how blessed we are honourable members will discover tomorrow morning when *Hansard* delivers upon their desks the first proof copies of their first speeches. They will then have the opportunity of seeing how carefully and, in some cases, how gently they will have been handled by those superb people who serve us.

I have a particular plea to make, one that I hope will be echoed by at least some members on the Government side of the House. It concerns the magnificent organization which is the New South Wales Parliamentary Library. I have been a member of the Library Committee, I believe, ever since the day I was sworn in as a parliamentarian. It is the one part of my service in this House which has given me great pleasure. I have had the opportunity of looking closely at the activities of the mother Parliament in Westminster and its library. I have had the opportunity of looking at the activities of the library at the Congress in the United States of America. I have been able to look closely at the federal parliamentary library in Canberra. With the Hon. Deirdre Grusovin, I have been afforded the chance to take a close look at the library of the Parliament of Queensland. I was fortunate enough, as a Commonwealth Parliamentary Association delegate, to have a close look at a number of Canadian parliamentary libraries. Without exception, each of those libraries has access to modern methods of computing systems and of word processing.

I understand from the Parliamentary Librarian and his staff that this year a request has been placed in the draft estimates for the Parliamentary Library to have an additional sum of \$20,000 over and above the amounts usually allocated. In view of the huge sums now encompassed within the New South Wales Budget Papers, that \$20,000 is a small sum, probably substantially less than the cost of supplying tea at many of our great government departments. From the point of view of our Parliamentary Library, it could have considerable ramifications. If that \$20,000 is forthcoming it is expected that it will be spent, as to \$5,000, on the establishment of a data based terminal which would allow the Parliamentary Library to key in to the vast resources of the federal parliamentary library and into the rather incredible and magnificent AIRS system

which is named after the librarian of the Queensland Parliament. That Parliament has certainly the most modern and unbelievably efficient library system I have ever seen, so far as machinery is concerned. The library staff would be able, by telephone, to tune in automatically to the various commercial data bases such as Lockheed Dialog, the Orbit, the IP Sharp, the Ausinet and perhaps some of the television data based services.

Of the amount provided, \$15,000—though that might be a little low; it could be as high as \$18,000—would provide a basic word processor unit for our library. In library activities there is much repetitive and recording work. The books that come in must be recorded, catalogued, and stored so that they can be located quickly. With periodicals the task is even greater. The movement of books in and out of the library must be carefully monitored so that appropriate recall notices may be sent out, and the availability of books noted at all times. It must be possible to find material quickly so that the needs of honourable members can be serviced.

After the Hon. Deirdre Grusovin and I had visited the various parliamentary libraries our view was that notwithstanding that the New South Wales Parliamentary Library had none of the modern equipment that one would expect, honourable members were being magnificently served by the research officers, the Parliamentary Librarian, and his staff. I have been amazed by the service they give. The standard of service is all the more remarkable when one realizes that the New South Wales Parliamentary Library maintains a stack of books double the size of that maintained by the federal Parliamentary Library. At the last count the New South Wales Parliamentary Library had a staff of 25; the federal Parliamentary Library now has close to 150. My view has always been that honourable members in this House receive better service than that given by the federal library.

Some interesting conclusions may be drawn from these facts. If the staff of the New South Wales Parliamentary Library has been able to give service such as is given without modern equipment, one can imagine how much better the service would be if the library had a data base terminal and one word processor. Almost every legal office in Sydney nowadays has a word processor. Few are without them. Word processors are regarded as part of the standard equipment in a legal office. Certainly no major library of any importance in most parts of the world does not have the advantages of computerization. One of the libraries that I forgot to mention I had the opportunity to visit is the library of the Lok Sabha of the National Parliament of India. It is superbly equipped with every modern convenience, though one would scarcely class India as a nation of great affluence.

The final plea I propose to make to the Government in this budget debate is that from the amount that the Government has quite properly placed in the hands of the Treasurer for contingency funds—this year the amount is \$98 million, and I have no quarrel with that, for there are bound to be increases in salaries—the infinitesimal sum of \$20,000 or \$23,000 be made available to the New South Wales Parliamentary Library for the purpose I have mentioned. I am certain that honourable members will be better served. Honourable members are as good as their ability to communicate ideas on the matters that come before this Parliament, and the prime tool that honourable members have, not being equipped with research officers, is the New South Wales Parliamentary Library. All honourable members should be concerned to ensure that that provision is made for the library. I trust that my plea will not fall on deaf ears. I conclude by expressing my profound admiration for the speeches made by the new members of this House. I look forward to their contributions when the House gets down to its true function, which is that of a legislature and governing body.

The Hon. B. J. UNSWORTH [4.35]: I rise to support the passage of the New South Wales Budget. The Government should be congratulated on the fact that since 1976 it has been materially responsible for the continued growth of our great State and of its economy, which benefits all of its citizens. The fact that the citizens of this State, as recently as 19th September, responded to the Government's policies and programmes by indicating to an even greater extent than previously their support of the Government, by electing sixty-nine of the ninety-nine members of the Legislative Assembly, cannot be ignored.

The Leader of the Opposition talked about new boundaries. Coming from a rural precinct as he does, he should be aware that for too long country areas have been over-represented in this Parliament. It was only because of the gerrymandered boundaries of the Askin period that the electoral process in this State was allowed to be distorted for as long as it was. But thanks to the fact that the Legislature has enshrined in the Constitution the concept of one man one vote, I venture to say that the Government will retain for many years the majority it now enjoys. For the first time in this State and perhaps in Australia the will of the majority of the people has been reflected in the composition of the Legislature.

The recent general elections altered the composition of the Legislative Council. A number of honourable members have already made the point that now two-thirds of members of this House are elected by popular vote. That process will be completed in three years, at the next general elections. Members of this Chamber must have studied the electoral results with some interest, for the elections brought to the Legislative Council not simply new members, but new members representing new policies or policies that were previously not represented. I congratulate those colleagues who are members of the Australian Labor Party and who have been elected to this Chamber. I refer to the Hon. J. D. Garland, the Hon. Franca Arena, the Hon. G. Brenner, the Hon. B. H. Vaughan and the Hon. K. W. Reed. All of those honourable members will make a significant contribution to the debates in this House. Most of them have already done so in making their first speeches. The wide experience that those honourable members bring from their various occupations and walks of life will enrich debate in this Chamber and perhaps will educate all honourable members.

I congratulate also the coalition Opposition on the fact that it has two new members, the Hon. J. C. J. Matthews and the Hon. R. W. Killen. Honourable members look forward to hearing more from them. I note that the coalition's numbers have diminished. Perhaps that is sad for the coalition, but it is a reflection of the views of the electorate. That is a situation with which the coalition must learn to live. The two new members who come to the Chamber in whose views honourable members will all be interested until they are fully elaborated, are the Hon. Elisabeth Kirkby and the Reverend the Hon. F. J. Nile. Because of what they are able to say inside and outside the Chamber they will bring more public attention to the Legislative Council and its workings. That will be good. I listened with interest to the maiden speeches of both honourable members. I was interested to learn that the Hon. Elisabeth Kirkby is a little more critical of the Labor Party than I should have thought, though if one is to represent a small thrusting party one has to endeavour to establish a separation of viewpoint and policy, even if it is on matters as dear to our hearts as Lotto and its administration.

I commend to the Hon. Elisabeth Kirkby that she visit Lotto Management Services. Recently I accepted an invitation from the management of Lotto to inspect the running of its operation. I was fascinated by its proficiency and professionalism. I was fascinated also by the capital investment required for all the machinery, the photographic equipment and the storage facilities that go to make up the administration

of what is, after all, the mere crossing of six numbers on a piece of paper. I was interested to hear the priorities the Hon. Elisabeth Kirkby demonstrated this morning when asking her first question in this Chamber on that subject. It has been a matter of some internal discussion within the Australian Labor Party.

Reverend the Hon. F. J. Nile spoke this afternoon. I was pleased to hear that ideologically he was to the left of the Democrats. That is pleasing because many of the concerns that he has for the working people in New South Wales and for their well being are concerns that are of prime importance and interest to the Australian Labor Party—the majority party that best reflects and represents the interests of working people. Honourable members respect the right of the Reverend the Hon. F. J. Nile to concentrate, as he does, on issues related to family life and on issues related to the general morality of our society. In time the honourable member will learn that there are a number of other members of the Parliament who hold and espouse views on what is best for the family and what should be our moral approach to major questions. In those circumstances the honourable member would be best not to consider that he is involved in a one man crusade on these issues, because that would do a disservice to so many of his parliamentary colleagues.

Recently I read that there are eleven years in which to reconcile these questions. It may be that as the years go by the need to preserve the interests of the working people and their economic well being will be of such transcending importance that in questions that divide this Chamber, questions that will determine the future well being of the family in economic terms, the Reverend the Hon. F. J. Nile will find himself on the Government benches more often than he will be on the Opposition benches. When one puts forward oneself as the representative of the business community, one represents a minority in the community. This is because the coalition Opposition in this Chamber represents only a vested interest of capital, whereas Government members hold themselves out as representing the best interests of all the people in the community.

I listened with interest to the speech of the new Leader of the Opposition. It was a lengthy and thoughtful speech on the Budget. While listening to the speech I was reminded of the one or two occasions that I was criticized by his predecessor, the Hon. M. F. Willis, because of my absences from this Chamber when on union business, either attending conferences of the Australian Council of Trade Unions or other meetings. This criticism was made even though I had been granted the courtesies of the House in obtaining a pair. I was reminded of those criticisms when I noted the absence from the House of the former Leader of the Opposition. In fact, I have not seen much of him lately. I do not know whether he has lost interest in the Legislature since he has lost his position as Leader of the Opposition.

The Hon. N. M. Orr: He is doing a Wran in China.

The Hon. B. J. UNSWORTH: I would not know where he is. He is not sitting in the exalted seat of the Leader of the Opposition. One should not take undue interest in the affairs of the Opposition because, as I have pointed out already, it is a diminishing force in this Parliament. It is strange that the former Leader of the Opposition has not been supporting the new leader to the extent that I thought he would. In his speech the Leader of the Opposition sought to analyse the function of government. He demonstrated that his view of the function of government is not the view held by Government supporters. He questioned the attitude and the ideology of the Government accepting its responsibilities to the people of this State. The Leader of the Opposition questioned also the allocation of capital resources.

The Leader of the Opposition had a fair bit to say about the allocation of capital resources. He contrasted the Government's responsibility to construct roads with its responsibility, or assumed responsibility, to build power stations. I thought he took the peculiar view—that though it was perhaps a government responsibility to construct roads, it was not necessarily a government responsibility to build power stations. That may be his view as of today. It may well be that on some future occasion he will tell the House that it is not even the Government's responsibility to build roads.

Many honourable members have had the opportunity to visit countries where the road system has been taken over by capitalism and the free enterprise system. Some of the turnpikes in the United States of America originally were constructed as conceived by an entrepreneurial approach. In the United States of America some bridges were built initially by entrepreneurs and were available only to those who were willing to pay the toll. It could well be that at some stage in the future the Leader of the Opposition will suggest that the State of New South Wales should relinquish its responsibility for road construction and the operation of the road system in favour of free enterprise. Though the Leader of the Opposition did not go quite that far yesterday, I understood that he said the building of power stations was detrimental to the running of the State. If he did not say that, he said it was a mis-allocation of State resources.

The Hon. W. L. Lange: I said it was a misallocation of scarce resources.

The Hon. B. J. UNSWORTH: The honourable member chose to question the value of public ownership and control of significant sectors of the economy and the concept that I have advanced on a number of occasions of a public enterprises board. He went beyond that, with what I thought was an inaccurate extrapolation of figures, to suggest that at some stage in the future 65 per cent of taxpayers in the free enterprise sector would be supporting 35 per cent of taxpayers employed in the public sector. I doubt whether the figures upon which he based that extrapolation would stand close examination. On that occasion I sought to interject to say that many of the undertakings under public control are trade operations and in no way a drain on taxpayers. One need look only to organizations such as TAA and Qantas, which have been established in the Commonwealth sphere, to find an example of highly successful commercial undertakings that are operated in the public interest.

I do not accept the ideology and philosophical proposition put forward by the Leader of the Opposition that there is a parameter within which a government must operate in the public interest, or a limit to which government can go in its activities. The general thrust of the approach of the Opposition in this second sitting of the parliamentary session has been pointed in the wrong direction. The Leader of the Opposition and the Hon. E. P. Pickering have sought to attack the Electricity Commission of New South Wales. In the past two days questions asked by Opposition members of the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council would seem to demonstrate that the Electricity Commission has taken the place of Sundance Oil as the latest escapade in which Opposition members have been involved themselves. There is no limit to the travel that the Hon. E. P. Pickering will undertake to follow up his interest in matters that come before the Parliament. Last year we heard about his travels to the United States of America. As great personal inconvenience he has absented himself from the Chamber today to travel by helicopter to the Liddell power station to further his type of investigative representation.

The Hon. W. L. Lange: He received an invitation.

The Hon. B. J. UNSWORTH: I thought it was rather an offhanded invitation that was picked up with great alacrity by the honourable member. There are no limits to the extent to which some people will go to obtain a free trip. I have heard of persons who have current passports, have their injections up to date and are willing to travel anywhere on twenty-four hours' notice. I do not know whether the Hon. E. P. Pickering is a member of that illustrious group. Perhaps I should refer him to some persons I know to be in that category, to obtain information about how to be in a state of perpetual readiness to undertake travel on behalf of taxpayers.

The Hon. J. W. Kennedy: The honourable member is being quite unfair.

The Hon. B. J. UNSWORTH: Today was no exception. At short notice the Hon. E. P. Pickering absented himself from the House to visit Liddell. Honourable members on this side of the House wait with bated breath to hear his report of the visit. I shall say something further about that in a moment. The Leader of the Opposition and the Hon. E. P. Pickering have chosen the wrong authority by which to mount an attack on the Government. The Electricity Commission of New South Wales is one of the success stories of this State. I speak with a little personal experience. One does not need a Bachelor of Science degree to be able to inform honourable members of the intricacies of engineering or electricity generation. Even a humble apprentice electrician can learn something of the system. I was reminded only today that I was working for the Electricity Commission when it was formed in 1950. I was reminded also of my age, when I chose to obtain from the Parliamentary Library the most recent annual report of the Electricity Commission, for the period ended 30th June, 1980. In a reference to the year in brief, the report reads as follows:

The Electricity Commission of New South Wales has now completed 30 years of service to the people of the State of New South Wales. When the Commission was established, on 22nd May, 1950, the potential electricity demand in New South Wales was estimated at 700 mW. This figure was only an estimate because it was not possible to satisfy the whole of the community needs for electricity—in fact, a maximum load of only 490 mW could be supplied in the winter of 1950.

Those of us who are old enough to have been around at that time will recall the blackouts.

The Hon. W. L. Lange: One does not need to have that long a memory. One needs only to think back to last winter.

The Hon. B. J. UNSWORTH: I shall come to that. Those honourable members who recall the blackouts of the winter of 1950 will recall also the organized concept of load shedding under which areas of Sydney were predetermined to be without electricity. The load shedding was carried out because there was not enough installed generating capacity to provide for the needs of the community. One might ask why that was so. The reason was that there was no co-ordinated system of electricity generation until the establishment of the Electricity Commission of New South Wales. Before that time a number of bodies were responsible for the generation of electricity. One of them was the Sydney County Council, which was established in 1936.

