LEGISLATIVE COUNCIL

Thursday, 4 December, 1986

The President took the chair at 10.30 a.m.

The President offered the Prayer.

URANIUM MINING AND NUCLEAR FACILITIES (PROHIBITIONS) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council) [10.36]: I move:

That this bill be now read a second time.

This bill is concerned with the health, safety and welfare of the people of New South Wales and the environment in which we live. In recent years the world has become increasingly aware of the dangers associated with the nuclear fuel cycle, not only in terms of the overt destructiveness of nuclear weapons but also with the covert risks that arise from the peaceful aspects of the nuclear cycle. The specific purposes of this bill are: first, to prohibit exploration for and mining of uranium; second, to prohibit the construction and operation of certain facilities in plants, fuel fabrication plants, reprocessing plants for spent fuel and the like for nuclear materials and wastes; third, to prohibit the construction and operation of nuclear reactors for the generation of electricity; and fourth, to allow arrangements for enforcement and regulations.

I emphasize from the outset that this legislation is not based on the level of coal reserves existing in this State and the consequent optimistic outlook for energy generation. Rather, it is a clear and positive statement of the New South Wales Government's attitude to the nuclear fuel cycle. In conjunction with a similar approach taken in Victoria, this legislation constitutes a major part of an important role for Australia in the South-East Asian region. As both these States have a significant proportion of this country's population, economic activity and wealth, their rejection of uranium mining and nuclear power stations is of undeniable consequence. As expressed in the objects of the bill, construction or operation of new nuclear reactors is to be banned. Those who would argue that such a ban on nuclear power generation is unwarranted would do well to heed the statement issued by three senior and highly paid nuclear engineers explaining their resignation from the General Electric Corporation in 1976. Dale Bridenbaugh, Richard Hubbard and Gregory Minor, with fifty-six years of combined work experience at all levels of the nuclear industry behind them, said:

> When we first joined the General Electric Nuclear Energy Division, we were very excited about the idea of this new technology—atomic power—and the promise of a virtually limitless source of safe, clean and economic energy for this and future generations. But now . . . the promise is still unfulfilled.
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> The nuclear industry has developed to become an industry of narrow specialists, each promoting and refining a fragment of the technology, with little comprehension of the total impact on our world system . . .

> We (resigned) because we could no longer justify devoting our life energies to the continued development and expansion of nuclear fission power—a system we believe to be so dangerous that it now threatens the very existence of life on this planet.
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> We could no longer rationalise the fact that our daily labour would result in a radioactive legacy for our children and grandchildren for hundreds of thousands of years. We could no longer resolve our continued participation in an industry which will depend upon the production of vast amounts of plutonium, a material known to cause cancer and produce genetic defects, and which facilitates the continued proliferation of atomic weapons throughout the world.

During their long testimony, these men claimed, among other things, that the defects and deficiencies in just the design of nuclear reactors alone created severe safety hazards. They said: "The combined deficiencies in the design, construction and operation of nuclear power plants makes a nuclear power plant accident, in our opinion, a certain event. The only question is when, and where." What makes an accident in a nuclear power station uniquely dangerous is the potential release into the environment of highly poisonous radioactive elements which can contaminate large areas of land and make them uninhabitable for thousands of years. What makes an accident seem inevitable is the human factor. The most advanced plant is still at the mercy of the fallible human beings who design, build, and operate it. Stories abound of the short cuts that have been taken and the laxity of supervision apparent in the design and construction of nuclear reactors. Many plants in the United States have had to close simply because their design and manufacture were faulty.

For those who argue that only the most highly qualified and experienced persons would be employed in a nuclear power plant, I doubt that the victims of Chernobyl—a distaster for which the full ramifications are still not known—or any of those threatened by the Three Mile Island incident would be consoled by such claims. It has on occasions been stated that there have been no deaths—apart from those at Chernobyl, of course—from nuclear power generation, unlike in coalmines and coalfired power stations. This is nonsense for two reasons. First, it ignores the thousands of premature deaths from the cancers which are still to result from radioactive releases. Three Mile Island and Chernobyl are but two major incidents that come immediately to mind. Second, the consequences of the inevitable accident at nuclear plants are so great that people are no longer willing to take the risk. In 1955, Albert Einstein and Bertrand Russel declared about the nuclear industry:

> The scientists who know most are the most gloomy. It is now no longer enough for the people to say: "something must be done" We must all actually do something.

On the same subject, the eminent Australian scientist Sir Mark Oliphant was quoted in the *Australian* of 20th June, 1986, as saying:

> The greatest living species of all time is in danger of committing suicide because of the social and political organisation of the nations.

Sir Mark said that the recent disaster at Chernobyl was evidence that Murphy's law was still applicable to every aspect of human technology, including the nuclear industry. Of course, the obvious issue of concern is nuclear waste. What happens at the end of the lives of these nuclear plants? How are they to be decommissioned? What do we do with reactors, and plant that remain radioactive for thousands of years? How do we treat the waste? These questions remain critical, and yet remain unanswered. The Opposition has claimed that this is a nonsense bill. Although not opposing the bill in the other place, they said it did nothing because, with the rich coal reserves present in New South Wales, nuclear power stations are not needed.

What has the Opposition said on this subject in the past? On 24th May, 1986, the Leader of the Opposition, Mr Greiner, gave no guarantee that a future coalition Government would not dabble with nuclear reactors. It is only a few short years since his predecessor, John Dowd, returned from his overseas trip expounding the need for New South Wales to consider the nuclear alternative to coalfired power. Even Prime Minister Gorton pushed hard in the late 1960's for the establishment of a nuclear reactor at Jervis Bay on the South Coast of New South Wales. Mr Greiner might find it easy to use phrases like "you would have to be a total idiot and economic fool" to consider nuclear energy in a coal rich New South Wales, but it is he and the conservatives who have long pushed that very idea.

The legislation recognizes that nuclear materials are at present being manufactured and used in New South Wales. As such the removal, transportation and disposal of nuclear materials and waste from research and medical uses and other activities as prescribed under the various other pieces of State legislation are not affected by this legislation. Uses of nuclear materials important to medical and industrial applications are exempted. The production of radio-isotopes in cyclotrons, proposed for medical and research purposes, will also not be affected. The Commonwealth Government's research activities at Lucas Heights are seen as a necessary exemption, given the great importance of that institution's role in the production of radio-isotopes for medical applications. However, the Government is aware of the many concerns held in the community over the operations at Lucas Heights, and recognizes the 1986 State Labor Party conference decision, which reads:

> To ensure the most appropriate placement of this establishment, the conference recommends that a joint federal and State Ministerial working party be set up to report on the most appropriate siting of a nuclear establishment dedicated to peaceful research and development work.

My colleague in the other place has already commenced discussions on this issue. With respect to the mining of uranium, the policy of the New South Wales Labor Government has been quite clear and in place for many years. This policy is that there will be no exploration for or mining of uranium in New South Wales. The present policy had its beginnings in 1978 when the granting of exploration licences and prospecting licences was frozen, pending completion of a review of the policy. In 1979, the Hon. Ron Mulock, then the Minister for Mineral Resources, announced a total ban on uranium exploration in New South Wales, and more than twenty companies which had applications pending were advised of the decision at that time.

The Opposition claims that this bill does nothing. However, the depressing and disappointing reality is the large body of evidence which links the mining of uranium with the production of nuclear weapons. Let me take a moment to report where some of Australia's uranium exports go. West Germany is contracted to receive 18 479 tonnes of Australian uranium between 1982 and 1996. It supplies nuclear technology and equipment to Argentina. Argentina is not a signatory to the non-proliferation treaty and consequently not all its nuclear facilities are inspected by the International Atomic Energy Agency IAEA. Japan is contracted to receive 17 102 tonnes of Australian uranium between 1975 and 1996. Enrichment is carried out in the United States. When uranium is enriched it loses its identity and can be diverted without trace into nuclear weapons. South Korea is contracted to receive 3 629 tonnes of Australian uranium between 1983 and 1992. South Korea is moving towards

nuclear weapon capability. In June 1977, Korean Foreign Minister Park Tong Jim testified before Parliament affirming as follows:

> In order to secure the survival of our country, I dare say we have the freedom to take whatever means are necessary and within our capability, including the production of nuclear weapons.

In 1978, Korea launched its first missile developed by its own resources. I wonder what the Ayatollah Khomeini will do when he gets nuclear weapons?

The Hon. R. B. Rowland Smith: We are talking about exports of uranium being necessary to make nuclear weapons. They do not have the plants.

The Hon. J. R. HALLAM: But they have the potential. The United States of America is contracted to receive 2 043 tonnes of Australian uranium between 1982 and 1990. In 1982 Energy Secretary, James Edwards, argued in Congress that spent fuel rods from civilian reactors should be reprocessed to provide plutonium warheads. Finland is contracted to receive 815 tonnes of Australian uranium. Its fuel rods are reprocessed in Russia, where no IAEA inspectors are allowed. Given this information it is clear that to say that present safeguards actually work is, to say the least, naive. In Australia, as elsewhere, it is the concerns and actions of ordinary people which will ultimately determine what sort of future, if any, our children will have. This legislation endeavours to put into legal effect the many expressed concerns of the people of this State and country. Many church groups have expressed their concern. A resolution of the synod of the Uniting Church in Australia in October 1984 called on the Australian Government:

> To recognise its responsibility with regard to uranium mining, and realise that it has the opportunity of bringing a sign of hope for peace, which is best shown at present by permitting no new contracts or extending existing contracts for uranium supply, and prohibiting uranium enrichment facilities in Australia.

A resolution of the first national youth synod of the Anglican Church in Australia in 1985 called for:

> An immediate embargo on the presence of nuclear weapons on Australian territory, and an end to the export of uranium to countries which manufacture nuclear weapons, and a cessation of French nuclear testing in the Pacific.

Pope John Paul II captured the essence of the problem during his pilgrimage to Hiroshima when he said:

> In the past, it was possible to destroy a village, a town a region, even a country. Now it is the whole planet that has come under threat.

Pope John Paul II commissioned a study on this subject by the Pontifical Academy of Sciences. One of the study's conclusions was:

> Recent talks about winning, or even surviving a nuclear war must reflect a failure to appreciate a medical reality: any nuclear war would inevitably cause death, disease and suffering of pandemonic proportions and without the possibility of medical intervention.
>
> That reality leads to the same conclusion physicians have reached for life-controlling epidemics throughout history. Prevention is essential for control.

Let us be clear that this is not legislation designed to serve the interests only of government, or of particular interest groups. This is legislation for the people. First, the Crown is bound by the legislation; second, under its provisions any person may bring proceedings in the Land and Environment Court for an order to remedy or restrain any breaches, whether or not any right of that person has been or may be infringed by that breach. This will give any concerned citizen the necessary legal standing to apply to the court without the necessity to

approach the Attorney General for his intervention. As reflected in the legislation, the sovereign Government of New South Wales is determined to ensure the well-being of all citizens. It has been realistic and responsible in allowing a number of activities to be exempted from the legislation. But, primarily, the Government wishes to ensure a secure future for the citizens of this State, and to demonstrate its commitment to the maintenance of life on this planet. I commend the bill.

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [10.53]: As outlined by the Minister, the bill has certain functions. They are, first, to prohibit prospecting or mining for uranium and, second, to prohibit the construction or operation of nuclear reactors and other facilities in the nuclear fuel cycle. Those functions are intended to protect the health, safety and welfare of the people of New South Wales, and the environment in which they live. In May the Minister for Energy and Technology, the Hon. P. F. Cox, announced that the State Government had approved a plan to outlaw the development of nuclear power stations in this State. He did not, however, make any reference to the likely prohibition on uranium mining. That announcement on nuclear power stations closely followed the disaster at the Chernobyl nuclear power station in Russia. However, Mr Cox was quick to state that the announcement had nothing to do with that disaster, or, indeed, the upcoming Labor national conference in July. He said, indeed, that the decision had been made three months previously. The Minister said further that there would be no development of nuclear power plant stations in New South Wales. He said:

> The changes to the Act would effectively prohibit the construction and operation of nuclear power plants in New South Wales by this or any other government.

What surprises me is that it has taken nine months for the Government to introduce this legislation which, as I shall prove, is a nothing. The amazing part about this so-called important legislation is that the Government has whisked it into the House in the dying hours of this session. I acknowledge that the Government is allowing time for the bill to be debated today. However, if the Government is so concerned about the safety and welfare of the people of this State, why was not it willing to announce its intention to introduce the bill and allow the public the opportunity to discuss it? Of course, such action is par for the course with this Government, which is not willing to listen to the point of view of other people. It makes its decisions and presses ahead.

I believe the Minister for Energy and Technology, pleasant a man though he is, has suddenly become a born again green peacer. The arguments he put in his second reading speech in the other place were quite unbelievable. In that speech he harked upon the belief that the safety and welfare of the people of this State could be achieved by a prohibition on prospecting or mining for uranium, and on the construction or operation of nuclear reactors and other facilities in the nuclear fuel cycle. That is the greatest lot of nonsense I ever heard. The Government should consider the health, safety and welfare of the people of New South Wales at all times—not just now. Every day people are killed in motor car and motor bike accidents, and die from alcohol and drug abuse. What has the Government done about that? It has not done much at all.

If the Government is concerned about the safety aspects of constructing nuclear power plants to generate electricity, what has it done to safeguard people who work and live in the environs of coal fired power generators in the Hunter Valley? If the Government is to be consistent and prohibit the building of nuclear power plants on the premise of safeguarding the health and welfare of our citizens, surely it should ban the use of coal fired burners.

The Hon. Ann Symonds: The Deputy Leader of the Opposition should not show his ignorance.

The Hon. R. B. ROWLAND SMITH: The honourable member will have an opporunity to display her ignorance later in the debate. In the meantime, if she lets me finish, she might learn something.

The Hon. Ann Symonds: One would hope that the Deputy Leader of the Opposition might learn something.

The Hon. R. B. ROWLAND SMITH: It is doubtful that the Hon. Ann Symonds ever could learn anything. A newsletter published by the Uranium Information Centre Limited had this to say about coal pollution:

> 120 million tonnes of British coal are burnt every year. This contains 60 curies of uranium, which with its decay products remain in the ash. This radioactivity is spread through a larger volume, but has a higher *total* alpha radioactivity than the 50 000 cubic metres of low-level waste to be disposed of annually by NIREX. What is more, it has a longer half-life—4500 million years—and so it will be with us into the far future. And unlike the NIREX wastes, it gives off an alpha-emitting gas, radon. Some of this ash is used as landfill, and through it rainwater can carry activity to the nearest stream. Radon from it can penetrate the floors of houses built over it. Some of it is used to make building blocks, which carry the same risk, and some is dispersed, unsealed into the sea. No effort seems to be made to isolate any of it from the human environment.

Does that come as a surprise to honourable members opposite?

The Hon. Ann Symonds: It certainly does. However, the Deputy Leader of the Opposition is talking about only one of many environmental problems.

The Hon. R. B. ROWLAND SMITH: So, it is clear that coal fired burners present a real problem. The newsletter referred to radioactivity generated by human beings. It said:

> An 11-stone man has about 100 grammes of weekly radioactive potassium inside him. Someone standing 20 yards away would get a higher 'dose rate' from him than they would from standing right above low-level nuclear waste which was covered by two metres of clay.

Does that come as a surprise to the Hon. Ann Symonds? More radiation goes up the stack of a coal fired boiler than would ever come out of a nuclear power plant. Every day, people suffer from a form of radiation that comes from coal powered generation plants, about which I have explained. If the Government were genuine and sincere, instead of pandering to this minority group it would do something about that form of radiation. Radiation has been with us for generations: it comes in many forms in everyday existence; yet, suddenly, the Government has said it will not allow uranium mining to take place or nuclear power plants to be built for the simple reason that this would create future hazards.

The Minister quoted what three men who worked for General Electric Corporation in the United States of America said in 1976 about their work experience over a number of years. That was the year this Government came to office. If this Government were genuine, why has it not released this information? Why did not this Government move then to do something about this present so-called problem? This is 1986. The Minister has suddenly come forward and said the Government is going to ban the mining of uranium and the building of nuclear power plants. It is almost the end of the International Year of Peace.

[*Interruption*]

The Hon. R. B. ROWLAND SMITH: The Hon. Ann Symonds should stop chattering. She will have the opportunity to speak later. I should like her then, if she can, to answer points I am now putting forward. Why has it taken this Government ten years to do anything about this so-called problem? No one would consider constructing and operating a nuclear power plant anywhere in New South Wales or, indeed in Australia, because of the tremendous cost. That would put the construction of one of these plants out of the question although perhaps one day, thirty or forty or fifty years hence, we shall see this type of plant built.

In Australia today, and particularly in the State of New South Wales, we have an abundance of fossil fuels. While we have those fuels we shall use them, for they are cheap forms of energy; yet members on the Government benches conveniently forget that there is an environmental hazard known as acid rain. We do not hear the Hon. Ann Symonds talk about that. Members on the Government benches conveniently forget that radiation is going up the stacks of coal fired plants. The Government does not ever consider the matter. But because coal is cheap, we shall continue to have that happen, and we shall use that form of energy. As for the proposed ban on the mining of uranium, it must be understood that it is not known whether there are major deposits of uranium in New South Wales. We should leave our options open so that if deposits are discoverd, perhaps between Broken Hill and the South Australian border, they can be mined. Why should that not be considered? It would create jobs. I had understood from this Government that it was in the business of creating jobs. The mining of uranium would also create income.

[*Interruption*]

The Hon. R. B. ROWLAND SMITH: We do not want to hear from the representative of the Australian Democrats, either. I shall have something to say to the Hon. Elisabeth Kirkby about this matter later. Her party is a spent force. The Government must understand that the exported uranium creates nuclear fission for the purpose of generating electricity. With bated breath I heard the Minister for Agriculture speak about the export of uranium to countries like West Germany, Japan and South Korea. I interjected and informed the Minister that it was going there for nuclear fission to power plants. The Minister replied, "The potential is there." They were his words. He said the potential was there to put this into nuclear weapons.

[*Interruption*]

The Hon. R. B. ROWLAND SMITH: The Hon. Ann Symonds should not interject. She will have a heart attack and will be unable to speak. I do not want to miss one word of what she is going to say. Of course, some part of the uranium would be used for nuclear weapons. I shall touch on that subject a little later. Suffice to say that at this stage we cannot and will not shut our eyes to the fact that nuclear weapons are in the world today. We cannot shut our eyes to the fact that the enemy is the Union of Soviet Socialist Republics, and that country has a large supply of—

[*Interruption*]

The Hon. R. B. ROWLAND SMITH: We know that the Hon. Ann Symonds does not believe Russia is our enemy. That country has a large supply of nuclear weapons. What are we supposed to do about that? In the eyes of this Government, what are we supposed to do?

[*Interruption*]

The PRESIDENT: Order! Perhaps the Hon. Ann Symonds might contain herself until she gets the call.

The Hon. Ann Symonds: He is so provocative.

The Hon. R. B. ROWLAND SMITH: You can always leave. The Government says it does not want to have anything to do with nuclear arms. If that happens we shall be left high and dry. Fortunately, we have a federal Government which is a signatory to the ANZUS Treaty. In that capacity Australia recognizes that the United States of America, that mighty Western power, has nuclear weapons. We shelter under the umbrella of those weapons. Let us thank the Lord for that. We need not manufacture them. It is most improbable that we shall ever have to manufacture nuclear arms in this country. In the event that we are attacked, our ally, the United States of America, will come to our defence. We must set the record straight.

In the community there seems to be so much fear about the whole question of a nuclear holocaust. I suggest this is fuelled by sensationalists like this lady opposite, the Hon. Ann Symonds. In our schools, teachers are telling young children what is likely to happen. Is it any wonder that the children of this State are scared? They say, "We are worried because there could be a nuclear holocaust". Those teachers ought to be publicly whipped for engendering this fear in our communtiy. I thought they were people who call themselves Christians. It is quite incredible. The fact that Russia has a large armament of nuclear weapons, as has the United States of America also, will mean there will not be a nuclear war, either in the foreseeable future or in some distant time. That premise is based on the fact that if one country decides—

[*Interruption*]

The Hon. R. B. ROWLAND SMITH: The Hon. Ann Symonds should join the Hon. Elisabeth Kirkby in her corner, so that they could keep chattering between themselves. The Hon. Elisabeth Kirkby should be in the other party, anyway. That premise about which I spoke is based on the fact that if one country decides to attack another, there would be retaliation. As a reasonably-minded person I am sick and tired of the fear that is being engendered in the world community, especially in this country. There is no positive thinking, only fear of what might happen. These teachers are impregnating the minds of impressionable children.

The so-called peace movement that is travelling around the country, talking in this vein, is doing nothing but harm to our community. Members of the movement are not assisting by talking about something of which they know little, and they carry on in a manner that is causing much dissension, especially among young people. As one person who has experienced the rigours and ravages of war, I do not want to see it again. I am for peace. But in order to create peace one must have strength. What would these pacifists in our midst have us do? Do they want us to disown the United States of America? The Minister for Industry and Small Business and Minister for Energy and Technology in his second reading speech said that because of this legislation we shall become a beacon for the rest of the world. He is probably correct. We shall shine like a light thrown starkly from a rock towards the first nuclear submarine that wants to destroy us.

Harking back to the prohibition on uranium mining, obviously a deal of conflict of interests exists between this sovereign State of New South Wales, its federal counterpart—which is a Labor government—and South Australia. We do not hear much of their wanting a prohibition against uranium mining. I should have thought that the Australian Labor Party would have a firm policy on this topic. On Wednesday last the federal Government, with the federal Opposition, defeated a motion moved in the Senate by the Australian Democrats. I ask: what have the Democrats ever done? The Australian Democrats are a spent force in this community. What has the only representative of the Australian Democrats in this Parliament had to say on this subject? It is worthy of repetition. On 31st October, 1985, in reply to my motion relating to ANZUS, the sole representative of the Australian Democrats in this Parliament said:

> On the one hand, Australia officially agrees that the twenty-odd United States bases on her soil are part of ANZUS and agrees that the porting of nuclear vessels is part of ANZUS. So far as the region is concerned, the real enemy should be seen as the United States of America, not the Union of Soviet Socialist Republics.

That is the type of person who represents the Australian Democrats in this Parliament. Thank God the Australian Democrats are a spent force. The Minister in his second reading speech in another place said that this legislation will not affect the removal, transportation, or disposal of nuclear materials and waste for research and medical use, and other activities as prescribed under the various pieces of State legislation. In addition, existing safe uses of nuclear materials that are important to medical and industrial applications are exempted. Visits to New South Wales ports by nuclear powered ships will not be affected. This will include civilian vessels in this category. I find this confusing. The Government is hung up about any form of nuclear fission. On the one hand it says that you cannot build a nuclear power plant; on the other hand it says that it does not mind having the ships in the harbour and certainly is willing to use nuclear fission for medical and industrial purposes. The whole thing is just so contradictory it is incredible.

What really concerned me was when the Minister in the other place in his second reading speech quoted various sources to support what the Government intends to do in this legislation, which were repeated in this House today. What were the sources that he quoted? First, was the Catholic Commission for Justice and Peace. Then he quoted a resolution of the Uniting Church in Australia that called on the Australian Government to recognize its responsibility with regard to uranium mining. The Australian Government, according to the Uniting Church has not really accepted its responsiblity. The Anglican Church was also quoted. Then we had the National Conference of Catholic Bishops. Last Pope John Paul II, who has just had a most successful visit to this country, was quoted at some length. What hypocrisy. Suddenly it suits the Minister and the Labor Government of New South Wales to quote liberally what the churches have had to say about what they believe to be the problems associated with nuclear weapons and what will happen if there is a nuclear war. It is interesting to note that when the churches banded together to offer advice about the Anti-Discrimination Act, and when they informed the Government that they were opposed to the legalization of homosexual acts, the Government did not heed that advice. What has happened as a result of all that? Daily we are informed of the many people who die, and are dying, from a disease named AIDS. These are the problems that are present in the Australian Labor Party. The Government was not willing to accept the advice of the churches on those matters, yet all of a sudden, when it suited it, decided

that the advice of the churches in this regard is the most wonderful in the world. The Government is free with the acceptance of quotations of this kind when the opinion of churches supports a government initiative.

I wish to revert to what I said when I commenced my contribution. While ever we have vast natural resources such as coal to operate power generation stations, it is folly, to say the least, to even consider a nuclear power station. We should be concentrating our efforts on improving our present coal powered generation plants and minimizing emissions, so that we can provide cheaper electricity. We should be improving research into other forms of energy, such as solar and wind technology. Later this afternoon this House will debate the Gas Bill. Gas comes a lousy last in New South Wales. Indeed, the Gas Bill will be the last bill debated in this House this session. The newspapers this morning informed us of a deceleration in the supply of gas in South Australia. So we do have our problems. These sources of energy are especially important for rural areas. We should not, however, shut the door completely on the type of legislation mentioned by the Minister for Energy and Technology concerning future nuclear power stations.

In 20, 30, 40 years, or even sooner, it may be necessary to construct and operate plants to create nuclear fission for power generation. The disaster at Chernobyl will make all countries with nuclear power stations aware of the necessity to have absolute safety; and I am sure this will occur. It is interesting to witness the rift that has occurred in the Labor Party throughout Australia about the mining and export of uranium. The federal Government, quite rightly in my opinion, lifted the ban relating to the export of uranium to France. When glancing through my archives this morning I came across the publication *Uranium, the Joint Facilities, Disarmament and Peace* that was contained in a speech of the Minister for Foreign Affairs, the Hon. W. G. Hayden, when he was referring to the export of uranium. I am sure that New South Wales is still part of Australia but he said:

> Australia's position as an exporter of uranium gives it a recognized and legitimate role in pursuing effective IAEA activity in safeguards and related measures against the diversion of nuclear material from peaceful purposes; the physical protection of nuclear material and nuclear waste disposal.

They are not the words of Mr Howard or Mr Sinclair; they are the words of Mr Hayden. The left-wing of the Australian Labor Party in Victoria became very heated about this matter and went before the National Executive. Strangely enough the National Executive did not take a strong stand against the Hawke Government. It told the Government that it was naughty and it was not to do it again. The export of this material continues, and so it should. I pose this question for the Hawke Labor Government; if you are willing to export uranium, what is your feeling about the construction of nuclear power stations in Australia? I realize that the Hawke Government has no say in what happens in the States in this regard, but it would be interesting to get its opinion about this important matter. As I said earlier, I believe it was grandstanding on the part of the Minister for Energy and Technology to say what he said back in May, and now to introduce legislation that provides that no nuclear power stations will ever be constructed or operated by this or any other government. The option should remain open and the decision left to the Government of the day on whether such plants should be constructed, based upon circumstances that may exist in the future.

I wish now to spend a little time discussing what is happening throughout the world in respect of nuclear power plants. In the United States there has been a steady growth in the progress of nuclear power generation during the first half of 1986. The United States Atomic Industrial Forum has highlighted the following achievements: at mid-year the United States industry had reached close to 1 000 reactor years of successful operation; three nuclear power plants Catawba, Perry and Hopecreek acquired operating licences from the Nuclear Regulatory Commission, Hopecreek being the one hundred and first commercial power reactor to do so; nuclear power plants generated 16 per cent of the nation's electricity, second only to coal fired plant, with this figure expected to rise to 20 per cent by the end of the decade; and reactor efficiency continues to improve as indicated by the decline in forced outage rates from an average of 13.6 per cent in 1984 to 11.7 per cent in 1985 and an increase in overall capacity utilization from 59 per cent to 61.7 per cent for the same period.

In the legislative area, the Atomic Industrial Forum notes that major nuclear items under consideration by Congress involve renewal of the Price Anderson nuclear liability legislation licensing reform and implementation of the 1982 Nuclear Waste Policy Act. An advanced reactor group has been formed within the Nuclear Regulatory Commission to reduce the complexity and uncertainty of licensing for designers of new power reactors. The group will encourage the earliest posssible interaction between the NRC and other government agencies, reactor designers and potential licensees. The NRC hopes that as a result of these efforts the new generation reactor will have design features which will make the licensing process relatively simple and quick and also promote a better understanding of nuclear power plants by the general public. Perhaps one day they may even get through to the Hon. Ann Symonds.

With some nuclear power plant projects in the United States taking up to ten years or more to construct, the completion last year of the Riverbend plant in Louisiana after a six-year construction period is a noteworthy achievement. Gulf State Utilities, which owns 70 per cent of a 940 megawatts electrical General Electric BWR plant, was granted a licence to load fuel on 29th August, 1985, just 72 months after the first structural concrete had been poured. If one looks at other countries throughout the world, one finds that nuclear power plants are playing a very large role in power generation. For example, in France the provisional statistics indicate that nuclear power plants contributed 70 per cent of the country's electricity output in October, with fossil fuelled plants providing 17.9 per cent and hydro 11.8 per cent. It is forecast that in the Federal Republic of Germany electricity use will continue to increase over the next 20 years at an average rate of 2 per cent a year and that by 1995 nuclear energy will provide almost 40 per cent and hard coal almost 33 per cent of the electricity generated.

The future energy needs of the German Democratic Republic will be met entirely by expanding nuclear capacity and not by building new conventional power units. By 1991 the first Soviet pressurized water reactor at the new Stendal Nuclear Centre will come on stream, followed by a second in 1993. Thereafter, all future nuclear reactors built in East Germany will be Soviet 1 000 MWE units. In Bulgaria nuclear power is already one of the country's main sources of electricity providing almost 30 per cent of needs. This is expected to rise to almost 60 per cent by the year 2000. In Finland nuclear power stations have claimed a world record performance in 1984, with the average load factor of its four units being 91.5 per cent calculated on nominal

power ratings. Finland's nuclear plants generated 41.1 per cent of the country's electricity production last year. With 50 per cent of total electricity consumption in 1984 coming from nuclear reactors, Bavaria is now the leading State in West Germany in the production of nuclear energy. This compares with nuclear energy's 27 per cent share of installed capacity for the entire country. Another report which comes to us from the Uranium Information Centre stated:

> In the United Kingdom a survey published by the Institute of Directors says that Britain's company directors want more nuclear power. Of the 200 directors questioned 64 per cent said Britain should step up the pace of its nuclear power programme. There was also strong support for more investment in the coal industry.

Meanwhile a union representative from the General Municipal Workers, Boilermakers and Allied Trade Union told a Newcastle-upon-Tyne audience that nuclear power should continue to form an integral part of electrical generation based on proven British technology. The union representative said nuclear power had a proven safety record compared with oil, gas and coal burning and the chemical industry. He agreed that Britian's large supply of coal guaranteed its continued importance but that there should be continued research into new forms of energy. He believed that when oil and gas have run out, the coal industry would face an intolerable burden without help from nuclear power.

So far as health is concerned—and to me this is one of the most important, if not the most important, aspects—it is imperative to place on record the experience from different countries of the world. A report dated January 1986 from the Uranium Information Centre stated that in the United Kingdom an important epidemiological study correlating deaths from occupational radiation exposure among employees of the United Kingdom Atomic Energy Authority reported during the northern summer. The study was carried out independently of this authority by the epidemiological monitoring unit at the London School of Hygiene and Tropical Medicine, under the supervision of the Medical Research Council. The results showed that overall Atomic Energy Authority employees enjoyed better than average health. The 3 373 deaths which occurred between 1946 and 1979 were only 76 per cent of the number expected from national statistics. This was considered to be typical of healthy workers. No difference could be distinguished between radiation workers, who comprised about half of the population studies, and those not exposed to radiation. Among many subgroups examined, two showed a higher frequency of deaths than would be expected from statistical fluctuations. The twelve deaths from leukaemia among those employed for less than two years and not subjected to radiation was over twice the number expected, a quite inexplicable finding.

It is interesting to note also that in Switzerland nuclear generated electricity represented approximately 39 per cent of total electricity produced. Studies carried out during 1984 show that all Swiss nuclear power plants and nuclear research institutes kept well within authorized limits for the release of radioactive materials. The average radiation dose of the Swiss population from natural and man-made sources is calculated to be about 400 millirem a year. Further to that, another important person involved with nuclear energy had this to say:

> Over 370 atomic reactors now function in different countries. This is reality. The future of the world economy can hardly be imagined without the development of atomic power. Altogether 40 reactors with an aggregate capacity of over 28 million kilowatts now operate in Russia. As is known, human kind derives a considerable benefit from atoms for peace.

It stands to reason that we are all obliged to act with still greater caution, to concentrate the efforts of science and technology—

I wish the Hon. Ann Symonds would listen to this because in a moment I shall inform her who said it.

The Hon. Ann Symonds: I have not missed a word.

The Hon. R. B. ROWLAND SMITH: The honourable member does not know what the last word was. The statement continued:

—to ensure the safe harnessing of the great and formidable powers obtained in the atomic nucleus.

The indisputable lesson of Chernobyl to us is that in conditions of the further development of the scientific and technical revolution the question of reliability and safety of equipment, the questions of discipline, order and organization assume priority importance. The most stringent demands everywhere and in everything are needed.

Further we deem it necessary to declare for a serious deepening of co-operation in the framework of the International Atomic Energy Agency. What steps would be considered in this connection?

This eminent person went on to say:

First, creating an international regime of safe development of nuclear power on the basis of close co-operation of all nations dealing with nuclear power engineering. A system of prompt warning and supply of information in the event of accidents and faults at nuclear power stations, specifically when this is accompanied by the escape of radioactivity, should be established in the framework of this regime. Likewise it is necessary to adjust an international mechanism both in the bilateral and multilateral basis of the speediest rendering of mutual assistance when dangerous situations emerge.

Second, for the discussion of the entire range of matters it would be justifiable to convene a highly authoritative specialized international conference in Vienna under the IAEA auspices.

Third, in view of the fact that IAEA was founded in 1957 and its resources and staff are not in keeping with the level of the development of present day nuclear power engineering, it would be expedient to enhance the role and possibility of that unique international organisation.

Fourth, it is our conviction that the United Nations Organisation and its specialized institutions such as the World Health Organisation and the united national environmental programme should be involved more actively in the effort to ensure safe development of peaceful nuclear activity.

May I state that this quotation came from a speech of the General Secretary of the Communist Party of the Soviet Union, Mikhail Gorbachev. Of course we support the continued surveillance of nuclear reactors and nuclear power plants. We support the need for safety and security at all times. But we do not subscribe to the absurd logic of this Government that no nuclear power plants can ever be built in New South Wales. I have come to the conclusion that this legislation is an exercise in grandstanding. It will not achieve anything, and I have given reasons why it will not. The Hon. P. F. Cox's speech was hollow rhetoric and full of fear and foreboding. Is it any wonder that the kids of New South Wales are scared when a Government like this is in office. We oppose this legislation.

The Hon. ANN SYMONDS [11.31]: It is a shame that there is not enough time to debate the matters that have been raised. Out of consideration for members of the House and in my anxiety to have this legislation come into being, I must restrict my comments. It is impossible for me to answer in a reasonable time the number of accusations and falsehoods that arose in the contribution to the debate by the deputy Leader of the Opposition. I shall

restrict my comments to two matters he raised. I draw attention to the biggest factor in his contribution, so far as I am concerned: the absolute and total denial of the seriousness of the situation that the world faces in the production of nuclear power. I do not know whether members are familiar with the work of Dr Kübler-Ross, who has described the stages that people go through when faced with death from cancer—the problem of looking at their own extinction.

I maintain that the Deputy Leader of the Opposition is still only in the first stage. He is in the denial stage. He refuses to admit the nature and extent of the problem. Some people are already in the rage stage. They are the people who are out in the street—angry, but they are not denying the seriousness of the situation. They understand and feel helpless, but at least they are beyond the denial stage and into the rage stage. Although I may appear to be a bit under the influence of rage at the moment, I am into what I believe is the third stage—the barter stage. I am attempting in a peaceful and democratic way to prevent an extension of the situation in which we find ourselves. I have not reached the acceptance stage, although some people have.

The Hon. M. F. Willis: In 1936 it was called appeasement.

The Hon. ANN SYMONDS: I say to you and to the House that from now on we should perhaps classify the Deputy Leader of the Opposition and his ilk by some type of Neanderthal adjective. We could call him Cro-Magnon Smith. He is faced with extinction and is denying the fact that there is still an opportunity to take action—and this Government is taking that action. As for his ignorance about the ANZUS treaty, I shall talk to him about that at a later stage.

The Hon. R. B. Rowland Smith: Spare me.

The Hon. ANN SYMONDS: He simple does not understand it. Obviously he has never read the ANZUS treaty.

The Hon. R. B. Rowland Smith: Yes, I have. I can quote from it.

The Hon. ANN SYMONDS: It is two quarto pages in length. Article 5 or 7—and I cannot recall the exact article of the treaty—states simply that if Australia is under threat, the United States of America, as our ally, will consult with us. There is no promise at all that they will stride across the Pacific to our defence as they did—thank God—last time. There is nothing in the ANZUS treaty to promise that. The Opposition with their slogans and platitudes and lack of comprehension of the situation obviously distress me. I shall briefly refer to the other provocation that was most distressing to me. The Deputy Leader of the Opposition in an effort to embarrass me and the Government so righteously raised the conflicts in the Australian Labor Party on this matter. There is no embarrassment to me or my colleagues in the admission that we function as a democratic body—none whatsoever.

The Hon. M. F. Willis: You had better tell Hawke that.

The Hon. ANN SYMONDS: I have. I understand—and perhaps you do not—that the Australian Labor Party has had a very strong anti-uranium policy. The conference in Perth in 1977 produced a very firm anti-uranium policy. That has been altered through the processes of the party. It may be altered again, because we are quite willing to operate in a democratic manner. Do not glibly accuse me of being emotional about this matter, as though you might have some impact on my contribution to the debate. I admit that I am extremely emotional

about it. I shall desist from this part of my contribution and return to the body of my considerations of the bill.

The Hon. M. F. Willis: Was all that just a prelude?

The Hon. ANN SYMONDS: It is a prelude; and if you are not careful you will get interlude and postlude. Australopithecus speaks. I am compelled to speak in support of the bill because of my deep conviction that it is only through Government action such as this that the protection and preservation of humanity can be pursued. I am particularly keen to congratulate the Government and, in particular, my colleagues the Hon. P. F. Cox, the Minister for Energy, and the Hon. K. G. Gabb, the Minister for Mineral Resources, on introducing the Uranium Mining and Nuclear Facilities (Prohibitions) Bill. I acknowledge their committed opposition to the nuclear industry, and I am pleased that history will afford them honour in the role that they have played in introducing such a major and constructive contribution to the health and well-being of New South Wales citizens, and providing a signal of hope to all who believe that the nuclear industry contains unacceptable risks for the human race.

The New South Wales Government's concern to limit the nuclear industry has been demonstrated by the participation in anti-nuclear activities of its members—most notably the former Premier, Neville Wran, and his deputy, Jack Ferguson. In his resignation speech to the New South Wales Australian Labor Party Conference in June this year, the former Premier referred to the Labor Government's intention to act on this matter when he said:

> An environmental problem of a potentially deadly kind is represented by the nuclear industry. We are all aware of the immediate effects of Chernobyl and heaven alone knows what will be the full extent of the damage of that nuclear disaster.
>
> In this State, we must make our position clear. I propose that in the next session of Parliament that legislation be introduced to ban nuclear activities in New South Wales. Such legislation would prohibit the exploration, mining or quarrying of uranium . . . It would prohibit the construction or operation of nuclear reactors, nuclear power plants, facilities for the conversion or enrichment of nuclear material. Except for specifically-defined health activities, there would be a prohibition from processing, using and selling nuclear materials.

And he said, "I am in favour of moving Lucas Heights to a different and less exposed location". The Government has now acted to effect State Australian Labor Party policy, which provides that a Labor government "will prohibit the establishment in New South Wales of nuclear power plants and all other stages of the nuclear fuel cycle". It has been policy for a number of years not to permit the exploration for, or mining of, uranium in this State. This bill, following Cabinet approval in May this year, will enshrine our policy objectives in legislation.

I remind the House that these policy objectives arise not only from substantial evidence and opinion about the risks of nuclear activities expressed since 1945 in Hiroshima, but also locally these policies arise particularly from an extensive, detailed and open inquiry, which became known as the Fox inquiry or the Ranger uranium environmental inquiry. That inquiry was established in response to authoritative and widespread community concern about the expansion of the uranium mining industry at Kakadu in the Northern Territory. I am pleased that in the public gallery today to witness the introduction of this important legislation is a colleague of mine from the early

1970s, Mr Alastair Machin, who was most active in providing and researching evidence for that inquiry. It is important to recall the establishment of that inquiry from its first report, its establishment, membership and terms of reference.

It was established by the Australian Government on 16th July, 1975, by the Prime Minister and Minister of State, the Hon. E. G. Whitlam, who under the Environment Protection (Impact of Proposals) Act of 1974 instituted this inquiry into the proposal for the development by the Australian Atomic Energy Commission in association with Ranger Uranium Mines Pty Limited of uranium deposits in the Northern Territory. The Hon. Russell Walter Fox, senior judge of the Supreme Court of the Australian Capital Territory, Graeme George Kelleher, a civil engineer, and Charles Baldwin Kerr, professor of preventive and social medicine at the University of Sydney, were appointed to preside over the inquiry. The terms of reference included that the commission should inquire in respect of all the environmental aspects of: the formulation of proposals; the carrying out of works and other projects; and the negotiation, operation and enforcement of agreements and arrangements. Environment is defined by the Act to include all aspects of the surroundings of man, whether affecting him as an individual or in his social groupings.

Honourable members recall the principal findings and recommendations of that report. At this stage I shall refer to recommendation 3. The inquiry concluded that the nuclear power industry is unintentionally contributing to an increased risk of nuclear war. This is the most serious hazard associated with the industry. Complete evaluation of the extent of the risk and assessment of what course should be followed to reduce it was believed by the inquiry to be such a monumental and important task that it was suggested that these questions be resolved by the formal procedures of a public debate within the Parliament. The inquiry recommended also that no sales of Australian uranium should take place to any country not party to the nuclear non-proliferation treaty. Exports should be subject to the fullest and most effective safeguard agreements and be supported by fully adequate backup agreements applying to the entire civil nuclear industry in the country supplied. The inquiry stated also that policy in regard to the export of uranimum should be the subject of regular review, and in a democracy thank goodness that is what we have been able to do. The report then stated:

> Our final recommendation takes account of what we understand to be the policy of the Act under which the Inquiry was instituted. It is simply that there should be ample time for public consideration of this Report, and for debate upon it. We therefore recommend that no decision be taken in relation to the foregoing matters until a reasonable time has elapsed and there has been an opportunity for the usual democratic processes to function, including, in this respect, parliamentary debate.

Unfortunately an historical intervention produced the announcement on acceptance of this report by the Rt Hon. J. M. Fraser who in 1977 had discovered the importance and the preciousness to the earth of whales but had not managed to incorporate into his consciousness the potential for damage in proceeding with that industry, which was in fact then proceeded with. Recommendation 3 clearly acknowledged that the nuclear power industry is unintentionally contributing to an increased risk of nuclear war. Not only that report, but also the report of the United Kingdom Royal Commission on Environmental Pollution under the chairmanship of Sir Brian Flowers concluded:

> The spread of nuclear power will inevitably facilitate the spread of the ability to make weapons and, we fear, the construction of these weapons.
>
> Indeed, we see no reason to trust in the stability of any nation of any political persuasion for centuries ahead. The proliferation problem is very serious and it will not go away by refusing to acknowledge it.

The two authoritative reports concurred. My views on nuclear weapons proliferation are known to honourable members and I shall not expand on them because I wish to limit my comments to the genetic effects on human beings of radiation from the nuclear industry. Let us be clear and honest about the unacceptable risks of the nuclear industry. No one would deny the cause and effect of radiation and cancer. Since Roentgen and Curie and their discoveries in the early part of this century it has been clearly evident that radiation produces cancer. Roentgen himself died from bone cancer and the two Curies died from what today probably would be known as leukaemia. This leads me to refer to the evidence being accumulated by Dr Rosalie Bertell, a mathematician and scientist, who began to accumulate her knowledge on background radiation with approximately ten years of work as a scientist for the National Cancer Research Centre in the United States of America. Her recent book, *No Immediate Danger,* advertises its contents on the dust jacket with this announcement:

> We know we face extinction if nuclear war ever begins.

The Hon. R. B. Rowland Smith: That is obvious.

The Hon. ANN SYMONDS: Yes, it is obvious, but this unique book says something new.

> We face the same extinction even if the bombs never fall. The production alone of nuclear energy and nuclear weapons is initiating the death crisis of our species.

Radiation is a normal pollutant. There is such a thing as natural background radiation. It produces the acceptable breakdown of the biological system which we recognize as ageing. So at the very least the increase in background radiation hastens the ageing process. In her study of 16 million people in the tri-State leukaemia survey, Dr Bertell and her twenty-seven associates statistically revealed the link between diagnostic X-rays—that is radiation—and the incidence of cancer. Let us look at the question of acceptable levels of radiation exposure. I am not referring to weapons. Acceptable levels are difficult to determine because of the newness of the industry to humanity. One example quoted is that permissible occupational exposure to ionising radiation in the United States of America was set at fifty-two roentgen a year in 1925, thirty-six roentgen a year in 1934, fifteen rem a year in 1949 and five to twelve rem a year from 1959 to the present.

Recently there has been an effort to increase permissible doses of ionising radiation to certain organs, such as thyroid and bone marrow, in spite of research showing the radiosensitivity of these tissues. Acceptable levels are being reduced by the accumulation of knowledge in this area. It is evident that so-called acceptable levels are in fact still causing damage to human beings. In determining what are these so-called acceptable levels what judgments will apply? The United States National Council on Radiation Protection and Measurement gave expression to the theoretical resolution of this human dilemma by articulating the implicit reasoning behind subsequent radiation protection standards development, as follows:

A value judgment which reflects, as it were, a measure of psychological acceptability to an individual of bearing slightly more than a normal share of radiation-induced defective genes.

A value judgment representing society's acceptance of incremental damage to the population gene pool, when weighted by the total of occupationally exposed persons, or rather those of reproductive capacity as involved in Genetically Significant Dose calculation.

A value judgment derived from past experience of the somatic effects of occupational exposure, supplemented by such biomedical and biological experimentation and theory as has relevance.

What happens to the living cell when it is exposed? The result of cell exposure is either cell death or cell alteration. A change or alteration can be temporary or permanent. It can leave the cell unable to reproduce or replace itself. If the radiation damage occurs in germ cells, the sperm or ovum, it can cause defective offspring. The defective offspring will in turn produce defective sperm or ova. This is the extinction factor. The genetic mistakes will be passed on to all succeeding generations, reducing their quality of life until the family line terminates in sterilization and or death. A blighted or abnormal embryonic growth can result in what is called a hydatidiform mole instead of a baby. Exposure to radiation is also known to reduce fertility. Women become unable to conceive or give birth.

There is sufficient evidence of exposure to radiation in the experience of the people of the Marshall Islands. The Marshallese report gross changes in their offspring as a result of their extensive exposure to radiation. Women in the Marshall Islands have described their babies as "a bunch of grapes" or "a jellyfish baby". The heart beats for two to twelve hours and then the babies die. In the case of a blighted embryo, the uterus can fill with cystic grape-like structures, varying in size from microscopic to three centimetres in diameter. Sometimes one large hydatidiform mole is formed from a fertilized ovum which has lost its nucleaus. These women experience shame and humiliation at being unable to bear normal children, not wanting even their husbands to see the offspring.

We must take into account also the by-products of the nuclear industry, which means the ingestion, inhalation or absorption with food, air, and water into human bodies with subsequent cell damage. The thyroid gland contains cells which produce thyroid hormone which, when released into the bloodstream, causes the body functions such as breathing, digestion, and reaction to stress to proceed at a certain rate. The United States of America has been polluted with nuclear industry since 1943, and with radioactive iodine from weapon testing since 1951. Radioactive iodine is released routinely in small quantities by nuclear power plants, and in large quantities by nuclear reprocessing plants. It is not part of the natural human environment.

Dr Rosalie Bertell, from her scientific and mathematical background, has attempted an estimate of the numbers of early victims of the third world war, beginning with Hiroshima. Her estimates are that the immediate civilian fatalities totalled 155 521; 2 140 pregnant women with their children were killed; 400 embryos and foetuses were aborted; 147 033 civilians died between September 1945 and January 1950 from bomb injuries; 1 523 children were born with severe congenital malformations; there were 200 microcephalic and severely mentally retarded children, and 1 384 with milder congenital malformations; 1 350 to 4 090 cancer victims were among the survivors; and she estimates 1 000 to 21 600 genetically damaged offspring each generation,

after equilibrium, until death of the family line. These figures are simply too convincing to any conscious, thoughtful person. To continue to support the development of the nuclear industry, which provides the build-up of background radiation, is insupportable in the face of this evidence. The blanketing of the earth with radioactivity, which began in 1945, must stop. There is no protection in setting acceptable limits of exposure to radiation. Reducing the level for workers in the industry will not reverse the cellular changes already under way. The long-term effects of the persistent pollution of radiation from premature ageing to alteration of the DNA must be acknowledged by all of us who have the care and protection of our community as a responsibility of office.

Tumors, benign and malignant, fatal or non-fatal, allergies, asthma, and diabetes are more and more in evidence because of the increased environmental pollution, but the damage to sperm and ova must be our primary concern. After all, all the people ever to be born on this earth are now present in the bodies of the living. How much evidence do we need? Sellafield has ten times the national average rate of leukaemia, and five times the incidence of Down's syndrome.

The Hon. M. F. Willis: Where is that?

The Hon. ANN SYMONDS: Sellafield is the new name for Windscale. The British Government undertook a large public relations exercise in attempting to deflect the concerns of people about Windscale, and the name was changed.

The Hon. M. F. Willis: It is in England?

The Hon. ANN SYMONDS: Yes, it is a nuclear power plant. The Three Mile Island statistics reflect Sellafield. I am sure the Hon. M. F. Willis has heard of Three Mile Island.

The Hon. M. F. Willis: I have.

The Hon. ANN SYMONDS: After the Three Mile Island release of radioactivity in 1979, there was an increase in Pennsylvania in the number of children born alive yet dying within a few days of birth—in March, 141; May, 198; and July, 271. There were similar figures for the city of Pittsburgh, about 290 kilometres to the west of Three Mile Island and therefore in the path of the radioactive cloud. In the Magee maternity hospital, the infant mortality rate rose from 14 deaths per 1 000 deaths in March to 31.6 deaths per 1 000 births in May and 30.1 deaths per 1 000 births in July. A further study was conducted on the population in the vicinity of the Big Point reactor on Lake Michigan. The results showed that infant mortality rate was 50 per cent, leukaemia 40 per cent, and the incidence of congenital deformities was 230 per cent higher than the average for the State of Michigan as a whole. Contemplated, it is totally unacceptable. The effects of radiation on the body mount up from one treatment to another. There is so much sound evidence to support the Labor Party's policy determination and legislative response. As well as scientific support, we have the support of the people. In September Gallup polls showed that 80 per cent of Australian people support a nuclear-free Pacific zone, and 57 per cent disapprove of uranium sales to France. Increasing numbers of people understand the significance of the mining and export of uranium.

The Hon. R. B. Rowland Smith: How many people approve of uranium exports *per se*?

The Hon. ANN SYMONDS: Forty-five per cent disapproved—

The Hon. R. B. Rowland Smith: Where are your statistics?

The Hon. ANN SYMONDS: I am happy to share my statistics with the Deputy Leader of the Opposition. Forty-five per cent of the population disapprove of the mining and export of uranium.

The Hon. R. B. Rowland Smith: That is a minority.

The Hon. ANN SYMONDS: It was a majority of the Gallup poll conducted at that time—a margin of only 1 per cent—but it shows the increasing awareness by people of the damage inherent in the industry itself. In 1984 the Anglican Synod said, "No new contracts on uranium".

The Hon. R. B. Rowland Smith: The honourable member should tell that to the South Australian Premier, Mr Bannon.

The Hon. ANN SYMONDS: I do, frequently. In May 1983 the national conference of Catholic bishops, in rejecting the nuclear industry and weapons production, said:

> We are the first generation since genesis with the power to virtually destroy God's creation.

The John Paul II Pontifical Academy of Sciences study on nuclear issues in discussing death, disease and destruction found that prevention is essential for control. That is what makes me so proud of this Government and this measure. This is prevention on behalf of the citizens of this State and Australia. I congratulate the Hon. Peter Cox on his speech when introducing the bill. I urge all members to read it. It was an informed and thoughtful speech. I note his moving statement:

> This is legislation for the people of New South Wales. Let it be clear that this is not legislation designed to serve the interests of government only, or of particular interest groups. This is legislation for the people.

This is democracy in defence of the people, providing a signal of hope for the future to all those who reject the genetic decline and destruction of the human race and will take action to halt the damage now begun. I ask honourable members to consider the words of Bertrand Russell and to be generous and vote in favour of this bill.

The Hon. R. B. Rowland Smith: I am not saying anything.

The Hon. ANN SYMONDS: The honourable member declared he was going to vote against it.

The Hon. R. B. Rowland Smith: I did not say anything of the kind. I said I opposed the legislation.

The Hon. ANN SYMONDS: Faced with this evidence and countless other areas of evidence, there is only one consideration, and that is, as Bertrand Russell said: "Man's continued existence is in doubt". Forget all other things. Forget the rhetoric. Forget petty politics. Remember your humanity and your responsibility to future generations, and vote for this legislation.

The Hon. ELISABETH KIRKBY [12.1]: It will come as no surprise to honourable members that I support this bill. Before I go into my prepared remarks, I should like to make two comments. I remind the Hon. R. B. Rowland Smith that a week is a long time in politics. He has called my party, the Australian Democrats, a spent force. I think he will live to retract those words. It is not unusual for the leadership of political parties to be challenged nor for

members to resign. Certainly the federal leader of the coalition constantly receives exposure in the news media and is constantly under challenge. Nobody is saying at the moment that that makes the Liberal Party-National Party coalition a spent force. So, that is rather a silly way to put the situation. As I said, a week in politics is a long time, and it is possibly eighteen months to the next election. Then we shall see whether the Australian Democrats are a spent force.

I wish to deal now with the first object of the bill, which will prohibit the prospecting or mining of uranium. In spite of what the federal Government has done recently, particularly in relation to the export of uranium to France and its more recent proposal to mine for uranium more freely in Kakadu, the need for Australia either to prospect or mine, and certainly the need for Australia to export uranium, is minimal. I should like to bring some facts to the attention of all honourable members to prove my point. What is the role of nuclear power? Energy is needed for three things: 58 per cent is used for the provision of heat; 34 per cent for the provision of liquid fuel, and 8 per cent for electric-specific tasks. The total primary energy supply in the United Stated of America shows that that country uses nuclear energy for only 3 per cent of its total energy supplies.

Another myth that is being pushed round by the pro-nuclear lobby is that energy is linked to gross national product; that unless nuclear energy is provided, the gross national product will fall. However, that has proved to be totally untrue. Japan had seven years of gross national product growth, averaging 4 per cent a year, with virtually zero growth of energy. The total energy used in the United States of America fell by 3.5 per cent, and it did not affect the growth of gross national product. We also have to consider the cost of nuclear energy. I am sorry that the Hon. John Jobling is not here, because these figures would interest him. In November 1983 nuclear power in the United States of America was costing more than $9,000 a kW delivered. That meant that the consumer was paying 19.8c a kilowatt hour for electricity and that was the cost that would have occurred if that same consumer had used heating oil costing $320 a barrel, which was ten times the actual price of oil which at that time cost $30 a barrel.

It is well known that earlier this year the cost of fuel oil had fallen to $15 a barrel, and that caused a great deal of concern, not only to the Australian Government but also to the Government of Indonesia, because its oil export is based on the fact that if the cost of oil falls below $19 a barrel the country is in big trouble. The power utility providing nuclear power has to spend more than $90,000 to provide the electricity to heat a house, and in many cases that is more than the cost of the house. That is why nuclear reactors are going broke. Since 1978 100 reactors in the United States of America have been cancelled, and that includes all reactors ordered since 1974. I shall mention the names of the nuclear reactors cancelled: Shoreham, New York; Marble Hill, Indiana; Trojan, Oregon; Seabrook, New Hampshire; Midland, Michigan; Zimmer, Ohio; Byron, Illinois; Limmerick, Pennsylvania, and four reactors in the State of Washington.

If one looks at their projected cost, one finds that originally the reactor in Shoreham, New York, was to cost $240 million. Then it was discovered that it would cost $4 billion for one reactor. As the Hon. Bob Rowland Smith has pointed out, some European countries use more nuclear power for electricity than the United States of America. In the United States of America nuclear power constitutes only 12 per cent of all electricity—a small proportion of total

energy needs. In France, nuclear power constitutes 27 per cent of electricity generation, but it is still a small fraction of the total energy, and the French system is now $19 billion in debt. In Sweden 78 per cent of the population voted in 1980 to phase out all nuclear reactors in the next twenty-five years. In West Germany no reactors have been ordered since 1975—over ten years ago.

I turn now to the second object of the bill, which will prohibit the construction or operation of nuclear reactors and other facilities in the nuclear fuel cycle. Nuclear reactors have two products: heat, which is used to make steam for electricity, and plutonium, which can be used for bombs. In 1982 the Western world's nuclear reactors produced 219 tonnes of plutonium. Of that, 44 tonnes was separated and ready for immediate use, while 175 tonnes remained in reactor waste awaiting separation. That 44 tonnes of plutonium is enough to produce between 5 000 and 20 000 nuclear bombs, and the 175 tonnes still waiting is enough for between 22 000 and 88 000 nuclear bombs. Those figures apply to the plutonium produced in 1982 alone, and they will be replicated every year subsequently until nuclear power is phased out.

There are alternatives. The alternatives to nuclear power are not favourable simply in comparison to the disastrous economics of nuclear power; they are more favourable when compared with any large centralized source of power generation—and market forces themselves have determined that two technologies are better: energy efficiency improvements and renewable energy sources. With no government assistance, and despite great obstacles put forward by the United States of America, renewable energy sources constitute 7 per cent of the United States' total primary energy supplies. That is the fastest growing sector, and is supplying twice as much now as nuclear energy. Compare that with nuclear power. After thirty years, during which time the atomic energy companies in the United States received $40 billion in government subsidies, nuclear power provides only 3 per cent of United States total primary energy supplies.

However much I welcome this legislation in order to protect the health, safety and welfare of the people of New South Wales and the environment in which they live, I wish that the Government had gone even further and included in the legislation a provision to prevent the passage of nuclear weapons into the waters and air space of New South Wales. Australians, particularly those in New South Wales, are very well aware that nuclear weapons enter our ports on both British and United States ships. Recently the USS *Missouri* carried Tomahawk Cruise missiles into Sydney Harbour.

The Hon. R. B. Rowland Smith: How do you know?

The Hon. ELISABETH KIRKBY: The Tomahawk Cruise missile is the most dangerous weapon ever brought to an Australian port.

The Hon. R. B. Rowland Smith: How do you know they carried those missiles?

The Hon. Ann Symonds: What did the Hon. R. B. Rowland Smith know about it?

The Hon. R. B. Rowland Smith: I did not say anything about it.

The Hon. ELISABETH KIRKBY: If they had not been on the USS *Missouri*, the American Government would have been very happy to say that they were not. It is well-known that the federal Government supports visits by nuclear armed ships; so does, in fact, the State Government. So it is not

surprising that this piece of legislation specifically provides for those visits. Also, the bill will allow aircraft to carry nuclear weapons through Australian air space and on to Australian airfields. I wish also there had been in the bill a provision that banned the export of uranium from New South Wales ports, and I shall explain why. We are already supporting the French nuclear weapons industry through our shipment of uranium overseas. Our uranium should be kept in the ground; but, because of actions by the federal Labor Government, it is being shipped overseas. Let me tell honourable members what happens.

Australian uranium is shipped nominally to Finland. The end use is in Finland, but the uranium does not go directly to Finland; first it goes to France. It is shipped from Australia to France as yellowcake. The French break it down into uranium hexafluoride and it is then shipped to the Soviet Union for enrichment, where it joins the total pool of uranium. That is a book entry. Our uranium, with the knowledge of the federal Government, then goes to the Soviet Union, where it disappears into an enrichment plant. We then receive back a certain amount of uranium—which is probably mostly Russian, for it has to be mostly Russian on the statistics—and then it is sent to Western Europe for processing into fuel rods. Ultimately, it ends up in Finland. This is uranium 235.

But what about the tails, the residue? That gets shipped back to France. I repeat, uranium 238 gets shipped back to France. Australia has shipped 159 000 kilograms of uranium to France. What is that used for? It is used as blankets in fast breeder reactors for the production of plutonium. The French have already admitted that France depends on its fast breeder reactors for the production of its nuclear weapons arsenal. It is that nuclear weapons arsenal that is being tested in the South Pacific, and which is causing the genetic abnormalities mentioned by the Hon. Ann Symonds—and we are part of the chain that is providing it.

The French have admitted that they plan to build 600 more nuclear weapons in the next ten years. Is it not curious that those fast breeder reactors produce sixty weapons a year—and sixty times ten is 600. So the Super Phoenix reactor in France will be used to produce nuclear weapons, and those nuclear weapons will be tested at Mururoa. We shall knowingly have been involved in that, and we shall knowingly be adding to the difficulties of genetic abnormalities in our Pacific neighbours. Is it any wonder then that my party believes that the Pacific should be a nuclear free zone. That would mean not only keeping out United States ships and opposing weapons testing by the French, but also keeping out USSR ships. We do not give preference to the USSR, whatever the Deputy Leader of the Opposition might say.

The Hon. R. B. Rowland Smith: Then why did you say that?

The Hon. ELISABETH KIRKBY: I did not say that we—

The Hon. R. B. Rowland Smith: Do you deny you said that in your speech?

The Hon. ELISABETH KIRKBY: I do not deny that. But I said that as far as the South Pacific is concerned, at this time the United States of America is a greater threat to the South Pacific than the Russians, and that is true. However, there is another route by which Australian uranium goes to France. It is through a contract with the West German firm RWE. I am sure that this is no surprise to the federal Government or anyone in the federal Government; but it may be a surprise to the people of Australia. That West German firm has

an 11 per cent interest in the Super Phoenix and has also a commitment to provide 11 per cent of the plutonium for the initial fuel assembly, and uranium for the outer blanket for plutonium production. That information can be easily obtained from Energy Resources of Australia.

The Government claims that the Super Phoenix fast breeder is safeguarded, the Government hopefully believing that that will thus prevent military use of the plutonium. But at no stage, under constant questioning from my federal colleagues, has the federal Government categorically said that France cannot use tails from Australian uranium for plutonium production in its fast breeder reactors. It has said that that has not been the case so far, to the best of its knowledge—to the best of its knowledge! I ask honourable members, what sort of weak and wishy-washy reply is that. It cannot guarantee that this material has not already been used in French weapons that have been tested in the Pacific at Mururoa. Of course, France is not even a signatory to the Nuclear Non-Proliferation Treaty which, weak as it is, still delights the heart of Senator Sir John Carrick, who is a senior federal member of the Senate and colleague of the Opposition in this place and federally. The reason for France doing so is quite simple.

France accepts what it calls the "proportionality principle"—not the contamination principle in safeguards and agreements. This is very important. That means that if 10 per cent of the U238 fuel blanket in the Super Phoenix is Australian, and we have stipulated that it cannot be used for weapons, France will simply set aside 10 per cent of the reprocessed plutonium 239 and use the remainder for nuclear weapons. The same thing happens if we send France uranium which we stipulate may not be used in its Super Phoenix. France will then liberate its own uranium, or uranium from other sources, and use that for nuclear weapons. So, to say that Australia is not participating in the French nuclear weapon effort and the making of more nuclear bombs is simply to misguide the public. So Energy Resources of Australia is supplying uranium to a company that is assisting the French bomb programme, and that is why that contract should be stopped.