Prior to that the Council of the City of Sydney fulfilled that function, as well as the Department of Public Works, the New South Wales government railways, and even private enterprise in the form of the Balmain Electric Light and Power Company, and local government involvement, as the Hon. J. W. Kennedy will no doubt remind honourable members. I recall that some of the local government activities were

conducted in tin sheds on the edges of New South Wales country towns, generating electricity for the local citizenry with diesel generators which were wont to break down at inconvenient hours.

Prior to the establishment of the Electricity Commission in 1950 the activity was totally unco-ordinated and fragmented. To the credit of the Labor Government of the day it was willing to withstand the brunt of objection from the Opposition at that time, newspapers and uninformed critics, who believed that the establishment of the Electricity Commission was, as the Hon. E. P. Pickering would say, evidence of the dead hand of socialism creeping throughout our community. That is what it was seen to be in 1950—an extension of socialism. As a young apprentice who worked in the Electricity Commission at that time I was a little concerned to think that I might have been affected by the dead hand of socialism but it was, perhaps, one of the best learning experiences I have had. Had it not been for the fact that I worked in power stations with active unionists I would not be here today.

From its inception, the Electricity Commission has been one of the most successful public enterprise organizations in this State. If honourable members took the trouble to get the 1980 report of the commission they would see two maps of New South Wales. Honourable members from country areas should note those maps. They show the extent of electrification in 1950 and its extent in 1980. Many people enjoyed connection to an electricity supply in 1980 who were nowhere near an electric light, let alone a power point, thirty years ago. That could have been brought about only by the decision that was made at that time to establish the Electricity Commission. It is difficult to reconcile that with what the Leader of the Opposition has been telling honourable members in the debate. On the subject of power station construction, one finds this in the report:

Work is proceeding on the largest construction programme in the Commission's history, reflecting the anticipated general load growth of about 6 per cent a year plus extra demands expected from the expanded and new aluminium smelters and other major new industrial loads.

That clearly indicates that the commission is embarking on perhaps its greatest period of expansion of new power stations that are either under construction or in the planning stage. The projects in hand are the additional unit at Wallerawang of 500 megawatts, four 660 megawatt units at Eraring, four 660 megawatt units at Bayswater, and two 660 megawatt units at Mount Piper. The work in progress will provide a total additional generating capacity of some 7 100 megawatts, virtually double the capacity of the system. It is difficult to reconcile those facts with the attitude adopted by the Leader of the Opposition. For a start, he poses no alternative to the present position. Second, the only criticism he can make is that there have been, and are likely to be, tariff increases. I shall deal with that in a moment.

The Hon. W. L. Lange: I suggested an alternative method of financing.

The Hon. B. J. UNSWORTH: I shall deal with that aspect also. It may have escaped the Leader of the Opposition that we live in a world that is short of energy. Australia is fortunate in that it has one of the world's largest reserves of coal that is suitable for the generation of electricity. Our coal is in great demand for export to many other countries which suffer a scarcity of energy. One of the problems encountered in Australia, a problem which has given rise to debate in the Parliament in the past two days so far as the Electricity Commission is concerned, is developing the necessary infrastructure to take advantage of the coal reserves in Australia.

Earlier this year I was in Abu Dhabi on the Persian Gulf. My visit there demonstrated to me a fundamental fact: one might be sitting on the good oil but cannot necessarily turn it to one's advantage without investing in infrastructure. On the basis of population that part of the United Arab Emirates is the richest country in the world. It has considerable oil reserves and the oil is exported to various parts of the world. The exports are exchanged for petroleum. The difficulty experienced by that country is in converting petrodollars into infrastructure. Around the Persian Gulf, particularly if one flies over the area at night, one sees flaring gas from the stacks on the oilfields. Abu Dhabi has electricity failures. They are euphemistically called power cuts. There is not sufficient generating capacity to provide for the needs of the community. It is not a large population. My daughter, who has been there for the past fifteen months, tells me that the power cuts continue interminably and that in the excessive heat one cannot be sure that the air conditioner will continue to work or that the food in the refrigerator will remain in a reasonable state. The electricity is switched off without warning.

The reason for those power failures is clearly that those responsible for administering the Government of that part of the world are not catering for the needs of the community by providing sufficient infrastructure. If anything, it demonstrated to me an example of the free enterprise system gone mad. One of the things I saw there was a fire station bigger than the one in Castlereagh Street, full of fire engines and the most sophisticated communication equipment, but located where nothing could burn down. It was nowhere near an oil field, nowhere near anything that was combustible, but because a salesman from the Midlands of the United Kingdom had apparently been able to convince the local sheik that he needed a fire service, he had bought one. Perhaps it is a pity that someone did not sell him some electricity generating equipment and assist in its installation. I make the point to show that, although that country has so much energy, it has not put it to the best advantage.

If one were to look to another country which is supporting the free enterprise system in order to consider its record for continuity of electricity supply, one would think of the United States of America. How many of us have seen reports about the power system in New York? How many of us have heard of the horrendous power failures that have occurred in New York with such regularity? In New York one would not know what the environmental lobby is doing because, along the East River, power stations are located adjacent to the United Nations building, right in the heart of the metropolis. And they are still operating. In fact, they were still breaking down when I was there a couple of months ago. We have a power station at the edge of our metropolis but it is rarely called upon to operate. I worked on its construction less than thirty years ago. It is an indication of the advances we have made in this State that today the great power generating plants are not in Pymont, White Bay or even out at Botany Bay; the great power generation in our State takes place well away from population centres.

The planners with the Electricity Commission from its inception have avoided bringing coal to power stations near centres of the population. The concept, established since the Electricity Commission took over responsibility, was to build power stations on coalfields and bring the electricity to the population centres. I cannot reconcile the views of the Leader of the Opposition with what has happened in this State. Could one contemplate seriously a private enterprise situation caring for the needs of people in this State in the same fashion as a publicly owned enterprise has done? Could one contemplate the situation found in the United States of America where the power utilities, as they are known, will provide supply only to those population

centres from which they can get a return? Rural electrification in the United States of America has not yet reached the advanced level that rural electrification has reached in Australia, simply because of the way in which we have developed.

It is necessary to pinpoint the source of our problems. They certainly did not emanate from the administration of the Electricity Commission in the past five years. The problems by which we are now affected occurred in government planning and decision-making in the period 1965–76, the time of the Askin, Lewis and Willis governments. Decisions were taken then that affect us now. Fortunately, because the commission's planning and construction programmes got under way, and because of the installation of additional generating capacity to which I have referred, the problems that confront us now are only temporary. In a short time I expect the Hon. E. P. Pickering will come to the Parliament and tell us of his latest journey. He will make the point that a scapegoat must be found, someone who is responsible for the commission's problems.

I am told on good authority that the scapegoat chosen by the Hon. E. P. Pickering is to be Mr Frank Brady, the chairman of the Electricity Commission. If one looks for a scapegoat one must go beyond ideological and philosophical views to find someone who can be that scapegoat. True to form we shall shortly have in this Parliament an exposé of the problems of the Electricity Commission which will be pinpointed by the Hon. E. P. Pickering. The culprit, in his view, is the chairman of the Electricity Commission. I advise honourable members of this now so that they can steel themselves and be prepared for what the Hon. E. P. Pickering has to say. The Hon. E. P. Pickering has also chosen to seize on industrial relations within the Electricity Commission as a cause of power problems. Obviously, he will avoid any reference to planning and finance. Mention of planning would take up to the period I referred to, 1965–76, when decisions were, or were not, taken. Reference to finance might expose the real culprits, the federal Government and its manipulation of the Loan Council; so that, rather than accept the fact that planning and financing have caused the current problems of the Electricity Commission, the Hon. E. P. Pickering will say that it is industrial relations, and thus the chairman is responsible.

During my research I looked at reports of the Electricity Commission for an earlier time. I was interested to see that in the 1975 report, covering a period when the former Government was in office, the prognosis was less enthusiastic than that in the report of the Electricity Commission for 1980. The commission's report for the year ended 30th June, 1975, said, "Energy sales rose by approximately 6 per cent, a somewhat smaller increase than that for the previous year." So, 1975 was a period when energy sales were not increasing, and the Government was of the view that, somehow, energy growth had peaked and there was no need to plan for increases in growth.

I should have thought at about that time the people involved in planning for future electricity growth, having experienced the oil embargo that was imposed because of the war between Israel and Egypt, would have realized that oil would become scarce and that because of the decisions of the Organization of Petroleum Exporting Countries the governments of the Middle East countries would be seeking to increase the cost of their product. They should have foreseen that at some stage in the future—and that stage has arrived—electricity derived from coal rather than from oil would be in greater demand because of changes in the pricing structure and availability of oil. Apparently that was not the view of the government of the day. Its only concern was that demand was down. With the election of the Labor Government and the re-establishment of business confidence in the administration of the State, demand increased.

The Hon. B. J. Unsworth]

I could not accept what the Leader of the Opposition said yesterday about the New South Wales economy. He quoted from a speech made by the Premier in 1976 pointing out that unemployment in New South Wales at that time was at its highest. Then the Leader of the Opposition said that in 1981 unemployment has fallen to the lowest level of any Australian State. He sought, by some obtuse and perverse reasoning, to suggest that that was brought about by decisions in Canberra. Honourable members on the Government side do not agree with that. Clearly, under the previous administration no support was given to commercial enterprises that wanted to establish themselves in this State and provide employment. There was no support for the expansion of the economy. The only support the former Government gave was for the construction of a few high rise buildings in the city for the benefit of the developers, who were the Government's friends. That situation has changed, and the change has reinvigorated investment in the State. Consequently, demand has increased.

The Leader of the Opposition obviously ignored demand as a contributing factor to the problems associated with the operation of the Electricity Commission. From 1965 to 1976 government planners and those in the Electricity Commission should have provided for a greater future installed capacity. They should have predicted the growth that has occurred as a result of the circumstances to which I have referred. They should have foreseen the need at some future time to consider reducing the load rather than allowing it to happen because of the stagnation of the State under the conservative government of the day.

The present load growth has been brought about by a number of other factors. One of the principal factors is the changeover from the use of oil to other energy forms. Over the past two or three years the use of petroleum products has been actively discouraged by the federal Government through its pricing policy. Frequently debates have taken place in this Parliament on the federal Government's pricing policies for petrol and the excises that have been imposed on petroleum products. The federal Government's desire to reduce the use of petrol as an energy form has brought about the problems with which this State is confronted. Because consumers cannot afford to use their oil heaters or kerosene heaters, they are being compelled to revert to the use of one of the most convenient forms of heating—radiation, derived from electricity.

Apparently that fact is beyond the comprehension of the federal Government. If there is to be a shift in energy use, and if that shift is to be dictated by the policies of the federal Government, the federal Government should have supported the States, which have a responsibility for the production of electricity. Everyone except the Hon. W. L. Lange accepts that the States have such a responsibility. The federal Government should recognize the effect of discouraging consumers from using oil as an energy source. It should have assisted the States in the provision of the infrastructure to enable them to generate electricity. It has not done so.

There are other aspects of this problem that are not directly related to the Fraser Government's policies. Because of the rising standard of living in New South Wales following the election of the Labor Government, people are now able to afford air-conditioners. I am told that the summer air-conditioning load will be significant and will cause a major drain on the installed capacity of the electricity generation system. Many advertisements for air-conditioners claim that they can be used during the winter as reverse cycle heating units. People are using more and more electricity for their convenience. It is a sign of the increasing affluence of our community that

more people have installed swimming pools. Those swimming pools have pumps, and I suggest that the pumping load for swimming pools during the evening after the sun has set is considerable and affects substantially the peak load characteristics of the State's power supply system.

I am sorry the Hon. E. P. Pickering is not in the Chamber for he, being a bachelor of science, would understand what I am about to say. It should be understood that electricity has two characteristics—demand characteristics and energy or supply characteristics. If every appliance in every house in the State were switched on on a day when every factory is in full production, the amount of electricity used would be substantial. It would require the installation of a determined capacity of generating plant. In other words, the Electricity Commission claims to have installed capacity to make provision for times when everyone in the State uses electricity. But not everyone in the State uses electricity at the same time. Anyone who has worked in a power station, as I have, and has looked at the demand curve will have seen, depending on the location of the power station, a peak at about the time when people come home from work and switch on their electric stove, lights and television. Then after the evening meal is completed the demand tails off. Later in the evening perhaps another demand will come in as off-peak hot water systems are switched on. In the mornings there will be an electric traction load when people are being taken to work by train.

There are two characteristics to the load. That does not mean necessarily that all the power stations generate to full capacity all the time. The demand for electricity must be controlled. The Government and the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council are to be congratulated for embarking upon a campaign of energy conservation. People will be encouraged to consume less power. This will ensure that the State is not required to expend capital generating power for those occasions when energy use will be at its highest point. When I drive round Sydney at night I am disturbed to see how many lights are illuminated. If one lives in the heights of the North Shore, it is attractive to look down on the city and see this beautiful kaleidoscope, particularly now that the Sydney Tower is illuminated at night. It is a wonderful view for the burghers of the North Shore to look down upon. The cost to the community of the energy used and the machinery needed to generate the power is a luxury that New South Wales must soon forgo. Businesses should be encouraged to conserve energy by extinguishing office lights in the evenings. The Prime Minister and Senator the Hon. J. L. Carrick have said often that it may be that a price mechanism will have to be brought into operation to bring about energy conservation.

I was interested to read a letter written to the editor of the *Sydney Morning Herald* by Mr Frank Maguire, whom I knew many years ago. At the time I knew him he was involved in a controversy. He was formerly the assistant general manager of the Sydney County Council. I worked in the Sydney County Council at the time that Mr Maguire was a senior engineer. Subsequently I was able to view this difference of opinion that occurred in the council involving him. He must be elderly now. He wrote an interesting letter that was published in the *Sydney Morning Herald* on 31st October in which he drew attention to the characteristics of the New South Wales load and the structure of the New South Wales generating system in contrast to that operating in Victoria. These factors are often overlooked. That letter, in part, read:

The social, political and economic consequences of the state of the supply industry are yet to be revealed to the politicians, who must determine the time scale over which the remedial measures are to become fully effective.

The message he was giving to readers was that the days of cheap electricity are over and we must think about conserving electricity and not avail ourselves of the luxury of its continued waste. I regret that the Leader of the Opposition is temporarily absent from the Chamber. I wish to discuss finances, in which the Leader of the Opposition is so interested, but I see that he is being briefed by the travelling reporter and though all honourable members wait with bated breath to hear that report, they probably will not hear it until after dinner. Honourable members are aware of the interest of the Leader of the Opposition in financial matters. The Leader of the Opposition referred to the allocation of the States' resources. The problems with which the States are confronted when financing infrastructure development, particularly electricity generation, have been forced upon them by the policies of the federal Government. The Leader of the Opposition referred to an article in the *Sydney Morning Herald* written by Ross Gittins. The Leader of the Opposition and the Hon. P. S. M. Philips expressed concern about the Government's pricing policies on electricity. The Hon. J. J. Doohan expressed the view that the Government had imposed price increases on the community after the elections and had that been known before the elections the result would have been different. That view was not shared by Ross Gittins who wrote under the heading, "An Election Won, the Charges Rise" in the *Sydney Morning Herald* on 2nd November:

Try as I might, I can't wax indignant about the hypocrisy and cynicism of Neville Wran's policy of Vote Now, Pay Later. No literate voter can claim to have been conned—the press and the Opposition spelt out the details long before the elections yet there was no sign that this had any effect on the outcome.