The only way to ensure that our uranium is not used in bombs, whether that uranium comes from Kakadu, Roxby Downs or, in the future under a coalition government in this State, from New South Wales, is not to mine it in the first place. France's intentions regarding the Super Phoenix reactor are in violation of article 6 of the Nuclear Non-Proliferation Treaty. The Australian Government has signed that treaty and it pins all its hopes on it. Article 6 commits nuclear weapons states to disarmament. France is in violation of the spirit of our bilateral safeguards agreements, weak though they are. We are committed to article 6, and therefore we are committed to disarmament. We are committed to the spirit of these bilateral safeguard agreements. Under the terms of the agreements that we have signed, waste from the uranium we export should be returned to us. We should cease sending uranium from Australia to France or anywhere else; it should be left in the ground.

The Hon. F. M. MacDiarmid: They would get it from South Africa then.

The Hon. ELISABETH KIRKBY: The heroin pushers put forward exactly the same sort of argument. They say that if they do not push it, somebody else will. They say that, therefore, it does not matter that they are causing the destruction of thousands of young people. That is a totally immoral argument. For the time being at least, the Government of New South Wales is ensuring by the passage of this legislation, until it is repealed, that the uranium

will remain in the ground. We do not want happening in New South Wales what happened recently in South Australia. Recently a document from BP Australia was leaked. It carried the signature of Bob Ritchie. Mr Ritchie is in the strategy development department of that company. Under the heading "Minerals—Major Issues, Olympic Dam Uranium Sales", that document states:

> With an estimated start-up date of October, 1988, efforts are continuing to negotiate sales with Taiwan and France. We have approached the Department of Trade for their approval to commence negotiations with both these countries. The main issues are—

I remind honourable members that this is from the BP document under the signature of Mr Ritchie:

> —we will need an intermediary to sell to Taiwan because it is not a formal member of the Non-Proliferation Agreement. A proposal on how we intend proceeding with this customer is awaiting approval by the Federal Government.

It appears that BP is expecting the Hawke federal Government to approve its proposal to get around the non-proliferation treaty. I do not know how that will be received by the forces in the Labor Party who are opposed to the mining and export of uranium. Mr Ritchie went on to say:

> Olympic Dam Marketing has approached the Department of Trade for approval to negotiate sales with France.

A few minutes ago a member of the Opposition—I think it was the Deputy Leader of the Opposition—made some derogatory remark about South Australia's Premier, John Bannon. However, upon this letter becoming public knowledge, the Premier of South Australia restated his opposition to uranium sales to France. It appears that, should those sales go ahead, the sale of South Australian uranium will have to be negotiated with Mr Bannon separately. Mr Ritchie went on to say:

> If sales are negotiated, there will also be a reopening of the public debate within the ALP and in the community on this issue.

That is the understatement of the year, because I can imagine the reaction of the anti-mining lobby if sales are negotiated. Mr Ritchie stated finally:

> The decision to withdraw the ban on uranium sales to France is almost definitely a forerunner to a general freeing up of current restrictions on the number of uranium mines allowed to export. Main pressure is from Pancontinental. This debate should hot up in 1987 with an announcement likely during 1987.

I am certain that the debate will hot up. I know that my federal colleagues, in particular senator Norm Sanders who provided me with all this information, will be in the forefront in the federal Senate of that hotted up public debate. I hope that with the introduction of this legislation BP and other companies will understand that the present restrictions on the mining and prospecting for uranium in New South Wales will not be freed up. Once this legislation is passed, uranium in New South Wales will not be mined or available for export. I support the bill.

Reverend the Hon. F. J. NILE [12.25]: I wish to express a number of reservations about the Uranium Mining and Nuclear Facilities (Prohibitions) Bill. My first and most obvious reservation is that the Parliament is legislating for future generations. No Parliament should have the right to bind future generations without knowing what the future holds or what will be the future power requirements of the State or the nation.

The Hon. B. H. Vaughan: It could be repealed.

Reverend the Hon. F. J. NILE: The honourable member interjects that it could be repealed. The point about this measure is that it is very much an ideological piece of legislation. It makes it difficult for a future government to perform its functions. It would be required to repeal the bill, and thus generate public debate on the matter. It is a political weapon that will make the task of future governments difficult. As there are no plans to mine uranium, the legislation is unnecessary. It is wrong for those who have already taken part in the debate to deliberately and, I believe immorally, link the legislation with the fear of the use of nuclear weapons in a war. That has nothing to do with the legislation. The Minister and other honourable members who have spoken in the debate referred to that matter. That seems to be part of the emotive debate on the peaceful use of nuclear power. Even though the Chernobyl disaster was mentioned by the Minister in the other place, the bill is not related to that matter. Everyone condemns the fact that innocent people suffered as a result of the disaster. What happened at Chernobyl is a result of the policies adopted by the Union of Soviet Socialist Republics. The Soviet Union demonstrates a lack of care for its workers, its citizens and those who live near the Chernobyl reactor.

The Hon. Ann Symonds: What about Three Mile Island?

Reverend the Hon. F. J. NILE: What happened at Chernobyl is an illustration of what a communist government does. It has been reported that the authorities in Chernobyl compelled workers—I understand that they were mainly workers from the Baltic nations—to take part in the cleaning up process following the Chernobyl disaster. Those workers knew about the radiation in the atmosphere and they knew that the longer they stayed there the more they were putting their lives at risk. It has been reliably reported that a number of those workers objected to being required to do that work. The Soviet authorities, employing their usual methods of solving industrial disputes, shot those workers. At least twelve workers were shot. The honourable member may laugh, but that information has been authenticated. It has not been denied by anyone, including the Soviet Union.

The Hon. Ann Symonds: It should be condemned.

Reverend the Hon. F. J. NILE: It should be condemned. The honourable member laughs at the fact that workers—she is supposed to represent the workers—were shot for being concerned about their health; they were at risk of dying from radiation. Earlier the Hon. Ann Symonds interjected about the peaceful use of nuclear power in the United States. I make the point that there is always a risk of an accident occurring if the best technology and the best regulations are not employed. That applies in every situation. No one is suggesting that in the future some country should throw up in some ramshackle way an unsafe nuclear power plant. No one would do that, much less those responsible for the project. If in the future a proposal were put forward similar to that put forward in respect of Jervis Bay, obviously such a proposal would incorporate the most rigid safety precautions and the most advanced technology in order that the power was produced in the safest possible way.

The Hon. Ann Symonds: There is no perfectly safe method.

Reverend the Hon. F. J. NILE: The Hon. Ann Symonds is a typical representative of those who support the bill. I believe the introduction of the bill is part of a highly organized campaign against the development of the

peaceful use of nuclear energy and mining of uranium. Interestingly, that campaign is mainly, if not solely, conducted in the highly industrialized western democracies. There has been unrest in the United States of America about the use of nuclear power. That unrest is exhibited in the introduction of this bill. I have said that I do not support what the Soviet Union has done. However, I believe concern about the development of the peaceful use of nuclear energy is stage managed and organized in the west, but not in any of the communist countries. I shall read to the House a statement made by a leading Soviet scientist which reflects the Soviet Government's attitude. Obviously a bill such as that now before the House would never be passed by the Supreme Soviet in Moscow.

The Hon. Ann Symonds: Thank God we live in a democracy.

Reverend the Hon. F. J. NILE: But is the democracy being manipulated by anti-democratic forces? Dr B. A. Semenov, is the deputy director-general of the International Atomic Energy Authority, and the leading Soviet expert on nuclear matters, and he has said:

> The Soviet Union considers nuclear power one of the most important energy sources and a part of the long term solution to the problem of fuel and power supplies.
>
> In 1981 the 26th Party Congress decided that almost all growth of electricity production in the European part of the U.S.S.R. should be achieved by the construction of nuclear powered and hydro electric plants . . . The extension of nuclear power to central heating is considered one of the most important tasks in the solution of fuel and power problems.

So there is a double standard. In quoting these authorities, I emphasize that I am totally opposed to the communist ideology. I am seeking to show the double standard that applies when the left, particularly the socialist left, promotes this type of legislation.

The Hon. Ann Symonds: The honourable member should tell that to the Minister for Energy.

Reverend the Hon. F. J. NILE: Ministers introduce legislation that reflects their party's policies, irrespective of whether those policies correspond with the Ministers' views. Dr Andranik Petrosyants, former chairman of the USSR State Committee for Atomic Energy said, and the Hon. Ann Symonds should bear this in mind:

> Recall the resistance offered to every major step forward in the past history of civilisation and technological process to the steam engine, the internal-combustion engine, electricity, the telegraph and radio, not to speak of the airplane. Yet none of the past technical innovations is in any way comparable to the revolutionising effect which the utilisation of the energy of the atom has on our life . . . . . if there was the slightest danger to the population neither our country nor the other socialist countries would build atomic power stations, however advantageous they might otherwise be . . .
>
> My optimism stems from faith in the progressive forces of humanity. I am certain that the release of the immeasurable energy stored in atom and its harnessing to serve man will give an added spur to a joint world wide search for ways and means of ensuring a peaceful future for our planet and the progress of our entire world community.

I am puzzled why the Hon. Ann Symonds does not applaud those sentiments. Reference has been made in the debate to the link between nuclear weapons and the threat of war. Nobody wants to see a war, whether with nuclear or conventional weapons. Conventional weapons kill just as certainly as nuclear weapons. In examining the subject of nuclear energy there appears to have been a blending of groups that advocate environmental concerns—no one would

criticize any genuine concern for the environment—political opportunism, and distrust of authority and scientific professionalism. Those groups have managed to persuade the Government to introduce this bill. Honourable members on the Government side know that the bill is not necessary, but is merely legislation for the future. The Hon. B. H. Vaughan said that, if necessary, the legislation can be repealed, but I question the validity of passing a bill with the idea of later repealing it. Apparently these groups refuse to concede the goals of national development and true environmental awareness and concern can go hand in hand. Dr Leslie Kemeny of the University of New South Wales said:

> Worse still, they—

That could be the Hon. Ann Symonds, the Hon. Elisabeth Kirkby representing the Australian Democrats, and other groups:

> — will not recognise that the maintenance of civilisation depends on the delicately tuned ecology of energy and that, at the present time and for the foreseeable future, there appears to be no viable alternative to the nuclear fuel cycle.

A rash of anti-nuclear organizations have been formed, including Friends of the Earth, Moratorium against Uranium Mining, Campaign against Nuclear Energy, and many other environmental organizations. Some have links with clubs, trade unions, political groups and student groups. There has even been a statement made by the Uniting Church, though not all of its members would agree with it. Clearly, many community groups are being influenced, and even infiltrated, by the anti-nuclear, anti-uranium point of view. By their propaganda, these groups stir up emotions in order to put forward their views. Some of the members who have spoken in the debate today have attempted to make this an emotive issue.

Many countries throughout the world are experiencing an energy crisis. Australia is fortunate not to be in that situation. However, many nations, including the socialist countries, have had no choice but to adopt the peaceful use of nuclear energy. Originally there was support for the peaceful use of nuclear power. Why then has that support decreased? As is evident from some of the remarks made in the debate today, some groups, in advocating their complex and emotive anti-nuclear campaign, have failed to acknowledge the positive aspects of nuclear power. One finds in that campaign a mixture of pseudo science, politics, counter-culture and anti-establishmentarianism. Significantly, though these groups are active in western societies, they do not exist in eastern countries. The groups are undermining the peaceful use of nuclear energy power and mining. For instance, I believe the anti-nuclear movement is a front for the communist ideology. That movement consists of people who are opposed to the use of nuclear power, and people who oppose its use only in western countries. The latter element preserve the right of the Soviet Union to proceed to full nuclearization, arguing that in socialist countries those who manage the power are incorrupt, and therefore there is no threat from its use.

When questioned about the extreme dependence of socialist countries on the peaceful use of nuclear power, a prominent anti-nuclear leader in Australia said, "to be perfectly honest, we are not against the use of nuclear power *per se*; we are against the capitalist use of nuclear power. No one is against socialist use of nuclear power, it is the capitalist use of it to which we object". That is what lies behind the bill. That is why there is no similar legislation in the Supreme Soviet, in Moscow. It is a development of what the anti-nuclear lobby sees as free enterprise. It says that nuclear power is

dangerous, but their motive is political. It wishes to undermine our development and keep us tied to an agrarian culture. Socialist countries are expanding rapidly, their industries growing, becoming nuclearized and powerful.

Although the Soviets believe nuclear power is necessary, safe and cheap, they seek to deny those benefits to the Western World. A month ago, at a press conference in Queensland, Prime Minister Hawke was asked whether he believed Communist or Soviet influence lay behind the anti-nuclear movement. He said, "Yes, of course". He was correct. He discerned the movement as a politically-based campaign, and the nuclear power issue as simply a front. In modern society much concern has been expressed about the work of scientists, some well-based. Scientists should not have free rein, but should be given ethical guidelines, as was suggested in the debate on *in vitro* fertilization. Similar guidelines should be offered for other scientific investigation. But some people are creating what amounts to a fear of the scientific community, throwing up suspicions on the motives of scientists.

Our universe and galaxy, wide as they are, draw us to the conclusion that our world is a space ship. We are passengers on Spaceship Earth. We shall have possibly eight billion passengers within forty years. How shall we then maintain minimum standards of nutrition, housing and clothing for those people? Nuclear energy, rather than something to be feared, is a gift from God, a provision from God to be used for our good and welfare. Obviously, nuclear power can be abused. This is proved by the simple example of nuclear missiles. But the fact that nuclear power can be abused should not frighten us from using nuclear power peacefully. I have not been involved in the nuclear debate, but I believe nuclear power is a direct provision from God the Creator. God is all-knowing. He knows the hearts of men and the conditions of nations and governments. It is no surprise that the world is running out of supplies of oil and coal, but the world will not come to a standstill. As we find need for a new energy source we find God has provided us with it, the peaceful use of nuclear energy.

The Hon. Judith Walker: You are turning me off God.

Reverend the Hon. F. J. NILE: The Hon. Judith Walker said that this might turn her off God, but many of the scientists who have worked on these projects have done so because of their belief in God. God has been their motivation. A visitor to the Cavendish laboratory at the Cambridge university would find, engraved above the entrance foyer, words appearing in Psalm 111:2, "The works of the Lord are great, sought out of all them that have pleasure therein". Visitors to the Royal Society of Science in London would find words from another psalm emblazoned across the entrance, "The heavens declare the glory of God". Honest scientists are not frightened by these energy sources. They can be used with necessary safeguards and exploitation and abuse can be avoided.

Perhaps more than any other member of this Parliament I have spoken of exploitation and abuse. An innocent, neutral product can be abused. Dynamite can be abused. Dynamite can be used either to blow up the Turkish consulate in Melbourne or to prepare the way for a freeway. The item is neutral; it can be used for good or evil. Uranium and nuclear energy are also neutral items, available for use either good or evil. That is all the more reason why we should face the matter realistically and ensure our safeguards prevent exploitation. History has shown that when the people of Spaceship Earth needed a new form of energy or some other development, such as the printing machine

for books, television or computers, the ideas of God are released in the minds of men to benefit creation. Such inventions could not have been introduced 4 000 years ago during the Egyptian era, at the time of the Pyramids, but they can and are being introduced today. Is it an accident, or is it part of God's creative purpose for this universe? I believe this energy source is the direct provision of God our Heavenly Father to meet the needs of His creation, and we should not be frightened of it, even though it must be handled carefully.

During the Industrial Revolution of England the Luddites wished to stop industrial progress. They buried their heads in the sand. Today there are those who wish to stop the nuclear energy revolution. They ignore the magnitude of the energy problems that will face humanity in future generations. Today the problem is not so great, for we have other fuel resources available. Other speakers have suggested we should depend more on coal, and sources of energy obtained from wind and water. These latter forms of energy are most expensive. That is the main problem with these airy-fairy ideas of using wind, water and sun to provide energy.

What has not been mentioned is the number of deaths that have occurred as the result of the use of coal and the consequent pollution of the environment by acid rain; the death of forests. These catastrophes have come about not by the use of nuclear energy but through coal plants. Again members on the Government benches are silent in the face of these statements. We have nothing to fear as we face the future, but we should not bind future generations from using nuclear energy. A leading scientist who was also a minister of religion, Dr William Pollard of Oak Ridge, Tennessee, in the United States of America, in a paper dealing with the use of nuclear energy, stated:

> Nuclear energy is the universal, common, and natural kind of energy in creation as a whole. Indeed, the other forms of energy are all derived from it. All the wood, coal, oil and gas man has ever burned came from our natural nuclear power plant, the sun, through photosynthesis—so too with water power and wind power. Without realising it until this century, we have really been dependent on nuclear energy all along. Now that we have begun to generate electricity directly in nuclear power plants of our own design and construction, we are merely tapping directly the universal energy source for all of creation that previously we have used only indirectly and derivatively.

We have nothing to fear. In the middle ages a debate took place as to whether metal should be used. Had that debate been won we would not have had a metal workers union or a Broken Hill Propriety Co Ltd, or our secondary industry in Australia. In 1556 the philosopher Agricola entered that debate. What he said then can be applied to this debate about the use of uranium and energy for peaceful production of power, and fits what has been said by the Hon. Ann Symonds:

> . . . those who speak ill of the metals and refuse to make use of them, do not see that they accuse and condemn as wicked the Creater Himself, when they assert that He fashioned some things vainly and without good cause, and thus they regard Him as the Author of evils, which opinion is certainly not worthy of pious and sensible men.

I oppose the bill.

The Hon. M. F. WILLIS [12.50]: I shall not delay the House long. I regard this legislation as a combination of futility, humour, and a pathetic effort by this Government to achieve something beyond its jurisdiction. I fail to understand why legislation as urgent as this is to be dealt with on what I believe will be the last day of these sittings. It behoves the Labor Party to get its policy act into gear about the use and export of uranium before the New South Wales

Government, for whatever reason—and it is a mystery to me—seeks to introduce legislation of this type.

The Hon. J. R. Hallam: Will the honourable member vote against it?

The Hon. M. F. WILLIS: Bear with me. It is pathetic and humorous legislation. It is an exercise in futility. Nothing offends me more in the parliamentary process than to see such legislation as this being solemnly introduced and passed through the legislative process and finally enacted into law. To begin with, into the far and foreseeable future we will have no use for uranium in New South Wales. That matter has been addressed in this debate. Therefore, we do not have to prospect or mine for that mineral. Also, at the State level there is no need to construct a nuclear reactor. The starting cost of the smallest nuclear commercial reactor for the production of energy is so great that it is beyond the financial capacity of the State; it would have to be undertaken by the federal Government. If the federal Government wanted to construct a reactor, there is nothing in the constitutional laws of this land that would prevent its doing so, no matter how much legislation this Parliament passes. What an absurdly futile suggestion, that this legislation will prevent that from happening if at any time the federal Government decides to do so. The nuclear deterrent has been mentioned in this debate. It really has little or nothing to do with the legislation. I remind the Hon. Ann Symonds that the precarious peace the world has enjoyed since World War II has been almost entirely due to the western alliances nuclear deterrent.

The Hon. Ann Symonds: I do not deny that.

The Hon. M. F. WILLIS: If that alliance had not existed, probably Australia and all of western Europe would now be under the yoke of communism.

The Hon. Ann Symonds: Does the honourable gentleman think he is telling me something I do not already know?

The Hon. M. F. WILLIS: The argument of the Hon. Ann Symonds seems to be contrary to the acceptance of the value of nuclear deterrent. I have a certain amount of sympathy for the remarks of Reverend the Hon. F. J. Nile. The anti-nuclear and peace movement that pervades the world today has the hallmarks of the sinister communist peace movements of the 1920's and 1930's, which infected the intelligentsia of England, of Oxford and Cambridge universities, and subsequently led to the betrayal of that nation by those who were educated in those institutions. Similar hallmarks exist with the present day peace movement. I for one have more inclination for the real needs for peace in this world than most other members in this Chamber, except perhaps those of sufficient age to have served in World War II. Probably I have more knowledge of the potential horror of war than most members of this House. Peace will not be achieved by the type of peace and anti-nuclear nonsense that we have heard in this House today.

The Hon. Marie Fisher: Nor by the Army Reserve.

The Hon. M. F. WILLIS: I witnessed the effects of war in Vietnam, madam; you did not.

The Hon. J. R. HALLAM (Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council) [12.54] in reply: This measure will be recognized in Australia and overseas as enlightening legislation. It demonstrates to the community that this Government is

concerned and has a conscience. It is nonsense to suggest that the legislation is irrelevant. Substantial areas of New South Wales show potential for commercial quantities of uranium. The Minister for Energy and Technology has revealed the locations that show potential—the Mundi Mundi area, the Murray Basin, and the New England district. Reverend the Hon. F. J. Nile has suggested that we should have no fear of uranium. What an extraordinary statement. In Arizona, 250 Minute Men line up daily to target the world. Weapons are at the ready in the United States of America and nuclear submarines are cruising the world armed with nuclear warheads.

The suggestion of the Hon. M. F. Willis and Reverend the Hon. F. J. Nile that the world peace movement is a left-wing communist conspiracy does not balance squarely when one bears in mind who the leader of the peace movement is. He is the most highly decorated officer of the United States of America. He received of the order of eleven purple heart decorations in Vietnam. He is Lieutenant-Colonel David Hackworth. He is an idealogical conservative. Others such as Admiral Noel Gaylor and General Gerard Bastion are prominent in the movement. When I was convinced of the cause of the peace movement I listened to a speech of Dr Bill Hollicott. When I asked him the source of his extraordinary information he said that the source of his information were the American defence forces and those in command of nuclear submarines. It is absurd for Reverend the Hon. F. J. Nile and Brigadier Willis of the Army Reserve—and I respect him for that office—to imply that those involved in the peace movement are members of a naive left-wing conspiracy.

A nuclear winter is the greatest threat to our planet. A limited nuclear war conducted in the northern hemisphere would lower the temperature of our planet by as much as 10 degrees and turn summer into winter. Those who evolved this theory were scientists from Russia and America. To suggest that we have nothing to fear, and just to trust in God, is nonsense. The uranium that is found in New South Wales could end up in Pakistan or Libya if mined and exported. Nuclear warheads could be manufactured from it. The Hon. P. F. Cox, the Minister for Energy and Technology, could hardly be described as naive or left-wing.

Reverend the Hon. F. J. Nile: He is a Minister of this Government.

The Hon. J. R. HALLAM: Yes, he is a Minister of this Government.

Reverend the Hon. F. J. Nile: He introduces Government legislation.

The Hon. J. R. HALLAM: He does. And it is unanimous legislation that was announced by the former Premier. Nations such as Sweden have made important decisions about nuclear weapons. I regret that because of time constraints I cannot develop extensively the major responses I had intended. The contribution of Reverend the Hon. F. J. Nile demonstrated his naivety; at least now honourable members are aware of his party's policy in this regard. I challenge members of the Opposition to vote against this legislation, if they have the courage to do so.

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

The House divided.

Ayes, 20

Mr Brenner	Mr Hallam	Mrs Kite
Mr Dyer	Mr Hankinson	Mrs Symonds
Mr Egan	Mr Healey	Mrs Walker
Mr Enderbury	Mr Ibbett	Mr Watkins
Mrs Fisher	Mr Kaldis	*Tellers,*
Mr French	Mr King	Mr Garland
Mrs Grusovin	Miss Kirkby	Mr Reed

Noes, 16

Mr Bull	Mr MacDiarmid	Mr Rowland Smith
Mrs Chadwick	Mr Matthews	Mr Willis
Mr Doohan	Revd F. J. Nile	
Mrs Evans	Mr Percival	*Tellers,*
Mr Jobling	Mr Philips	Mrs Bignold
Mr Killen	Mr Samios	Mrs Jakins

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

[*The President left the chair at 1.9 p.m. The House resumed at 2.30 p.m.*]

QUESTIONS WITHOUT NOTICE

NEWCASTLE WEST CHILD SEXUAL ASSAULT

The Hon. VIRGINIA CHADWICK: I ask the Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council, representing the Minister for Youth and Community Services and Assistant Minister for Ethnic Affairs, a question without notice. Two days ago in Newcastle West was a 16-year-old youth apprehended in the men's toilet of a city store molesting and attempting to murder a 4-year-old child by choking her with her own panties? Has the same 16-year-old been charged with similar offences at least twice previously? Was one case of molestation accompanied by broken fingers, deliberately bent until they broke? Did another case involve an elderly woman and the threatened use of a knife? Given that this juvenile is only 16, will the Minister explain why this juvenile was at large and therefore in a position that allowed the current alleged offence to occur—the offence resulting in charges of sexual assault and attempted murder?

The Hon. J. R. HALLAM: I am unaware of the details raised by the honourable member. I shall have the matter referred to my colleague for due consideration and reply to the House accordingly.

NECROPOLIS ACT

The Hon. R. D. DYER: I ask the Minister for Agriculture, Minister for Lands, Minister for Forests and Vice-President of the Executive Council, to inform me and the House when amendments to the Necropolis Act, which were passed this week by the Parliament, will be proclaimed. Will he further inform me of the ramifications these amendments will have for the citizens of New South Wales?

The Hon. J. R. HALLAM: I thank the honourable member for his question. I remind the House that the amendments to the Necropolis Act just passed by this Parliament dealt with two main areas. The first dealt with amendments relating to the management of the cemetery, and will commence on a date to be proclaimed. Before this, however, there will need to be nominations called for the appointment of new trustees and arrangements made for the appointment of new trusts. The task of administering the Necropolis Act is not an easy one, and the trustees are all volunteers. Some of the existing trustees will not be eligible for re-appointment by reason of their age. I would like to take this opportunity of placing on record the Government's appreciation of their efforts.

The second issue dealt with a variation to the terms of the crematorium site lease. I inform honourable members that the new measures will come into effect on the assent to the bill by His Excellency, the Governor. The Government believes that with the fullness of time, and a greater knowledge within the community of the changes, the ramifications of the amendments will have significance beyond that presently understood. As honourable members will be aware from the changes just introduced, the Joint Committee of Necropolis Trusts will now be in a position to receive a fair and just fee from the lessee. During the debate in this House I pointed out that the lessee company was controlled by certain individuals, and their nominees. Since then, I understand that those persons have sold their interest in the company—and have walked away with a reported sum of $22 million. Honourable members may be interested in how what began as a non-profit company—a service to the people of New South Wales—has come all this way and ended up by enriching its directors and their nominees to the tune of $22 million.

The New South Wales Cremation Company was originally granted a lease at Rookwood in 1926 for the sum of one dollar per annum. The company took over the crematorium, which had been established by the Cremation Society of Australia. Members of that society were members of the company. The company remained a public company until 1970 when it was taken over by another company known as the Cremation Society of Australia (ACT) Ltd. The company, to induce members of the New South Wales Cremation Company to accept the take over offer, said, and I quote:

> Benefits to the shareholders and to the public are mutual and the most outstanding to the latter comes from the fact that this offer is made by a non-profit company limited by guarantee. This means that, after takeover, no profits will be distributed. There will be no shares issued and profits hitherto distributed as dividends will be applied to development for the benefit of the public.

The takeover was successful, and in the same year the annual report of the Cremation Society of Australia (ACT) Limited stated:

> The society was conceived as a non-profit organisation limited by guarantee and was carried forward by its foundation directors with the express purpose of acquiring the whole of the issued capital of the NSW Cremation Company Limited and thereafter the operations of that company and its subsidiaries wholly for the benefit of the public.

As well the annual report said:

> Your society is unique. So far as your directors are aware it is the only wholly non-profit organisation in the world conducting the whole complex of operations necessary for the disposition of the bodies of deceased persons.

The report went further:

> Your society's objectives cover the prevention of the exploitation of the bereaved and the provision of a service for the benefit of the public.

Since then, the company has changed its articles and its structure, and we now see how much it has benefited the public. It has done this by creating great wealth for certain individuals who assumed control for their own benefit. It is a matter of public importance that the people of New South Wales should know who these individuals were: John Hubert Tuchen, James Arthur Clough, Peter Devenish Meares, Clarence Stewart Hawthorne, Donald Lawson, Michael Andrew Clough, Stephen Joseph Clough, Nicholas Bradbridge Prentice, Margaret Catherine Tuchen, Marcus James Philip Keogh, Clarence Stewart Hawthorne Jnr. They have benefited to the extent of millions of dollars individually.

CONTAMINATED BLOOD TRANSFUSIONS

Reverend the Hon. F. J. NILE: I ask the Minister for Consumer Affairs and Assistant Minister for Health whether it is a fact that in answer to a question of mine some weeks ago the Minister said that $100,000 had been allocated to the mothers' group comprising sixty-four women who had innocently contracted acquired immune deficiency syndrome through contaminated blood transfusions. Is it a fact that this mothers' group has not received any funding? How and when is the $100,000 to be allocated and when will this tragic mother's group receive this financial funding assistance?

The Hon. DEIRDRE GRUSOVIN: I am not aware that that group has not received those moneys. I shall refer the matter to the Minister in the other place and undertake to inform the honourable member as soon as I receive a reply.

DIRECTORY OF UNFAIR TRADERS

The Hon. FRANCA ARENA: My question without notice is directed to the Minister for Consumer Affairs and Assistant Minister for Health. Will the Minister inform the House whether the directory of unfair traders—or the so-called hit list—has been a successful measure to protect the consumers of New South Wales? Is the Minister in a position to update the directory?

The Hon. DEIRDRE GRUSOVIN: I thank the honourable member for her question. I am pleased to be able to answer yes to both parts. Honourable members will recall that the Government has given a commitment to the consumers of this State that the directory of unfair traders would be updated regularly to ensure that timely warnings about the activities of unscupulous businesses were issued. This initiative was introduced in November last year when the first directory listing eleven traders was tabled. The first update of the document saw the list expanded to fifteen traders. I am very pleased to advise honourable members that in the updated document, the list of unfair traders has been reduced to eight.

The Hon. Virginia Chadwick: Let us hope it is accurate this time.

The Hon. DEIRDRE GRUSOVIN: I have ascertained that. This is because seven of those previously listed have ceased operating, no doubt attributable, at least in part, to the fact that consumers had been put on notice about the disreputable way in which they carried on business. A further four traders have so improved their conduct since the last update that it was no

longer appropriate to include them. However, I will have no hesitation in re-listing any trader if it becomes evident that the improved approach to customer relations was transitory only. Similarly, a record will be maintained of those traders who have ceased operating in case their principals turn up elsewhere or recommence trading.

Clearly, the directory has been a success both in warning consumers about unscrupulous business conduct and as an incentive for the traders named to change their business approach to warrant removal. I assure honourable members that this list has been prepared following careful consideration. It is certainly not my intention to adversely comment on traders who do the right thing by consumers but, by the same token, those who do not follow a policy of fair trading and are preying upon innocent consumers, should be brought to attention. Unfortunately, it has been necessary to retain four traders on the list and to add four others.

The Hon. Virginia Chadwick: If the department had exercised extreme caution, they might not have appeared on the list in the first place.