I do not know whether that was the section to which the Leader of the Opposition referred.

The Hon. W. L. Lange: It was a different article.

The Hon. B. J. UNSWORTH: My search for the article drew me to that editorial. Though Opposition members may lament that the electorate may have taken a different view had it been aware of the intention to increase electricity charges, in the view of Ross Gittins the electorate was aware that charges for government services would be adjusted at some stage. That is clear from his article. The decision to increase electricity charges was necessary because of the federal Government's policies and its manipulation and control of Loan Council funds. That is not a view advanced by me only. Charles Trethowan may be known to Opposition members as a highly respected chairman of the Victorian Electricity Commission. When the Victorian Electricity Commission announced substantial increases in electricity charges, Mr Trethowan is reported in the *Sydney Morning Herald* of 19th August as saying:

The increases were necessary to meet higher operating costs and to help finance essential capital works, mainly in the Latrobe Valley. This year capital works will cost about \$820 million, compared with \$626 million in the year just ended. At the same time the Government——

and Mr Trethowan was referring to the federal Government:

——has restricted the loan-raising of the SEC and other semi-government bodies because of the state of the economy. The shortfall in borrowing authority has to be made up from our own internal funds or short-term trade credit which must also ultimately be met from internal funds.

Mr Trethowan was referring to the obvious. The obvious is that under a federal non-Labor Government authorities such as electricity undertakings in this and every other State are now compelled to generate capital funds from internal sources.

The Hon. W. L. Lange: That is precisely why I suggested that the Government should call on the private sector.

The Hon. B. J. UNSWORTH: I shall deal with that suggestion.

The Hon. W. L. Lange: The honourable member has been a long time getting to it.

The Hon. B. J. UNSWORTH: This is not a view shared by the federal Government or even the Leader of the Opposition. An article in the *Sydney Morning Herald* of 14th October referred to a firm of brokers, Dominguez and Barry, who had sent circulars to their clients expressing the view that electricity was too cheap. They had an idea about how the cost of electricity could be increased.

The Hon. W. L. Lange: Did that not refer to the cost to aluminium smelters?

The Hon. B. J. UNSWORTH: No, it did not. Dominguez and Barry said that cost increases were needed if utilities were to finance from revenue, as opposed to borrowings, an acceptable 50 per cent of their capital spending. The article proceeded as follows:

State Governments' insistence on maintaining a "too-cheap" energy pricing policy was not only weakening utilities but forcing interest rates higher in "an already overcrowded loan market". Australia was making a "fundamental error" in keeping electricity and natural gas prices low. Dominguez and Barry said electricity utilities were "struggling to survive" as viable units, with more than 50 per cent of their capital expenditure met by borrowings and internal financing representing, in some cases, as low as 20 per cent. This was almost a complete reversal of corporate funding trends in Australia, where internal funding averaged between 50 per cent and 60 per cent of total asset formation.

This is the interesting point that I hope the Leader of the Opposition will note. Dominguez and Barry then said:

The Commonwealth Government is trying, through its loan council powers, to force an almost immediate reversal of the public utility financing patterns so that internal funding will provide at least 50 per cent of total capital expenditure.

I do not know Dominguez and Barry, but obviously they are bigger than Meares and Philips, for their information has attracted the attention of the *Sydney Morning Herald*. Clearly they are saying that electricity undertakings are selling their product too cheaply, that prices must increase, as the undertakings will have to raise more of their capital from internal financing. This will be brought about only as a result of increased revenue and increased revenue can be gained only by increasing the charge to the consumer. In the past two days the House has heard laments from the Hon. E. P. Pickering and the Leader of the Opposition about the charges that consumers in New South Wales are obliged to meet.

I thought I should try to obtain some comparative information about the matter, which was of concern to me. I discovered that as at 1st December the charges applicable in Sydney, Melbourne and Hobart will be increased. The average charge per kilowatt hour for Sydney consumers will be 3.47 cents; for Melbourne consumers the charge will be 4.82 cents per kilowatt hour, and in Hobart the average charge will be 3.92 cents. The uniform tariff is provided for by the Electricity Commission and enables the authority on a local basis to determine its own charge. The point should be made clearly that charges in New South Wales for a number of consumers living in urban areas of the State will be lower than those that will have to be met by

citizens in other parts of Australia. The lower rate for New South Wales consumers is possible notwithstanding the federal Government's endeavours to increase substantially those charges by forcing the State authorities to finance their capital works programmes internally.

The Leader of the Opposition suggested that private enterprise should take over electricity supply. I well recall that this Parliament passed historic legislation in which the Electricity Commission was given the first borrowing rights as a result of a decision of the Loan Council to enable the States to borrow overseas. I spoke in the debate on that measure in this House. The Electricity Commission raised the first loan in Japan. Even then, the Leader of the Opposition quibbled about whether the loan would be raised in dollars or yen. No matter what one does, one can never satisfy the financial experts on the Opposition benches.

The Leader of the Opposition said that private enterprise should be allowed to participate. I do not know how he suggests that should be done. An article in the *Sydney Morning Herald* of 31st August intimates that the Premier and Minister for Mineral Resources has decided already to examine a proposal whereby the private sector may participate in the financing of power stations, though certainly not to the extent of their operation. Clearly, from what I have said today, there is a fundamental conflict between the interest of the private sector operating public utilities and the interest of the public sector in the operation of those utilities by government. Though at some stage in the future, for good reasons, the State will allow a degree of private sector financing in the provision of electricity to the citizens of New South Wales, I doubt that that involvement will be of the nature that would be acceptable to the Leader of the Opposition. I hope that the federal Government does not try to frustrate such an arrangement. In the Budget that is being considered by the House the Wran Labor Government is providing for the future development of the State, the lifeblood of the economy, energy and in particular the supply of electricity, with which I have had a little to do as a humble electrician.

The Hon. W. L. Lange: The honourable member should not be so modest.

The Hon. B. J. UNSWORTH: I stand in trepidation waiting to hear from the Bachelor of Science opposite.

The Hon. J. W. Kennedy: The honourable member has suggested that consumption be reduced rather than that supply be increased.

The Hon. B. J. UNSWORTH: There are times when I do my best to reduce consumption of all sorts of products. When one has regard to the need of the State to avail itself of electricity, which is an important form of energy, one has a lot to be thankful for. We should be thankful that in 1950 this State had a government that was willing to face the opposition that it met and to establish the Electricity Commission of New South Wales.

We should be thankful that, notwithstanding the interruption that occurred between 1965 and 1976, to the long-term planning of the Electricity Commission of New South Wales and the administration of the affairs of the State by the election of a non-Labor Government, over the past five years the trend has been reversed. The major efforts that have been made, not only in the construction of plant but also in its being put into operation, mean that though a number of problems confront us, they will be remedied in two or three years when the installed generating capacity of the State is increased to the extent of 7 100 megawatts to which I referred earlier and blackouts of 1981 will become a thing of the past. I commend the bills.

[*The President left the chair at 5.51 p.m. The House resumed at 8.6 p.m.*]

The Hon. E. P. PICKERING [8.6]: I take this opportunity to congratulate those new members of the House who have delivered their maiden speeches during the course of this debate. I convey my best wishes to those who still have to make their speeches. I trust that all those honourable members will find their Parliamentary careers satisfying and that, in the fulness of time, they will make significant and meaningful contributions to the good government of New South Wales. I apologize to those honourable members who made their maiden speeches today while I was visiting Liddell power station at the invitation of the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council.

It is my intention to cover a number of important subjects concerning the framing of the Budget. They will relate to federal-State financial relationships, the New South Wales power industry, and the New South Wales coal industry. I shall also make some brief comments on the important matter of welfare housing in this State. On 26th August, 1981, prior to the general election, the Premier and Treasurer presented the Budget. It was clear that the document was presented for purely political purposes. It was obvious that it was the intention of the Government to present a favourable document before proceeding to the general election. In presenting the Budget the Premier and Treasurer stated that two factors of immense significance dominated the framing of the Budget. The first was that New South Wales had sustained a strong and continuous economic recovery, a recovery in which it indisputably led the rest of Australia.

The next most important factor was the effect of the policies of the federal Government characterized by its reduction in financial support for a range of essential government services especially in the field of capital works, health, hospitals, education, welfare, housing, roads and transport, which were said by the Premier to be on a scale unprecedented in the postwar era. Honourable members on this side of the House have grown somewhat accustomed to listening to the Premier and Minister for Mineral Resources and other Ministers of the Crown continually remind them that the federal Government has dramatically reduced funding from the federal sphere to the New South Wales Government. It would seem that every time a Minister is asked a question why the Government has failed to perform some service to the public inevitably the Minister has been wont to reply that the basic reason is that the Government of New South Wales was unable to do all the things it would like to do simply because the federal Government had consistently and substantially reduced the amount of money made available to New South Wales from federal taxation revenue.

Honourable members will recall that over the past few years I, and many of my colleagues, have attempted to show that that statement made by the Premier of New South Wales and by his Ministers represents nothing more than a scandalous lie. It is indeed a remarkably well perpetrated lie. It is a lie that has been stated so often and so consistently by men who should be perceived by the community to be men of integrity, that there is little doubt that the community has come to accept the situation. The State of New South Wales has been, as it were, bled dry by an irresponsible and niggardly federal Government. I rise once again in an effort to set before the House the facts in this matter as they really are and not as the Government of this State would want them to be seen.

It is a matter of fact that the federal Government makes a total of four different types of payments each year to the State of New South Wales and to all other States. The most important payment, indeed the largest, is the payment known as the general fund payment. This is money paid by the federal Government to the States

which allows the States to allocate funds, in effect, as they see fit. The other three payments areas are known as the general purpose capital fund, the specific purpose payments recurrent purposes fund and, finally, the specific purposes payments capital purposes fund. They are quite a mouthful. Honourable members will be well aware that this Government has held out consistently that not only has it been continuously starved of funds by the current Liberal Party—Country Party federal Government but, more important, it has constantly suggested that during the previous federal Labor administration run by Prime Minister Whitlam the State of New South Wales was far ahead in comparison to the amount of money received by the State from the present federal Government. Accordingly, I have taken the care to analyse all those four payment areas I have named, from the time of the last full Whitlam budget in 1974–75 up to the present time.

So that honourable members may be satisfied as to how current payments from the federal Government to this State compare with those halcyon, or so-called halcyon, days of the Whitlam Government, I have taken the care to produce five graphs showing the rate of increase or decrease on those four federal Government funding areas as a percentage of the 1974–75 year payments. On the same graph I have also shown the percentage increase in the consumer price index on an annual basis as compared to the consumer price index for 1974–75. For the benefit of honourable members I have produced adequate numbers of these graphs. They are available to any honourable member who would wish to obtain them from one of the attendants. Finally, I have produced a graph for honourable members reflecting the total payment to the State each year with all four payments added together, again compared with the percentage consumer price index compared to the base 1974–75 year.

It is not difficult for those honourable members who have been interested to take a copy of the graph to perceive that, with regard to the special purpose payments recurrent purpose expenditures, and with regard to the general revenue fund, there has been a significant increase in federal Government funding to the States. It has been well and truly above the 1974–75 levels, even after making due allowance for the consumer price index. It is true also to point out that in the case of the special purpose payment for capital purposes and general purposes payment for capital purposes there has been a reduction in federal funding when compared with the 1974–75 levels. However, the truly important graph is that which represents the total funds made available to the State of New South Wales by the federal Government with all those four subject payment areas accumulated. Members may have that graph in their possession.

The Hon. D. P. Landa: Are these in real money terms?

The Hon. E. P. PICKERING: They are percentage increases. They are in real money terms. They are actual.

The Hon. D. P. Landa: They are not in actual money terms.

The Hon. E. P. PICKERING: They are in real money terms. Honourable members will quickly perceive that, as compared to the 1974–75 year, there has not been one year since that time that the total funds made available to the State of New South Wales by the federal Government have not been significantly more generous than the level of funds paid by the Whitlam Government in 1974–75. And if the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council is concerned about the so-called real monetary values, he should listen to me when I say that due allowance is made for the effect of inflation as

measured by the average cost of living index for the six State capitals in Australia. It is shown clearly, for the benefit of the Minister, on the graph under the title "Total funding to the State of NSW."

The Hon. N. L. King: Does it show how much there is in it? I cannot find it.

The Hon. E. P. PICKERING: If there are some members opposite who find it difficult to understand graphs which clearly indicate the amount of money——

The Hon. D. P. Landa: Which graph are you referring to?

The Hon. E. P. PICKERING: It clearly indicates the basis.

The Hon. D. P. Landa: To which numbered graph is the honourable member referring?

The PRESIDENT: Order! Unless there is some clarification it will be extremely difficult tomorrow to follow this debate in *Hansard*, and it will be even more difficult in future years.

The Hon. E. P. PICKERING: For the benefit of the Minister I shall hand him my graph.

The PRESIDENT: What is the purpose of this document? For all one knows we may soon have the *Daily Telegraph* being distributed to members here. The incorporation has not been sought.

The Hon. E. P. PICKERING: I have not asked for it yet.

The PRESIDENT: Order! An honourable member who has documents that he wishes to have incorporated in *Hansard* should keep them until the House gives leave for the incorporation.

The Hon. E. P. PICKERING: I apologize. Prior to making my speech I checked that it would be in order for me to allow honourable members access to the document. It is my intention to ask later for its incorporation. It is of interest to note that in the financial year 1980–81 the level of funding to New South Wales is 15 per cent higher than for the year 1974–75 in the Whitlam era, after due allowance for the increased value of the consumer price index is taken into account. In view of the importance of these five graphs I seek the leave of the House to have them incorporated in *Hansard*.

The PRESIDENT: Is leave granted?

The Hon. D. P. Landa: No.

The PRESIDENT: Leave is not granted.

The Hon. E. P. PICKERING: I can only hope that the responsible press of this State might print them.

The Hon. D. P. Landa: They would need to sell a lot of advertising space to do that.

The Hon. E. P. PICKERING: I hope it is my honest reporting of all the facts that has so clearly concerned members opposite in their refusal to have the graphs incorporated in *Hansard*.

The Hon. D. P. Landa: On a point of order. The honourable member does not have the liberty to reflect on honourable members. It may be that his difficulty in obtaining the consent of the House lies in the paucity of his case. From what I can see of the graphs, they leave much to be desired.

The PRESIDENT: Order! An honourable member should not reflect on the House. The House has made its decision and that decision cannot be canvassed.

The Hon. E. P. PICKERING: I thank you for your guidance, Mr President. I trust that the more discerning members of the press will perceive from the information I have provided—

The Hon. B. J. Unsworth: On a point of order. The honourable member is required to address honourable members through the Chair. He should not address the press. The press are here by leave of the House. The honourable member is out of order in directing remarks to the press.

The Hon. W. L. Lange: The honourable member is merely following the lead of the Leader of the House who does that regularly.

The PRESIDENT: Order! The conduct of the Leader of the House is not under consideration. I remind the Hon. E. P. Pickering of the standing orders of this House and request that he make his remarks through the Chair.

The Hon. E. P. PICKERING: Again I thank you for your kind advice. The simple facts are that the federal Government has made available significantly more money to this State than ever before in its history.

The Hon. D. P. Landa: This must be the only State in Australia in that position. All of the other State Premiers disagree.

The Hon. E. P. PICKERING: The money has been made available in a way that enables the New South Wales Government to decide substantially its own priorities and projects instead of having priorities imposed on it by the federal Government.

The Hon. D. P. Landa: Such as second runways at airports.

The Hon. E. P. PICKERING: When a matter of such importance as the funding of the State Government by the federal Government is so blatantly and consistently misrepresented by the Premier and Minister for Mineral Resources, one wonders what he is attempting to hide. The facts are that the Premier has accepted all of the funds that he can obtain from the federal Government. Over a period of some years he has drained the reserve of State authorities and semigovernment instrumentalities in this State to the point where the State is facing bankruptcy. He has squandered those funds through mismanagement.

The Hon. D. P. Landa: Does the honourable member say that all the other State leaders agree with his contention?

The Hon. E. P. PICKERING: Mr President—

The Hon. D. P. Landa: The honourable member does not want to answer.

The Hon. E. P. PICKERING: I am entitled to speak in this House and to be heard in silence. So that honourable members will be aware of the importance of the graphs I have presented, I point out that I took the care to have them examined by the Parliamentary Library to be checked for accuracy, both mathematically and philosophically.

The Hon. D. P. Landa: On a point of order. In all of the years I have been a member of this House I have not heard any suggestion that an independent and impartial staff, which serves all honourable members both here and in the Parliamentary

Library, would in some way express a view on the philosophy of an honourable member, to be brought back into this Chamber. It is no less than astounding. I regard it as a reflection upon the integrity, independence, and impartiality of the staff. I have no doubt that the statement the honourable member made is not correct.

The Hon. E. P. Pickering: I used the wrong word.

The Hon. D. P. Landa: I suppose the honourable member has used the wrong graph as well as the wrong word. Perhaps he will end up with the wrong speech.

The PRESIDENT: There is no point of order.

The Hon. E. P. PICKERING: I was pointing out that the substance——

The Hon. D. P. Landa: On a point of order. Will the honourable member retract the suggestion he made about members of the staff?

The Hon. E. P. Pickering: I was about to clarify the matter.

The PRESIDENT: Order! I shall hear the honourable member.

The Hon. E. P. PICKERING: I wanted to point out that the library staff had checked the accuracy of the graphs and had assured me they are accurate.

The Hon. D. P. Landa: Does the honourable member withdraw the remark about philosophy?

The Hon. E. P. PICKERING: Yes, I do. New South Wales now faces a new ball game, for it is bereft of any significant reserves. A number of areas of government administration are facing crises, in some cases directly as a result of the reserves being reduced dramatically and irresponsibly. The Premier and Minister for Mineral Resources must now bite the bullet. It is interesting to note that despite the fact that the Government brought down its Budget prior to the recent general elections—though the Budget is being debated following the general elections—many charges for government services have increased dramatically. Those increases were not foreshadowed prior to the elections. In no other area are these matters that I have referred to more clearly demonstrated than the area of power generation. Accordingly, I turn now to examine briefly some of the problems that are facing New South Wales in this quite important area.

Honourable members will recall that during last winter the State suffered some power failures. I understand that Cabinet has been advised by the Electricity Commission of New South Wales in a report—which was rejected by Cabinet and subsequently agreed to by independent experts, namely, the Bachtel Corporation of America—that it is almost inevitable that New South Wales faces continued and sustained power shortages during the coming winter and beyond. If proof that New South Wales is in a serious situation were required, it was provided fortuitously only yesterday when the Minister responsible for energy made an almost unprecedented statement concerning the severe crisis that the State is facing. The Minister said yesterday that New South Wales has no spinning capacity as such and that there will be a real threat to power if any further mechanical faults occur.

The Hon. D. P. Landa: On a point of order. The honourable member is not entitled to misrepresent what I said. My words were, "If there is any further major breakdown", not "mechanical faults".

The PRESIDENT: Order! The Minister has taken the point that he has been misrepresented. Would the Hon. E. P. Pickering care to withdraw his remark?

The Hon. E. P. PICKERING: I accept the Minister's assurance that he said, "If there is any major breakdown". I understand that is in contrast to the statement made today in another place by the Premier and Minister for Mineral Resources when asked to comment on the likely continued availability of power in this State. I understand he replied unequivocally that power would be provided on a continuing basis. It is appropriate at this time to report to the House on the visit I made today to Liddell in the company of the Minister.

The Hon. B. J. Unsworth: I hope it was better than the honourable member's trip to California.

The Hon. D. P. Landa: At least we know who paid for his trip to Liddell.

The Hon. E. P. PICKERING: I thank the Minister for his generous and considerate offer to join him on his trip to Liddell. I found it most instructive. I say in all sincerity that I was somewhat taken aback when, earlier today, the Hon. B. J. Unsworth reflected rather unfavourably upon me as a member for having accepted the Minister's kind and, I think, honest offer. I believe I was almost described as a freeloader with my bag packed ready to go anywhere in the world on a free trip. I took exception to that comment.

The Hon. B. J. Unsworth: It did not take the honourable member long to get into the helicopter.

The Hon. E. P. PICKERING: As long as the Minister took. I report to the House that as a result of visiting the Liddell power station today with the Minister we were advised by senior staff that one 500 megawatt unit had failed in May this year; that a second 500 megawatt unit failed last Wednesday——

The Hon. D. P. Landa: Wednesday night.

The Hon. E. P. PICKERING: A third 500 megawatt unit failed last Friday.

The Hon. D. P. Landa: Friday night.

The Hon. E. P. PICKERING: Wednesday night, Friday evening. When we asked about the nature of the failure, we were advised that it was to do with the electrical wiring of the stator. For reasons that are not clear the wiring has been subject to shorting. The superintendent of the power station and the electrical engineer reported that since the first failure in May the problem has been under active investigation by experts from the Electricity Commission of New South Wales and GEC in the United Kingdom. To date those experts have been unable to determine the cause of failure. It is not possible for the Minister to insist in this House not only yesterday but again most stridently today that the failures were caused by the design of the equipment.

The Hon. D. P. Landa: On a point of order. The Hon. E. P. Pickering is misleading the House. Television reporters who were present will verify that fact. They have film of the engineer referred to who has been partially quoted only. He was asked what in his view was the reason for the failures and he said he was 99 per cent sure it was a design fault. The honourable member should be fair to the professional persons at Liddell, and to the House, and not mislead in this way.

The Hon. W. L. Lange: On the point of order. The Minister has the opportunity to reply in this debate.

The Hon. D. P. Landa: The Hon. E. P. Pickering should not let professional persons——

The PRESIDENT: Order! The Leader of the Opposition must be allowed to complete the point of order he is taking.

The Hon. W. L. Lange: The Minister will have ample opportunity at the conclusion of the debate to reply to any matters put by me or any other contributions by members of the Opposition. Continually taking points of order disrupts the flow of debate. I suggest that the Minister be asked to wait until the end of the debate before making his contribution.

The PRESIDENT: Order! The Hon. E. P. Pickering should not state other than what he considers to be the truth. I am not saying that he is doing that, but the Minister has taken issue with what was said. It is either a statement of fact or not. The Minister raised a point in accordance with the standing orders. The Hon. E. P. Pickering should elaborate on the point if he wishes to do so.

The Hon. E. P. PICKERING: It is my intention to elaborate, but I was interrupted. I reject strenuously the interjection of the Hon. B. J. Unsworth that I am not speaking the truth. The words uttered by me are the absolute truth and are documented by a number of television stations. I have said that the superintendent of the Liddell power station admitted freely that despite expert review of this problem, which has continued since May of this year, they do not know the cause of the failure. I challenge the Minister—

The Hon. D. P. Landa: Is that all he said?

The Hon. E. P. PICKERING: It is a good starting point.

The Hon. D. P. Landa: Is that all he said?

The Hon. E. P. PICKERING: I challenge the Minister to tell the House that that is not an honest statement of his opening remarks.

The Hon. D. P. Landa: The Hon. E. P. Pickering has invited me to comment. What he said was not correct.

The Hon. W. J. Holt: On a point of order. The only right of the Minister to rise in this debate is on a point of order. The Minister is not entitled to make a personal explanation during the debate. The Hon. E. P. Pickering is in the middle of his speech.

The PRESIDENT: Order! Is the Minister taking a point of order, or is the Hon. E. P. Pickering yielding to the Minister at this stage?

The Hon. E. P. PICKERING: I understand that the Minister took a point of order. I resumed my seat and I was waiting for your ruling.

The PRESIDENT: Order! The Minister did not take a point of order. The Minister rose and the Hon. E. P. Pickering sat down. Do I take it that the honourable member is yielding to the Minister?

The Hon. E. P. PICKERING: I certainly am not.

The Hon. D. P. Landa: The Hon. E. P. Pickering should return to the graphs; he is better at that.

The Hon. E. P. PICKERING: Will the Minister allow me to finish? The statement having been made that the authorities were unaware of the cause of the fault, the television reporters then asked the question, "Could it be a design fault?" I wrote down the superintendent's answer, which was, "It could be a design fault". The important fact is, as the Minister knows well, that we do not know the cause of the fault.

The Hon. D. P. Landa: What did he say was the percentage chance?

The Hon. E. P. PICKERING: Later in our discussions the Minister suggested to the engineer, and the engineer concurred, that it might be a 99 per cent chance.

The Hon. D. P. Landa: On a point of order. The Hon. E. P. Pickering is deliberately uttering an untruth. I did not suggest anything to that person. I asked what was the likelihood and he volunteered the information, as the honourable member well knows. I did not suggest any figure. This was in the presence of dozens of people.

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

The Hon. E. P. PICKERING: Members of the media then questioned the superintendent further. I then asked a question. During this discourse it was revealed that two similar units to the three that have failed at Liddell in mysterious circumstances are operating in England. The superintendent said that they are performing satisfactorily. Because of the Minister's statement in the House yesterday that these units had failed as a result of a design fault, during question time I asked whether it was possible that there was some contributing cause other than a design fault, such as lack of maintenance or inappropriate operating techniques, and so on. The Minister rejected that outright as did the man in question.

The Hon. D. P. Landa: Why does not the Hon. E. P. Pickering tell the truth? The honourable member asked the man specifically whether it was the oil, the coal, and so on and he rejected all of them.

The PRESIDENT: Order!

The Hon. W. L. Lange: On a point of order. I refer to standing order 84, which reads:

No Member shall interrupt another Member whilst speaking, unless (1) to request that his words be taken down; (2) to call attention to a point of Order; or (3) to call attention to want of a Quorum.

The Minister is interrupting in contravention of the provisions of Standing Order 84.

The Hon. B. J. Unsworth: On the point of order. The Hon. E. P. Pickering is provoking Government members, who are compelled to disagree with his remarks, particularly as he seems to be leading to a suggestion that the employees of the Electricity Commission have been remiss in their duties.

The PRESIDENT: Order! The Hon. E. P. Pickering has not done that yet. I suggest to all honourable members that they contain themselves and hear out the Hon. E. P. Pickering. The House is denigrated by continual interruption. There is a tradition in this House that the standard of debate be high. That high standard has been set and maintained over many years and it should be upheld. There are other places in the Commonwealth of which one would not wish to be a member. This House is different. I am not reflecting on our sister House in this Parliament for to do so would be against standing orders.

The Hon. E. P. PICKERING: I was drawing the attention of honourable members to the Minister's reply to my question this morning when he said that the problem is definitely a design fault. He offered two reasons why he was certain of that. He said that within the hour he had contacted Liddell power station by telephone and had been assured by the people there that the suggestion I put forward yesterday that the problem related to coal, oil or water, the climate, the weather or anything else would have nothing to do with the matter; that it was a design fault. The Minister said

that unequivocally. In support of that notion the Minister contended that units of this type used overseas were also now experiencing failure. The Minister suggested that tended to support his assertion. I submit that the superintendent of the Liddell power station knew what he was talking about when he assured me, in the presence of the Minister and a large number of other persons, that the only two other similar units in the world were in the United Kingdom and were working quite well.

The Hon. D. P. Landa: On a point of order. Again the honourable member has misrepresented me. I did not say that the superintendent from Liddell to whom I spoke this morning advised me in terms different from those in which he advised the honourable member this afternoon.

The Hon. W. J. Holt: On a point of order. The Minister is not speaking to a point of order. He is again replying to the Hon. E. P. Pickering. I submit that he should be prevented from doing that. He has interrupted about five times to make such reply.

The Hon. D. P. Landa: The Hon. W. J. Holt does not want to hear the truth.

The Hon. W. J. Holt: The Minister knows well that he has a right of reply. He should not interrupt but should wait and exercise that right at the appropriate time.

The PRESIDENT: Order! I have asked honourable members to desist from interrupting. It may be that they are being provoked. I do not know whether the objection taken is to remarks made this morning in the House, to remarks made outside the House, or to remarks made during the visit to Liddell power station today. That point should be clarified so that tomorrow everyone who reads the Hansard report of the debate will know what was meant.

The Hon. E. P. PICKERING: I shall attempt to clarify that aspect. This morning I asked the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council a question without notice that implied the possibility that the failure of the three units at Liddell might not be exclusively because of a design fault. In his reply the Minister rejected that contention. I am confident that honourable members will recall those facts and that *Hansard* will confirm them. The Minister gave two reasons to support his strenuous rejection of that notion. The first was that within the preceding hour he had been advised by telephone from Liddell that the problem was one of design. In support of that he suggested that similar units overseas—without specifying where they were—were now also experiencing failures.

My recollection of our discussions today is that the superintendent of the Liddell power station, in the presence of the Minister and members of the press, was able to tell us without any hesitation that the only two units similar to those at Liddell are in England and that neither of those units had been subject to the failures about which I have been speaking. If I were an engineer at the Liddell power station, faced with the sort of crisis that confronts the professional engineers there, one of the first things I would do would be to telephone the operators round the world using that type of equipment to see whether they could throw some light on the problems that were occurring. From the way the Minister nods his head, I assume that has happened. I am sure the Minister will be only too pleased to explain to the House in his reply how that apparent conflict of information has been brought to the attention of honourable members today.

The Hon. B. J. Unsworth: The Hon. E. P. Pickering should have packed his bags and gone to visit them.

The Hon. E. P. PICKERING: I shall leave that matter at that. Today I learned also from the executives at Liddell that it is expected that two of the units will be returned to operation in March 1982 and that a third unit should be commissioned some time after then.

The Hon. D. P. Landa: Again, that is wrong. This is unbelievable.

The Hon. E. P. PICKERING: The fourth unit has been taken off line because of oil problems. While it is off line the opportunity will be taken to inspect the stator to determine whether the unit has the type of problem that has been encountered with the other three units. At best the commission can look forward to having the Liddell power station at 25 per cent capacity until March 1982. I should point out also that during my visit to the power station the ground rules set by the Minister were that I should not have any private discussions with staff. Other than an initial discussion with one engineer before I understood those ground rules, I attempted to keep to that understanding. I was not able to discuss these matters with the GEC experts at the time, for reasons that I do not suggest were other than proper. Once again I thank the Minister for giving me the opportunity to travel to Liddell. I believe the report I was able to present to the House throws more light on the matter than was available to honourable members beforehand.

The Hon. B. J. Unsworth: I think it will be the honourable member's last trip to Liddell.