The Hon. DEIRDRE GRUSOVIN: I should have thought that the Hon. Virginia Chadwick, as the Opposition spokesperson on consumer affairs, would be interested in the information I am putting before the House which is aimed at protecting the citizens of this State. Consumers are warned that they should exercise extreme caution in dealing with the following traders: Philip Standish Brooks, formerly associated with Standish and Company Pty Limited; Demtel International Pty Limited; Raymond Edward Garner, formerly trading as the Diet Circle; Hamper Hamper Pty Limited; Identity Kitchens Pty Limited; Brian Patrick Murphy, formerly trading as CVL Pools; Leonard Pretti, trading as Pretti Real Estate; and SMC Homewards International Pty Limited. Three of the traders named are no longer operating under their original business names. They have, however, shown a propensity to bob up with new businesslike ventures, leaving behind them a string of unsatisfied customers and unfulfilled legal obligations. Such abuses of our commercial system will not be tolerated by me and I will not hesitate to expose any incidence of such premeditated irresponsibility. The supportive information contained in the directory reads:

> The Minister for Consumer Affairs has tabled in Parliament this Directory of Unfair Traders as a warning to consumers that they should exercise extreme caution in dealing with businesses named. There is valid concern that these merchants are prone to disregard reasonable principles of fairness in dealing with their customers, in some cases displaying a contemptuous attitude to legal obligations and blatantly flouting the Consumer Protection laws of this State.
>
> In compiling and regularly updating this document from information obtained by the Department of Consumer Affairs and other agencies within the Consumer Affairs portfolio, the Minister intends to protect consumers from the most disreputable and unethical elements of that small percentage of businessmen who pursue profit without due regard to the law or normal ethical standards. Consumers making contact with the Department of Consumer Affairs or the various other agencies in the Consumer Affairs Ministry will be provided with information from the Directory that is relevant to their enquiry.
>
> The prospect of being named in the Directory is a deterrent to those traders who might otherwise consider that there is a strong chance their obligations will not catch up with them. Additionally there is a significant incentive for those businesses named to change their conduct so that their name will be removed. Of course traders are only removed if there has been some manifestation of the changed attitude (e.g., reduced level of complaints, cessation of misleading advertising, redress provided to consumers, etc).

Although traders who have ceased business will also be removed from the Directory at the time of the next update, a record will be maintained of these traders and the identities of the individuals involved in case they recommence trading.

Consumers are warned that they should exercise extreme caution should they decide to deal with the following traders:

Philip Standish Brooks formerly T/as Standish and Co. Pty Ltd.

Demtel International Pty Ltd.

Raymond Edward Gardner formerly T/as The Diet Circle.

Hamper Hamper Pty Ltd.

Identity Kitchens Pty Ltd.

Brian Patrick Murphy formerly T/as CVL Pools.

Leonard Pretti T/as Pretti Real Estate.

SMC Homewares International Pty Ltd.

Mail Order Advertisers

Traders who advertise their products on a mail order basis should ensure that the products are accurately described, sufficient quantities are available to dispatch to consumers within a reasonable time of receiving the consumer's order and that any refund policy is administered efficiently and quickly. Unfortunately some traders appear unwilling or unable to meet these basic standards.

RAYMOND EDWARD GARDNER FORMERLY OF MELBOURNE AND SYDNEY

Raymond Edward Gardner featured in the previous Directory of Unfair Traders through his involvement with The Diet Circle, a Melbourne mail order business which made unsubstantiated weight loss claims about its diet pills. Mr Gardner has been involved in a series of failed mail order businesses promoting products which did not live up to expectations. The Diet Circle alone resulted in over 540 complaints to the Department of Consumer Affairs.

Another of Mr Gardner's companies, Pan Pacific Marketing Pty Limited has been placed in liquidation with no assets to satisfy the claims of consumers or the traders with whom it dealt. More recently Mr Gardner again surfaced, this time in connection with Sydney based Huntington Publishing House, yet another mail order slimming scheme business. Fortunately the operation did not last long before Gardner's involvement was discovered and it ceased business. However it left behind a familiar trail of money owed to suppliers and unsatisfied consumer complaints.

Raymond Edward Gardner has to date eluded authorities in both New South Wales and Victoria, but the public should be alert to the possibility of his starting a new enterprise, particularly in mail order.

DEMTEL INTERNATIONAL PTY. LIMITED OF BALMAIN

This company which was named in Parliament on 15th October, 1986, promotes a variety of products on television including the following jewellery:

A shell based pearl collection costing $39.95,

A cocktail style diamond ring and earring set at $40.00, and

An opal ring and necklace for $40.00.

The Department of Consumer Affairs has received over 100 complaints from consumers against this company concerning such things as misrepresentation of goods, slow delivery and delays in honouring the company money back guarantee. The overall impression created by Demtel's aggressive advertising is that the consumer will receive a product of quality and value. This is not supported by the industry experts consulted by the department who described the items as costume jewellery of minimal value.

HAMPER HAMPER PTY. LTD., FORMERLY OF CHATSWOOD

Television and radio advertisments, particularly before last Christmas, promoted this trader's food hamper product which it claimed to be able to deliver internationally as well as within Australia. Complaints concerned non-delivery and misrepresentations about what the hampers included for prices ranging from $20 up to $450. It is believed this trader is no longer operating. However as the product is seasonal, there is concern that it may reappear, particularly just before Christmas.

Door to Door Selling

The methods and tactics of traders engaged in door to door selling have been one of the most consistent causes of complaints to the Department of Consumer Affairs over many years. Abuses occur not only in terms of the misleading methods used by sales representatives but also from a failure of many traders to comply with the Door-to-Door Sales Act which provides in credit related transactions that consumers must be given notice of their right to cancel a contract within the ten day cooling off period.

SMC HOMEWARES INTERNATIONAL PTY. LTD. ALSO KNOWN AS SMC INTERNATIONAL OF CHATSWOOD

Numerous complaints have been received about the deceptive sales tactics employed by SMC Homewares International. The company employs commission sales agents who peddle sets of saucepans and dinnerware in consumers' homes.

The packages range in price from $1,995 to $3,099 but consumers are told that they in fact are saving thousands of dollars by taking advantage of a once only "1st Call Discount" offer. This is but one of the extravagant claims which SMC International makes about its products.

SMC International advertises daily in the Casual Work Available columns and young people who apply for these positions regularly complain about being "conned" into purchasing the same expensive products. SMC International provides minimal information about its jobs in its advertisements or over the telephone. Successful applicants, of which there are many, need to attend three interviews before they learn the true nature of the work. Most of the complainants received no income whatsoever from their so-called employment.

It is significant that the department previously encountered a similar pattern of complaints involving the associated business, Classic Ware and Salad Master. Despite undertakings by SMC International to restructure its operations, complaints have continued unabated. Consumers and prospective employees would be well advised to have nothing to do with SMC International.

IDENTITY KITCHENS PTY LTD OF QUEENSLAND

Following several prosecutions a Supreme Court injunction restraining the company from breaching the Door-to-Door Sales Act was obtained on 14 March, 1986, by the Department of Consumer Affairs. Although it mainly operates in Queensland, from time to time, the company conducts sorties into New South Wales country regions soliciting orders for kitchen renovations. Excessive commissions for salesmen and high pressure sales tactics are a feature of the company's operations. The company, and its Managing Director, Philip Marco have shown contempt for New South Wales laws and consumers by failing to provide refunds or deposits despite court and Consumer Claims Tribunal orders.

RESIDENTIAL TENANCY

Consumers who are seeking to rent or are current tenants can be in a particularly vulnerable position when there is a tight rental market.

LEONARD PRETTI TRADING AS PRETTI REAL ESTATE OF FAIRFIELD HEIGHTS

This agent was named in Parliament on 14 November, 1985, in connection with complaints received by the Department of Consumer Affairs concerning "lockouts" or illegal eviction of tenants and rent penalty clauses in lease agreements. The agency which has a considerable "rent roll" in the western suburbs of Sydney focussing on Fairfield and Cabramatta, has in the past generated a disproportionate number of complaints in comparison to other similar sized agencies. Although fewer complaints have been received in recent months, there has been no other indication of an improved attitude by this trader.

FAILURE TO COMPLY WITH CONSUMER CLAIMS TRIBUNAL ORDERS

Consumer Claims Tribunals provide a cheap and speedy informal grievance solving mechanism whereby consumer trader disputes are subject to conciliation and if necessary arbitration. Referees are charged with the task of making orders that are fair and equitable to all parties and their decisions are final and binding, except on appeal to the Supreme Court on the grounds of denial of natural justice or excess of jurisdiction. Traders who flout Tribunal orders are ignoring their obligations under the law and demonstrating a contempt for their customers which should be exposed in the public interest.

PHILIP STANDISH BROOKS—CURRENTLY OPERATING AS TELEVID SALES AND RENTALS OF ERINA

Standish and Co. Pty Ltd, a video library operator on the Central Coast, has a long history of complaints and has failed to provide refunds to consumers. The company's Managing Director, Philip Standish Brooks, claims that the business is insolvent and has ceased trading. It is particularly galling for complainants to find that Mr Brooks is now operating a similar business from the same premises at Erina under the name Nebara Pty Ltd trading as Televid Sales and Rentals.

Although Nebara Pty Ltd is said to be trading profitably, Mr Brooks has failed to honour his previous undertakings to resolve complaints and is now denying any liability to customers of Standish and Co. Pty Ltd.

BRIAN PATRICK MURPHY FORMERLY TRADING AS CVL POOLS

During the period March to August, 1986 CVL Pools of Harris Park generated a substantial number of complaints from consumers who had contracted and paid in full or in part for in-ground pools which were never completed. Claims lodged with the Consumer Claims Tribunal resulted in orders which have been difficult to enforce because the principal, Brian Murphy, ceased trading. Despite being the subject of police charges for fraudulent conduct, Murphy, surfaced again in Gosford in November after negotiating an agreement with an established Central Coast business to advertise, supply and install "cheap" pools.

Radio advertisements promoting the product used the name "Pioneer" which is the trading name of a business no longer associated with Murphy and cited that trader's Builders Licence Number without authority. Murphy is not licenced to build pools and anyone dealing with him is clearly taking a financial risk.

Companies Removed From the Directory

Having ceased business

Airway Airconditioning Pty Ltd (in liquidation)

Aussie Gutter

Doug McCoy Management Pty Ltd Trading as Self Reliance

New Age Security System/New Age Enterprises

Property & General Private Sales (NSW) Pty Ltd

Q Promotions/Quality Sales and Marketing

Trump Card (Australia) Pty Ltd (in liquidation)

Shortly after the demise of Trump Card a director of the company saw fit to set up a similar business known as Corporate Privileges Pty Ltd while Trump Card's National Sales Manager was soon established as the principal of HR-Lifetime International which operates in the personal development field. Like Trump Card, both these businesses are variations on the multi-level selling theme.

Others

Adamse Artistic Interior Pty Ltd

This furniture retailer was first named in the Directory on 14th November, 1985. In the update tabled in Parliament on 29th April, 1986 it was reported that despite some

indications of an improved attitude, matters were still outstanding, and further consumer complaints had been received. Since then, however, the company has provided written undertakings as to its future conduct, outstanding matters have been attended to and very few consumer complaints have come to notice.

Bescos Laboratories Pty Ltd

Following its naming in the Directory on 29th April, 1986, and discussions with the Department of Consumer Affairs this promoter of a stop smoking product has provided written assurances that it will maintain adequate stocks and deal promptly with any complaints. In recent months only two complaints have been received by the department which had received 59 complaints in the period January to August, 1986.

Gerald Warren Dank trading as Dial-A-Home

Since this trader was named in Parliament on 29th April, 1986, there has been a marked fall in the number of consumers contacting the Department of Consumer Affairs to complain or inquire about its operations. The trader is now disclosing in its advertising the fee for its service. In correspondence with the department the trader has asserted that it does not enter into contracts with people in disadvantaged circumstances and of limited means whose requirements cannot reasonably be satisfied through its service.

Having regard to these assurances and the drop in the number of consumers contacting the department about the trader, it is considered appropriate to delete the trader's name from the Directory.

Magnamail Pty Ltd./Mailex International

A dramatic fall in the number of complaints received against this mail order trader is evidence of the improved procedures it has implemented following further discussions with the Department of Consumer Affairs and action taken by the Australian Direct Marketing Association.

DIRECTORY OF UNFAIR TRADERS

The Hon. VIRGINIA CHADWICK: I direct a supplementary question to the Minister for Consumer Affairs and the Assistant Minister for Health. Is it not a fact that at least one trader who was on the hit list had not been informed that a complaint had been lodged against him and that he had not been formally investigated by the department? Was that trader then named in Parliament as being a shonkie trader and on the so-called hit list? Has he lodged a formal complaint with the Ombudsman? If this is so, will the Minister assure the House that there is not a similar travesty of justice in this hit list?

The Hon. DEIRDRE GRUSOVIN: I assure the honourable member that I have made sure that the list presented to the House today is accurate. Yesterday I said in this House that as a result of my experience on the privileges committee I understand the responsibility borne by honourable members in naming people in the Parliament as having acted in a deceptive or unfair way towards consumers. Following the production of *Hansard* today the information that the honourable member requires will be available to her.

DEPARTMENT OF YOUTH AND COMMUNITY SERVICES: POLICE INVESTIGATIONS

The Hon. VIRGINIA CHADWICK: I ask a question without notice of the Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council, representing the Minister for Police and Emergency Services. Recently were police called into the head office of the Department of Youth and Community Sevices at Parramatta? What was the reason for this action? Was the reason, as announced to staff, that the police were investigating the source of leaked information? How many members of the force were involved and how many working hours have been occupied in this task? Why was this investigation seen as a police priority?

The Hon. J. R. HALLAM: I have no knowledge of the fact, fiction or otherwise of the details in the question asked by the honourable member. I shall refer the question to my colleague for due consideration.

HENRY DENHAM COMPANIES

The Hon. K. W. REED: I address a question to the Minister for Consumer Affairs and Assistant Minister for Health. Is the Minister aware of the activities of Visa Vacations Pty Limited, Holiday Affair Pty Limited or Mr Henry Denham? Have the companies or Mr Denham operated in New South Wales to the detriment of consumers in this State?

The Hon. E. P. Pickering: On a point of order. Members of the Opposition did not hear the question. Mr President, I submit that we are entitled to hear a question asked by an honourable member. I should think it unlikely that you, Mr President, would have heard the question. The Hon. K. W. Reed obviously has a problem with his voice and he should request a colleague to ask the question for him.

The Hon. K. W. REED: I am happy to ask the question again. I take it that the Leader of the Opposition has a problem with his hearing. I address my question to the Minister for Consumer Affairs and Assistant Minister for Health. Is the Minister aware of the activities of Visa Vacations Pty Limited, Holiday Affair Pty Limited or Mr Henry Denham? Have the companies or Mr Denham operated in New South Wales to the detriment of consumers in this State?

The Hon. DEIRDRE GRUSOVIN: I thank the honourable member for asking this question and for his perseverance in the face of extreme personal difficulty. Holiday Affair Pty Limited or Visa Vacations Pty Limited, as it was previously known, is incorporated and based in Queensland. The company directors are Linda Susanne Jones and Henry Denham. Mr Denham is well known to the Department of Consumer Affairs. The department's annual report for 1983–84 was critical of businesses associated with Mr Denham which failed, leaving consumers who had prepaid for goods and services without anything to show for the money. During 1985, the Commissioner for Consumer Affairs issued a media release warning of the risks associated with promotions by Visa Vacations. The company was also prosecuted for breaches of the Door-to-Door Sales Act, in that it failed to notify consumers of their rights and failed to supply prescribed documentation.

Holiday Affair Pty Limited continued to promote the dubious practice of pre-paying for a service which is to be provided at some future time. Such schemes have an inherent attraction for unscrupulous businessmen who will

seize on any opportunity to enter business with little or no capital. Holiday Affair Pty Limited solicits custom at shopping centres and on a door-to-door basis with offers of free holidays and special discounts. The company concentrated its efforts in Queensland, but unfortunately ventured also into New South Wales. The company has now folded leaving 300 New South Wales consumers with a total loss estimated by the provisional liquidator to be $181,000. The Queensland Consumer Affairs Bureau is investigating and Queensland police are awaiting the liquidator's reports before deciding what action is necessary. Mr Denham has publicly defamed an officer of my department in a scurrilous document circulated to customers of the company. I am advised that the allegations are totally without foundation and are rejected by the officer concerned. The assertion that he is in some way has acted malicously to cause the company's failure is simply not true and is clearly a smokescreen used by Mr Denham to divert attention from his own ineptitude or possible fraudulent dealings. I take the opportunity to reiterate earlier warnings that consumers should avoid dealing with any business associated with Henry Denham.

HEATHCOTE BY-ELECTION

The Hon. E. P. PICKERING: My question without notice is addressed to the Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council, representing the Minister for Police and Emergency Services. Yesterday in this House did the Hon. M. R. Egan accuse the Liberal Party of perpetrating acts of vandalism against itself in its preparation for the Heathcote by-election? Today on radio station 2GB was the Hon. M. R. Egan asked the question, "So, you have noticed concrete evidence then that it is Liberal Party supporters going out and doing it?" to which he replied, "I have seen it being done by Liberal Party supporters with my own eyes"? Has the Hon. M. R. Egan given any precise information to the police to substantiate this amazing allegation?

The Hon. J. R. HALLAM: I recall the Hon. M. R. Egan speaking in the House last night and making assertions about the matters raised by the Leader of the Opposition. I am sure the Hon. M. R. Egan has very sound reasons for making those assertions. He stated them clearly in the Parliament.

The Hon. E. P. Pickering: Has he given them to the police?

The Hon. J. R. HALLAM: I am not aware.

The Hon. E. P. Pickering: Then ask him. Has he given them to the police? The Hon. M. R. Egan remains silent; he has also gone very white.

[*Interruption*]

The PRESIDENT: Order! The Leader of the Government has the call.

The Hon. J. R. HALLAM: Obviously the Hon. M. R. Egan has struck a very sensitive area with the Liberal Party.

The Hon. E. P. Pickering: He has accused Liberal Party members of illegality.

The Hon. J. R. HALLAM: If the Leader of the Opposition wishes to pursue the matter further, I suggest he take it up with the Hon. M. R. Egan.

ETHNIC COMMUNITIES COUNCIL EDUCATION OFFICER

The Hon. J. M. SAMIOS: I ask the Minister for Agriculture, Minister for Lands, Minister for Forests and Vice-President of the Executive Council, representing the Premier, Minister for State Development and Minister for Ethnic Affairs a question without notice. Is the Minister aware of an article in *Infocus,* the magazine of the Ethnic Communities Council of New South Wales, of December 1986–January 1987 headed "Federal Government Cuts Education Funding for ECC", in which it is stated that the ECC has lost funding for its education officer position for 1987 as a result of the federal Budget cutbacks in August? Will the Minister say whether he is willing to provide funding to the Ethnic Communities Council to enable the education officer's work to be continued in 1987, and to enable the council in the meantime to seek alternative avenues of funding?

The Hon. J. R. HALLAM: I regret that I am not in a position to give a specific reply to the points raised by the Hon. J. M. Samios. I shall convey his question, which is an important one, to the appropriate Minister for consideration, and shall provide the honourable member and the House with a reply at the earliest possible opportunity.

AIDS VICTIMS IN DEPARTMENT OF YOUTH AND COMMUNITY SERVICES ESTABLISHMENTS

The Hon. VIRGINIA CHADWICK: My question without notice is directed to the Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council, representing the Minister for Youth and Community Services and Minister for Ethnic Affairs. How many people in juvenile justice institutions, or other Department of Youth and Community Service establishments, have been diagnosed as suffering from AIDS? What procedures are followed to ensure the health and safety of other residents, and of departmental staff?

The Hon. J. R. HALLAM: The question seeks specific detail. It is unreasonable to expect that I should carry that information around in my head. I suggest that the honourable member place the question on the notice paper.

ETHNIC CONSUMER UNIT

The Hon. VIRGINIA CHADWICK: I direct a question without notice to the Minister for Consumer Affairs and Assistant Minister for Health. In the light of the Minister's detailed answer to a question of 30th October regarding the ethnic consumer unit in the Department of Consumer Affairs, and her welcome answer to my question on notice about consumer education, will the Minister tell the House the total number of officers involved in consumer education in her department?

The Hon. DEIRDRE GRUSOVIN: I understand that the ethnic consumer unit has a total of four staff with an annual budget of $100,000. Those staff are experienced in a number of languages which they need in their work with the ethnic group in this State. They work closely with the Ethnic Affairs Commission of New South Wales, as well as carrying out duties in consumer affairs, and they provide a valuable service to a group of people in the community who are often disadvantaged because of language and cultural problems.

ETHNIC CONSUMER UNIT

The Hon. VIRGINIA CHADWICK: I ask a supplementary question without notice of the Minister for Consumer Affairs and Assistant Minister for Health. I thank the Minister for her earlier answer, which is almost identical to the answer she gave on 30th October to a question of the Hon. Franca Arena. At that time the Minister said that there was a staff of four people in the ethnic consumer unit. In answer to my question on notice, the Minister said that at that time there were three officers looking after consumer education in the creditor area. However, my question today was how many departmental officers in total are involved in consumer education in her department?

The Hon. DEIRDRE GRUSOVIN: All.

The Hon. Virginia Chadwick: Is that seven?

The Hon. DEIRDRE GRUSOVIN: They are all involved.

HEATHCOTE BY-ELECTION

The Hon. H. G. PERCIVAL: My question without notice is addressed to the Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council, representing the Minister for Police and Emergency Services. In view of the seriousness of the allegations made in this House yesterday by the Hon. M. R. Egan, will the Minister assure the House that the Minister for Police and Emergency Services will initiate an urgent investigation of those allegations?

The Hon. J. R. HALLAM: It is obvious that Liberal Party members are attempting to use this Chamber—

The Hon. E. P. Pickering: You did it, not us.

The Hon. J. R. HALLAM: The Leader of the Opposition is very sensitive today.

The Hon. E. P. Pickering: I am not sensitive; I am very annoyed.

[*Interruption*]

The PRESIDENT: Order! The question has been asked and the Minister will answer it.

The Hon. J. R. HALLAM: It is very clear that Liberal Party members feel highly sensitive about this matter. The Leader of the Opposition is acting in a peculiar and physically aggressive way. A few moments ago I observed him crossing the Chamber and speaking to the Hon. M. R. Egan in an unusual way.

The Hon. E. P. Pickering: I simply asked the honourable member if he had told the police about this matter.

The Hon. J. R. HALLAM: The Leader of the Opposition is obviously very excited. I notice that he has been getting some good publicity in the past few hours. If the Hon. H. G. Percival wishes to explore the matter further, he should take it up with the Hon. M. R. Egan.

HEATHCOTE BY-ELECTION

The Hon. H. G. PERCIVAL: I wish to ask a supplementary question of the Minister representing the Minister for Police and Emergency Services. May I please have an answer to my question?

The Hon. J. R. HALLAM: I suggest if the honourable member wishes to explore the matter, he should take it up with the Hon. M. R. Egan. If the Hon. H. G. Percival wishes to lodge a complaint with the police, let him do so.

The Hon. H. G. Percival: My question was: will the Minister give the House an assurance that he will use his best endeavours to see that the Minister for Police and Emergency Services initiates an urgent inquiry into the serious allegations made in this House yesterday by the Hon. M. R. Egan?

The Hon. M. R. Egan: That is what I asked for last night. I hope the police will investigate the matter; they will expose the Liberal Party.

The Hon. J. R. HALLAM: The Hon. M. R. Egan was requesting that such an investigation take place.

MUSWELLBROOK HIGH SCHOOL

The Hon. DEIRDRE GRUSOVIN: On 13th November in the adjournment debate the Hon. J. H. Jobling raised a number of matters concerning Muswellbrook High School. I wish to advise the honourable member that the following information has now been provided:

White Ant Damage:

In common with other regional schools where white ant damage has been reported, Muswellbrook High School has been regularly inspected on a quarterly basis in the last two years by a qualified pest exterminator from the Department of Public Works. The inspections have revealed that the white ant activity is dormant and that the damage caused by white ant activity does not represent a safety hazard to pupils or the school community. Repairs to minimal structure damage are included in a minor capital works project under the 1986–87 minor capital works programme involving funds in the sum of $80,000.

Guttering:

All guttering in the school was satisfactorily cleared early in November.

Electrical Problems:

Power lines in one cubicle in the demountable toilet block were exposed following an incident of vandalism. The toilet was locked to deny access by pupils in the interest of pupil safety. The necessary repairs are complete and the cubicle has been available for pupils' use since early November.

Canteen:

During an inspection by the council health inspector on 22nd September, 1986, rat baits were removed from a cupboard in the canteen. This cupboard was never used for storage. At the time of use of the rat baits very detailed verbal instructions were given by the canteen supervisor to staff that the individual cupboard and the associated cupboards were not under any circumstances to be used for the storage of consumables.

Cleaning:

The Government Supply Department employs cleaners in government schools and the standard of cleaning is the administrative responsibility of that department. The supervisor, of cleaning, Government Stores Department, northern Hunter Region, personally visited the school on 27th October, 1986, for an on site inspection and discussion with the cleaning staff and the principal. I am informed by the Minister that the cleaning matters associated with all toilet blocks, including the presence of algae, was

satisfactorily attended to on that day. The removal of papers and other debris was completed on the day of the inspection, 22nd September, 1986.

The cleaning of the cupboards and the removal of dust and dirt from internal classroom windows has been corrected following the resignation of a cleaner threatened by an unsatisfactory report. A further detailed follow-up inspection will be made next week by the supervisor of cleaning who will continue to monitor the cleaning of the school through regular contact with the principal. The staining on the stainless steel urinals is caused by the chemical reaction of hard water and can only be cleaned using an acid based product which is not generally available to cleaning staff in accordance with the criteria of the Occupational Health and Safety Act. The stains have been removed under special arrangements observing the necessary safety requirements. Similar arrangements have resolved the odour problems at this time.

Broken Wall Panel:

A panel in Room 209 was broken by a student just prior to the inspection by the health inspectors. It has been fixed by the general assistant.

Paving:

It is recognised that the paving of some bitumen is cracked and requires repair. The funds available to the regional director of education for the region's annual maintenance program are finite and it has not been possible to include bitumen services and repairs in the region's 1986–87 maintenance program. The matter will be considered for the inclusion in a future program in competition with the maintenance requirements of all other regional schools.

Window Repairs:

All sash windows at the school were completely repaired two years ago. On-going repairs are attended to at the school level utilizing funds available for maintenance at the discretion of the principal. It might be recalled that as a Government initiative maintenance funds available at local level to school principals were increased by 100 per cent in 1985. Muswellbrook High School is experiencing similar problems to other country schools located in towns of similar population, in securing a contractor who is available and interested in undertaking minor maintenance works. The school is continuing to endeavour to find a contractor to attend to the present broken sash cords. Meanwhile the school's general assistant is progressively doing repairs as time permits.

Plumbing Maintenance:

An order has been issued by the Hunter regional office of the Department of Education involving funds in excess of $1,200 for a Denman contractor to attend to minor plumbing repairs in all toilet blocks at the school. Assurances have been given by the contractor that he will commence work immediately the necessary materials are available.

In summary, the matters raised by the Hon. J. H. Jobling were either the subject of action by the Department of Education, or had been addressed by the Department of Education, or had funds approved for future work by the Department of Education, or were colossal exaggerations by the Hon. J. H. Jobling warranting no further consideration.

ISOLATED CHILDREN'S EDUCATION

The Hon. DEIRDRE GRUSOVIN: On 15th October the Hon. Judith Jakins asked a question without notice about the education of children in remote rural areas. The answer is as follows:

The honourable member need not fret about this Government's awareness of the educational needs of isolated children. On becoming the Minister for Education, Mr Cavalier, stated that his priorities were isolated children; Aboriginal education; and meeting the shortages of teachers in specific secondary subjects. This Minister for Education has made numerous journeys to isolated areas of the State, (on one occasion I accompanied him as a member of the Government's Caucus education committee) in order to determine those needs first-hand. He has discussed problems with parents, teachers and students and

received the benefit of their views and suggestions. He has been able to improve substantially the quality of education for isolated students by ploughing additional resources into the School of Air and distance education.

No Minister for Education since Bob Heffron has travelled to far-flung parts of our State quite so much. Even a cursory reading of country newspapers would reveal the extent of Mr Cavalier's activity and how much country people appreciate it. The departmental working group referred to by the honourable member has reviewed residential facilities throughout the State and considered the level, standard and location of facilities necessary to meet future needs. It has also developed a range of options for consideration. A decision of those options will be made in due course.

COMMONWEALTH SECONDARY SCHOOL ALLOWANCES

The Hon. DEIRDRE GRUSOVIN: On 12th November the Hon. Elisabeth Kirkby asked a question without notice concerning Commonwealth secondary school allowances. The answer is as follows:

The last Commonwealth Budget replaced all student assistance schemes (TEAS, ASEAS and SAS) with a single age related allowance (Austudy) for all students over 16 years engaged in full time secondary or tertiary study. The scheme will be progressively aligned with unemployment benefits so that by 1989 the disincentive for study will be removed. Those disincentives—the fact that a young person is paid more to be unemployed than to study—are yet another of the tragic legacies of the dark years of federal Liberal government from 1975 to 1983. Senior secondary students under 16 years will no longer receive assistance. A special transitional arrangement for students assisted under SAS or TEAS in 1986 who are still under 16 years at the beginning of 1987 will allow them to receive Austudy as long as they are continuing their secondary or tertiary course.

PERSONAL DEVELOPMENT PROGRAMMES

The Hon. DEIRDRE GRUSOVIN: On 15th October the Hon. Marie Bignold asked a question without notice about personal development programmes in State high schools. The answer is as follows:

Following the tabling in Parliament of the final report of the Women's Health Policy Review Committee on 28th November, 1985, the then Premier announced that there would be a review of the personal development programme in New South Wales schools. The Director-General of Education established a personal development programme review committee which is due to submit its report before the end of 1986. Any further action related to the recommendation in the report of the Women's Health Policy Review Committee will await the results of the review. The recommendations that personal development programmes be compulsory is ambiguous. If the committee means that every school should offer such a programme, there would not necessarily be a conflict with the statement of principles for personal development in secondary schools. A conflict would arise if the recommendation means that such a programme should be compulsory for every student. Many sections of the community are unlikely to accept such a proposal. The right of parents to withdraw their children from all or any part of the programme to which they object is incontrovertible.

I accept that there are shortcomings in the system with regard to the personal development programme, but I take issue with some of the assumptions of the Women's Health Policy Review Committee—for example, that formal qualifications are more important than personal qualities in selecting staff to work in this area of education. Individual sensitivity to the issues is paramount. The Department of Education provides professional development courses within the bounds of available resources, and develops materials and distributes them to all schools. These include publications in areas mentioned in the committee's report—for example, self-esteem, decision-making, values, sex education and non-violent relationships. Drug education courses, conducted as part of the national campaign against drug abuse, are largely concerned with personal development issues.

MAITLAND BOYS HIGH SCHOOL

The Hon. DEIRDRE GRUSOVIN: On 28th October and 11th November the Hon. R. W. Killen asked questions without notice about work to be carried out at Maitland Boys High School. The answer is as follows:

I have been advised by my colleague, the Hon. Rodney Cavalier, Minister for Education, that all necessary work will be carried out to prepare Maitland Boys High School to open at the start of the 1987 school year as the co-educational facility to be known as Evatt High School. I am informed also that the Minister met at least two deputations from the area concerning the general question of co-education for Maitland. The majority of the Maitland community support the co-education concept for both schools—not that this is relevant or conditional for the Government to act. The Government schools of Maitland belong to all the people of New South Wales. It is the responsibility of the Government of New South Wales to make decisions in all parts of our State that are in the interests of both the local community and the State as a whole.

MAITLAND BOYS HIGH SCHOOL

The Hon. DEIRDRE GRUSOVIN: On 3rd December the Hon. R. W. Killen asked a question without notice about the condition of buildings at Maitland Boys High School. My answer is as follows:

I have been advised by my colleague, the Hon. Rodney Cavalier, Minister for Education, that along with the new facilities to be provided for co-education at Maitland Boys' High School, a major refurbishing of the school will be undertaken at a cost of around $100,000.

MOUNT VIEW HIGH SCHOOL

The Hon. DEIRDRE GRUSOVIN: On 3rd December the Hon. R. W. Killen asked a question without notice about the future of Mount View High School. My answer is as follows:

I have been advised by my colleague, the Hon. Rodney Cavalier, Minister for Education, that further demographic study of prospective enrolment numbers for Mount View High School had been sought by the Department of Education. The Minister has advised me that he expects a recommendation in the near future on permanency or otherwise for this school. The Minister has advised me that he was consulted by the honourable member for Cessnock, Mr Neilly, about the need for bus bay and car parking facilities at this school. The Minister has advised that the Department of Education has allocated funds totalling $170,000 for this work. Construction is to be carried out by the local council in time for its completion by the beginning of first term 1987.