The Hon. E. P. PICKERING: I am inclined to the view that the Hon. B. J. Unsworth is correct. Let us examine the reasons for the power crisis in New South Wales. The causes are many and diverse. I should make the point that I am not referring exclusively to what has occurred at Liddell, but rather to the crisis that I perceive within the Electricity Commission. It is not possible to isolate any one cause as being predominant. In a general sense one must charge that political interference with the normal day-to-day management of the Electricity Commission by inexperienced political appointees and successive Ministers has probably been the most damaging influence on the operation and forward planning of the Electricity Commission. That interference commenced during the Askin era when it was decided that conventional scheduled maintenance techniques employed on the power generation stations would be abandoned in favour of unplanned maintenance programmes. That incredible decision was taken to save maintenance funding and has been refined to new heights by the Government.

New South Wales has an unreliable power generation system, yet the newly appointed Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council said in this House that power generation plant reliability and availability have been steadily improving in the past two years. I suggest that the Minister should check his facts, or more specifically he should check the basis upon which those facts are supplied to him. If the Minister responsible for the State's power supply does not understand the gravity of that aspect of the State's power generation problems, New South Wales is headed for a disaster that has the potential to cripple the State's economy for many years. The only way this major problem can be resolved is to commission adequate new generating capacity to enable existing generators to be progressively overhauled completely and then subjected to continued properly scheduled maintenance control.

Given the current growth of demand for power, which will be made worse by the Premier's grand design for the development of the aluminium industry, coupled with the extraordinarily low morale of staff engineers and maintenance workers in the

Electricity Commission of New South Wales, it is highly unlikely that the essential maintenance programme can be achieved without massive interruption to power supplies in New South Wales for some years to come.

One can gauge the seriousness of the situation when one sees the Pymont and White Bay power stations running in the spring, when orders for large quantities of expensive export coking coal are placed by the Electricity Commission on private enterprise so that it may continue to operate those inner city stations during the coming summer. A major problem is the simple growing demand for power. The increased demand has been the result of two major factors: first, the federal Government's responsible policy of world parity oil pricing which caused industries and residential consumers to transfer from oil to electricity; and second, the massive aluminium industry development planned for the Hunter Valley region. Honourable members might better understand the impact of the proposed aluminium development when it is pointed out that the three Hunter Valley smelters operating at capacity will absorb 20 per cent of the State's total power consumption.

It is not my intention tonight to argue the desirability or otherwise of the massive smelter development although I believe the Parliament should address itself to doing that at a more appropriate time, for there are many fundamental questions that demand answers with regard to the major development, which is the unplanned brainchild of the Premier and Minister for Mineral Resources and has been shrouded in deep secrecy. All I seek to do today is to make it clear to honourable members that without the aluminium development the State will be required to commission approximately 660 megawatts of new power generating plant each year to satisfy the normal growth development. The imposition of two new smelters in the Hunter Valley, together with expansion of the existing third plant, demands that a further two 660 megawatt plants be installed before the end of 1985.

When the Electricity Commission of New South Wales was first advised of the unplanned smelter development, I understand that it bluntly informed the Government that the power could not be provided in time. The arrogant Premier and Minister for Mineral Resources replied that it would be. The Electricity Commission of New South Wales has now embarked upon the largest single power generation development ever undertaken in the world, at a time when it has its own base power unit in the depths of deep-seated maintenance and an industrial relations crisis. The mammoth task facing the professional managers and engineers within the Electricity Commission is so huge that any responsible engineer evaluating the chances of success must conclude that it is negligible.

The simple shortage of various resources to implement the task is mind-boggling. I shall cite some examples: the shortage of tradesmen to build and maintain the developments. At the present time in the Hunter Valley bricklayers are charging a dollar a brick laid. A colliery recently brought in bricklayers from Western Australia to build a small brick structure on its mining lease. The shortage of trained operating staff to man existing and proposed power stations is of grave concern. A recent report revealed that staff turnover was so high at Vale's Point that the percentage of staff with less than twelve months' experience in their jobs is as follows: charge engineers, 43 per cent; shift engineers, 100 per cent; power plant operators in plant A, 13 per cent; power plant operators in plant B, 88 per cent; assistant power plant operators in plant A, 50 per cent and, assistant power plant operators in plant B, 70 per cent.

The need for billions of dollars to support the massive capital development for power stations and associated collieries is also a major problem. The capital raising problems facing the Electricity Commission of New South Wales were the subject of

special mention by the Auditor-General in his most recent report. Though the Government has recently made massive increases in power charges, these alone cannot satisfy the insatiable demand for capital. The Government has been forced to consider the prospect of seeking assistance from private enterprise. Honourable members on this side of the House will look with interest to see how satisfactorily the socialists on the Government benches will co-operate with private enterprise in the construction of the necessary power stations so vital to sustain the Government's grand plan.

I noticed this evening that, in his speech, the Hon. B. J. Unsworth, the grand designer of the State capitalism scheme, said that he was totally opposed to any private enterprise involvement in the industry despite the fact that in the financial statement delivered with the Budget Papers the Premier and Minister for Mineral Resources—

The Hon. B. J. Unsworth: On a point of order. I have been misrepresented by the Hon. E. P. Pickering. He was not in the House when I made my speech, so he would not be in a position to inform the House on what I said. What I did say was that the Government was exploring a new method of providing capital to finance the activities of the Electricity Commission of New South Wales. I did not express opposition to that.

The Hon. E. P. Pickering: On the point of order, I was in the House. The Hon. B. J. Unsworth is merely attempting to debate what I was saying.

The Hon. W. L. Lange: On the point of order. If the Hon. B. J. Unsworth claims to have been misrepresented, he has the right under Standing Order 70 to make a personal explanation, but not to take a point of order on the matter during the debate.

The PRESIDENT: Order! I suggest that the Hon. B. J. Unsworth refer to Standing Order 71, which provides:

No Member may speak more than once to a Question before the House, except in explanation or in reply of some material point on which he has been misquoted or misunderstood; and the President may, without waiting for the interposition of the House, call to order any Member speaking a second time, except as aforesaid.

The Hon. B. J. Unsworth: I am grateful to you, Mr President, for drawing my attention to the fact that I may seek the indulgence of the House to make a personal explanation on a point on which I have been misrepresented.

The PRESIDENT: Is the Hon. B. J. Unsworth seeking to do that?

The Hon. B. J. Unsworth: Yes.

[Personal Explanation]

The Hon. B. J. Unsworth: The Hon. E. P. Pickering suggested that I am opposed to the proposal which has been reported in the press. In speaking in the House earlier this evening I quoted from a report in the *Sydney Morning Herald* to the effect that the Premier and Minister for Mineral Resources had intimated that the Government would be seeking new methods to provide capital financing for the Electricity Commission of New South Wales in order to ensure the future viability of the State's electricity supply. I said that I was not opposed to the development of further electricity supplies. As the Hon. E. P. Pickering has suggested, I indicated that in my view such a proposed was feasible, having regard to the fact that the Electricity Commission, its officers and employees would still be in a position to control the planning, construction and operation of the State's power stations. That is the position I related to the House

in my address. I am not sure whether the Hon. E. P. Pickering was present or whether he was behind the President's chair. He was in and out of the precincts of the House. I resent the fact that the honourable member has sought in this debate to misinterpret my position. He is fully aware that the matter is important in view of the attitude of trade unions in this State to proposals that may be developed by the Government.

The Hon. E. P. PICKERING: I was about to say that a further major problem helping to create the current power crisis within the Electricity Commission is the Government's mishandling of the whole question of industrial relations with regard to its employees in the Electricity Commission. Following the appointment of Mr Joe Riordan as vice-chairman of the Electricity Commission in 1978, and as chairman of the Elcom Collieries Pty Limited and Newcom Collieries Pty Limited in 1980, this previous federal secretary of the Federated Clerks Union and Labor M.P. for Phillip, has been experimenting with his pet theories on industrial relations, probably derived from his short-term experience as chairman of the Standing Committee in New South Wales of Employee Participation—with disastrous results. The interference of this untrained political appointee in the day-to-day running of the commission is a matter of grave continuing concern to most professional managers and engineers within the Electricity Commission and its associated mining groups. The continued undermining of the managers' and engineers' authority by the union shop floor officials, who are able to ignore the conventional management structures and deal directly with Mr Riordan, has left a legacy of bitterness and low staff morale that can only be healed by the removal of Mr Riordan from his present position. I am advised that earlier this evening the Hon. B. J. Unsworth suggested I would be coming into this House to assert that the chairman of the commission, Mr Brady, had been unsuccessful.

The Hon. B. J. Unsworth: That is what the honourable member told one of his cronies at Liddell today.

The Hon. E. P. PICKERING: I know what I said at Liddell today. The Hon. B. J. Unsworth was not there. The Hon. B. J. Unsworth is deliberately trying to mislead the House by saying I have no confidence in the chairman. Let me go on record to say that the chairman is a highly trained, highly professional engineer for whom I have the highest regard. He has done an outstanding job for the State of New South Wales. My concern is for his deputy, who is clearly a political appointee. Obviously, his appointment was a classic example of jobs for the boys.

The policy of the Department of Industrial Relations developed by Mr Riordan which I call the Munich policy—peace in our time at any price—is a shortsighted recipe for long-term union blackmail and continuing industrial unrest in the Electricity Commission. It is imperative, if we are to minimize the inevitable blackouts that are coming, that the Minister responsible for energy act as a matter of urgency to replace Mr Riordan with a capable manager who has training and expertise, and hands back the management of the Electricity Commission to the professionals who have some idea of what they are doing. May I support these fairly serious charges with a letter which was recently sent to the vice-chairman of the Electricity Commission by the professional engineers at Liddell. It may be no coincidence that the most serious troubles are at Liddell. As I doubt that I would be permitted to have the letter incorporated in *Hansard*, I shall read it:

Dear Sir,

The following statement was expressed by a combined meeting of professional engineers at Liddell.

An intolerable situation now exists at Liddell Power Station with respect to discipline and control of Wages Staff and a decline in the morale of the Supervisory Staff.

This, we feel, is a direct result of your continued intervention in the day-to-day running of the station and the numerous concessions made to the unions; this action will eventually lead to a complete breakdown of station management's control of staff. The relationship between foremen and wages staff has now deteriorated seriously and foremen are continually being frustrated in their attempts to achieve the objective set by management.

Some wages staff are also using direct access through the Vice-Chairman to antagonize and further frustrate the foremen. The relationship between foremen and engineers has also been affected by local management's inability to control the situation due to erosion of their authority.

It is imperative that this situation is corrected quickly and the professional engineers at Liddell again request a meeting with you to discuss this situation and put forward our recommendations.

This meeting must be held within the next few days to discuss this matter.

Yours faithfully,
(Sgd.) Professional Engineers, Liddell.

That letter is dated 13th July, 1981.

The Hon. B. J. Unsworth: Did they have the meeting?

The Hon. E. P. PICKERING: Perhaps the Minister will tell us. I asked him today.

The Hon. D. P. Landa: On a point of order. That is not true. The Hon. E. P. Pickering has again misrepresented me. He did not ask me today whether the meeting was held.

The Hon. E. P. Pickering: On the point of order. I did not say that. Because of an interjection of the Hon. B. J. Unsworth I said that I had in effect asked the Minister today to answer the very question that the honourable member had put.

The Hon. D. P. Landa: The Hon. E. P. Pickering did not ask me whether the meeting had been held, or anything like it.

The Hon. E. P. PICKERING: Mr President, may I continue? Finally, there are a number of technical problems facing the operation of the Electricity Commission that demand urgent attention. The first relates to boiler design. We have traditionally used boilers of oversea design, based on the use of American coal types. Unfortunately our own use of unwashed Australian coals has created serious operational problems which have certainly threatened the continued reliability of the power generation units. The recent decision taken by the Electricity Commission to develop a number of coal preparation plants will clearly improve the situation. However, it is highly unlikely that the five proposed coal preparation plants can be built within the projected \$60 million recently announced by the Government. These coal preparation plants will not completely alleviate the problem, as we are continuing to use Australian coals which possess burning characteristics significantly different from the American coals for which the boilers were designed. It is a matter of some urgency that research be conducted by the Electricity Commission in conjunction with Australian universities to determine boiler design for Australian coals. The current power crisis has accentuated the problems in the Electricity Commission with regard to coal, as it has been forced to use oil and some coking coals to supplement traditional coal supplies. This has led to a higher incidence of boiler plant water tube failure, in particular, and therefore lower reliability of the system.

Today the Minister told honourable members that he expects, early next year, to commission the first of the Eraring power station plants. At that power station the Government has installed a boiler of Japanese design, built by a company that built that size boiler for the first time in its engineering experience. Boilers are being used of a size never built before by that company. They are untried and unproven. As an engineer I am concerned that the Government accepted the tender, though admittedly it was the cheapest. I hope the boiler design will prove to be adequate when the desperately needed power plants are commissioned next year.

Another problem that must be reassessed urgently is the decision of the Electricity Commission to use large 660 megawatt power generating units. Over the past few years the old concept that big is beautiful or most cost effective has to a large degree fallen out of favour among the engineering fraternity. Today the concept of a number of smaller modules with greater flexibility and enhanced reliability is well developed and accepted by most engineering schools of thought. Despite this, the Electricity Commission has adhered to its basic decision to introduce in all of its new power plants the large 660 megawatt units. That decision must be questioned, for it may well threaten the power generation industry in this State in the long term. As part of the basis for that comment I quote from the *Journal New Scientist* of February 1977 which in part had this to say:

Power station generators have grown just about big enough, believes Professor M. G. Say, elder statesman of electrical machinery in Britain. Speaking at an Institution of Electrical Engineers' meeting last week, Say confirmed the uneasy feelings that power engineers around the world have lately been expressing. Power station generating units are being designed for ever-increasing outputs, since they are cheaper in terms of the capital cost per megawatt of generating capacity. But it is becoming increasingly clear that larger machines are less reliable.

Later the article continues:

For the past 12 years, the Edison Electric Institute (EEI) in the United States, for instance, has published operational statistics on generating units of all sizes used by US electrical power utilities. It has consistently shown that the bigger the unit rating, the more time it spends idle due to faults—and the longer it takes to settle down to a period of reasonably trouble-free operation. The "availability" of the plant—the proportion of a year during which it can supply close to its full capacity—for the last year (1974) reported by the EEI—was 74.92 per cent for units of 390–599 megawatts compared with 81.67 per cent for 200–389 megawatt units and 84.33 per cent for 130–199 megawatt units.

Having outlined some of the major problems facing the power generation industry in this State, which will lead to years of power supply problems, I shall make some constructive suggestions on how the coming crisis may be ameliorated. It is clear that New South Wales must manage its affairs more carefully. It must enjoy good rain in the Snowy Mountains and, above all, it must learn to conserve electricity if a major power crisis is to be averted. There is little that we in this House can do, even with the addition of the Reverend the Hon. F. J. Nile, to ensure adequate rain in the Snowy, but we can have some effect in the other two areas. Clearly, we are able to do something about conservation, as the Minister has already announced. However, it is a matter of some interest that a few weeks ago the New South Wales Government advertised in the press, in direct competition with the Australian Gas Light Company, to persuade householders to convert to the use of electricity in their homes.

The Hon. D. P. Landa: When was that?

The Hon. E. P. PICKERING: Not long ago. Every effort must be made to utilize natural gas in this State. Unlike oil and electricity prices, gas prices are falling, making that energy resource for homes and industry more attractive. Accordingly, the Government should offer every inducement for the extension of the gas reticulation system, especially to the Newcastle and Hunter Valley regions. In the Illawarra region enormous quantities of natural gas are contained in the coal measures. It is calculated that some 28 trillion cubic feet of gas are held in the South Coast coal measures. That compares favourably with the two trillion cubic feet of gas held in the gas fields of South Australia, from which Sydney draws its supply. This coal gas may be extracted from virgin coal seams and introduced straight into the natural gas pipeline. Indeed, plans to do so are under way, with a gas borehole system to be introduced into the coal seam in the Picton area.

Another gas can be extracted from coalmines during mining operations. This is being done in two coalmines on the South Coast with the primary aim of establishing safer mining conditions. This gas is contaminated with air and therefore cannot be directly introduced into the natural gas pipeline. This so-called goaf gas is pumped to atmosphere. That is nothing less than a scandalous waste of a valuable energy resource. It is imperative that the mining interests concerned get together to create a private consortium to harness this goaf gas to a central gas turbine plant where the gas may be fired to create electricity for sale to the New South Wales power grid. I strongly recommend that a consortium of private interests create a private enterprise power station to sell power in excess of their requirements to the State grid at competitive prices.

The Hon. D. P. Landa: What if they will not do it?

The Hon. E. P. PICKERING: The Minister can ask them. I strongly recommend also that reputable private enterprise companies be allowed to tender for the construction and subsequent operation of all future power generation and mining plants, selling power to the State grid at competitive prices. By that method a continued adequate supply of power at the right price will be assured.

I ask the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council to consider my previous call for the formation of a select committee of both Houses of Parliament to investigate the operations of the Electricity Commission, its associated mining companies and its distribution instrumentalities. A full and frank public investigation of an instrumentality that for too long has been shrouded in secrecy may create an atmosphere conducive to improved operations and public appreciation of the mammoth task ahead. The people of New South Wales foot all of the power costs. They are facing a power crisis described yesterday by the Minister in most intimate detail. They are entitled to know the reason for the crisis and what is being done about it. It is not good enough to spend \$1 million of taxpayers' money telling the people of New South Wales that they must restrict their use of electricity.

I turn now briefly to the scandalous position facing the New South Wales coalmining industry. I am pleased that the Hon. R. D. Dyer is in the Chamber, for last night he made some comments on this matter that surprised me. As I have said many times in this House, the New South Wales coal industry is, without doubt, one of the most important industries in this State in directing oversea funds to Australia. Though it was clear that the world would be turning to New South Wales for large quantities of steaming coal following the Middle East oil crisis, the Government rejected the planned development of the Botany Bay coal loader and after years of delay decided to develop a coal loader at Port Kembla which, it is said, will be

completed by November 1982. Subsequently, the Government announced the development of another coal loader at Kooragang Island in Newcastle. The construction of this coal loader has now been delayed for many months and continues to be delayed because the Government is unable to obtain agreement from its trade union friends as to which trade union group will ultimately control that coal loader.

Despite the fact that it is clear, on current sales forecasts, that these two new coal loaders will be over-taxed as soon as they are built, no plans for additional coal loaders have yet been announced by this Government. At this time, between thirty and forty coal ships continually lie off our coast, waiting for up to four weeks at a time, at about \$15 000 a day or \$1 million a visit for coal. Continued industrial problems at our ports, combined with the totally inadequate capacity of the port system, have seen coal stocks rising to dramatic levels to a point where it is now certain that many coalminers in the Burragorang Valley and the Lithgow area will shortly be retrenched. Only yesterday I received an invitation from an organization called Save Our Coal Industry Committee from Camden addressed to me, the first paragraphs of which read:

A public meeting has been called for 10 a.m. on Sunday, November 29 at the Camden Showgrounds to discuss the problems arising from the threatened closure of the Burragorang Valley coal mines.

On behalf of the Camden Municipal Council, Wollondilly Shire Council, Camden Chamber of Commerce, the Burragorang Valley Combined Mining Unions, Transport Workers Union, Camden Chamber of Commerce, and Camden Coal & Bulk Haulage, I wish to extend an invitation to you to attend.

The Hon. B. J. Unsworth: How could the honourable member extend an invitation on behalf of the unions?

The Hon. E. P. PICKERING: It is not me saying that. I said I have just received that invitation because of concern about the proposed closure of the Burragorang Valley coalmines. In an article in today's *Australian* entitled "Cloud over Camden's coal face" the same assertion is made. It is interesting to note that during the last State elections I visited a number of coalmines in the Lithgow area, where I met trade union leaders who were very bitter about the attitude of this Government towards the coalmining industry. These leaders advised me that the Premier of New South Wales had personally addressed a meeting of trade union leaders prior to the election which saw the Wran Government first come to power in this State. I was advised by these trade union leaders that the former Leader of the Opposition, who is now the Premier, told the miners in the Lithgow coalfields to ignore what his colleagues were saying about the Botany Bay coal loader as it was clear the Botany Bay coal loader had to be built and, indeed, would be built. He also asked them not to quote him outside that union meeting.

The Premier of this State misled the coalminers of the Lithgow area and as a result those coalminers are about to pay for his duplicity with their jobs. This Government has so mismanaged the development of the infrastructure to support the coalmining industry of this State that it is now perfectly clear that the industry has lost very significant quantities of coal sales, and it is equally certain that we will lose even more significant sales as time goes on. I refer honourable members to a front page article in yesterday's *Australian Financial Review* headed "Ship queue slashes exports", where these matters are set out in some detail. Our major trading partner,

Japan, has become so enraged at the irresponsible nature of this Government that the Premier of this State was forced to go to Japan only recently for a bridge-building exercise. It is of some interest that on this occasion the Premier of New South Wales did not come back indicating that he had had a successful trip. Indeed, I think it is one of the rare occasions when the Premier has gone overseas and not come back announcing some mythical coal sale. Even the Premier is now well aware that his credibility when it comes to coal sales overseas has finally collapsed.

The coal companies of New South Wales must have been appalled to hear the Premier, through a Minister in another place, say he would go to Japan and assert to the Japanese that if the Japanese were not willing to buy Australian coal, Australian coal companies would sell their coal to other customers. The simple facts are that the Japanese and our other trading partners are turning away from us, simply because this Government has not provided the infrastructure to supply the goods. There is no doubt in my mind that in the not too distant future China will be a real threat to the coalmining industry of New South Wales and, therefore, to the economy of New South Wales because of the stupidity of this Government and its mishandling of the coal industry, including its failure to build the Port Botany coal loader. Last night the Hon. R. D. Dyer said, in effect, that I had complained like this in the past, that I was unreasonable in the sense that this was a common problem throughout the world; there were coal ships stacked outside ports everywhere. The Hon. R. D. Dyer will agree with me that had the Botany Bay coal loader been built to the original schedule it would now have been operating for some years and there would not be a boat waiting off the ports of New South Wales.

Finally, I wish to direct a brief comment to welfare housing. As a member of this House I receive frequent representations from people in real need of welfare housing. I am impressed by the efficiency of the department and its expeditious replies to my many inquiries. However, it is clear that since this Government came to power the waiting list for families seeking welfare homes has doubled, to some 40 000 families. This is despite the fact that the federal Government has provided generous total finance to this State, as I set out in some detail at the beginning of my speech. The fact that welfare housing lists have doubled at a time when this Government has been handsomely funded is a tragic reflection upon the real priorities of this socialist Government, which holds itself out spuriously to be a government sympathetic to the workers and to the financially distressed. It seems to me that one of the major problems facing the Housing Commission is that many people who are currently enjoying subsidized housing through the commission are not financially in need of that assistance. Too many families who were granted Housing Commission homes at a time when they were suffering financial and social distress are now, some years later, not in those same financial circumstances. It is high time that this Government re-assessed the whole basis of supply of Housing Commission homes with a view to providing what homes are available to the needy, and encouraging those who are not in need to stand on their own feet.

To this end, it is desirable that Housing Commission homes be purchased by those people who are living in them and are able to purchase them, so that the funds generated from those purchases would be available to the Government for the construction of more Housing Commission homes for people who are really in need. It is totally incongruous that a family can live in a Housing Commission home and have a number of people within that family earning good incomes and enjoying the subsidized dwelling when other people in the community are forced to live in terrible circumstances because they cannot enjoy adequate housing.

I am reminded of a case that recently came to my attention, of a lady with two teenage daughters who had finally been reduced to living in a concrete horse shelter. Though I can report that this woman was attended to rapidly by the Housing Commission, it gives some idea to honourable members just how badly some people are living, whilst others are enjoying the benefits of a Housing Commission home when they can be quite rightly described as wealthy.

The Hon. VIRGINIA CHADWICK [9.30]: It is obvious from listening to the Hon. E. P. Pickering that the State has an energy crisis. I had intended to speak largely about education, but the contribution of the Hon. E. P. Pickering is a hard act to follow. I preface my remarks by congratulating those honourable members who have assumed office in the new Parliament. I extend best wishes to former honourable members who have retired from the Parliament. I wish them well in their future endeavours. Specifically I extend best wishes to the new members of the Legislative Council.

I have a selfish reason for welcoming new members to this Chamber. For three years I was the only new member, at least on this side of the House. Though other honourable members were popularly elected, of those elected by popular franchise I was, to be precise, the only new member of the House. Perhaps I should adopt the term used by the Hon. Franca Arena and say that I was the new boy, using that expression in the generic sense rather than with any sexist, non-sexist or discriminatory connotation. Certainly in the past three years I have felt that I was the new boy in this House. I am delighted to welcome new members of the House and to be able to assure myself that I have been a member of the Legislative Council for some time. One would hope that in the course of being a member of this House one would acquire some small degree of wisdom about the affairs of the House.

The Hon. D. P. Landa: The honourable member, a former teacher, would learn something by listening to members on this side of the House.

The Hon. VIRGINIA CHADWICK: One would hope so, even if it involves osmosis.

The Hon. D. P. Landa: It is a mutual learning experience.

The Hon. VIRGINIA CHADWICK: One would hope that the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council had acquired some small amount of wisdom in the ways of the House. For the particularly selfish reason that I am no longer the new member I am delighted to welcome the new members. There are some new members of the House whom I had not had the pleasure of meeting before. It is a pleasure for me to welcome the Hon. R. W. Killen as a member of the Legislative Council. I listened to his maiden speech with a great degree of interest. I was thrilled to hear his reference to the Hunter Valley. As most honourable members are aware, the Hunter Valley district is of local and parochial interest to me.

To be quite discriminatory and sexist for a moment, I am delighted to have two new women members of the House. I am especially pleased that the two additional women in this Chamber were known to me before we met in the House. I worked with the Hon. Franca Arena on committees in ethnic affairs. I, too, dislike the term, but for want of an easier definition I use it, with some degree of reluctance. The honourable member and I disagree on a number of issues, some of which she raised in her contribution. She knows that I disagree with some of her views, but when discussing the needs of newcomers to this country, the necessity to break down the barriers of discrimination and, to borrow the term that she used with an Italian accent, I say with my ocker accent, we must give them a fair go. Despite party differences we speak very

much the same language. I am delighted not only that we have another woman in the Chamber but that we have a woman whose views are similar to mine on a subject that concerns both of us. It is also a pleasure to welcome the Hon. Elisabeth Kirkby to the Chamber.

I was interested to hear the Hon. B. J. Unsworth compare Australia with overseas countries when he said that one of the unusual and unique things about New South Wales was that unlike overseas countries where they build power stations in metropolitan or built-up areas, New South Wales has a history of locating them in unpopulated areas. Wangi Wangi is built out; Munmorah is built out; and, the area round Vale's Point also is built out. The Hon. Elisabeth Kirkby lives within shouting distance of Eraring. I assume that she would take issue with the Hon. B. J. Unsworth, who said that it is marvellous that New South Wales does not build power stations where people live. The honourable member must have forgotten that when the Government wanted to have open cut mines at Cooranbong to feed the Eraring power station thousands of people attended a public meeting to prove that they actually lived in the area where it was suggested that no one lived. Along with the Hon. Elisabeth Kirkby, as one of those non-persons, I take issue with the Hon. B. J. Unsworth. It has long been my view that people who live in Newcastle and the Hunter Valley are regarded as second rate citizens.

The Hon. J. R. Hallam: That is a nonsense.

The Hon. VIRGINIA CHADWICK: I hold the view that people in metropolitan areas do not take into account the views of the people who live in the Hunter Valley region.

The Hon. J. R. Hallam: That is not the Government's view.

The Hon. VIRGINIA CHADWICK: They do not give as much weight to our needs and aspirations as they would if we lived elsewhere in the State. Quite often in the area where I live one hears the comment that as we have something like 80 per cent or more of the power generating capacity of the State in our backyard we do not receive any trade-off or privileges. When the lights go off in the rest of the State ours go off first, and for longer periods, because politically it is not an interesting district. It is the view of many persons in the Newcastle and Hunter Valley areas that politically we do not matter, that we are non-persons.

The Hon. J. R. Hallam: That is the view of the honourable member.

The Hon. VIRGINIA CHADWICK: In that sense I was interested to hear the comment of the Hon. B. J. Unsworth that indeed we do not matter, and we do not exist. The Hon. B. J. Unsworth said quite a lot about the capacity and the flexibility of my colleague the Hon. E. P. Pickering who was able to take up the challenge issued by the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council to join him on a visit to Liddell power station.

The Hon. J. R. Hallam: It was not a challenge; it was an invitation.

The Hon. VIRGINIA CHADWICK: I do not want to be provocative, so I shall call it an invitation. The Hon. E. P. Pickering was flexible enough and sufficiently interested in the issue to take up the invitation to join the Minister at Liddell. In his absence the Hon. B. J. Unsworth chose to make all sorts of aspersions and references to other journeys undertaken by the Hon. E. P. Pickering. He cast aspersions on the motivation of my colleague in travelling to Liddell today. While listening to the Hon.

B. J. Unsworth I had with me a copy of the Financial Statement produced by the Premier and Treasurer. In his contribution to the debate the Hon. B. J. Unsworth questioned whether it was possible, feasible, sensible, economic and rational to have power stations built by private enterprise. He said that he did not believe such a scheme would work. I refer him to the Financial Statement in which the Premier and Treasurer said:

Negotiations are currently taking place with financial consultants with the objective of making arrangements for private sector funding of certain power stations. The New South Wales Government will ensure that the programme for construction of power stations, essential to the development of the State, will proceed as planned.

The Hon. J. S. Thompson: That is precisely what the Hon. B. J. Unsworth said.

The Hon. VIRGINIA CHADWICK: Instead of watching movies on the plane to Abu Dhabi, New York, or wherever he was going, perhaps the Hon. B. J. Unsworth should have taken with him some Budget Papers and the financial statement and read up on some of those matters. I could not help make mention of the contribution to the debate by the Hon. B. J. Unsworth. I am particularly interested to know that a number of members including the new members come from the Hunter Valley, or have a particular interest in it. I have referred already to the Hon. Elisabeth Kirkby. Probably all honourable members are aware that the Hon. E. P. Pickering was born and bred in the Newcastle area. I was delighted to hear the Hon. R. W. Killen, who lives a little to the north, make a worthwhile contribution to this debate in his maiden speech. He will add to the voices of people who come from the Hunter Valley. Though I was not aware of it before, I was interested to hear the contribution by Reverend the Hon. F. J. Nile to the debate and to learn that for two years he worked in the Newcastle area and has a connection with it.