HANSARD

The Hon. R. W. KILLEN: I regret having to ask this question but in view of the heavy workload on the Hansard reporters, will you advise honourable members when the answers given today will be available in *Hansard*?

The PRESIDENT: I can give no assurance other than that the Hansard staff will do their best, as usual.

WYEE LAND DEVELOPMENT

The Hon. J. R. HALLAM: On 17th April the Hon. Elisabeth Kirkby asked me a question without notice about Wyee land development. My colleague the Minister for Local Government and Minister for Water Resources

has advised me that the older western side of the Wyee Estate was more widely scattered than the rest of the subdivision and was severely underserviced. My colleague further advises me that her reply indicated that the areas of servicing which were lacking included roads, drainage, footpaths, kerb and gutter and water supply. In relation to the second part of the honourable member's question, my colleague informs me that the Lake Macquarie city council advised her that the Landcom subdivision on the eastern side of the great northern railway line is fully serviced. As to the third part of the honourable member's question, my colleague informs me that records within her department indicate that letters were sent to the then Minister for Local Government by the Hon. Elisabeth Kirkby on the subject on 19th June, 1984, and 18th September, 1984, in relation to specific complaints by two residents of the area on the matter of rezoning of land near Wyee railway station.

My colleague advises me, in relation to part four of the honourable member's question, that reference should be made to the answer given to part two of the honourable member's question. Concerning part five of the honourable member's question, my colleague advises me that the Lake Macquarie city council told her that the subdivisions to the north and east of the great northern rail line—apart from the Landcom development—are progressively being supplied with telephone and electricity services and water supply as demand warrants. The council further advised my colleague that the development of the northern and eastern subdivisions is in accordance with the policy of the Lake Macquarie city council to consolidate settlement there before attending to the subdivisions west of the railway line. Finally, regarding part six of the honourable member's question, my colleague notifies me that the demand for infrastructure requirements, including the extension of volunteer bush fire fighting services, can be met for the Landcom development because the fully serviced Landcom subdivision, containing eighteen lots, does not place excessive infrastructure requirements on the council; is readily accessible because it is closely settled and it has water mains which are available for fire-fighting services.

DIOXIN

The Hon. J. R. HALLAM: On 22nd April the Hon. Elisabeth Kirkby asked me a question without notice regarding dioxin waste. The Minister for Planning and Environment and Minister for Heritage has advised me as follows:

The report in the *Sydney Morning Herald* of 19th April, 1986, does pose serious questions about health risks of dioxins.

The State Pollution Control Commission Assessment Report of 28th February, 1986 does state that 'TCDD or dioxin is one of the most toxic man-made chemicals'.

The commission has served notices under section 35 of the Environmentally Hazardous Chemicals Act, 1985 on occupiers of land believed to have been previously used for the disposal of dioxin-contaminated wastes.

The notices place constraints on disturbance of the subject land without prior notification and approval of the commission.

The intent of the notices is to maximise environmental protection by minimising disturbance and potential for environmental release.

The notices have been served on all occupiers of all land identified as having been used for disposal of industrial wastes including those contaminated with dioxin. The subject land includes that occupied by the State Sports Centre at Homebush Bay and reclaimed land between the Dame Edith Walker Hospital and Concord Golf Course at Concord. The land occupied by Concord Golf Course was not used for disposal of industrial wastes during the relevant years.

Copies of notices have also been sent to the owners and the pertinent councils for their information.

It should be understood that the areas mapped and regulated are the industrial waste disposal sites which were being used at the time.

Dioxin contaminated wastes were a very small part of the whole. The areas have been covered and the purpose of the notices is to prevent future disturbance of the sites except under controlled conditions.

TOXIC WASTE

The Hon. J. R. HALLAM: On 13th November the Hon. Elisabeth Kirkby asked me a question without notice about a waste dump at Wallaroo and the danger that such a dump might pose to oyster farming in the Port Stephens area. My colleague the Minister for Planning and Environment and Minister for Heritage has advised me that the vice-president of the Australian Oyster Farmers and Producers Association has written to him concerning a report by Dr J. A. Nell, senior biologist at the brackish water fish culture research station at Port Stephens. The Minister is currently replying to this correspondence. The Wallaroo site should not be referred to as a toxic waste site. The State Pollution Control Commission has made a chemical control order that specifically prohibits the dumping of potentially toxic aluminium smelter wastes.

Only those smelter wastes that contain little or no leachable fluoride and or leachable cyanide will be approved for disposal at Wallaroo. These approved wastes do not have the potential to cause any adverse environmental effects outside the disposal site. There is no basis for the reported statement that the smelter wastes "could raise estuarine fluorine levels in the oysters, reducing their growth and rendering them unsuitable for human consumption". The reference in Dr Nell's report to a potential risk of an effect on oysters is an introductory observation and not a conclusion drawn from his research. Moreover, that general observation was made at the time when the company proposal was to dispose by landfill of all of its solid waste stream. It was because of a remote chance of environmental effect that the commission has prohibited the disposal of those waste components which could conceivably be harmful.

Dr Nell's report concludes that an increase to 30 mg/l fluoride, if maintained, would cause a reduction in oyster growth. Such an increase in fluoride level in the waters of Swan Bay would require the release directly into the bay of all the soluble fluoride contained in over thirty years' production of waste. That outcome is clearly absurd; yet even if this occurred, the levels would not be maintained but would rapidly return to below 1 mg/l of fluoride in about five days. The levels of soluble fluoride in any smelter wastes disposed of by landfill will be so low that even a worst-case scenario would cause no discernable change in the fluoride levels at Swan Bay. The approved disposal of selected smelter wastes can have no effect on the growth rate or fluoride levels in the oysters.

JOSEPH BACK RESERVE

The Hon. J. R. HALLAM: On 19th November the Hon. Elisabeth Kirkby asked me a question without notice regarding the naming of Joseph Back Reserve. The answer is as follows:

I am aware of the concern of residents in the Parramatta city council area. The Geographical Names Board made a decision on the naming. The board approved that the geographical name Joseph Back Park, which was assigned in respect of part of the area in 1982, be discontinued and the name Campbell Hill Pioneer Reserve be assigned as the name for the whole park. The board is a panel of eight professionals which represents the community and which is an expensive mechanism used to make democratic naming decisions for the Government and its mapping authority.

The board may under the Act if it wishes refer any particular case to me as Minister for a final decision but it chose not to do so in this instance. I am satisfied with the Parramatta city council's action in this matter. Council represents the local community, owns the land in the park and is responsible for care and maintenance of the area. In recent years council's efforts have produced an attractive park which is enjoyed by large numbers of people especially at weekends. The board when arriving at its decision accepted that other people, in addition to Joseph Back, had been associated with the area over the years. There were the Campbells, Watts, Nobbs, Perrigos, Hameys, Frazers, Jenkins, Hughes and the Lackeys. Council is in the process of collecting details of these early pioneers with a view to naming precincts within the park after them. This will include Joseph Back. I do not propose to ask the Minister for Local Government to undertake any investigation.

BRUSH FARM RESPITE CARE CENTRE

The Hon. J. R. HALLAM: On 29th October the Hon. J. P. Hannaford asked me a question about the Brush Farm respite care centre. My colleague the Minister for Youth and Community Services and Assistant Minister for Ethnic Affairs supplied the following answer:

I have recently approved the Department's proposal to relocate the Brush Farm respite service to houses within the community. Houses in St Marys and Wahroonga have been purchased specifically for this purpose and all necessary modifications are being carried out to ensure particular needs of all children are met. In addition, the provision of further respite care will be facilitated through utilizing a house in the grounds of Brush Farm for peak usage time.

This initiative will provide respite care locally and in a normalizing environment. This is fully consistent with the principles and objectives statement of the disability council of New South Wales as endorsed by the Government in April 1985.

The houses will be fully and adequately staffed at all times to provide the necessary care and supervision of each child according to his or her needs. In addition to this new programme, the department funds eighteen host family respite care programs throughout New South Wales, providing care for disabled children for periods ranging from overnight to two to three weeks in the home of a host family. 1985–86 expenditure for these programs was $618,780. As new host family respite programs and expansion of existing programs are eligible for funding under the home and community care program, considerable expansion of respite care services will be able to occur.

I have met with many of the parents concerned and have assured all parents that they will not be disadvantaged by these plans and have offered them personal interviews with departmental staff to address any particular concerns they may have. A substantial number of parents have taken up this offer. A number of parents have registered their children with the Brush Farm respite service for admission over the Christmas period. The respite care service will take admissions over the Christmas period and I have given undertakings that no parent will be disadvantaged by the new respite care arrangements. Some of the service may be transferred to community cottage settings by Christmas but beds will also be available at Brush Farm. Parents can be re-assured that an equivalent service will continue throughout the Christmas vacation period.

CAR THEFTS

The Hon. J. R. HALLAM: On 28th October the Hon. Franca Arena asked me a question without notice about car thefts. My colleague the Minister for Police and Emergency Services advises that both he and the Commissioner of Police are very concerned that an estimated 57 per cent of car thieves are under 17 years of age. A number of initiatives to combat the rising incidence of car theft were announced by the Minister for Police and Emergency Services in the Legislative Assembly on Wednesday, 22nd October this year. These initiatives include the establishment of a ministerial task force to develop strategies and make recommendations aimed at reducing the incidence of car theft, particularly by juveniles. Representatives from police, the insurance industry, vehicle manufacturers and Government authorities have been invited to participate in the task force. In addition police have commenced a new anti car theft programme based on principles of community education regarding both car security and the early reporting of suspicious activities and increased police patrols of car parks.

POTATOES

The Hon. J. R. HALLAM: On 21st November Reverend the Hon. F. J. Nile asked me a question without notice about potatoes. The answer is as follows:

> McDonald's Family Restaurants specify the potato variety Russett Burbank for their production of french fries. This variety normally grows especially well in Tasmania and is also grown at Ballarat in Victoria. However, recent seasonal problems of fluctuating soil moisture caused the tubers, especially those grown at Ballarat, to become affected by a physiological disorder known as hollow heart. Because of the resulting shortfall in production of the variety, frozen french fries were imported from Canada. Confidence in the Australian potato industry is confirmed by announcements in recent weeks of the investment of a total of $30 million to build processing plants in Australia, principally for the production of frozen french fries.

HEATHCOTE BY-ELECTION

Personal Explanation

The Hon. M. R. Egan: I seek leave to make a personal explanation.

The PRESIDENT: The Hon. M. R. Egan seeks leave to make a personal explanation. Is leave granted? There being no objection, the honourable member may proceed.

The Hon. M. R. Egan: During question time the Leader of the Opposition referred to comments I made in this House last night and also to a radio interview I gave this morning. In referring to that interview the Leader of the Opposition has attributed to me words that I did not use and words that have the exact opposite meaning to the words I in fact used. I regard the Leader of the Opposition's misrepresentation of my comments this morning as contemptible. He and his Liberal colleagues are obviously extremely embarrassed that their activities in the Heathcote by-election have been exposed.

URANIUM MINING AND NUCLEAR FACILITIES (PROHIBITIONS) BILL

Bill committed, and passed through remaining stages.

PRINTING COMMITTEE

Fifth Report

The Hon. N. L. King, as chairman, brought up the Fifth Report from the Printing Committee.

Ordered to be printed.

DARLING HARBOUR AUTHORITY (AMENDMENT) BILL

Second Reading

The Hon. J. R. HALLAM (Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council) [3.6]: I move:

That this bill be now read a second time.

The Government has been forced to take this action against attempts by the single-minded city council and opponents of the monorail to frustrate the future development of the magnificent Darling Harbour. The city council has acted with utter irresponsibility in trying to block the monorail stations. This legislation will enable the Darling Harbour Authority development area to be extended to ensure the Government's objective of placing monorail stations within city buildings is not frustrated by the city council. The amendment will make the Darling Harbour Authority, with the advice of the Minister for Environment and Planning, responsible for considering development applications of those buildings falling within its boundaries. It will now be the decision of the Darling Harbour Authority to grant any concessions it considers appropriate for developments that include monorail stations.

It is obvious to even the fiercest monorail critics that it is far more preferable to have the monorail stations off city streets and within buildings. This view is even shared by the monorail's most vocal critic, Alderman Jack Mundey, who agreed with the Minister for Public Works that stations on the street would "be an eyesore". When Pacific Counties Corporation designed their proposed redevelopment on the corner of Pitt and Market streets to include a monorail station, the Government was very pleased. Unfortunately, the city council, in typical short-sighted fashion, refused Pacific Counties' development application, which included a request for an additional floor space ratio to compensate for space lost by including the monorail station. The city council then managed to force a public inquiry into the development, trying at every chance to turn the inquiry into a public inquiry into the monorail. This was despite Commissioner Woodward's opening remarks, that he was not holding an inquiry into the monorail.

The Government is not prepared to stand by and tolerate the hypocritical tactics of the council or opponents of the monorail any longer. This amending legislation also strengthens and clarifies the present Act by excluding the Darling Harbour Authority development area from the jurisdiction of the city council with respect to development licences for the erection and or operation of public parking stations. It also gives the Darling Harbour Authority

the powers normally given to the local council in respect of liquor licences. The Government will not tolerate the deliberate and frustrating tactics of the Sydney city council and the opponents of the monorail any longer. I commend the bill.

The Hon. H. G. PERCIVAL [3.8]: On behalf of the Opposition I oppose this bill, which seeks to legitimize the environmental horror of the proposed monorail in the central business district of this city and other things.

The Hon. F. C. Hankinson: Who said?

The Hon. H. G. PERCIVAL: I said; a great many other people are continuing to say it, and the number of people who are saying it increases day by day. I notice that in introducing this bill in another place the Minister for Public Works and Ports and Minister for Roads said:

> The Government has been forced to initiate this legislation because of the bloody-minded and hypocritical attitude of Sydney city council and the opponents of the monorail.

How cynical may one become. Here we have the arch-hypocrite accusing sincere people of hypocrisy, simply because they have in mind, and act for, the community interest and, importantly, because they honour the law. The truth is that the Government has been forced to initiate this legislation because of the sheer inadequacy of planning, consultation, expert advice, or understanding of people movement. The problem is that community interest, community desire and ordinary common sense are in direct contrast to the Government's arrogant pursuit of its Darling Harbour gimmickry. The track record of the Sydney city council in this matter is excellent. I note there is no objection from the Government side on that statement.

The Hon. F. C. Hankinson: The Government's record also is excellent.

The Hon. H. G. PERCIVAL: The Government's attitude on this matter is on a complete parallel with the Government's attitude to the Port Kembla coal loader, where the western stockpile is allowed to operate despite the environmental impact that it has on the community, and despite the notices that have been given to the Government by the State Pollution Control Commission. Indeed, that very subject formed part of the Ombudsman's report presented to this Parliament only yesterday. That is how consistent the Government's attitude is; it is consistent with making one law for itself and another for everyone else. I repeat, the Sydney city council's record in this matter is excellent. The council has, under the Environmental Planning and Assessment Act, a responsibility to administer the provisions of that Act, particularly in protection of the public interest and of citizens who live, work and enjoy their leisure within the area of the city council's jurisdiction. As the city council began its duties of assessing the early Darling Harbour development proposals, it became obvious to the council, the community and the Government that inadequate thought and planning had been given to the concept, especially the transport infrastructure part of it. So as not to have its fantasies impeded by a few relevant facts, the Government legislated to lift its own development outside of the existing law by creating new laws specially for itself. So we have a situation where there is one law for the Government and another for everyone else.

The Hon. K. J. Enderbury: The Government is everybody else; it represents everybody.

The Hon. H. G. PERCIVAL: The honourable member knows very well that the Government has created a law for its own benefit, but expects the rest of the community to abide—as we all do—by the law existing before the

introduction of this nefarious legislation. Planning control of Darling Harbour has been removed from the Sydney city council. Then we saw the disgraceful fiasco of Merino 2 and further legislation to smother the inept helter-skelter of inadequate planning. The Government could not even get that right. This further amending legislation is necessary because the Government realizes now that, having given to itself power to approve the 1 600 capacity car parking station, it lacks the authority to license that station. It is proposed by the amendment in this bill to exclude the Darling Harbour Authority from those sections of the Local Government Act relating to parking stations. The Government, restricted by its tunnel vision, stumbles from one bumbling error to another, and now we have another bill to enable its scandalous spending spree to continue.

I have said many times in this House and outside the House that redevelopment of Darling Harbour is an excellent objective, and one that I have promoted for a decade or more. In the years that I occupied the position of a commissioner of the Planning and Environment Commission, one issue that I pushed with the commission was to endeavour to induce the Government to do something about redevelopment of Darling Harbour along the lines of what is now being done, but with the very real difference that I envisaged some reasonable degree of planning and consultation with those who understand what is necessary before such a development takes place. The improper haste with which the redevelopment is being undertaken is quite unacceptable to me and to the Opposition. It is abundantly clear to everybody that it is unacceptable to the people of this State.

The Hon. F. C. Hankinson: That is not so.

The Hon. H. G. PERCIVAL: I repeat, it is unacceptable to the people of this State, and that is abundantly clear. It is costing them dearly in money terms and, with this segment of the monorail, will be an environmental excrescence. What a shame it is that that great concept is being ridiculed for want of reasonableness and logic. What a shame it is that this great city faces world ridicule for environmental vandalism because of this central business district segment of the monorail. The fact is that turning a normal sized monorail car at Pitt and Market streets corner will be then extremely difficult, if not impossible. The alternative is shorter cars or articulated cars, or to increase the radius of the curve by locating the track through a building. Of course, if the obtrusive station can be located in a building, another eyesore is concealed.

The Hon. R. D. Dyer: It is unobtrusive if it is concealed.

The Hon. H. G. PERCIVAL: If it is able to be concealed, then it becomes unobtrusive, and so it is desirable to locate it in a building.

The Hon. Elisabeth Kirkby: The building in which it is concealed has to meet planning requirements.

The Hon. H. G. PERCIVAL: Exactly. Perhaps that is difficult for those on the Government side to understand, but it is the fact, that the station is obtrusive unless it is located in a building, in which case it is concealed. That obviously is the objective. Fortunately for the Government, the development of the southwest corner of Pitt and Market streets intersection was being planned. As an inducement to the developer, the Government offered a bonus in floor space ratio. I am sure that honourable members understand that floor space ratio is a planning constraint designed to limit the bulk and scale of

buildings in relation to the ground on which the building is to be erected. In this case, the Government offered a bonus in excess of four to one—I believe the bonus was 4.3 to one. That had the effect of giving a total floor space ratio in excess of sixteen to one—an extraordinarily high ratio. Hence the Government introduces the amendment in paragraph (b) of proposed new subsection (2) of section 40, which will allow the Minister for Planning and Environment to make his own arrangements about floor space ratio.

When the developer submitted his plans to the city council, the council, to its credit, drew attention to the fire regulations and the special fire safety problems created by the proposed monorail station. They were not council regulations; they were State regulations, desirable regulations. Authority for the administration of those regulations has devolved upon the council under the Local Government Act and the Environmental Planning and Assessment Act. The applicant company, apparently recognizing the attendant problems, then announced its withdrawal from the proposal to include the monorail and station within its proposed building. The Government, not wishing to have its gimmickry impeded by such a detail as fire safety in respect of the busiest intersection in the Sydney central business district—in other words, the busiest intersection in any central business district in Australia—again circumvented its own laws by introducing a new law to apply to itself alone. That will have the effect of making the Government the consent authority through the Darling Harbour Authority. Hence, the proposed insertion in section 40 of the Act of new subsection (2) (a), set out in schedule 1. What will be the next move? I predict that it will be that the Government will give some form of direction to the developer to include the monorail and the station within its development.

I turn to proposed new subsection (2) of section 59, in item (6) of schedule 1. That amendment concerns the provisions of the Liquor Act, but I have no idea of the reason for it; nor did the Minister's speech reveal any reason for it. However, it illustrates the bumbling ineptitude exhibited so far in this matter. The Minister in another place concluded his second reading speech with these words:

> The city council has acted with utter irresponsibility in trying to block the monorail stations. The Government will not tolerate that situation any longer.

My assessment of the situation is that the Government has acted utterly irresponsibly in this matter. The people of this State will tolerate the Government no longer. The Opposition opposes the bill.

The Hon. ELISABETH KIRKBY [3.22]: It will come as no surprise to any member of this Chamber that I totally oppose this piece of legislation for all the reasons that I have opposed all the other pieces of legislation concerning the Darling Harbour project. As the Hon. H. G. Percival pointed out, when the Government is backed into a corner it introduces legislation to override all the planning authorites and every piece of legislation that would prevent what it wants to happen. That has been going on ever since the Darling Harbour Authority was established. The authority has built up a large and influential management structure. The authority has two strategies that it wants to implement. One is known as the edge effect and the other as the shift effect. The edge effect is a strategy to encourage development outward from Darling Harbour into Pyrmont and into the western edge of the city. The idea of the strategy is to add land to the Darling Harbour Authority area by amending the schedule of works in the Act and by encouraging development that the Darling Harbour Authority believes to be appropriate. In that regard, yesterday's *Sydney*

Morning Herald carried the headline "Middle-market hotel for Darling Harbour". The ensuing article reads:

> The hotel . . . will be a low rise development on the western edge of Darling Harbour . . . The plan is expected to cause a controversy among the residents of Pyrmont and Ultimo who are already up in arms over plans to make the large wool store—

That was referred to also by the Hon. H. G. Percival:

> —on the edge of Darling Harbour into a car park.
>
> The residents say that there is no overall traffic plan for Darling Harbour and that the redevelopment will cause chaos.

That has already been pointed out to the Government by the Department of Main Roads. Apart from all existing planning policy and the policies that are at present being formulated, the policies that have been developed are against the existing planning laws. The policies that are now being formulated are being developed without consultation with or advice from the Department of Environment and Planning, the Sydney city council, the Department of Main Roads and a whole host of other statutory bodies. The proposed change to the monorail that we are discussing today and the earlier addition of the Merino I development to the Darling Harbour Authority area demonstrated the ease with which the authority's two strategies can be implemented. In fact, they have begun to be implemented. The bringing under the Darling Harbour Authority Act of all the monorail stations will place them outside all existing planning legislation. The development on the corner of Pitt and Market Streets will throw a shadow on the new Pitt Street mall in the middle of the day for most of the year.

Further, the proposed provision for car parking in the Ipoh Gardens building, which was formerly the Anthony Horderns building, will grossly exceed the limits stipulated by the Sydney city council and those recommended by the Department of Main Roads. Who now has control over planning in Sydney? Is it the Minister for Planning and Environment or the Minister for Public Works? Why are other Ministers in the Government allowing the Minister for Public Works to impinge upon their portfolios; for example, the Minister for Local Government—in relation to the Sydney city council—and the Minister for Planning and Environment. Is the power over the city council being justly administered? I am certain that it is not.

Item (9) in schedule 1 to the bill proposes the insertion in the Act of a new schedule 7, which concerns certain land on the corner of Pitt Street and Market Street in the city of Sydney. I opposed the original proposal for the monorail to pass through the central business district of Sydney. At that time I said exactly what the Hon. H. G. Percival said a few moments ago; that is, the monorail would not be able to go around right-angled corners. That is an engineering impossibility. The Government was told at the time that that was impossible from an engineering point of view. The Government's solution was to put the monorail inside a building. However, as Grace Bros would not permit the monorail to go through its building, the Government moved the monorail to the other side of the road. It then opened another can of worms.

The four Pitt Street buildings that were affected by the monorail proposal were protected by section 130 orders obtained by the Australia Heritage Commission in May 1982. One of those buildings is situated at 241-243 Pitt Street. It was built as the central building in a group of five four-storey stuccoed brick buildings in 1883. That building is classified by the National Trust. The buildings situated at 237 and 239 Pitt Street remain intact. The other

two situated at 243 and 245 Pitt Street were remodelled as a single building some time earlier this century. That building is now occupied by City Duty Free. The Heritage Commission believes that the buildings situated at 237, 239 and 241-243 are in fine condition above awning level and consider them to be of heritage significance for their architectural and aesthetic value.

The Heritage Commission believes that that significance would be greatly enhanced by the restoration of the facades of the buildings at 243 and 245 Pitt Street, as that would regain the symmetry and original effect of this terrace. However, this does not mean that the inside of the building could not be redeveloped to provide needed office space. The space in the building will not be wasted any more than the space in the Queen Victoria Building has been wasted. An opportunity exists for the proposal to be redesigned so that the same amount of floor space within the podium and tower format is achieved. This would allow the retention of the facades on Pitt Street and the setting back of the tower to reduce the impact on the streetscape. If carefully designed and the monorail ingress repositioned closer to Market Street, their integrity as buildings would also not be diminished.

There is absolutely no question of the Heritage Council or the city council trying to stop the development. They are simply trying to make the development fit in with the heritage needs of the city in a feasible way, instead of it being a gross abuse of space. The first object of the bill is to enable monorail stations to be provided within buildings not situated within the Darling Harbour development area but on land described in new schedule 7. That is the crux of the whole problem. The Royal Australian Institute of Architects, New South Wales Chapter, submitted a document to the commission of inquiry in which it said:

> The RAIA is opposed to the introduction of the monorail into the traditional street system of Sydney.

Of course, that is the objection of we who oppose the monorail. We do not oppose the monorail being located at Darling Harbour; but we do object to it being located in the central business district of Sydney, and particularly to it running along Pitt Street. The institute continued:

> There is a fundamental incompatibility between a network of narrow streets with footpaths serving the ground floor of adjoining buildings, and an elevated train, intruding on the public airspace which requires special stair, escalator and lift access. In the city where the privately owned land is being developed to greater density and height, the citizens in public spaces need more access to the sky and sun, not less. Congestion at ground level will not be helped by congestion above.

That is the main objection to the monorail. Further, the Royal Australian Institute of Architects, which represents a not inconsiderable body of expert opinion, said:

> The RAIA submits that the inclusion of a monorail station is of no benefit to the city. As a component of the monorail system it is in fact contributing to the reduction of environmental quality in the public spaces of the city.

Recommendations for the development control for that proposed building, which is mentioned in the bill, were referred to in the submission presented to the commission of inquiry by the Royal Australian Planning Institute, New South Wales Division. Its concern was that the basic floor space ratio would exceed the council's adopted policy. The Hon. H. G. Percival also referred to that matter. The Sydney city council's adopted policy is a minimum floor space

ratio of 8 to 1, of which a minimum ratio of 1 to 1 must be retailing, and, in the case of this building, a 1 to 1 ratio for a through site link for escalators to the first floor or overpass to Grace Bros—making a total floor space ratio of 9 to 1. However, the proposed building at the corner of Pitt Street and Market Street will have only half that floor space ratio. That ratio will be grossly inadequate, and outside the guidelines laid down by the city council. That is what angers the Government so much. Because the city council is attempting to enforce its planning controls, as it should if it is to do its duty to the city's ratepayers, it is condemned by the Government and called grossly obstructionist, stupid, and all sorts of other emotive terms.

Another consideration of the monorail station being located inside the building is that the floor space occupied by the station would not be available as office space, and therefore the developer should receive a bonus—not from Thomas Nationwide Transport, the developer of the monorail, or the city council, but from the Government. The Government has consistently said that the monorail will not cost the citizens one cent; that TNT will develop the monorail and pay all charges. If the developer is to receive a bonus, it should be paid by TNT: certainly not by the taxpayers of New South Wales through the New South Wales State Government. The incorporation of the monorail station in the building will result in increased revenue for the building's owner and investors, through increased retail turnover—which is not normally expected by retailers on an upper level. The station will certainly enable higher rentals to be charged, as the station will facilitate office workers getting to work.

Provision of space for a monorail station should certainly not be considered a public benefit, for which compensation, by way of bonus, should be paid. The building's developer already will receive a significantly increased financial return as a result of the provision of that space. For many reasons the Royal Australian Planning Institute did not believe that the proposed monorail would be a public benefit to the city. That opinion is shared by the Council of the City of Sydney, the Royal Australian Institute of Architects, the Australian Institute of Landscape Architects, and the National Trust. The increasing number of people attending monorail rallies, which has increased significantly with each rally, is evidence that more and more people believe the monorail should not go through the city streets. Therefore I believe the city council planners acted correctly.

This legislation is not directed against the city council. It is devised to allow the Government to abort the public inquiry. Consequent on this bill being proclaimed, it will be possible to locate a station on the corner of Pitt Street and Market Street, and on Brickfield Hill, without a further public inquiry. It goes without saying, as all honourable members will be aware, that if there is to be no public inquiry, there will be no need for the Government to produce documents to such inquiry. It is obvious from the statements of the Minister that the Government does not wish to produce many of the documents that the inquiry has called for. The bonuses sought by the developer were condemned by every instrumentality that made a submission to the commission of inquiry. They were condemned by the Department of Environment and Planning, the Royal Australian Institute of Architects, the Royal Australian Planning Institute and the Council of the City of Sydney. Indeed, the submission of the Department of Environment and Planning, dated September 1986, said:

> It is considered that any capital or amortised costs of monorail construction should be treated as costs to be borne by the monorail developer or as the subject of commercial

arrangements between the monorail developer and the applicant. No bonus should be awarded for this item.

That was also included in the submissions put forward to the same inquiry by the Council of the City of Sydney. I should like to return to the subject of section 101, the directions under challenge by this legislation. The council's submission, first, is that section 101, directions purporting to empower the Minister to determine the application, is invalid for three reasons. One reason is that the site has no regional implication; the second reason is that the Minister has not conveyed to the council why the proposed building has regional implication; the third reason is that the Minister cannot, on any reasonable view, form the opinion required by section 101. The latter is the most important point to be borne in mind when considering this measure.

The city council also stated, and these facts should be publicly recorded, that it condemned the application by the developers because it did not make clear how floor space ratios were calculated in the development; second, bonuses claimed by the applicant related to the superseded 1971 development control code and significantly exceeded the provisions of that code; third, the wind analysis for the development was totally inadequate; fourth, the through-site link of the overpasses, pursuant to which a bonus floor space ratio is claimed, was neither defined nor shown; fifth, the floor space ratio controls as to retail spaces on ground and first floor levels were not complied with. The council added that the commission should recommend to the Minister that he should not determine the development application.

What happened? It is possible that the commission passed all that information to the Minister, which is why we have the bill before us today. The only way the Government could get round it, once again, perhaps for the sixth time since I have been in this Parliament, was to introduce legislation to override the provisions of its own Environmental Planning and Assessment Act. As soon as the Government comes up against any snag which stops it doing what it wants to do, particularly where the Darling Harbour development is concerned, it leaps the hurdle by introducing another piece of legislation. It is another total abuse of power. The time is coming when the citizens of Sydney will be deeply aware of the way the Government is abusing its powers, and will show their feelings firmly at the next election. For these reasons I oppose this measure, as I have opposed all the other legislation dealing with the Darling Harbour development.

The Hon. J. R. HALLAM (Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council) [3.43], in reply: I have listened to the speeches made by two speakers representing the Opposition and the Australian Democrats. This measure will enable the construction of off-street monorail stations. The monorail is going ahead quite well. Vehicle bodies are being constructed in Switzerland. The pylons are under construction. During debate on the Darling Harbour development in the past year, and even before, no better transport alternative than the monorail was suggested. In 1988 it will annually transport millions of visitors who will visit the Darling Harbour development. The monorail will link the Chinese gardens, the exhibition centre and the convention centre with the Powerhouse Museum and the Sydney Entertainment Centre, the proposed national maritime museum and, in 1989, the proposed casino and aquarium.