It is probably not unusual to have the Minister for Energy, Minister for Water Resources and Vice-President of the Executive Council leave the House on a sitting day because of an energy crisis in New South Wales, in order to go to the Hunter Valley. I must say that it is with a sense of *déjà vu* that I shall talk about some of the problems confronting the Hunter Valley. I can well recall that in speeches on the Budget and speeches on the Address in Reply I have addressed my remarks to issues relating to the Hunter Valley. Those honourable members who were here at that time will know that despite the fact that I was subjected to interjections and comments to the effect that I could not talk about anything other than Newcastle and the Hunter Valley, I talked about power, smelters and whether I believed the smelters would generate employment.

The Hon. J. R. Hallam: Is the Hon. Virginia Chadwick opposed to smelters?

The Hon. VIRGINIA CHADWICK: I do not believe that smelter development in the Hunter Valley will create employment of itself. I was interested to listen to the maiden speech of the new, temporary honourable member for Maitland in another place. In the House I have talked about problems of infrastructure related to development in the Hunter Valley and I have said that there were not the roads, sewerage, schools and houses to handle the influx of people who will come as a result of such unco-ordinated and rapid development. I draw attention to the maiden speech of the honourable member for Maitland in which he advocated the use of caravans and mobile houses because of the crisis in housing in the electorate of Maitland. If that is not proof positive that some of the matters that I and other honourable members who are concerned about the Hunter Valley have raised have validity, I do not know what it is. Usually in a maiden speech an honourable member talks about issues of importance

and substance that are dear to his heart or with philosophical content related to his beliefs. For the honourable member for Maitland to speak about how the electorate needs caravans and mobile homes because of the rapid development taking place is proof positive of the sort of issue that I have spoken about for three years.

When I advocated private ownership of power stations the Leader of the House called me the self-appointed free enterprise queen of Newcastle. If I am the free enterprise queen of Newcastle, what is the Premier and Minister for Mineral Resources? I refer honourable members to what the Premier said in his Budget Speech. Philosophically I believe in, and am committed to, free enterprise. I shall be delighted if the Government will offer power stations to free enterprise. To my mind it simply validates that theoretically and in practicality the philosophies I hold dear are not only sound but, when it comes to the rub, they are the only ones that work. The Government's way did not work.

I had proposed to address my remarks to education but, as so much has emerged about the Hunter Valley, I felt compelled to draw attention to the fact that some of the matters which the Government presents as its so-called new answer are the suggestions that I and other people in the Hunter Valley have espoused. I claim no sole right to wisdom. I do not claim that I have more brilliant ideas than some other people in the Hunter Valley, all of whom genuinely have the interests of the Hunter Valley at heart. In remarks I have made previously I have looked on myself as a voice for a particular view. For three years those views were rejected, reviled, castigated and laughed at, so it is interesting now to learn that Government members are rehashing those views and presenting them as the way out—the answer—and the supposed new font of wisdom, though they are not philosophically sound to their way of thinking.

Though I did not at the time have a particular responsibility for education, when the Leader of the House held the education portfolio, which was dear to his heart, from time to time I raised with him specific matters related to schools, such as holes in roofs, pedestrian crossings, tuckshops, lack of weather sheds and that sort of thing. On every single occasion I did that I was told that it was an absolute tragedy, that the Government was filled with caring concern about those matters but that it could not do anything about them, because the terrible Liberal Party and Country Party Government in Canberra was bleeding the States dry.

In this budget debate I wish to draw the attention of the House to the fact that over the years, in federal funding to New South Wales for education, there has been a fairly high degree of flexibility in the release of sums to the State coming through the Schools Commission. Funds which have come from the federal Government in the form of recurrent funds can be moved, if the States so willed, to capital funding or vice versa. It is then up to the States, depending upon their particular circumstances, to decide what to do. On occasions Queensland has requested the transfer of funds from recurrent to capital funds. The same thing has happened from time to time in Victoria, which has moved recurrent funds to capital funds. However, though I do not wish to be provocative by this statement, over the past five years New South Wales has thoroughly abused the system. In 1980 prices it is estimated by the federal Department of Education that New South Wales has transferred at least \$30 million in funds from capital purposes to recurrent purposes. At the same time the former Minister for Education and Ministers in that portfolio before him have been able to say, when informed of a hole in a school roof or the need for a new assembly hall, that capital expenditure was insufficient. We have had that experience. The Minister for Education has berated the federal Government for this. Despite that, in the past five years the Government in New South Wales has transferred something like \$30 million from capital purposes to recurrent purposes.

The federal Government is so concerned and distressed about this particular matter that in the next session of the federal Parliament it intends to introduce legislation to stop this abuse. Discussions and requests from the federal Government have been to no avail. It has tried to shame New South Wales into stopping this practice. The next session of federal Parliament will see legislation introduced to stop this form of abuse. It has been already pointed out by the federal Minister for Education that because of the abuse of the system it is his intention to introduce that legislation. We can make comparisons between New South Wales and other States in our resource and capital levels according to the Karmel targets to see how this transfer of funds has affected this State. When the Karmel targets were introduced, funding for capital purposes was given to all States and to private schools.

The Hon. J. R. Hallam: The Karmel targets were introduced by the Whitlam Government.

The Hon. VIRGINIA CHADWICK: It was one of the fine initiatives of that period. But it is to the credit of the Liberal Party–Country Party Government in Canberra that the remarkable achievement was reached in our time.

The Hon. Deirdre Grusovin: What about the federal Government cutbacks in education?

The Hon. VIRGINIA CHADWICK: Certainly it was the Whitlam Government which introduced the concept of the Karmel target for education, and I commend it for that initiative, but since the Liberal Party–Country Party Government came to office in 1975 it has been amazing to find that all Australian States have reached the Karmel target something like eighteen months ahead of the time set by the Whitlam Government. I should like to remind the Hon. Deirdre Grusovin about that, so that she may remember it when she talks about education funding cutbacks.

To make the comparison between the States we should set the target at a base figure of 100. Compared with that base figure the Tasmanian rate is 117; Western Australia 115; South Australia 124; Queensland—and we have heard how progressive that State is from members of the Government—has a rating of 105; Victoria rates at 119. But where are we in New South Wales as a result of the abuse of capital funding, the sleight of hand that has been going on with the Labor Government? New South Wales, on the Karmel target, rates at 103. New South Wales is last in Australia.

I turn now to other matters in the Budget. In 1978–79 the Auditor-General referred to difficulties in the Department of Education. One of the problems raised is a matter of concern to me. In New South Wales in the education system, and in other States in education and in other areas, there has been a move towards decentralization. I feel that because we consider decentralization of industry good we consider it must also be good for education. Mixed between administrative procedure and educational practice and theory this concept has become hopelessly intertwined. It could be that although it is good administratively, it is not necessarily good for education; that is the point I make. Equally, one of the problems which especially concerns education, if not other areas, is that if you tell the people decentralization is a good thing and permit local decision-making, you also give privileges, rights and responsibilities to those people. If they have not had the training and background to handle those particular responsibilities they may make a mess of things.

Education in New South Wales has met that particular problem, in the area of curricula development and within educational practice. If it has been resolved at all it is more to the credit of the teachers in our schools who have muddled through,

improvized, and have come to terms with challenges that head office has presented them with, rather than to any intrinsic value of the decisions that emanated from head office itself. The Auditor-General noted the same sort of problem in administration. In 1978-79 he drew attention to this and said that problems had arisen at local and regional establishments and had ranged from non-observance of established accountancy procedures and instructions to weaknesses in internal control. The major contributing factor appears to have been that degree of autonomy which has been deemed necessary to grant at the local and regional level to achieve the particular department's objective. They have not always been matched with a full appreciation, at that level, of the importance of developing controls appropriate to the local situation and ensuring that they are adhered to.

That was the problem that the Auditor-General perceived in 1978-79. What was done about it? In his report the following year the Auditor-General pointed out that the previous report had indicated that local and regional office controls had not been applied as quickly or as effectively as was needed to match the spread of autonomy. This had proved a continuing problem in the Education Department because of the extent to which goods and services may be acquired and paid for directly by schools and regional offices. The report then dealt with a similar problem across the board.

Last year the fiscal implications of the problem were serious enough for the Auditor-General to call specific attention to them. What has happened? In his latest report, in effect, the Auditor-General went through the same exercise again. I am not seeking to do any sort of injustice by my interpretation of what he said. I simply refer honourable members to the last report of the Auditor-General. They will find that he did not say he had solved the problem. He said the matter was being examined and he hoped it would be under control shortly.

This is all being done in the name of decentralization because the Government says decentralization is a good thing. I refer honourable members to the Budget Papers where it can be seen how much the problem is under control. Head office is now employing eighty-four extra staff—one director, one financial auditor, three management auditors, seventy-three clerks, six machine operators, and a couple of stenographers, at a cost of \$1,377,755 to help people understand how decentralization can be achieved. According to the Auditor-General the problem is not under control yet. I await with interest next year's Budget Papers to see how many additional staff will be employed at head office to help people understand how we should do our accounts and effect decentralization. It will be interesting to see how much money it will cost us to have the benefits of decentralization.

One of the other matters in the Budget Papers to which I wish to draw the attention of the House may seem trivial, but it attracted my attention. Perhaps I have an unusual sense of humour. It relates to books, periodicals and papers in the education budget. It seems books, periodicals and papers go to the Minister's office and to the head office of the Department of Education. As the Government is fond of comparing present-day costs with those of 1975-76, I thought I would do the same. In that year the Minister's office received \$649 worth of periodicals and newspapers. The head office of the Department of Education received \$23,695 worth. I point out that in 1975-76 the school library service, which I felt would be a fair point of comparison—because if anyone is to have access to books it should be the school library service—received \$42,697. I shall not try the patience of honourable members by going through the figures for every year from 1975-76. Unlike the Leader of the Opposition I am not an accountant and it took me some time to gather these facts and figures.

Honourable members will recall that in 1975–76 the Minister received \$649 worth of papers and periodicals in his office. It is no wonder that at times the former Minister for Education looked tired and hard pressed in the Chamber. So would I if I spent my time reading \$5,900 worth of papers and periodicals. Last year at the head office of the Department of Education someone managed to read \$52,000 worth of papers and periodicals. The value of books and papers provided to the library services last year was \$114,000. If one adds together \$5,900 for papers and periodicals for the Minister's office, \$55,000 for those supplied to head office, and \$55,000 for those supplied to the Conservatorium of Music, one sees that a huge quantity of books, papers and periodicals was supplied to public servants. One wonders what they did with them. I defy anyone to visualize how much space would be required for \$100,000 worth of papers, let alone the number of staff required to read them. Who reads them? What are the persons told to read? Are they filed? What can be done with \$100,000 worth of papers after they have been read? There has been no proper examination of how the education allocation is spent.

I want to mention particularly Aboriginal education, which was raised in debate earlier this evening and commented on recently by the former Minister for Education. He said that absolute preference in employment would be given to trained educational teachers and, in effect, that the New South Wales Government was to exercise positive discrimination in this area. The effect of those fine words is negligible. The Hon. Franca Arena said that the New South Wales Government has a fine record in this area. Despite the fact that she made that statement in her maiden speech, I join issue with her. It should be borne in mind that there are only forty-one teacher education students of Aboriginal or Torres Strait background in teacher training institutions in this State, and twenty-one practising teachers with the same background.

Given that it has been announced that absolute preference will be given next year to teachers of Aboriginal descent, it is fair to ask how many there are. I was not aware until recently when I attended a function at which Mr Paul Stein, of the Anti-Discrimination Board, spoke. He pointed out that four Aboriginal teachers will graduate at the end of this year. When one talks of positive discrimination one should keep in mind that only four persons are involved and that they are entering a work force that is already represented by twenty-one persons. Only another forty are in training. Honourable members who speak of grand records should keep in mind the number of persons involved. It is window-dressing. From time to time adverse comments are made about the federal Government but that Government can hold its head high for its record in Aboriginal affairs. The federal Minister for Aboriginal Affairs has publicly castigated the New South Wales Government for its tardiness in this sphere. Responsible Aboriginal groups in New South Wales have criticized Aboriginal education.

The Correy report, a report of this Government, made sensible recommendations about Aboriginal education. If honourable members reflect on the figures for Aboriginal education they will be concerned. I refer to year 8 because that is the year in which compulsory attendance by age ends in New South Wales. In 1979 there were 1 061 Aboriginal students in this State. In year 12 there were twenty-six. Though a third of the pupils in New South Wales continue to year 12, only 2 per cent of the Aboriginal population go on to a full education.

There are many other matters I should like to raise about education, but this evening is not the appropriate time at which to do that. With a third of the State's budget allocated to education, which is some \$1,860 million, it is proper to ask whether we should not be a little more critical in our acceptance of expenditure on education. I have said previously in this Chamber that we should be asking questions which to

some honourable members may appear simplistic, but until they are answered satisfactorily there will generate questions, debate and controversy about education. We should ask what is so important about education that makes it compulsory. As a Liberal the idea of compulsion is abhorrent. Yet I believe that education should be compulsory. Is it not worth asking in this free society, why is it that education is so important that it should be compulsory for children to attend school? Why should we want our young to be educated? What do we expect from the education system? What is the product that we expect in the end? Do we expect a little too much? Do we believe that it is the panacea of the problems of society?

It is proper to see an end to the uncritical acceptance of public spending on education. From the \$1,860 million allocated to education, 76 per cent is spent on teachers' salaries. Is it fine and dandy for the former Minister for Education to say that the Government cares about education and that it represents a third of the State's budget when so much of that money is spent on salaries? Does that mean our young are well educated? Does it mean we have a better education system? Does \$100 million spent on transporting children to school give us a better education system?

The Hon. J. R. Hallam: Does the Hon. Virginia Chadwick believe too many teachers are employed?

The Hon. VIRGINIA CHADWICK: No, I do not.

The Hon. J. R. Hallam: That appears to be what the honourable member is advocating.

The Hon. VIRGINIA CHADWICK: I am not advocating that.

The Hon. J. R. Hallam: Does the honourable member want them paid less?

The Hon. VIRGINIA CHADWICK: I am simply posing the question.

The Hon. J. R. Hallam: That is the luxury of being in Opposition.

The Hon. VIRGINIA CHADWICK: Of course, and the Minister will be able to enjoy that luxury in the near future. Does \$100,000 spent on papers and periodicals to the Minister's office give a higher quality of education? It is false rationale for—

The Hon. J. R. Hallam: It is nitpicking.

The Hon. VIRGINIA CHADWICK: It is false rationale for anybody representing the Government to say, "We must have a splendid education system. Of course we care, because it represents a third of the State's budget". The more money spent on education does not necessarily buy a better system. Does fiddling with the administrative system, such as was seen with the structure of the Education Commission, either in a fiscal sense—which is what I referred to in the Auditor-General's Report—or in the sense of the construction of the Education Commission, which was debated at length some months ago, mean that we have a better system and our own young are better educated? One of the most astounding features of education spending is that it has come to count for a third of the State's budget without any effective system of accountability.

It is silly for the Minister for Agriculture and Fisheries to say that, because I have drawn attention to the fact that 76 per cent of the allocation is spent on salaries, I wish the number of teachers to be reduced. I used to be a teacher. Many of my friends are in the teaching profession. For that reason alone I would not advocate such a course. I drew attention to the fact that teachers' salaries account for 76 per cent of the budget allocation. It is difficult to criticize the education budget

because in whatever area one looks there is no efficient system of costing. There is no way to evaluate achievement. There is not even an efficient way to categorize the aims and purposes on which costing and evaluation may be based. With such vagueness it is implicitly assumed that with improvement of resources such as teachers, buildings, equipment and that sort of thing, the performance matches the spending and that the student's prospects must be enhanced. Having stated that, I should be disappointed if the Minister chose to take those remarks in an unduly negative sense. That is not the way in which I intended them to be taken. I conclude with some most unoriginal words that may strike a familiar note with some members, particularly because Dante was quoted earlier in the debate. This is not Dante, but these words might have relevance to the debate on education into which all honourable members have entered from time to time:

As things are, mankind are by no means agreed about the things to be taught, whether we look to virtue or the best sort of life. Neither is it clear whether education is more concerned with intellectual or moral virtue. The existing practice is perplexing——

That is certainly true:

——no one knowing on what principle we should proceed——should the useful in life, or should virtue, or should the higher knowledge be the aim of our training; all three opinions have been entertained.

Again, about the means there is no agreement, for different people, starting with different ideas about the nature of virtue, naturally disagree about the practice of it.

I thought that quotation was relevant to a debate on education in the 1980's. It might be of interest to the House to note that nothing has changed: in fact it is a quotation from *Politics* by Aristotle.

The Hon. N. M. ORR [10.20]: The atmosphere in the Chamber has been somewhat electric. I am not as charged up as some honourable members who have spoken, and I do not intend to speak at length in this debate. I join issue with some aspects of the contributions made by several new members of the House. I congratulate the new members who have been elected to the Chamber. I compliment those of them who have made maiden speeches and have given the House some indication of their interests and philosophies. I apologize to the Hon. Franca Arena, for I was called away from the Chamber while she was speaking. As she is such a pleasant person, I am sure she said pleasant things. I congratulate also the two new independent members. I hope that all honourable members find satisfaction in their work in this place. I know that new members come into this Chamber, as have all honourable members, with fairly high ideals about changing the face of society. After several years as a member one finds that it is difficult to achieve.

I congratulate also the Reverend the Hon. F. J. Nile. He should be commended for the stand that he takes in an area where it is not easy to make friends. He adheres to his principles and is forthright about them. I hope in his career in this House the things for which he stands will have some impact upon honourable members and on the community that we serve. I wish to comment on some statements made by the Hon. J. D. Garland and the Hon. K. W. Reed. Some of the matters on which I shall comment have been referred to ably by the Hon. L. A. Solomons in his contribution. Especially I refer to the constant blaming of the federal Government for the problems of the New South Wales Government. The Hon. E. P. Pickering made it plain that finances provided by the federal Government would have been adequate, if they had been used properly.

The Hon. J. D. Garland said that the Wran Government had not increased taxes, other than the recent increase in payroll tax. The honourable member has been living in a vacuum for a long time. Service fees, stamp duty, registration fees, licence fees and company transfer fees have all been increased. All honourable members are aware of those increased fees. That is a tax by which the Government raises revenue for services that could be provided by private enterprise. If the money raised from that source had been used properly New South Wales would not have the quarrels or crises that confront the State at present.

I congratulate the Hon. J. R. Hallam on his recent public statement that he intended to direct his efforts towards soil conservation in New South Wales. That is a commendable initiative. I hope he is able to convince his colleagues in Cabinet of the importance of soil conservation. Soil is the wealth of the nation. Coal and other ores can be mined; but one cannot eat coal. When mining has been completed, one is left with a hole in the ground. Overseas earnings are critical to the economy of any nation. Almost half of Australia's overseas earnings come from primary production from the land. The land is three inches of topsoil over a relatively small part of the continent. Australia had plenty of land, and so we have exploited it.

Many people are not aware that each year millions of acres are going out of production. The Sahara Desert is extending at a rate of 15 kilometres a year. That might seem to be a broad statement. On the perimeter of the desert the nomadic tribes live basically on herds of cattle and goats. In a dry year the herds over-graze the area and the topsoil is blown away. The tribes are forced back to the land of their neighbours in more fertile regions. A similar thing is happening in New South Wales. After the World War I many people settled in the unstable mallee country with which the Minister for Agriculture and Fisheries is familiar. Over two or three years they cleared the land. After several dry years much of the topsoil was blown away and finished up in New Zealand. The same type of thing is happening again.

The western soils are unstable. Wheat is now grown as far out as Hillston. Strong measures must be taken, for man's cupidity is such that he looks for the quick quid but ignores the future. For those reasons I was pleased to read the Minister's statement. I wish him well in his endeavours to obtain funds for soil conservation and shall support him in every way possible. The Budget makes provision for the allocation of \$10.8 million towards soil conservation programmes and an additional \$3 million for the operation of the Soil Conservation Service. A total of \$13 million has been allocated for an area that generates almost half of the State's overseas earnings. Though hundreds of millions of dollars are spent on protecting and maintaining industry, only a pittance is provided for one of the major avenues of export earnings.

The Hon. J. R. Hallam: The amount spent by New South Wales on soil conservation is half of the total amount spent on that work in the whole of Australia.

The Hon. N. M. ORR: That suggests that other States are as recreant in their concern about soil conservation as this State has been in the past. One of the most effective developments of modern technology has been the lansat satellite. I am sure all honourable members would be aware that the lansat satellite orbits the earth and can identify a blade of grass. The satellite is used worldwide and monitors and checks the density and size of crops. No nation is able to keep crop yields a secret. The satellite can determine accurately the yield of any crop.

Landsat is being used on purely a test basis to check erosion problems in some parts of Australia. I hope its use can be directed in the future to checking, recording and reducing problems related to soil fertility and to establishing a programme to stabilize soil and to put back more into the soil than is taken from it. I do not have

records here and it is dangerous to quote from memory but, in broad terms, since cereal production was started in New South Wales, yields have not been increased to any great extent but efficiency has been increased in the machinery used, fertilizers, weed control and technology. Efficiency has been increased many-fold, but productivity has not increased. It is declining. One cannot eat coal or iron ore. They are expendable. If the soil is expended, half the wealth of the nation is at risk.

In an interjection about rail freights, my colleague the Hon. J. J. Doohan mentioned wheat. I do not want to hurt the feelings of any honourable member but I point out that one of the worst things a person can be is an uninformed critic. If a person is critical he needs to know the facts. I shall give the facts in regard to the cost of wheat freights and returns from wheat. That will answer the question about freight increases that are imposed on wheatgrowers. I shall quote from an article in the *Land* of Thursday, 19th November, 1981:

Increased rail and handling costs could cut the "average" wheat-grower's return this season to about \$15 to \$20 a tonne.

The foreshadowed increase in Maritime Services Board charges is the latest addition to a round of cost rises which will be felt at the farm gate.

Rail freight rates for wheat were boosted 25 pc late last month, and were followed by a 20 pc increase in grain handling charges and foreshadowed increases in electricity charges of up to 25 pc.

The increase of nearly 24 pc in port charges expected to be applied to wheat has already been passed back to growers, through this year's increase in handling charges.

The savage effect in farmers' profits were estimated this week by the economist of the NSW Livestock and Grain Producers Association, Mr Andrew Heap.

Mr Heap based his calculations on a Guaranteed Minimum Price of \$140 a tonne.

The guaranteed minimum price has been announced at \$141.50, so there will be a slight variation in the rest of the figures. The article continues:

After taking into account \$20 a tonne for freight, \$14.40 for handling, \$2.50 research levy, and \$7.50 for farm-to-silo transport, the GMP is reduced to \$95.60 at the farm gate.

At an assumed average yield of 1.5 tonnes a hectare, this farm gate return represents \$143 a hectare.

Mr Heap assumed his average farm was in the Gunnedah area where superphosphate would be used, and that contract harvesting would be used at \$20 a hectare.

He also assumed the farmer operated basic machinery of an \$80,000 tractor, a wideline cultivator and a scarifier, and a capital interest rate of 12.5 pc.

On this basis, he arrived at variable costs of \$78.65 a hectare, and fixed costs of \$37.20 a hectare, giving total costs of \$115.85 a hectare.

On a farm gate return of \$143 a hectare, this gave a net return of only \$27.15 a hectare or about \$18 a tonne.

Mr Heap said that some growers in the western part of the wheat-belt might achieve lower costs because they did not need superphosphate.

“On the other hand, a lot of growers will not get the 1.5 tonne a hectare average and so their return will not be as high as I have calculated,” he said.

“If a grower cannot get 1.5 tonnes he is not likely to be making much money.”

Prior to the drought the State average was 27 bushels to the acre, which works out at 1.5 tonnes to the hectare. Today the farmer is getting \$18 but the railways charge \$20 a tonne to carry the wheat. It is suggested that the farmer is able to pay \$20 a tonne. What other industry pays more for one handling operation of its product than it receives in profit, without tax or anything else? That has put forward the position of the wheatgrower.

The Hon. J. R. Hallam: It is more expensive to freight coal than it is to freight wheat.

The Hon. N. M. ORR: I am asking what the position is with regard to the cost of handling wheat. Though I have been associated with rural bodies for many years, they have never been able to get from the railways how the freight rate on wheat is calculated. The freight charge is applied on the basis of what the railways think the traffic will bear.

The Hon. J. R. Hallam: The rate in New South Wales compares favourably with the rate charged in other States.

The Hon. N. M. ORR: Some things can be compared, but others cannot. Since 1975 the wheatgrowers of New South Wales have paid \$17 million to the Maritime Services Board of New South Wales. Though there is a charge of \$1.35 a tonne on wheat, the charge for coal is only 35 cents a tonne. To the best of my knowledge nothing has been done to the wheat wharves in Sydney by the Maritime Services Board. What has been done was done by the wheatgrowers. The wheat industry paid \$17 million to the Maritime Services Board for no services of any consequence. They are some of the facts about wheat production and the cost associated with it. If it were not for other sources of income associated with wheatgrowing such as wool, fat lambs and meat production, in most cases wheat production would not be viable, particularly during a drought. The wheat industry in Australia would collapse without those other sources of income. If that happened, the income generated from wheat for oversea earnings would put the State in bankruptcy. Though that is a strong statement to make, it is true. Those statements are unchallengeable. If the Government is not willing to accept them, I challenge it to hold an inquiry into costs in the wheat industry and to compare the fairness of freight rates levied on wheat with other bulk commodities.

The Hon. J. R. Hallam: They were increased two and a half years ago.

The Hon. N. M. ORR: That does not justify the increases, whether it was two and a half years since or not. It is a question of what is equitable, a matter of justice. Is the wheat industry being singled out from other industries for discriminatory treatment? I claim it is. I have provided the Chamber with facts which indicate that is so. There was another point I wished to raise in this debate but the hour is late and judging by the interest shown by members of this House I should leave that until another time. In closing, I wish to congratulate the Minister for Agriculture and Fisheries on his publicly stated view that he regards the soil resources of this nation as one of his major concerns. I hope he is successful in any action he may take to conserve the soil of this State.

Debate adjourned on motion by the Hon. W. J. Holt.

SPECIAL ADJOURNMENT

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

That this House, at its rising today, do adjourn until tomorrow at 10.30 a.m., *sharp*.

ADJOURNMENT

St Andrew's Presbyterian Church, Newcastle

The Hon. J. R. HALLAM (Minister for Agriculture and Fisheries) [10.43]:
I move:

That this House do now adjourn.

The Hon. VIRGINIA CHADWICK [10.43]: The hour is late but I wish to raise briefly a matter of some importance to a group of people in the Newcastle area. It can be easily and simply resolved by administrative action on the part of the Minister for Planning and Environment. It relates to St Andrew's Presbyterian Church in Newcastle and the intention to lay a permanent conservation order against it. That has brought strong reaction from the 300-strong congregation. Those who are not familiar with the church may be interested to know that it was designed by Menckens and is worthy of preservation both as a Presbyterian church used by its parishioners and in the interests of the general community.

The members of the congregation have always taken great pride in the upkeep of the church for the ninety years it has been in existence. There is no reason to imagine that the congregation will not take similar care of it for the next ninety years. Briefly, the congregation of the church had brought to their attention the fact that the Heritage Council in New South Wales might possibly provide financial assistance to help them preserve the church if they saw fit to apply. I am contracting the story, which is essentially quite simple. They approached the council and an offer was made of \$20,000 towards the cost of restoration. When the congregation looked into the terms of the Act they felt that as a living church they could not accept the offer because the terms of the Act would erode their rights as the congregation of that church. Indeed, messages sent to the secretary of the council show they were talking about those sections of the Act which spoke of effective control of the church. Quite obviously, the congregation does not want to destroy the historical nature of the building but, as a people of the Presbyterian faith who regard the church as the liturgical expression of their faith, they have no desire to comply with the terms of the Act in handing effective control of the building to the Heritage Council. As a result they have declined the offer of financial assistance.

The congregation thought that was the end of the matter. Later they received correspondence which showed an intention to place a permanent conservation order on the church. It was that intention which prompted this action. I have copies of all correspondence between the church, the Heritage Council, the National Trust, and the church's State body. If any member would like to peruse that correspondence, it is available. At this stage they have been informed only of the intention to place a permanent conservation order on the church. Though I am not a Presbyterian, I understand and sympathize with the sentiments of the congregation. The church is the liturgical expression of their faith and they feel they cannot hand over its effective control to the Heritage Council as required by the Act.

The Hon. J. R. Hallam: It is still only at the stage of intention?

The Hon. VIRGINIA CHADWICK: That is the reason why I raise this matter as a matter of urgency. The intention has been stated to place a permanent conservation order on the building. I have spoken to the honourable member for Newcastle in whose area the church stands. Interestingly enough, he tells me that if anything can be done for St Andrew's Church he would like the same to be done for St John's Anglican Church, which is round the corner from St Andrew's and is faced with the same problem. I am sure the honourable member for Newcastle can look after himself and St John's Church, even though I am an Anglican myself. In this adjournment debate I raise the matter of St Andrew's Presbyterian Church and it is my request that the Minister for Planning and Environment be asked, in strenuous terms, to stop this action. It is a matter of distress to the congregation of the Presbyterian church. Churches of other faiths may also be affected but they do not come within the matter I raise tonight. When churches are living buildings with active congregations the Act, in handing effective control to the council, creates conflict and contradiction among those people who are active members of historical churches and take their religion seriously.

The Hon. J. R. HALLAM (Minister for Agriculture and Fisheries) [10.50], in reply: As I understand the matter raised on the adjournment by the Hon. Virginia Chadwick, it relates to a statement of intention by the Heritage Council to place a permanent conservation order on St Andrew's Presbyterian Church at Newcastle. The authorities have rejected an offer of \$20,000 to assist in restoration work and they object to the order proposed to be made under the terms of the Act. I should think that the terms of the Act do not come within the ambit of the standing orders, but the point that the honourable member raises is that the permanent conservation order has not yet been issued and therefore it may well be within the power of the Minister for Planning and Environment to bring to the notice of the Heritage Council the strong representations made by the church authorities. I shall bring that matter to the attention of the Minister at the first opportunity and I am sure he will take appropriate action. I shall inform the honourable member of the result in due course.

Motion agreed to.

House adjourned at 10.51 p.m.