The monorail is part, but a most important part, of the totally integrated transport strategy for Darling Harbour and will also include ferries, private and government buses and pedestrian access. It is only through the foresight of the

Government that there is to be a Darling Harbour development at all. The area was once a derelict railway yard. Now we have the exciting prospect of an exhibition centre, something Sydney lacks, which will be 2.5 hectares in area, five football fields large, where we shall have a continuing exposition. We shall have the largest convention centre in Australia, seating 3 500 people. There will be 200 harbourside shops on the outskirts of the area, and Chinese gardens, more than a hectare in size, which will complement Chinatown and the present Sydney Entertainment Centre.

Little imagination is needed to appreciate the enormous commercial benefit that Darling Harbour will bring to the city of Sydney. A visit to the lower Haymarket area now, on a Saturday and Sunday, will show the thousands of people who are simply milling around. In Darling Harbour the Government is drawing together a combination of projects that will culminate in 1988 when we celebrate our bicentenary in a permanent facility that will establish Sydney as the premier city in Australia and one of the great attractions of the world. The number of tourists to Sydney, already growing annually, will further increase. The deep interest in Australia, shown particularly by the Japanese, will be extended by this facility.

The monorail to which the trendies and the Australian Democrats—or what is left of them—object, will not cost the Government or the people a cent. It is being built by private enterprise. Most of the major projects in the Darling Harbour development, in fact, are being built by private enterprise. The construction programme is creating about 10 000 jobs, and a further 10 000 permanent jobs will be available when the development is complete. In a time of some economic difficulty the ability to guarantee 20 000 jobs—10 000 of which are permanent with 10 000 during the construction programme—should ensure commendation of the project.

The Council of the City of Sydney has been most obstructive, and has attempted to prevent the Government from proceeding with the development. The Government is confident that as the community comes to understand and use the Darling Harbour devlopment the transport mode that now may well be somewhat unpopular, because of public lack of understanding and comprehension, will be welcomed. The Government believes it will be a plus for the State in 1988. The measure seeks to have the monorail stations off the streets inside buildings, so that there will not be the visual problems there could be if they were forced, as the city council attempted, to be constructed in the streets. The measure is simple and necessary and will ensure the completion of the monorail early in 1988, together with the rest of the projects in the Darling Harbour development. I commend the bill.

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

The House divided.

Ayes, 18

Mrs Arena	Mrs Grusovin	Mrs Walker
Mr Brenner	Mr Hankinson	Mr Watkins
Mr Dyer	Mr Healey	
Mr Egan	Mr Ibbett	
Mr Enderbury	Mr Kaldis	*Tellers,*
Mr French	Mr King	Mrs Kite
Mr Garland	Mr Reed	Mrs Symonds

Noes, 16

Mrs Bignold	Mr MacDiarmid	Mr Rowland Smith
Mr Bull	Mr Matthews	Mr Willis
Mr Doohan	Revd F. J. Nile	
Mrs Jakins	Mr Percival	*Tellers,*
Mr Jobling	Mr Philips	Mrs Evans
Mr Killen	Mr Samios	Miss Kirkby

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time, and passed through remaining stages.

GAS BILL

GAS AND ELECTRICITY (GAS REPEAL) AMENDMENT BILL

MISCELLANEOUS ACTS (GAS) AMENDMENT BILL

SEARCH WARRANTS (GAS) AMENDMENT BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [3.58]: I move:

That these bills be now read a second time.

This year marks ten years of achievement by this Government in the energy area. This period has been characterized by rapid changes in the world oil situation, the rapid growth of a dynamic coal export industry in New South Wales, the doubling of the State's electricity generation capacity, the arrival and rapid sales growth of natural gas and the historic restructuring of the gas industry to which this new legislation is related. The period has been one of severe cost pressures. Containing energy prices will remain a central policy concern for the Government. Great emphasis has been placed on streamlining government regulations and on promoting greater accountability in the energy sector, while providing incentives for efficiency.

The decade has been one of major changes in the gas industry. It has seen the arrival and rapid growth of natural gas consumption in the State. This is consistent with the Government's policy to encourage the use of natural gas, particularly as a substitute for petroleum-based fuels, and to take advantage of the benefits of this reasonably priced fuel. A key achievement in this decade of change was the restructuring of the Australian Gas Light group of companies initiated by the Government and included in the 1985 amendments to the gas legislation. These amendments resulted in the following achievements: the AGL group of companies was divided into separate non-utility and utility functions. The non-utility operations of AGL are now free from government control under the gas industry legislation which has provided, and will continue to generate, opportunities for AGL to expand its entrepreneurial talents and to create employment opportunities. The utility operations continue to be regulated, but within a more streamlined and appropriate framework more attuned to modern needs. The accumulated wealth of AGL—the parent company—was distributed between its shareholders and the gas consumers; that is, the gas utilities. This was achieved through the establishment of a tariff stabilization account which

stood at $70 million in January this year. The sum of $134 million will be injected by AGL into the gas utilities by the end of 1987. The income from this account will be used to minimize gas price increases. The accountability of the gas industry has also been increased through modernization of industry reporting and accounting practices.

The current bill further modernizes the legislation and improves consumer protection. Of course, the legislation also resolves the shareholding issue between Industrial Equity Limited IEL and the Australian Gas Light Company AGL in the manner that the Minister announced in May this year. New provisions in the Gas Bill include: the regulation of shareholdings in AGL; new procedures for licensing all gas companies; more appropriate information seeking powers; and improvements to board of inquiry procedures and powers. I shall now speak to each of these. No shareholding interest above 5 per cent is to be permitted without ministerial and AGL approval. The Minister may subsequently withdraw approval and require divestiture back to 5 per cent if problems should arise. The Minister may require information on shareholdings to be furnished by any person who may have access to such information, and AGL are required to inform the Minister of any suspected non-compliance with the 5 per cent limit.

The 1935 legislation requires all gas undertakings to obtain the approval of the Minister to supply gas in specified areas of the State and according to specified conditions. In order to improve and clarify the regulation of the industry, this approval process has been replaced by a new annual licensing procedure. The fee for obtaining a licence will be $100 a year for all gas companies, plus, in the case of subsidiaries of the Australian Gas Light Company, an additional fee of 0.5 per cent of the annual gas sales revenue. Annual licences are automatically granted upon payment of the prescribed fee. Further, in the unikely event that any serious problems should emerge requiring that a new licence not be granted then the gas company must be given an opportunity and reasonable time of not less than one year to correct the problems. The revenue derived from the 0.5 per cent levy will be used to finance a State energy research and development fund. This fund will be used to encourage research into new technologies related to energy supply.

The new legislation provides for improved powers to monitor the interactions between gas utilities and related corporations of the AGL group. These information and investigative powers are designed to further safeguard consumer interests and ensure that arms-length relations are maintained within the AGL group. The provisions of the 1935 legislation concerning boards of inquiry were confusing, unnecessarily narrow, and anachronistic. Actual practice had bypassed the legislation. For example, a board of inquiry into prices was restricted from reviewing gas pricing to the State's industrial sector, which now accounts for 80 per cent of gas sold. The Gas Bill incorporates the following provisions regarding boards of inquiry: the Ministry may require a board of inquiry to investigate any matter the Minister considers of relevance to gas companies or to the interaction of gas companies with each other or related companies; a board of inquiry will be able to inquire and report on the way in which it has taken into consideration matters referred to it by the Minister and other matters which it is obliged to consider under the Act or which it believes to have a significant bearing on the terms of reference: to provide, where relevant, options for the choice of the Minister; to inquire into more than one gas company at a time; to examine and, where appropriate, set maximum prices for gas sold to any class of consumers. In this way the Government can ensure

that future gas price rises are kept to a minimum, commensurate with a commercially viable and flexible gas supply industry, and that costs are contained as much as possible.

This legislation represents the culmination of several years of research and discussions with the gas industry. In the case of AGL it represents the beginning of a new era—almost 150 years after its formation. Consumers will benefit from new incentives for efficiency in the gas industry and new improved standards of public reporting and price review. Gas consumers will continue to benefit from the tariff stabilization account, which will increase to $134 million over the next year and keep domestic gas prices frozen during 1987. Of course, the State will ultimately benefit from a vital, dynamic and entrepreneurial gas industry. Now that uncertainties regarding its regulatory environment have been clarified, AGL can firmly set its sights to increased exploration, technology development, manufacturing and export oriented activities, knowing it will reap the benefits of its labours. In so doing, new job opportunities should be created of benefit to the State. It is from this perspective that I commend the bill.

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [4.5]: When moving the second reading of the Gas Bill and cognate bills in the other place the Minister for Energy and Technology said that 1986 marks ten years of achievement by this Government in the energy area. He went on to say:

> This period has been characterized by rapid changes in the world oil situation, the rapid growth of a dynamic coal export industry in New South Wales, the doubling of the State's electricity generation capacity, arrival and rapid sales growth of natural gas, and the historic restructuring of the gas industry to which this new legislation is related. The period has been one of severe cost pressures—particularly in oil and electricity. Decisive steps have been taken to contain electricity costs through improved management and efficiency and to rationalize the many tariffs that previously existed. However, cost pressures will continue, and containing energy prices will remain a central policy concern for the Government. Great emphasis has been placed on streamlining government regulations and in promoting greater accountability in the energy sector, while providing incentives for efficiency.

What the Minister for Energy said amounts to baseless rhetoric. This Government's energy policy is so confused that no one seems to know what we are doing about pricing of electricity. We have had the distribution of that power, the Government's complete neglect of liquid petroleum gas, the amendment brought in in December 1985 in the Gas and Electricity (Amendment) Bill and now, to top it all off, this so-called historic restructuring of the gas industry. I want to spend just a short while analysing what I have said so that members of this House will be aware of the misguided approach to energy that has been adopted by the Government since it came to power in 1976. Because of the ineptitude of the Electricity Commission at the beginning of this decade, there were breakdowns of plans and machinery, which could have brought about massive blackouts throughout the State. The commission could not handle the Electrical Trades Union, with the result that it gave in to pressures from this union to make sweetheart deals and allowed the union to dictate just what the union wanted to do.

In 1982 the Government panicked and purchased diesel generators to stem the tide of these likely blackouts. That was a costly exercise. At the same time the Government went deeply into debt with the purchase of plant and machinery for further power generation plants in the State. The borrowings the Government effected were in foreign currency, mainly Swiss francs, yen and United States dollars. The Government made no attempt to cover these against

the eventual devaluation of the Australian dollar. The result of this ineptitude on the part of the commission has been massive debt repayments and massive interest repayments. On top of that, there has been a substantial excess of power generation in the State. In order to cover these huge debts, the price to consumers of electrical power has risen steadily. I must say, however, that heavy industry has been the one that has borne these substantial rises because the domestic consumers have been subsidized heavily. Nevertheless, consumers are now faced with the likelihood of a fairly hefty rise in 1987. The reason I say that is that recently the Electricity Commission sought the approval from the Government for a 7.5 per cent rise whereas the Energy Authority thought 4 per cent was all that was needed. So, the Government, confused as ever, and in its normal manner, established an inquiry into electricity prices.

If this Government is at its wits end about any matter upon which it has made a decision, it instigates an inquiry. It should be noted that the Government is electricity oriented. That has been made abundantly clear in its approach to natural gas and liquefied petroleum gas. Those sources of energy are creating competition for electricity and the Government does not like it. It is ridiculous to talk about the historic restructuring of the gas industry—which the Minister says is embodied in this bill. I shall have more to say about that later. Also the Minister in his opening statement on the Gas Bill said that decisive steps have been taken to contain electricity costs to improve management and efficiency. I do not believe that has happened. There are still many efficiencies that can be brought about, particularly in the Electricity Commission, and also in power generation plants. Perhaps one of the worst things that the Minister said is contained in the later part of his opening statements, and I quote again, "Great emphasis has been placed on streamlining government regulations and promoting greater accountability in the energy sector while providing greater incentives for investment and efficiency". For Mr Cox to say that the Government is streamlining government regulations is again a nonsense. This is a government of regulation. When I analyse the contents of this Gas Bill I shall explain how many more regulations will be created by this legislation.

It is a nonsense for the Minister to say the legislation will promote greater accountability in the energy sector. In May 1985 the Government instigated an inquiry into the future of the electricity power generation industry. That inquiry was known as the McDonnell inquiry. The Minister has admitted that he has received the report, but to date none of its contents have been released. The question I ask is; why? Undoubtedly Mr McDonnell in that report made a great many criticisms about the present state of the electricity industry in this State. It is a red herring drawn across the path when the Minister talks about greater accountability. How ridiculous for the Minister to talk about providing incentives for efficiency. The very opposite has occurred. The Murrumbidgee County Council was able to quite considerably reduce its tariff through greater efficiency and effort but because of that it lost its subsidy from the Government. It needed this subsidy to continue its good work in the distribution of electricity to far flung places in its county council area. It is absolute rubbish for the Minister to talk about providing incentives.

The Minister went on to say, "This bill was one of a number of steps taken by the Government to improve the efficiency of the State energy utilities and the service they give to the public". I ask members to listen to what the steps were. First, the Minister admitted that the Government has established an inquiry into electricity generation—about which I have just spoken. He said

he would table the report in the next session of Parliament after having completed examination of its extensive recommendations. I ask honourable members not to hold their breath on that one. Second, the Minister admitted that he recently announced the establishment of an inquiry into electricity tariffs of the Electricity Commission, which would investigate the commission's operational and financial efficiency. The Electricity Commission has been in operation for a long time. Suddenly the Minister considers it is necessary to have an inquiry into the commission's operational and financial efficiency. Finally the Minister announced there would be boards of inquiry into the price of gas. That is one of the matters about which—and I shall speak about it in this debate—the Opposition are concerned, mainly because of the representation on this board of inquiry.

The Government must understand that it should not be encouraging one form of energy in favour of another. It should be encouraging all forms of energy so that there is competition in the market-place. When there is competition the people who receive the benefit are the customers—not only domestic customers of energy, but also light, medium and heavy industrial users. As I said, this Government has favoured electricity over natural gas. It will go all out to do what it can for electricity—and devil take the hindmost when it comes to natural gas and LPG. In November 1985 the Government brought down legislation in the dying hours of that session—indeed it was the last bill to be debated at that sitting. That legislation was to amend the Gas and Electricity Act of 1985, and restructure the Australian Gas Light Company in its utility and non-utility roles.

I recall the Minister who moved that legislation, Mr Unsworth, stating in his second reading speech, that the Australian Gas Light Company no longer would be encumbered by unnecessary government control. At that time we supported the change because we believed it to be correct, but we made certain points, which obviously the Government has not taken the slightest notice of. The first thing we said at the time was that there was no need for the Government to have a nominee on the utility boards. That of course has not happened. I shall explain more about that as I move into my speech. However what we did say—and I think this is important—and I quote from Lloyd Lange's speech, "It ought to be remembered that the Australian Gas Light Company does not have a monopoly on energy and hence it needs to be as flexible as possible to compete with other energy producers and distributors, particularly, producers of electricity and petroleum". That was a very positive logical approach to the situation.

Through the provisions of these Bills, the Australian Gas Light Company will not have the flexibility to compete with other energy products in the manner it ought to have. There is once again far too much Government intervention in the operations of this company, whose work and profitability will be inhibited. We agree it is important that gas undertakings should come within the ambit of one Act and not, as has occurred in the past, be lumped with electricity. Nevertheless, we are extremely concerned about quite a number of aspects of the legislation. In my opinion the bill is yet just one more example of the Government's interference and intrusion into private enterprise. Interestingly enough this time last year the Government whisked in its amendment to the Gas and Electricity Act to restructure AGL's utility and non-utility functions. At that time—and I referred to this before—Mr Unsworth said and I quote "AGL will now be obliged to comply with the New South Wales Companies Code, the Securities Industry Code and the stock exchange listing

requirements. The company will no longer be encumbered by unnecessary government control."

What we are seeing in this legislation is more regulation and more government control.Today the world trend is towards less regulation. This Government has stated that it will do something about reducing the number of regulations in Acts. But the bills call for an increase in regulation. The best way to regulate is in the market-place. We all know people have to have some electricity and can have all their appliances electrified. They do not have to have gas. Its use is discretionary and only chosen if the customer wants a cheap fuel. The Government should be promoting the use of a pollutant free fuel, but it is doing all it can to prevent this. On the other hand, British Gas, which has some 50 million customers is in the throes of being privatized, although in New South Wales gas is being brought more and more under government control and regulation. This, in turn, will increase the number of bureaucrats in government. No other gas utility in Australia is subject to the regulatory processes of New South Wales. Other Labor States, such as South Australia, and even Victoria, do not have the same regulations.

Having said that, I now turn to the provisions of the main bill. The first matter that arises is that which gives effect to the restructuring of the gas industry whereby the gas undertakings of Australian Gas Light Company are transferred to its subsidiary companies. This occurs under part 3, "structure of the gas industry". That part states that the Australian Gas Light Company shall transfer its gas undertaking. The transfer shall be to one or, with the written consent of the Minister, to more than one wholly owned subsidiary of the Australian Gas Light Company. Schedule 1 lists those companies as the Australian Gas Light Sydney Limited, Australian Gas Light Western Limited, City of Goulburn Gas and Coke Company (Limited), Newcastle Gas Company Limited, and Wollongong Gas Limited. Those companies will be licensed under clause 11, which reads:

> The Minister may grant a licence to carry on intrastate gas reticulation to a person who
>
> (a) applies to the Minister, in a form approved by the Minister, for the licence.

This would apply to the subsidiary companies. Subclause (2) of clause 11 reads:

> A licence shall be in force on and from the day specified in the licence as the date from which the licence commences until, unless it ceases to have effect sooner, 31 March next following that day.

In other words, the licence is granted for a period of one year. Clause 12 deals with the automatic grant of a further licence and reads:

> (1) A licensee may apply under this section for the grant of a licence ("the further licence") to be in force from the expiration of the licence ("the current licence") already held by the licensee.
>
> (2) The application is made if the licensee—
>
> (a) furnishes to the Authority any particulars required by the Authority to be furnished under section 15; and
>
> (b) pays the fee assessed by the Authority as being payable under section 16 for the further licence.

The clause then goes on to state that if before the expiration of the current licence the Minister informs the applicant that he proposes to refuse the further licence, the provisions of clause 12 will not operate. Clause 13 deals with the

refusal to grant a licence and provides that the Minister will inform the applicant in writing giving reasons for the proposed refusal and if he does so it will give the applicant a reasonable opportunity—not less than twelve months—to rectify any matter on which the proposed refusal is based. This is one of the matters about which the Opposition is most concerned. In the past a licence to distribute and sell gas has been for an interminable period. The Government now plans to restrict the subsidiary companies to a licence for one year only. It is all very well to say that there is an automatic grant so far as tenure is concerned, but psychologically there is a problem. There would not be a desire for the Australian Gas Light Company and the subsidiary companies to engage in further investment because their licences could be terminated.

The concern that I have is that country areas may be affected. It is in country areas that the greatest expense occurs in the distribution of natural gas. The annual licensing would impede investment in mains to take natural gas to new suburbs and to country centres. Such investments are long term. In the case of providing gas to householder customers, the pay-back could be as long as twenty years. Though I understand that all licences have a one-year tenure, nevertheless an assurance should be given to AGL and the subsidiary companies that their licences are not likely to be revoked at the whim of the Government. This morning in the *Australian* newspaper I read about a committee of the South Australian Government warning of shortages in gas stocks. Gas comes to New South Wales from the Cooper Basin through the Australian Gas Light Company under an agreement between the South Australian Government and the New South Wales Government. This agreement has operated for many years. The South Australian Government is warning of a diminishing supply of gas from this basin. Every encouragement ought to be given by the Government to companies to explore and eventually to invest in this important form of energy.

Clause 14 of the bill sets out the conditions relating to the approval of licences. These include a condition restricting the supply or distribution of gas to a specified region or area and a condition requiring the supply of gas throughout the whole or a specified part of a specified region or area. Those conditions are wide-ranging and it could mean that a gas company would be forced to supply natural gas to an area in which it is completely uneconomic to do so. These decisions will be left to the Minister. I now refer to one of the vexatious parts of the legislation, clause 16, which reads:

> The fee to be paid for a licence by a local authority or a small gas company is $100.

In this instance the local authority would be a local government authority distributing reticulated liquefied petroleum gas. Subclause (3) of clause 16 reads:

> The calculated amount is 0.5 per cent of the revenue (if any) derived by the company from the sale of gas during the relevant period in the course of intrastate gas reticulation.

It must be remembered also that under section 6H (1) of the Gas and Electricity Act of 1985 a distribution fee of 1 per cent based on gas sales revenue and agreed to by AGL is payable to the Govenment. Last year AGL had gas sales of some $350 million, which means that its contribution to the Government through various means will be in the order of $3.5 million. As well, the revenue derived from the 0.5 per cent levy would amount to $1.7 million, which could be used to finance a State energy and development fund. The Minister in her second reading speech stated that this fund would be used to encourage research into new technologies related to energy supply and use and may ultimately lead

to the creation of new industries and jobs. The Minister went on to say that the electricity supply industry would be providing funds also for energy research and development. Obviously this money would be channelled through the Energy Authority of New South Wales. I ask what the Minister means by encourage research. Does she mean that if AGL is to carry out research into new technology, that it may apply to the Energy Authority for a grant? Perhaps the Minister will enlighten me on this matter in her reply.

Part 3 of the bill details the structure of the gas industry. Division 1 deals with the transfer of the Australian Gas Light Company's gas undertaking. Clause 22 provides that the Australian Gas Light Company shall transfer its gas undertaking. Clause 23 provides that the transfer shall be to one or, with the written consent of the Minister, to more than one wholly owned subsidiary of the AGL as set out under schedule 1. I have already informed the House of those subsidiary companies. Division 2 to the same part sets out the rights, powers and privileges as conferred on a company by the Companies (New South Wales) Code, which will be extended to the subsidiary companies to which I have referred. Clause 32 states that a gas company listed in schedule 1 shall not carry on any activity except a gas activity. That is a good provision because it is part of the utility function which this legislation is all about. I deal now with part 4, which deals with the Australian Gas Light Company special provisions so far as shareholders are concerned. Clause 41 reads:

> A person may hold shares in the Company which represent up to, but shall not knowingly hold shares which represent more than, 5 per cent of its issued share capital.

To hold more than 5 per cent would require the Minister's approval and the concurrence of AGL. Prior to 1st January Industrial Equity Limited purchased some 41 per cent of AGL's shares and I understand that this has been reduced to something like 30 per cent with its interest in the Australian Oil and Gas Corporation Limited. Holdings will not be affected by this provision. However, if more shares are required, the provisions of clause 41 must be complied with. This measure has been included in the bill because of the purchase by Industrial Equity Limited. With the approval of AGL the Government is legislating to prevent any takeover of this important company and its functions as a provider and distributor of gas. This is an important point. Clause 48 is most important also and deals with the forfeiture of shares required to be disposed of and reads:

> When a person fails to comply with an order of the Minister to remedy a contravention of the shareholding limitation, the Minister may by order in writing served on the company direct that specified shares in the company held by the person vest in the authority.

The clause continues:

> The order may vest only so many shares as may be necessary to remedy the contravention and in making the order the Minister shall give effect to any reasonable request of the shareholder as to which shares are to be vested in the Authority.

Clause 49 provides:

> (1) Where shares vest in the Authority, the Authority shall sell the shares.
>
> (2) The sale shall be effected by public auction, public tender or private contract and in such manner, for such consideration and upon such terms and conditions as the Authority and the Company agree.
>
> (3) The Authority is entitled to retain 5 per cent of the proceeds of sale as commission and shall pay the rest of the proceeds together with any other sum due to the Authority in respect of the shares to the person who was the registered holder of the shares immediately before they vested in the Authority.

So, the Authority will take 5 per cent for doing nothing, which is again most interesting. Then we come to one of the more controversial parts of this legislation, and that is contained in clause 52, which provides:

> The Minister may appoint a person to be a director of the Company.

That is the Australian Gas Light Company. Under the Gas and Electricity (Amendment) Act 1985, provision was made for the Minister to appoint a person to be a director of one or more gas companies. These were utility companies. The Australian Gas Light Company is no longer a utility company, and therefore this is a precedent which the Government has set to appoint a person to a public company. This move opens the gate for the Government to appoint a director to any public company. Though there is a sunset clause which limits the appointments to the end of 1987, nevertheless the Opposition is opposed to this action by the Government.

The Hon. Judith Walker: Do you understand the reason?

The Hon. R. B. ROWLAND SMITH: Perhaps the Hon. Judith Walker will tell me if she does not know the reason, but I know why this is being done—so that the Government can get its cotton-picking hands on something it should not have. Of course, the Government would nationalize and socialize anything. That is exactly what it is attempting to do in this legislation. It does not want to have anything to do with private enterprise, and wants to appoint people to do its bidding. As far as the Opposition is concerned that will never happen. Clause 65 deals with the Minister appointing a director of a gas company. It provides:

> (1) The Minister may appoint a person to be a director of a gas company subsidiary of The Australian Gas Light Company.
>
> (2) The Minister may also appoint a person nominated by the Labor Council of New South Wales—

And this provision is a beauty:

> —to be a director of a gas company subsidiary of The Australian Gas Light Company.

The Hon. Judith Walker asked me whether I knew why the legislation was being introduced. Of course the Opposition knows why. Once members of the Labor Council and the favourites of the Minister are appointed as directors of a gas company, then the Government will attempt to obtain control. As I go through the legislation and tell the Hon. Judith Walker about the composition of the boards of inquiry, she will discover how completely unfair and ridiculous this legislation is. Once again we are seeing the long arm of socialism creeping into this legislation, to enable it to be involved in what I consider to be a private enterprise operation. The Opposition is strongly opposed to this provision. Schedule 2 sets out the membership and procedure of boards of inquiry. These are most important points. The schedule provides that the membership of a board shall consist of three members. I hope the Hon. Judith Walker will listen to this. Clause 1 of schedule 2 provides:

> A Board shall consist of 3 members appointed by the Governor of whom—
>
> (a) one shall be a person nominated by the Minister;

No one argues with that:

> (b) one shall be a person nominated by the gas company or gas companies concerned in the subject-matter of the inquiry to be undertaken by the Board; and
>
> (c) one, who shall be chairperson of the Board, shall be a person nominated as

> agreed on by the Minister and the gas company or gas companies or, in the absence of agreement, shall be a person nominated by the Minister.

The Hon. Judith Walker asked why the Opposition is concerned. This provision means, in essence, that the door is left wide open for the Minister to disagree with the person nominated by the company and appoint one of his own people, in that way stacking the board. Under the Gas and Electricity Act, 1935, if there is a disagreement about the third person, that member shall be nominated by the Chief Justice of New South Wales. The Opposition agrees entirely with that provision.

The Hon. Judith Walker: I am pleased about that.

The Hon. R. B. ROWLAND SMITH: The Hon. Judith Walker does not even know what I am talking about.

The Hon. Judith Walker: Of course I do.

The Hon. R. B. ROWLAND SMITH: No, you do not. I said the section now provides that if there is a disagreement, then the third person will be appointed by the Chief Justice. The Opposition agrees with that, but it is not in this bill. Why not? For the simple reason that the Government wants to stack the board. I ask the Minister: why the need to change the present system? I await his answer with interest. This socialist Government intends to control the boards of inquiry. Clause 9 (2) (b) of schedule 2 provides:

> The Minister is entitled to exercise voting rights in respect of any remaining part of the shareholding, up to the number of shares which represents not more than 5 per cent of the issued share capital of the company.

This is an absurd situation. As the Government does not own any shares, why should it be able to exercise voting rights in respect of shares? The Opposition will move an amendment in Committee to the effect that this may occur only with the agreement of the company, and that is AGL. Division 2 of the bill deals with financial affairs. Again the Government has inserted regulations so it can control the expenditure chargeable to revenue depreciation, tariff stabilization, and other relevant matters. Clause 74 deals with excess profits of gas companies. This is a rather peculiar provision. Subclause (1) of clause 74 provides:

> If the profit of a gas company listed in Schedule 1 for any financial year of the company is greater than the reasonable profit of the gas company for that financial year, the excess profit shall be credited by the company to an Equalisation Account.

Government supporters do not like the word profit. To them, profit is a dirty word. Subclause (2) of clause 74 provides:

> The profit of a gas company is the profit after providing for all expenses properly chargeable to revenue in accordance with generally accepted accounting principles.

Subclause (3) of clause 74 provides:

> The profit of the gas company includes the consolidated profits of the company and of its subsidiaries but does not include capital profits.

It is absolutely extraordinary to me how the Government can talk about what constitutes a profit, and whether or not a profit is excessive. If that is not socialization, I shall give up. Then we come to clause 76, which deals with the calculation of a reasonable profit of a gas company. The clause provides:

> For the purposes of this Act, the reasonable profit of a gas company for any financial year of the company is the amount which is equivalent to a return on shareholders' funds at a rate which is—

(a) except as provided by paragraph (b)—2 per cent per annum higher than the long-term bond rate in relation to that year; or

(b) where the gas company is involved in exploration for, and bulk carriage of, natural gas in the State—3 per cent per annum higher than the long-term bond rate in relation to that year.

Again, it is extraordinary that these stipulations, which are indeed regulations, should be included in a bill of this sort. If the company, through efficiency and productivity, is able to make a substantial profit, surely it will plough that back into further development—that is, exploration and distribution—because, after all, the name of the game is to market and sell. That is one of the problems facing the Electricity Commission of New South Wales. It just does not seem to understand that it must get out and market its product so it can make additional revenue and pay off the extraordinary debt hanging around its neck. We now come to clauses 79 and 83 in division 3, which covers accounts, audits and information. Wide powers are to be exercised by the Minister and the Energy Authority of New South Wales to obtain information, commission inquiries and audits. Why is there a need for audits to take place? After all, AGL has to pay for audits, which will be an additional cost to the customer. Public companies have audits and people can see them.

Under section 83, the authority, meaning the Energy Authority of New South Wales may require the gas company to disclose certain matters. Once again this is increasing the scope and power of the bureaucracy, with more interference coming from that sector. The Energy Authority in point of fact may require the gas company to disclose information on anything, as set out under the principal bill. Part 6 covers the boards of inquiry and sets out the constitution powers and matters to be taken into account. Part 7 deals with prices, charges and conditions for the supply of gas. The clause that concerns me is clause 95, the inquiry into gas prices, charges and conditions of supply. Under the old Act the board of inquiry was charged with three matters, recommending minimum prices for gas, agreements between the gas company and changes in the superannuation. This is price control to the n*th* degree. Surely if gas is going to become competitive with other forms of energy there should not be maximum gas price inquiries, there should not be talk of maximum prices; there should be talk in terms of what the market can pay for the commodity.

By looking at the maximum gas price the Government is forgetting the possibility that the price could be lower, and surely it is up to the customers of the gas company whether they are able to pay the prices that the gas company will be charging. My concern in this regard once again harks back to what I said earlier in this speech, that this Government is concerned only with selling electricity and because of the problems that it is facing at the present with huge debts it will seek further increases to try to cut back on this debt. In doing that electricity will become uncompetitive with gas. I fear that this board of inquiry will set gas prices at an uncompetitive level with electricity so that the customers will have no choice but to move away from gas to electricity. That really does concern me, Australia is a free enterprise nation, or it ought to be, but there is no doubt that this Government has thrown free enterprises to the four winds and is socializing an industry that ought to be free of regulations.

I have endeavoured to cover as many points in this important piece of legislation as I can. I criticize the Government for its haste in introducing these bills without due regard to public comment, something for which it is famous. What I said earlier in another speech is true. Gas comes a pretty lousy last in

energy in this State and, as honourable members are aware, the Gas Bill is one of the last bills to come before the session. To me that is a disgrace when it affects something of such vital importance to the consumers of this State. The Government is unwilling to listen or to give the people the opportunity of discussing what it will do with a commodity like gas.

I summarize the bill by saying that more regulation means increased costs for gas companies, which will be passed on to their customers. There will be a further growth in the bureaucracy which is absolutely unnecessary. The Government is favouring electricity against gas because of its failure to come to grips with the problems that the Electricity Commission of New South Wales brought on itself some years ago. The Government is increasing the charges for licence fees, which is completely and utterly unnecessary. The gas companies at the moment have to pay a 1 per cent distribution fee and they should not be asked to pay an additional 0.5 per cent. There are some 400 000 gas customers in the State of New South Wales, who have purchased approximately $350 million worth of gas during the last year, and AGL's contribution to Government through various fees will amount now to $5,250,000.

The Minister stated that the levy of 0.5 per cent, which will mean $1.7 million, would be used to finance a State energy and research development fund. This fund would be used to increase research into new technologies related to energy supply and use that may ultimately lead to the creation of new industries and jobs. The money obviously would be channelled through the Energy Authority and once again takes from private enterprise initiatives which rightly would belong to them. These additional burdens will be funded by the consumer. The licence fee will apply for one year, as indeed does the tenure of the licence, and, though the Minister says that the annual licences are automatically granted, it does not follow that this will happen. The Minister said that if any serious problems arise that might lead to a licence not being granted, then the gas company must be given an opportunity in reasonable time of not less than one year to correct the problems.

As I said earlier, I am concerned that there could be a change of heart by AGL in terms of its attitude towards further investment. This concern I have would extend to country areas that could become affected, because it is in country areas that the greatest expense occurs in the distribution of the most important energy. Finally, may I ask, why does the Government not leave the gas industry to people who know something about it and leave it so they can organize their forces to be able to supply a much needed source of energy at market rates? The market-place is the great determinator of price. Electricity use is something of the order of 80 per cent of the consumption of energy, but natural gas is growing, and it is creating great competition, which is important for average consumers in the State. The Government gives lip-service to wanting to help consumers, but the proposed legislation will do little to bring that about. The Opposition is opposed to the bills for the reasons I have given and will seek to make amendments during the Committee stages.

The Hon. P. S. M. PHILIPS [4.46]: I propose to deal with particular elements of these bills described by the Minister in her second reading speech, first, with the Government's rationale for introducing them. The Minister in the other place in his second reading speech says that the new Gas Act clearly will define the responsibilities of the gas utilities, the role of the Minister and the Energy Authority in monitoring the industry and the powers and responsibilities of boards of inquiry—all with the aim of ensuring that the gas users of New South Wales will receive the best deal possible in both the short

and the long term. No mention has been made of the public shareholders in the Australian Gas Light Company. They, apparently, are not considered at all in this proposed legislation. At least in speaking to the amendments in late 1985, the Minister had this to say:

> The Government has recognized the legitimate and sometimes conflicting interests of gas consumers, Australian Gas Light Company shareholders and the wider public. We have also been cognizant of the problems resulting from diversification in developing a solution which involves a major restructuring of Australian Gas Light Company.

This bill sounds like a local manifestation of the federal Government's consensus approach, the parties being considered to be, in this case, the company, the Government, the Labor Council of New South Wales, and to an extent, gas consumers, but emphatically not the public at large or Australian Gas Light Company shareholders at large. That is unacceptable. We get too much of that sort of thing at the hands of the Prime Minister, Mr Hawke. Yet the Gas Bill and the former legislation heavily regulates the Australian Gas Light Company by first limiting dividend payments; second, by limiting profits; third, by regulating the price of gas. The Act limits depreciation chargeable as an expense, limits variation in certain financial arrangements and limits the issue of additional shares—that is, does not allow bonus share issues. The bills provide for the gas undertaking of the Australian Gas Light Company to be transferred to its subsidiary companies. Accordingly, I shall refer to this company hereafter as the gas company.

I make the following simple points in relation to the dangers of the gas company continuing to be heavily regulated. Management decision-making processes become inflexible and inhibited. That results, through no fault of their own, in management making less than optimal decisions. This creates operational inefficiencies. Heavy regulation creates hidden subsidies and distorts market prices. That can lead to suppliers and consumers making less than optimal decisions regarding the exploration of gas, and consumption of gas as opposed to other forms of energy and or fuels. Heavy regulation reduces competition in the market-place. Competition increases economic efficiency, discourages waste, rewards innovation and keeps cost and prices down. In the case of the gas company, regulation has created a severe barrier to entry into the gas market. Why would any firm enter the gas market when its profitability is controlled at low levels?

I have discussed the problems caused by regulation of the gas company. This raises the issue of what benefits are provided by all this regulation. In this regard I have accepted the proposition that the price of gas to domestic consumers should, because of tradition and other reasons, be controlled. I therefore challenge the New South Wales Government to demonstrate to the community the net positive benefits for government regulations in place that affect the gas company. It is my submission that regulation of the gas company should be along the following lines. The gas company should have control over the supply of gas to Sydney and many parts of New South Wales. As an essential public utility, the gas company must be subject to regulation as I have said with respect to the price of gas to domestic consumers, but in no other way. However, policy should be for this regulation to be minimal and in line with competitive market practices. The two most important regulations should therefore be, first, responsibility to the Minister for gas policy in the domestic market. It is utterly objectionable and senseless that this situation seems to have been changed by the bills before the House, which extend these controls to the industrial market. The board of inquiry procedure could be an alternative if

the terms of reference were adjusted appropriately; but, of course, the board of inquiry procedures in the principal bill are utterly objectionable for reasons set out by the Deputy Leader of the Opposition.

Second, the utility operations of the gas company must remain within the boundaries of the gas company and the company should not attempt to do anything else, except that a 24.9 per cent interest in what I shall describe here as company B should be permitted. The company B, of course, comprises the non-utility operations. There is no magic in the 24.9 per cent figure; companies are listed on the stock exchange with one 50 per cent stockholder. It just seems in all the circumstances to be an appropriate figure in that it probably gives control, but at the same time it allows company B to be its own man. At an earlier stage, when the company was thinking about these aspects, it undoubtedly wanted a higher percentage interest than this.

Let me explain the thinking behind the proposal. First, the gas company has a virtual monopoly on gas and a monopoly can theoretically maximize its profits by holding back supply of its product and this pushes up the price. This result is not optimal for society as a whole. Competition results in more of the produce being supplied at a cheaper price. To achieve that aim, with a monopoly there is no doubt that the electorate will require the Minister or an independent board of inquiry to set a competitive price for a monopoly—that is, gas—to domestic consumers. The monopoly rent, as it is called, would then go to the customers. Second, if the Minister sets the domestic gas price, any problems in the deregulation of the utility company will not result in either sharp increases or falls in the price of gas. A smoothing out of gas prices will be beneficial to all. Third, what needs to be understood, however, is that gas is not the only means of providing energy, and therefore gas must remain competitive in price and in all other respects to compete in the market-place. The Government of the day must understand this simple fact.

Company B should be floated as a separate oil and investment company. This company would bear no relationship to the gas company except that existing shareholders would initially, at least, have prior rights to the capital and the gas company as such could retain a 24.9 per cent interest in same. The company should be completely free from the Gas Act. Turning the utility company into a pure gas company would be beneficial because it would limit the parts of the whole that would be subject to regulation, and this would benefit the gas company shareholders. It would allow investors to place their money, if they desired, in a pure gas company rather than a gas, oil and exploration and investment house, and the gas company could concentrate on its major function. The return to shareholders from their investments in the gas company would in future reflect the full value of that investment rather than the narrow capital base that previously applied. Shareholders and consumers will also share equally in any future capital profits made by the gas company.

It is my submission that the solutions that I have advocated are preferable for the following reasons. They are fair to gas company shareholders. They do not inconvenience New South Wales gas consumers, who could expect gas prices to increase over time rather than in one hit. I refer to domestic consumers only. They maintain price controls over the gas company to ensure competitive pricing formulae. They would not see a government dipping its fingers into the till where they do not belong, that is, infringing the rights of the gas company shareholders. They would encourage economic efficiency and wealth creation compared with the approach taken in this legislation. It follows from what I have said that there is no place, in the view of the Opposition, for

a Government nominee on the utility company board, a biased board of inquiry procedure, government licensing of the utility company and the whole host of additional paraphernalia posed by the bill, which the Opposition strongly opposes.

The Hon. DEIRDRE GRUSOVIN (Minster for Consumer Affairs and Assistant Minister for Health) [4.57], in reply: I am only sorry that the Deputy Leader of the Opposition is not present in the Chamber, for I wanted to commence my reply by speaking about the question of electricity, a matter that he raised though he was speaking at the time to the Gas Bill. I must say that 99 per cent of New South Wales consumers have electricity at prices lower than anyone else in Australian mainland States. The McDonell inquiry into electricity generation planning will put New South Wales well in front in Australia and set the scene for the next forty years. The pricing inquiry will allow public participation in pricing decision. I might add that foreign borrowings by the Electricity Commission are adequately provided for, and the Auditor-General is satisfied with Elcom's treatment.

With regard to the concern about over-regulation of the gas industry and claims of unnecessary government regulation, just the opposite is the case. As a result of the measure before the House and previous legislation, the non-utility operations of AGL were deregulated, and that freed AGL non-utility companies from profit constraints, clarified the status of AGL assets, and provided a stable investment environment. Antiquated 1937 legislation has been modernized and Companies Code legislation now applies. Regulation of gas utilities has been streamlined and updated, modern accounting and reporting standards now apply, capital raising has been simplified, and depreciation modified. AGL has welcomed this and previous legislation, for it sees the measures as modernizing and streamlining the regulation of gas companies.

The Hon. R. B. Rowland Smith: Is the Minister saying that AGL is giving the Government its full support?

The Hon. DEIRDRE GRUSOVIN: If Opposition members stop interrupting me and will allow me to continue with my speech, I shall quote from a letter that the Australian Gas Light Company wrote to the Premier on 31st July, 1986. It reads:

> My dear Premier,
>
> The legislation in November last year restructuring the New South Wales gas industry was seen by AGL and the Government as streamlining and modernizing the regulation of AGL's gas utility operations and at the same time deregulating the company's non-utility activities for everyone's benefit.

One of the main areas where regulation has been strengthened is in respect of the 5 per cent shareholding limitations on AGL which specifically limit outside influences on the AGL board. This regulation was desperately sought by AGL. There has also been improved access to all information about gas activities and interactions between utility and non-utility subsidiaries, and wider scope of board of inquiry powers into gas pricing. These powers are perfectly legitimate in view of the monopoly rights granted to gas companies and the potential for conflicts of interest between utility and non-utility companies. I return to this question of overregulation.

The Hon. R. B. Rowland Smith: The Minister would know all about that.

The Hon. DEIRDRE GRUSOVIN: As I said before, AGL has welcomed this move. The measures that affect AGL, mainly temporary and reserve powers, are to be exercised only when problems arise during IEL's settling-in period. The Government believes that regulation of the gas utilities is essential and in the interest of the public and consumers. AGL has always accepted this.

The Hon. P. S. M. Philips: What about the shareholders?

The Hon. DEIRDRE GRUSOVIN: I think the shareholders are fairly happy at present. AGL share prices increased from about $2.50 in early 1985 to between $6 and $7 in late 1986. If that is the effect of overregulation, every company in Australia will be clamouring for it. The shareholders of AGL are not complaining. I come to the matter of the supply of gas to areas of the State. The Government actively supports the extension of gas supplies as widely as possible and approves of competition with other energy forms. The Government has actively intervened, with the federal Government, to resolve the impasse between AGL and the Pipeline Authority so that gas could be brought to Bathurst, Orange and Lithgow. The Deputy Leader of the Opposition ought to approve of that project.

The Hon. R. B. Rowland Smith: I am very happy with it.

The Hon. DEIRDRE GRUSOVIN: I am glad the Deputy Leader of the Opposition is happy about some aspect of this bill.

The Hon. R. B. Rowland Smith: I have been very happy all day but the Minister disturbed me with all the nonsense that she has been stating.

The PRESIDENT: Order!

The Hon. DEIRDRE GRUSOVIN: The Government has always approved any application to extend the distribution areas of gas companies. Of course, AGL has the main responsibility to extend the area of gas supply, clearly depending upon the economics involved. The Government does not determine these economies. As I said, the Government has encouraged AGL and other utilities to explore and develop alternative gas supply sources; for example, the methane drainage supply from Queensland. I turn now to the 0.5 per cent licence fee imposed on AGL gas utilities. That licensing fee, which I must say is not a vast amount, is used for energy-related research and development. That is consistent with the position in the New South Wales electricity industry, and is in the long-term interests of the gas industry.

New South Wales will now receive 1.5 per cent of AGL gas sales turnover; 1 per cent of which was obtained from AGL by the deed of agreement signed on 14th November, 1985. I think that amounts to about $3.4 million per annum. In other States substantially larger amounts are payable to the Government by gas companies. I shall give some examples. In Victoria, $31 million was paid to the Government in 1985-86; in South Australia 5 per cent of revenue was paid, amounting to $4.8 million and in Western Australia 3 per cent of revenue was paid. I cannot really see how the 0.5 per cent licence fee will increase gas prices. It is believed that that amount will easily be absorbed as a consequence of improvements in efficiency. The tariff stabilization account will also offset these charges to domestic consumers.

I come now to annual licensing procedures. The annual tenure of licences is not a real problem, as automatic renewal is provided for in the Act upon payment of the necessary fee. The revocation of a licence requires a minimum notice of one year, and a gas company is given an opportunity to

rectify the causes of a proposed revocation. Clause 52 will allow the Minister to appoint a director to the AGL board. This is a temporary measure. Such appointee may hold office only until 31st December, 1987, unless the shareholders seek an extension of that term. This is also a reserve measure. The Government has agreed not to exercise that power unless gas utility and consumer interests are threatened. This is part of the Government's monitoring of the settling-in period of IEL's involvement in AGL. It is primarily a consumer protection mechanism. An example of a privately owned company that has government appointed directors is the First Australian National Mortgage Acceptance Corporation, which is owned by insurance companies, finance companies and the New South Wales Government. Two Treasury officials are directors of that company.

Unlike other private companies, the subsidiaries of AGL are private utilities effectively granted government monopoly rights. The Government has the obligation and responsibility to protect consumers. That role is recognized in other States and overseas. The Labor Council of New South Wales may nominate one director to the board of each AGL gas company. The Government has a policy—it has had it for some time—of encouraging employee representation on statutory bodies. The Labor Council nominee to the AGL board is analogous to and consistent with that position. Government appointments to independent boards or commissions is a common practice in all areas of government. It is not unusual for the Minister to have power to nominate the chairperson of a board of inquiry when the Minister and the gas company fail to agree on the nomination.

I come now to the matter of the 5 per cent voting rights. The gas bill will provide the Government with the right to exercise up to 5 per cent voting rights on IEL's shares held in AGL in excess of the 5 per cent limitation. The 5 per cent voting rights provision is only a temporary measure designed to be activated if significant problems should emerge between IEL and AGL. The legislation contains a sunset clause that has effect in January 1989. That should make the Hon. P. S. M. Philips happy, as he likes sunset clauses to be included in legislation. These voting rights were conceived of as a partial counterbalance to IEL in such a situation. The legislation allows AGL to make excess profits and distribute these to consumers. That provision was agreed to by AGL in 1985. The Government believes that it is an improvement and a move towards deregulation compared with the previous legislation. Importantly, it is the first time that an efficiency incentive has been included in legislation. Surely I do not have any opposition to that proposal.

It has been claimed that the legislation is unfair to shareholders. AGL profits are now deregulated. As I said, recently the price of its shares rose from $2.50 a share to approximately $7. That can hardly be considered to be a blow to the shareholders. AGL has now undertaken major investment in exploration. In November this year the AGL chairman reported to shareholders that future business profit outlook was promising. AGL has welcomed the 1985 legislation on which this bill is substantially based. AGL was also intimately involved in developing this legislation—legislation that will bring the company into the twentieth century in terms of real benefits and increased consumer protection. I commend the bill.

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

The House divided.

Ayes, 20

Mrs Arena	Mrs Grusovin	Mrs Kite
Mr Brenner	Mr Hallam	Mr Reed
Mr Dyer	Mr Hankinson	Mrs Symonds
Mr Egan	Mr Healey	Mr Watkins
Mr Enderbury	Mr Kaldis	*Tellers,*
Mr French	Mr King	Mr Ibbett
Mr Garland	Miss Kirkby	Mrs Walker

Noes, 16

Mrs Bignold	Mr Killen	Mr Rowland Smith
Mr Bull	Mr MacDiarmid	Mr Willis
Mr Doohan	Revd F. J. Nile	
Mrs Evans	Mr Philips	*Tellers,*
Mrs Jakins	Mr Pickering	Mr Matthews
Mr Jobling	Mr Samios	Mr Percival

Question so resolved in the affirmative.

Motion agreed to.

Bills read a second time.

In Committee

The CHAIRMAN: Order! The Committee will deal first with the Gas Bill.

Clause 52

[Additional Director appointed by Minister]

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [5.18]: I move:

That at page 25, all words on lines 11 and 12 be omitted.

As I said during the second reading debate, it is completely untenable that the Minister shall appoint a director of a public company.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [5.19]: Clause 52 will allow the Minister to appoint a director of AGL. That is a temporary measure, as the appointee will hold office only until 31st December, 1987, unless the shareholders seek an extension of that term. I thought I made that clear in my earlier remarks. The Government has agreed not to exercise that power unless the gas utility or consumer interests were threatened. The clause will enable the Government to monitor a period of IEL's settling into the activities of AGL. Primarily it is a consumer protection mechanism. The Government rejects the amendment.

Amendment negatived.

Clause agreed to.

Schedule 2

[Membership of Boards]

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [5.20]: I move:

> That at page 65, line 23, the word "Minister" be omitted and there be inserted in lieu thereof the words "Chief Justice of New South Wales".

In my speech during the second reading debate I said I found it completely untenable that the board will consist of three members, but the chairperson of the board will be a person nominated as agreed on by the Minister and the gas company or gas companies, or in the absence of agreement shall be a person nominated by the Minister. I posed a question to the Minister for Consumer Affairs but did not get a satisfactory answer. I asked why there was a need to change what stands at present in the Gas and Electricity Act, 1935, which in part II, section 5 (2) states:

> In the event of the Minister and the company or companies failing to agree as to the third member, such third member shall be a person nominated by the Chief Justice of New South Wales.

Surely that is the most equitable thing one could have. Here we have a situation where the Government is going to take absolute control of the board of inquiry. I asked why before, but I received no satisfactory answer. Irrespective of what the Minister may now say, we will certainly oppose this vigorously.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [5.22]: The Government appointment of independent boards of commission is common across all areas of government. It is not an unusual practice. The chairman of a board of inquiry, which has the same powers as a Royal commission, is properly the final responsibility of the Minister. The gas company is to be consulted, as previously, regarding an appointment. In practice, may I reassure honourable members, problems have never arisen with respect to the appointment of the chairman of a gas price inquiry. The Government rejects the amendment.

Question—That the words stand—put.

The Committee divided.

Ayes, 19

Mrs Arena	Mr Hallam	Mr Reed
Mr Brenner	Mr Hankinson	Mrs Symonds
Mr Dyer	Mr Ibbett	Mrs Walker
Mr Enderbury	Mr Kaldis	
Mr French	Mr King	*Tellers,*
Mr Garland	Miss Kirkby	Mr Egan
Mrs Grusovin	Mrs Kite	Mr Watkins

Noes, 16

Mrs Bignold	Mr MacDiarmid	Mr Rowland Smith
Mr Bull	Mr Matthews	Mr Willis
Mr Doohan	Revd F. J. Nile	
Mrs Evans	Mr Philips	*Tellers,*
Mrs Jakins	Mr Pickering	Mr Killen
Mr Jobling	Mr Samios	Mr Percival

Question so resolved in the affirmative.

Amendment negatived.

Schedule agreed to.

Schedule 3

[Existing Shareholdings—Voting Rights]

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [5.28]: I move:

> That at page 69, line 7, after the word "Minister" there be inserted the words "with the agreement of the Australian Gas Light Company".

I covered this matter sufficiently in my contribution at the second reading stage.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [5.29]: The Government rejects the amendment.

Amendment negatived.

Schedule agreed to.

Adoption of Report

Bills reported without amendment, and passed through remaining stages.

COMMONWEALTH POWERS (FAMILY LAW–CHILDREN) BILL

Second Reading

Debate resumed from 3rd December.

The Hon. ELISABETH KIRKBY [5.30]: Honourable members may be aware that when the debate was adjourned yesterday I was drawing attention to information released by the Institute of Family Studies about the costs associated with raising children. When these figures were published the chairman of the Family Law Council, Mr Justice Fogarty, said:

> The average maintenance award made by the Family Court has been about $20.00 per week per child. Lawyers, judges and parents have had no guidelines.

Dr Edgar, the director of the Institute of Family Studies, said that it would not be warranted to take the minimum costs that his institute had discovered and add them up to $140 per week maintenance for two teenage children. However, he believed that the figures showed that account needed to be taken of increased cost for children as they mature, and society should not be complacent about the standard of living permitted to any family on current maintenance levels. Apart from the issuing of awards for the enforcement of maintenance, we now know that our guesstimates about costs associated with raising children have been perhaps unrealistically low. In 1983 the Institute of Family Studies conducted a workshop on policy and research priorities about the maintenance of children. The policy priorities of that workshop included, under the heading income security and taxation, the development of more effective mechanisms for ensuring that non-custodial parents contribute to the cost of maintaining their children; the development of an income transfer system that recognizes the separate but interdependent need for income support of dependent children and custodial parents without adequate incomes; and increased income security payments to single parents to lift their incomes above poverty line levels.

In recent years it has become a matter of increasing concern that single parents, even those living on supporting parents' benefits, are now in a poverty trap; their incomes do not lift them above the poverty line. Social security payments are discussed frequently in the media and in recent years it has become popular for the media to attack those who, unfortunately, have to live on social security benefits. It is important to realize what the Commonwealth Government Budget outlays for social security and welfare benefits are as a percentage of the total budget expenditure. It has been said that the cost of assisting widows and single parents can no longer be afforded by this nation. The statistics reveal that in 1975–76 the assistance to widows and single parents was 2.1 per cent of the total budget outlay. In the past ten years that proportion has risen to 3.1 per cent of the total budget outlay. Assistance to veterans and their dependants has risen by the same amount in the same time.

In spite of publicity, the total social security and welfare payment as a percentage of total budget outlay has risen by 4 per cent only from 1975–76 to 1985–86, during which time inflation in this nation has risen sharply and many people have been compelled to apply for social security benefits after having lost their employment. Following the publicity that always accompanies payments, particularly to single parents, the Government has had prepared a discussion paper, which was released in October 1986. The thrust of that discussion paper is well known. It proposes the automatic collection of maintenance from all non-custodial parents in the same way as PAYE taxation is collected. It proposed that payments should be determined by a legislative formula, and this formula is currently under review by a Cabinet subcommittee. The formula will replace the present judicial discretion as a method of assessing maintenance obligations. It is hoped that eventually this scheme will be administered by a child support agency under the control of the Commissioner of Taxation.

The far-reaching intention of these changes is to establish a principle with which I believe all honourable members will agree; that both parents are responsible for the support of their children, no matter what relationship exists between them. Rather than just aiming for equity between custodial and non-custodial parents, the Government is concerned to move the responsibility for child support back from the public sphere to private families or, as it is put in the discussion paper, to strike a fairer balance between public and private forms of support. The second principle is that the level of child support will be tied to the parent's income. Usually that is based on the non-custodial father's standard of living, rather than being set by public policy, by the level of the existing supporting parent's benefit. As with taxation, a maintenance formula will apply to the non-custodial parent's income at any given time and the payments will be directed specifically to the support of that parent's child. I believe they are important provisions and I hope the federal Cabinet will soon find a formula to allow them to be brought into force.

I should like to leave four issues in the minds of honourable members, because I know they will have to be addressed by the Cabinet subcommittee and by the federal Government as a whole before this new scheme comes into effect. First, what formula should be used to set maintenance obligations and, in particular, what exemptions will apply? Second, should women be forced to identify and locate the fathers of their children as a condition of receiving a supporting parent's benefits. How much can the Government save by replacing public child support payments with private maintenance payments, and what should happen to these payments? The report raised the possibility of placing

non-co-operative parents on the lower unemployment benefit or cutting the $16 a week child allowance. The discussion paper makes a similar suggestion, this time using what is called a lower special benefit.

I believe it is proper that the maintenance payments should fall more heavily on the non-custodial parent, particularly in the case of ex-nuptial children who deserve the same chances in life as nuptial children whose parents have separated. It is obvious that the burden cannot increasingly be carried by the taxpayer. I hope the provisions discussed by the Cabinet subcommittee will be considered speedily by federal Cabinet and that a formula will be found and legislation drawn up to allow this to happen. I hope it will not gather dust in some Minister's pigeonhole for months or years. The statistics I quoted, show that assistance to widows and single parents has not risen as astronomically as the press might wish us to believe, though it is rising. It is a matter of concern and it is something that can be addressed by this formula if the non-custodial parent—who is usually, regrettably, the father—refuses to pay. However, that is a matter for the federal Government to decide. I hope it makes a decision speedily so the provisions of this bill will be brought into force.

Reverend the Hon. F. J. NILE [5.43]: The house needs to take a few moments to discuss the Commonwealth Powers (Family Law-Children) Bill. Adjustments to the law are always needed. The object of the bill is to refer to the Commonwealth certain matters relating to children, namely, maintenance and payment of certain expenses, and custody, guardianship and access. The reference will operate principally in relation to ex-nuptial children. The Hon. Elisabeth Kirkby mentioned the Family Law Act and the Family Law Court. It needs to be recorded that widespread concern exists in the community about the operation of that court. There is much support for the idea of having a New South Wales family court, even though the Hon. R. D. Dyer said that was difficult if not impossible. Such a court is operating in Western Australia and Queensland hopes to establish one. It is a tragedy that one in 2.6 marriages now ends in divorce. Some people suggest that as people remarry, things work out in the long run. Unfortunately, one in two remarriages also ends in divorce. In the past ten years more than 400 000 children have been affected by the Family Law Act. Many people wonder whether the Family Law Act should be termed the family destruction act.

Another matter raised by the Hon. Elisabeth Kirkby that I believe is relevant is the importance of caring for children and ensuring that they are adequately cared for. Those of us who reared children that are now adults experienced economic pressure. However, a survey released by the Anglican church, based on parliamentary staff research, reveals that in the past ten years a single income family on $22,000 a year has had an income increase of about 120 per cent, whereas the tax increase has been 430 per cent. That is why many single-income families on about $22,000 a year are experiencing economic problems. That increase has occurred during the terms of office of governments of both political persuasions. Even though both Labor and coalition governments speak about pro-family policies, they seem to neglect them. Sufficient income is needed to care for children, and provide for their support in other ways.

This bill deals particularly with ex-nuptial children. One of the concerns of many people in the community is the increase in the number of ex-nuptial children; children born outside marriage—illegitimate children as they were formerly described—those born prior to a marriage, as well as those born in *de facto* relationships and children born as a result of indiscriminate relationships.

In these circumstances the children suffer. I agree with the Hon. Elisabeth Kirkby that something needs to be done to ensure that those who are responsible pay the maintenance. Obviously, in all these cases the father should bear the prime responsibility for maintenance, whether in a legal marriage or in a *de facto* relationship. Even the young man who may, in a careless way, cause a young woman to become pregnant should bear the financial burden of that permissive behaviour.

The other matter of concern raised in this bill is the transfer of custody powers. Many people have expressed to me deep concern over decisions made by the Family Law Court about custody. Even though this bill transfers powers to the federal Government, I hope that pressure will be brought to bear on that Government to review the family Law Act and its procedures, to introduce a greater sense of justice. In custody cases the court seems to ignore completely many issues related to morals, values or ethics. Sometimes the courts rule that it does not matter whether the mother is a prostitute or something like that. I believe those factors should be taken into consideration by the Court. I hope this bill will not put children at risk. A court should dispense justice. I know some Family Law Court judges are very good people as individuals; I am not criticising them. I have known some of them for years. But they are bound by the law. They are bound by the Family Law Act and procedures. I sense that they suffer a great deal of frustration, as they can only go so far in these cases. They would like to go further. I would rather put more faith in the judges; they should have the power to ask all the questions, get all the information, all the evidence and then make a decision.

People involved in the tragedy of divorce and custody proceedings who feel that they are not getting justice from the court and their case is not being presented fully become frustrated. Some people have come to my office and pounded the desk in frustration. I see that sort of frustration leading to the violence that has been occasioned to Family Court judges and damage to courts. The court should be structured in such a way that it will reduce people's frustration. People should have the feeling that they have received a due measure of justice. Even though certain powers are to be transferred to the federal Government, I urge the State Government to maintain pressure on the federal Government and not be deaf to the cries of the people of this nation. Many people feel that something is wrong and that the Family Law Act should be amended. Even though the State Government cannot make amendments to that Act, it can be a powerful influence for good if powers are transferred to the federal Government and the Family Law Court. We have a right to make demands for improvements to the way those courts operate. If those demands are not met, we should keep certain powers in our own State and so be more responsive to the needs of the people in New South Wales.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [5.51], in reply: The laws affecting proceedings for the maintenance, custody and access to children operate in a most unsatisfactory manner, particularly in the case of ex-nuptual children. As well as causing financial cost to the parties, this lack of certainty also has disturbing emotional consequences for the children and family members associated with the proceedings. In cases when there are real doubts as to jurisdiction, courts have been reluctant to make interim orders unless they are absolutely necessary, thereby prolonging possibly unsatisfactory living or access arrangements.

The bill will give the Commonwealth Parliament full power to legislate for all children on matters of maintenance, custody, guardianship, and access. This will remove the final legal distinctions between legitimate and ex-nuptial children. The Hon. M. F. Willis raised concerns in the debate. I inform him that the federal Government—and in particular the federal Attorney-General—is giving careful consideration to the problems facing the Family Court and has accepted responsibility for the efficient operation of the court. Problems facing ex-nuptial children are such that they can be remedied only by providing one court with jurisdiction to hear maintenance, custody, and access disputes for all children. In view of the counselling and other support facilities available in the Family Court, that court is clearly the most appropriate jurisdiction. In any event, a large range of maintenance, custody and access disputes will continue to be resolved in local courts because of their delegated jurisdiction under the Family Law Act.

By amending the Family Law Act to give the Family Court jurisdiction over all children in future as I have said, there will be one court and one body of law applicable for all maintenance, custody, and access disputes. It should be remembered that Local Courts exercise extensive powers under the Family Law Act on behalf of the Family Court, especially in cases of maintenance or access only. The decentralized service offered by Local Courts in New South Wales will continue to be available in these types of cases. The reference of power is such as to ensure the powers and functions of the Minister for Youth and Community Services are not affected. This recognizes the arrangements whereby the State will continue to be responsible for matters relating to the welfare of children.

Clause 3 (2) (d) will preserve the jurisdiction of State courts to make any orders for the care or control of children. Nevertheless there will be one area of continuing concern after the reference to the Commonwealth. At the moment, the Commonwealth has full power to legislate with respect to children of a marriage, including the power to legislate with respect to the welfare of those children. This has created conflict in cases where there are welfare proceedings pending in a State court, and family law proceedings with respect to the same children pending in the Family Court of Australia. In this instance, section 10 of the Family Law Act operates to preserve the role of the welfare proceedings, unless the Family Court is satisfied there are special circumstances that justify the making of an order in the Family Court. There has been a tendency in recent times for the Family Court to find special circumstances in an increasing number of cases, thereby interfering in welfare proceedings involving State welfare authorities. It should be emphasized this problem relates only to cases of children of a marriage.

The reference of powers will not create similar problems for ex-nuptial children. The reference specifically denies the Commonwealth power to legislate in welfare cases. For children of a marriage, the State can rely only on the good will of the Commonwealth to give effect to the agreed policy that the States will be responsible for welfare matters. In this regard, the Commonwealth is considering amendments to section 10 of the Family Law Act, and has sought comments on that review. Problems with section 10 will continue to be addressed, but in the meantime it is considered they should not prevent the present reference of power from going ahead.

I note the contributions of the Hon. Elisabeth Kirkby and Reverend the Hon. F. J. Nile. The Hon. Elisabeth Kirkby in her contribution to the debate expressed a number of concerns, and they of course will need to be addressed

at a federal level. When enacted, the reforms will remove once and for all the judicial demarcation disputes, created by the Commonwealth Constitution, which have been a significant fault in the operation of family law in Australia. I commend the bill.

Bill read a second time, and passed through remaining stages.

HEATHCOTE BY-ELECTION

Personal Explanation

The Hon. E. P. Pickering: I seek leave of the House to make a personal explanation.

The PRESIDENT: Is leave granted? There being no objection, the Leader of the Opposition may proceed.

The Hon. E. P. Pickering: At question time today I directed a question to the Leader of the House that implied—or more than implied, stated—that the Hon. M. R. Egan had said on radio 2GB this morning the following words, "I have seen it being done by the Liberal Party supporters with my own eyes". Those words were provided to me by way of a transcript. I have now been informed by the office of the Commissioner of Police that those words are quite incorrect. The honourable member said, and I quote "I have not seen it being done by Liberal Party supporters with my own eyes". In view of the mistake I made today, I unreservedly apologize to the honourable member and apologize for any inconvenience I caused him and the House.

The Hon. M. R. Egan: Mr President—

The PRESIDENT: Order! The honourable member cannot debate a matter such as this.

[*The President left the chair at 6 p.m. The House resumed at 7.30 p.m.*]

ROMAN CATHOLIC TRUST PROPERTY (AMENDMENT) BILL

ROMAN CATHOLIC CHURCH COMMUNITIES' LANDS (AMENDMENT) BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [7.30]: I move:

That these bills be now read a second time.

The bills before the House contain amendments which will enable the Roman Catholic Church to adjust to changing circumstances and are presented in accordance with the Government's policy to assist charitable and religious organizations to maintain up-to-date legislation. The Roman Catholic Church, like other churches, is undergoing major changes at present due to shifting populations and diminishing numbers of some religious orders of priests, brothers, and nuns. These amendments will assist the church as a diverse and complicated organization, which consists of many diocese with separate bodies corporate. The amendments in these two bills are essentially threefold in facilitating the creation of new diocese and enabling the church to adjust to the

changing circumstances regarding the use of property in certain areas and in the declining number of persons in the teaching orders.

First, in the past various trusts have been created by bequest or otherwise in favour of the church, which provide that the income is to be applied for some specific charitable or religious activity of the church. However, due to general social and economic changes and also changes in the nature of the church's activities since many of the trusts were created, it has become impractical or inexpedient to observe some of the objects of those charitable trusts. One example is the case of a trust for the benefit or upkeep of a particular church or school which may subsequently have been demolished or which may subsequently have been demolished or which through the movement of population may necessitate closure.

At present the method by which a trust can be varied is by a cumbersome application to the Equity Division of the Supreme Court for a *cy pres* scheme to vary the specific objects of the obsolete trusts. However, as many of these trusts already have limited capital funds, this exercise has proved to be expensive and an unnecessary waste of funds which should be directed towards charitable purposes. The amendments before the House concerning the variation of trusts are comparable to provisions already extant in the Church of England Trust Property Act, 1917, the Presbyterian Church (New South Wales) Property Trust Act, 1936, and the Uniting Church in Australia Act, 1977. All these Acts already have provision for the governing bodies of the churches to make a *cy pres* scheme for obsolete charitable trusts with the new objects being as near as possible to previous objects.

The second amendment contained in both bills is directly related to population trends and changes including the declining numbers of persons in teaching orders, or rapid development of a particular area. Sometimes this has led to the alteration of boundaries between existing diocese, and has led to the recent creation of two new diocese, namely Parramatta and Broken Bay, from within the previous boundaries of the archdiocese of Sydney. The diocese of Parramatta covers the municipalities and shires of Parramatta, Holroyd, Blacktown, Penrith, Blue Mountains, Hawkesbury, and Baulkham Hills. The diocese of Broken Bay covers the shires and municipalities of Wyong, Gosford, Hornsby, Kur-ring-gai, Warringah, Willoughby, and Manly.

These changes require the re-vesting of church properties in the newly created diocese or to another diocese, depending on the altered boundary. All documentation concerning each property at present is liable for stamp duty, and the duty depends on the valuation of each of the individual properties. With the recent creation of the two new diocese, which deals with the properties of 84 separate parishes, this would therefore become a costly and unnecessary exercise as these are merely internal administrative changes of the church. The Roman Catholic Church is, in essence, in a similar situation to that of the creation of the Uniting Church in 1977. At that time the Stamp Duties (Churches) Amendment Act was introduced to exempt from stamp duty property transfers during the creation, by amalgamation, of that church.

Similar exemptions are now provided for the Roman Catholic Church, and the amendments can generally be regarded as good housekeeping. No benefits are conferred on the church and the amendments merely assist in the necessary administrative changes by the avoidance of claims for exemptions from stamp duty in respect of each particular parcel of land. The third amendment concerns the role of the bodies corporate created under the church

legislation. Due to the diminishing number of members of some religious orders, it is now becoming impossible for some orders to continue to carry on their previous activities. This has necessitated the orders disposing of some of their properties, and these are in many cases acquired by the body corporate for the diocese in which the property is situated to enable the church to continue the previous activities, or to use the properties for some other related purpose. These transactions also incur stamp duty, thereby requiring applications for exemption for each parcel of land which, if not granted, limits the church's ability to carry out its intentions for the use of the properties.

In addition to activities of a purely religious nature, the church carries on many and varied activities of a charitable or educational nature on its land. Such activities include a large number of schools, welfare organizations, aged homes, and other similar charitable undertakings. These activities are mainly carried on by the church on land that is vested in its body corporate. However, there is no specific power in the Acts to enable the activities to be conducted by, or in the name of, the body corporate. The amendments will permit a body corporate of a diocese to have the power to carry on and conduct such activities on behalf of the church.

These measures will enable the body corporate to carry out the various educational, welfare, and other charitable activities of the church as a body corporate with perpetual succession. Such a body corporate would be capable of entering into contractual obligations, being sued and suing in its own name, and would generally clarify the entity that is legally responsible for the conduct of such activities. The amendment in 1960 of a power for the corporate body to act as an executor and trustee is already an example of the widening of the powers of a body corporate to include activities other than a vehicle for holding land. The provisions of the Companies Code of giving companies the legal capacity of an individual is evidence of the present day attitude towards widening powers of a body corporate. The amendments will place the Roman Catholic Church property legislation on a similar footing to the legislation of the other main denominations and will considerably ease the legal and administrative burdens currently faced by the church. Additional explanatory information to assist members in the understanding of the bills is available. I commend the bills.

The Hon. J. C. J. MATTHEWS [7.38]: The measures in these bills are acceptable to the Opposition. As the Minister has pointed out, the amendments dealing with the variation of trusts are comparable to the provisions already extant in the Church of England Trust Property Act, the Presbyterian Church (New South Wales) Property Trust Act and the Uniting Church in Australia Act. I shall not subject the House to a powerful speech, but shall inform the House that the Opposition supports the bills.

Reverend the Hon. F. J. NILE [7.40]: I support the bills. Obviously any Catholic member of the House would be happy to commend this legislation. As outlined by the Minister, the purpose of the bills is to reorganize the diocese of Sydney to provide more efficient functioning. Over the years the Catholic diocese of Sydney, its priests, and its members have made an important contribution to the spiritual and moral well-being of the people of New South Wales. I wish to record my appreciation of the leadership and personal friendship of people like the former Archbishop of Sydney, Cardinal Sir James Freeman, who made an enormous contribution to this city. I am pleased that Sir James is in good health and was able to share in the recent visit of Pope John Paul II. I am sure all honourable members, whether Catholic or non-

Catholic, were pleased with the success of the papal tour of Australia. I congratulate the Catholic church on its superb organization of the tour. In my opinion the most successful events of the tour were those held in Sydney. I am sure the public celebrations, particularly the youth functions, made a great impression on the Pope, and in return he left many warm memories. The words of the Pope on his departure from Australia were most important. His Holiness said:

> Always remember who you are, where you are going, and why. Remember how much you have to offer to the world and how much its destiny depends on you. As a nation you are called to greatness, for you are called to love God and serve your fellow man. And now, advance Australia fair.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [7.41], in reply: I thank the Hon. J. C. J. Matthews and Reverend the Hon. F. J. Nile for their contributions to the debate, and welcome the unanimous support of the House for these bills.

Motion agreed to.

Bills read a second time, and passed through remaining stages.

STAMP DUTIES (FURTHER AMENDMENT) BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [7.44]: I move:

> That this bill be now read a second time.

The bill includes a mixture of exemptions, reviews of avoidance practices, and general updating of provisions, with only one increased rate of duty. The increased rates for conveyances introduce a marginal rate of 4.5 per cent for property worth between $300,000 and $1 million, and a new rate of 5.5 per cent for properties worth more than $1 million. The bill removes the exemption for the value of goods, wares or merchandise. This means that when such items are conveyed with other property, stamp duty will be payable on the value of the property including the value of the goods, wares or merchandise. The exemption will, however, still be available for stock-in-trade and goods, wares or merchandise used in relation to land used for primary production.

The anti-avoidance provisions contained in this bill are the clarification of the maximum duty liability provision in relation to hiring arrangements, the removal of the service allowance for hiring arrangements, and a wide-ranging review of the loan security duty provisions. The hiring arrangement duty maximum liability provision has the effect of limiting the duty on "any one hiring arrangement" to $10,000. This concession was introduced to mitigate the effect of the 1.5 per cent *ad valorem* duty payable on hiring arrangements. Unfortunately, this concession has been abused by some taxpayers by executing one relatively long-term hiring agreement where, before the concession was introduced, several shorter-term agreements would have been executed.

The result is that only one amount of $10,000 is payable rather than several amounts of $10,000. The bill ensures that the concession will be limited to those agreements which were originally intended to benefit. The service allowance provisions allow a hirer to deduct an amount attributable to the cost of servicing the hired goods from the amount upon which duty is payable. It is

difficult and extremely costly for the chief commissioner to determine whether the service allowances claimed are reasonable, and therefore most are accepted without question. This has left the way open to avoidance. Accordingly, the bill removes the service allowance provisions.

The third area of avoidance is in relation to loan securities. The loan security duty provisions were incorporated into the Act in 1974 and have not been reviewed in any major way since then. There was, of course, little change in financial markets up to the early 1980's, but the deregulatory policies of the federal Government and this Government have stimulated an unprecedented development in those markets over the past few years. The development in financial markets has led to increased complexity, variety and sophistication of commercial dealings, and the largely unchanged loan security duty provisions have clearly been overtaken by this market development.

Accordingly, the package of amendments to the loan security duty provisions are designed to ensure that they will be more in keeping with the needs of today's financial markets. Briefly, the main anti-avoidance features of the amendments are the redefinition of "loan security", the clarification of duty liability on unlimited loan securities, the removal of the right to use adhesive stamps on certain loan securities, clarifying the position in relation to securities that include New South Wales property only after execution, and the bringing to duty of caveats which protect unregistered mortgages. Honourable members will observe that the redefinition of "loan security" involves the omission of "bond" and "covenant" and the inclusion of "guarantee" and "indemnity". This has been done because any loan under seal will be caught by the loan security provisions and be liable to *ad valorem* duty even though the loan may be unsecured in every commercial sense; however a guarantee or indemnity executed under hand will not attract *ad valorem* duty even though it is security for a loan.

Unlimited loan securities are becoming increasingly popular because of the flexibility they provide to both borrowers and lenders. These securities provide for large sums of money to be loaned to the borrower, but because there is not a fixed and certain amount, the security is usually liable to duty of only $5. The Act provides for additional duty to be paid when advances are made, but the amendments clarify and strengthen these provisions to ensure that duty avoidance is minimized and that the provisions can be more effectively enforced. Under the Act as it stands, a loan security executed outside New South Wales that does not relate to New South Wales property will not be liable to duty even if the security subsequently encompasses New South Wales property. The amendments will ensure that such securities will become liable to duty if New South Wales property forms part of the security within twelve months of its execution, except where the security is a floating charge.

Mortgages are a form of loan security that are liable to *ad valorem* duty, and some taxpayers have sought to avoid duty on mortgages by registering a caveat on the title. Caveats are not liable to duty and they are, for the most part, just as effective in protecting the mortgagee's interest in land as a registered mortgage. The provisions inserted by the bill ensure that duty is paid either on the caveat or the mortgage. The other aspects of the review of the loan security provisions are designed to provide greater certainty and clarity regarding the operation of existing provisions, which should encourage the transaction of business in New South Wales and facilitate the administration of the provisions. The remaining provisions of the bill relate to concessions and exemptions. The exemption in favour of a prescribed nominee company is designed to avoid a

double duty situation that would arise where a nominee company is used. Nominee companies are used extensively by overseas stockmarkets, and the Australian stock exchanges propose to establish a nominee system, called CENSAS, to bring the Australian system into line with its overseas competitors. Duty is also to be abolished on policies of insurance on the transport of goods and on the hulls of floating vessels used principally for commercial purposes.

The most significant aspect of this exemption is that policies of marine insurance on hulls and cargo involved in international trade will no longer be liable to duty. This is an important concession, which will allow New South Wales marine insurers to be more competitive in the international market-place, where most countries charge nominal or no stamp duty. The major benefits of this concession are that Australia's balance of trade deficit should be reduced, with insurance premiums remaining in Australia rather than going offshore; and that the cash flow from premiums will be invested locally with flow-on benefits such as greater economic activity and employment. The exemption for conveyances of the principal residence between spouses acknowledges that the legal title to the home does not always reflect the contribution made by the spouses to its acquisition, maintenance and improvement.

The majority of couples would not be willing to adjust their interests in the home because of the stamp duty cost, and the exemption effectively removes this inhibiting factor. The bill extends the present scrip lending exemption to allow large scrip lending institutions to operate in New South Wales. Under the proposed exemption, lending institutions will be able to establish large pools of shares available for lending by brokers. Scrip lending will facilitate the speedy settlement of transactions, which should lead to increased trading and share turnovers. The bill amends section 14 of the Act to provide that the exemptions that presently apply to property settlements upon the dissolution of a marriage will apply equally to the breakdown of a *de facto* relationship. The De Facto Relationships Act introduced provisions dealing with matters such as maintenance and property settlements on the breakdown of a *de facto* relationship, and it is appropriate that *de facto* couples enjoy the same exemption that is available to married couples.

The final exemptions relate to Aboriginal Land Councils and other Aboriginal organizations. The Government's commitment to fostering the acquisition, holding and use of land by Aborigines is well established and clearly evidenced by the Aboriginal Land Rights Act, 1983. The exemptions will go some way to assisting Aborigines in their efforts to improve their position in our society and, more importantly, to improve their links with traditional Aboriginal culture and values. An important reform contained in the bill is the intermediate objection procedure where a taxpayer is dissatisfied with an assessment. Under the existing legislation the only course open to a taxpayer dissatisfied with an assessment is to request the chief commissioner to state a case for the opinion of the Supreme Court. This can be a costly exercise and, unless a large amount of duty is in dispute, many taxpayers would be reluctant to challenge an assessment.

The bill provides for a formal review by the chief commissioner of an assessment prior to the stated case procedure. The amendment of section 125 to remove the strict requirement for a Valuer-General's certificate is another reform that will greatly assist taxpayers. Under section 125 as it now stands, if the chief commissioner considers that the value of land disclosed in a contract is an undervaluation he has no option but to request a Valuer-General's valuation even though a valuation from a registered valuer is available. The bill

provides that the chief commissioner may accept reasonable evidence of value wherever the value of land is in question.

The reform of the adhesive stamp provisions is a substantial relaxation of the present requirements, which allow only a party to an agreement to cancel an adhesive stamp, and this must be done at the time the agreement is first executed. The bill makes it clear that any person may cancel an adhesive stamp, and this will enable an agent, such as a solicitor or an estate agent, to cancel a stamp, and it allows the stamp to be cancelled without penalty up to two months after the agreement is executed. The bill provides that the duty on a lease under section 5A of the Landlord and Tenant (Amendment) Act will be a fixed $10, which may be paid by adhesive stamp. The $10 duty reflects the average duty paid on these leases, which are the principal type of residential lease, and is a fixed amount to facilitate the use of adhesive stamps.

Under the existing provisions section 5A leases must be presented to the Stamp Duties Office for stamping, and this imposes compliance costs which are an unreasonably high proportion of the duty. The right to use adhesive stamps will greatly assist estate agents and other people involved in executing leases, because it will no longer be necessary to present or mail leases for stamping, and this will result in cost and time savings for taxpayers. The bill amends section 129A to make it clear that where the chief commissioner requires a person to produce documents or information, or to attend before the chief commissioner, conditions such as the time and place for compliance with the requirement may be imposed.

These amendments remove any doubt about the chief commissioner's power to impose such conditions and when a failure to comply with a requirement arises. Amendments are made to section 129B to ensure consistency with the amendments of section 129A, and to increase the penalty, where a corporation is the offender, to $5,000. Importantly, the bill removes the continuing offence provisions and grants a power to the chief commissioner to apply for an injunction to restrain the failure of a person to comply with a request to produce documents or information. This power only arises after a person is convicted for failing to comply with a requirement, and the granting of an injunction would be entirely at the discretion of the court, with the defendant having full opportunity to be represented at the injunction proceedings.

These are important safeguards, because they ensure that the injunction power may not be used before the more traditional enforcement step of prosecution is taken and that ample opportunity is given for a person to challenge the validity of any requirement imposed by the chief commissioner. I have covered a little of the background to some of the matters included in the bill, and additional explanatory information to assist members in the understanding of the bill is available. I commend the bill.

The Hon. P. S. M. PHILIPS [7.55]: As is the custom with highly contentious legislation, the Government has introduced this bill into the House on the last day of the parliamentary sitting without giving interest groups or the public any opportunity to make representations and without giving honourable members sufficient time to assimilate adequately the provisions of the bill and act on the information. That is deplorable, and on behalf of the Opposition I protest most vigorously against this procedure, which makes a mockery of the parliamentary process. The effects of this bill will be catastrophic, particularly in the New South Wales capital markets, and the

consequences will inevitably be a massive loss of stamp duty by New South Wales to other States. The Australian Merchant Bankers Association has been attempting to see the Minister since details of the bill were announced a few days ago, but meetings that were organized have been cancelled. There were earlier meetings between the Australian Bankers Association, the Australian Finance Conference and the Minister, but those meetings were held before details of the bill were known.

Prior to making all the inevitable amendments in the next parliamentary session, which, from what I have heard today, might be an urgent parliamentary session before Christmas, I hope that, in the interests of the New South Wales capital market, that comes to pass. I urge the Government to act now in particular with respect to two vital matters. These are, first, to accept the suggested amendment, which involves adding an item 6 in the transitional provisions contained in schedule 10. The effect of accepting these amendments would be to prevent the application of the loan security amendments to loan securities executed before 1st January, 1987. Second, to eliminate the staggeringly unrealistic 0.4 per cent duty on bill rollovers, and so on, which is a duty that is close to insane and will result in a clear-out to other States and a net loss of stamp duty to New South Wales. It is hard to believe that such an economically illiterate provision could possibly have been drafted and included in this bill. In that regard I propose to say some complimentary words later about the public service advisers and some equally uncomplimentary words about the Minister in question, because this is a lunatic bill and the Government will be hearing a lot more about it before the next few months pass.

Before turning to the detailed provisions of the bill I think it appropriate to give two earthy examples of what I presume to be unintended consequences of the passing of the bill into law. The first presumed unintended consequence is that if a small business borrows money from a bank by way of bills—and most of course do—stamp duty is payable on each rollover, if secured—which most are. The average amount of borrowing is approximately $200,000. The extra duty will be $3,000 on the assumption that bills are rolled over every ninety days, or four times a year, which would be the normal procedure. So the first presumably unintended consequence of this manic bill is that small business will be among those who suffer.

The second unintended consequence is that, if a consumer has a housing mortgage—and of course most do—the simple act of borrowing on Bankcard will attract duty on the view that the advance is a debenture. It may well be that, later, we will hear that the advance is not a debenture. Everything I propose to say after giving these earthy examples has been checked and double checked; this particular proposition has not. However, it is a view held by some dozens of people. On that basis, to borrow $20 would attract a duty of $5, because that will be a drawing under a loan security as a house mortgage, and the duty is at the flat rate of $5 on the first $15,000 of debt.

I turn now to the detail of the bill, having given two simple examples of what it will do. With respect to conveyance duty rates, the top rate of 5.5 per cent is cripplingly high and will deter commercial investment in New South Wales. The fact that Victoria has a similar rate does not justify the use of that rate in New South Wales. I turn now to the imposition of duty on goods, wares or merchandise. This duty is to be imposed retrospectively on the transfer of all kinds of property; the only real exclusion is where goods, wares or merchandise is only being transferred, or where there is stock-in-trade or primary production goods. That provision is much broader than those elsewhere

in Australia. In the other place it was alleged that the Opposition asserted that it was wasting the time of the House and the Minister to state that this particular provision did not apply in Victoria. Our speaker did not make that assertion. All he said is what I am saying, namely, that the provision in New South Wales is much broader than elsewhere in Australia, will deter the transfer of all kinds of businesses, both small and large, and deter commercial activity generally. It is absurd to have such provisions when the Government states that it is seeking to encourage the development of New South Wales as a commercial and financial centre. No other State has such broad provisions.

I now come to the more basic detail of the bill. The measure can have retrospective operation. I do not propose to argue that this applies with respect to the conveyancing provision, for that matter was laboured in the other place. However, the amendments do apply to financial accommodation, which includes funds provided by means of a loan or bill facility. Further, the definition of "loan security" picks up financial accommodation, which means that the amendments can apply to funds provided after the date of commencement, which is 1st January, 1987, in respect of a loan or bill facility executed and made prior to these amendments. In this respect the legislation is truly retrospective. To obviate this, the Opposition proposes to move an amendment to include in schedule 10, the transitional provisions, an item 6, "Loan Security", the effect of which will be that the provisions of items (1), (2), (3) and 8 (b) of schedule 8 will not apply to a loan security executed before the commencement of the Act.

The amendment to the definition of "loan security" in section 83 (1) of the Bill, as contained in item (8) (b) of schedule 1 to the bill, covers a guarantee or indemnity securing an obligation to repay financial accommodation where the guarantor or person providing the indemnity is, in the case of a corporation, incorporated in New South Wales. Such guarantees or indemnities are generally not liable to *ad valorem* stamp duty at present. The fact that the provision applies only where the guarantee or indemnity is given by a corporation incorporated in New South Wales, is likely to encourage the incorporation of companies and their conduct of business outside New South Wales.

The amendment also covers a mortgage that does not affect New South Wales property at the time of execution, but affects it at any time during the following twelve months. It was in this respect that the Minister in the other place gave an unsatisfactory and incorrect answer. The mortgage provision is very difficult. It means that a mortgage may not be dutiable at the time of execution; but, at any time subsequently in the first year, if some property in New South Wales becomes subject to the charge, the mortgage will become dutiable. That provision is unworkable and unjust, particularly as it is likely to lead to double duty in other jurisdictions, and paragraph (d) of that definition should be omitted.

It is worth making the general point that, frequently, borrowers borrow money to assist them in the purchase of property. The effect of the amendments to the loan security provisions will be to increase the total amount of loan security duty being paid by borrowers at the same time as the duty payable upon the purchase of the property being financed has been increased. The total impact must discourage business enterprise. It is not uncommon for a fixed charge to encumber all property of a particular kind which the charger owns at the time of giving the charge or from time to time thereafter. The lender, who will wish to ensure that its charge is at all times enforceable, may well not know that the charger has acquired property after execution of the charge and, more

important, may have no way of knowing whether that property is situated in New South Wales. For example, a party who wishes to finance share dealings may give a fixed, not floating, charge over shares owned at the date of the charge and to be acquired thereafter.

It is quite possible that such a party could acquire shares situated on the New South Wales register of a company within twelve months of giving the charge and dispose of those shares a short time later or even on the same day. It is obviously very difficult for the lender who is concerned to ensure that the charge is properly stamped to ascertain that the charge has become liable to duty by virtue of the acquisition of those shares in New South Wales. A similar problem arises where a party finances receivables and gives a charge over present and future book debts that may or may not arise in New South Wales within twelve months. In the event of a default and the lender seeking to enforce its charge, the borrower may claim that the charge is unenforceable because it has not been stamped in accordance with the liability arising by virtue of the acquisition within twelve months of property in New South Wales affected by the charge. Since a default will have occurred, it is unlikely that the lender will be able to recover from the borrower the stamp duty payable, and the realization of the property charged may not produce sufficient funds to cover the stamp duty, plus the principal and interest in default.

A consequence of this amendment is that events that occur after the execution of a charge may attract a liability for duty in New South Wales. The same charge may have been liable at the time of its execution to duty in other States or Territories of Australia because the property charged was situated there. A number of other Australian States provide relief from the duty payable in their respective jurisdictions where the charge concerned affects property, at the time of its execution, situated in more than one jurisdiction. These concessions are designed to avoid the one charge being liable to multiple duty in a number of separate Australian jurisdictions. However, there does not appear to be any mechanism whereby relief of duty would be available in that other Australian State where the property affected by the charge and situated in New South Wales was acquired at some time after execution. Thus, this amendment may result in an unfortunate duplication of duty in different jurisdictions.

By new section 84 (2A) as proposed by item (3) (e) of schedule 8, a limited security duty will be payable on additional advances made "whether or not the amount payable under the loan security after the making of the advance or additional advance is less than the amount in relation to which duty, as duty on a loan security, had previously been paid on the loan security". The point has significant implications, not merely for large corporate borrowers but also for small business. It is common for the small-businessman to obtain overdraft accommodation from a bank and to provide security for that overdraft. The effect of the amendment will be to attract a liability for *ad valorem* duty at the rate of 0.4 per cent every time that small-businessman draws a cheque against his overdraft. What an incredible provision. New South Wales purports to have aspirations to be the leading capital market in the country and it introduces legislation as unrealistic as this rubbish.

The amendment will mean also that whenever secured short-term debt instruments, such as bills of exchange or promissory notes, are rolled over there will be attracted *ad valorem* duty at the rate of 0.4 per cent even though the total financial accommodation provided is not increased. To illustrate the point, assume that customer A borrows $1 million for a term of three years from its

bank by way of a fully drawn cash advance. There would be a liability for *ad valorem* duty calculated by reference to that sum of $1 million payable once only. Assume a second customer, customer B, also needs $1 million for a period of three years but arranges a bill facility with the bank. Under the bill facility the bank will accept and discount bills having a maturity of, say, ninety days. The face value of the bills will be such an amount that, when discounted, will produce to the customer a total of $1 million. As each ninety day bill matures a new bill will be drawn, accepted by the bank and discounted. The proceeds of that new bill will be used to meet the maturing bill. No further financial accommodation is provided to the customer whatever. However, the amendments will have the effect of requiring loan security duty at the 0.4 per cent rate to be paid each time bills of exchange are drawn. This will have a most severe impact upon traditional financing arrangements and will definitely drive business to Victoria.

The proposed amendment to section 84 (3), which is provided for in item (3) (f) in schedule 8, means that the comments I have made about an unlimited security apply also to a limited security. This means that with a typical type of bank facility, which operates on a come-and-go basis, where duty has been paid on a particular amount of facility, the customer repays part of that facility. When further advances are made, further duty must be paid on those further advances even if those advances do not take the amount outstanding above the amount originally advanced in respect of which duty has been paid. This is a clear double or multiple duty situation and will have horrendous consequences in the banking and financial world. I have not noted the advisers making many notes, but in case they trot up the chestnut they did in the other place, I shall explain later why the Minister was wrong when he said in his reply in the other place that in his view it is not a multiple duty situation. It is absurd to talk about encouraging the development of New South Wales as a financial centre when such amendments are proposed. A similar amendment was proposed in Victoria about two years ago. There was such a furore in the banking world that the proposed amendment was defeated in the Victorian upper House. No other State in Australia has effected such an amendment, and the proposed amendment should be deleted. At the Committee stage the Opposition will move an amendment designed to achieve that result.

The amended definition of "debenture" which was apparently intended to remove the prevailing uncertainty as to the meaning of that expression leaves considerable room for debate as to its scope. In particular, it may well be argued that a liability for *ad valorem* loan security duty is imposed upon a facility agreement. Under such an agreement a financial institution merely agrees to hold certain forms of financial accommodation available for a period that may be drawn down by its customer if certain conditions precedent are satisfied. In no commercial sense can it be said that such an instrument is a security.

Proposed new section 84F has been inserted to provide a credit for the stamp duty paid upon a loan security in another Australian State or Territory where the property charged by the loan security is situated in whole or in part in that other Australian State or Territory. However, the entitlement to a credit in respect of that other duty depends upon the chief commissioner being provided with such information as the chief commissioner requires for the purposes of proposed new section 84F. The chief commissioner's requirements may change from to time or from transaction to transaction. It is unsatisfactory, to put it mildly, for the parties to a loan security to be unable to determine in advance whether or not a credit will be available for the duty paid upon a charge

in another Australian State or Territory. The entitlement to such a credit should be ascertainable upon a perusal of the legislation.

The tendency to introduce tax legislation retrospectively or by press release, when the amendments operate from the date of the press release, even though no details of the legislation are available, leads to uncertainty and unfairness. Some of the provisions in this bill are examples of that. The Budget statement gave no clear indication of the form that the amendments relating to goods, wares or merchandise would take. The provisions in this bill in that regard are much wider than the budget statement would suggest, yet will operate from 1st December, 1986.

Another example is the statement by the Minister for Finance on 21st November, 1986, to overcome transfers of property by written offers that are accepted orally, to operate on and from that date. The Minister said, "I do not intend to go into any details about the legislation at this stage". Fancy entering into a transaction, the only statement about which is that the rate of duty will be determined at a later date, the details of which will be provided when the transaction has been finalized. There is no way of knowing what type of transaction that covers, or the nature of the proposed amendments. However, the legislation, not yet even introduced in Parliament, already is in effect operating retrospectively. Moreover, the Minister has said that conduct otherwise legal will be made criminal in some fashion by virtue of amendments that will be introduced at some date, and apply back to the date of his original announcement. That puts businessmen and their professional advisers in a most difficult and invidious position pending the introduction of legislation.

The Australian Merchant Bankers Association is concerned that any steps taken to rectify these difficulties should be incorporated in amendments to the bill before it is enacted, or to the Stamp Duties Act as amended by the bill. It is not sufficient for the matter to be dealt with by ministerial statements or practice rulings of the Commissioner of Stamp Duties. The problem for financial institutions is that if the loan security concerned is not duly stamped in accordance with the Stamp Duties Act, the loan security is simply not enforceable. In the event of a default and the borrower claiming that the lender cannot enforce its security because it has not been duly stamped, any court considering the matter would pay no heed to statements by the Minister as to proposals to amend the legislation or administrative practice notes issued by the Commissioner for Stamp Duties. The court would apply the Stamp Duties Act as it then stood.

I now address the rudimentary and totally inadequate reply made by the Minister in another place in so far as it is relevant to what I have had to say. I notice that the Minister's advisers appear to be too busy to listen to what I am saying. In the other place the Minister made many statements that were completely incorrect, yet the advisers are not interested to listen to my comments on what was said in the other House. I deal with loan security, and point out that the provisions in the bill will apply to instruments negotiated and executed before 1st January, 1987, on the basis of the law as it then stands, and the parties took into account the stamp duty consequences of the law, prior to the amendments to be enacted by this legislation. In doing this, parties to transactions obviously are not engaged in tax avoidance. Stamp duty, however, is one of the factors that determine whether a transaction will proceed.

Many instruments will continue to operate after 1st January, 1987, on the basis of funds provided, and other arrangements, pursuant to existing instruments. As a result of the amendments before the House the stamp duty

consequences will change radically, In that sense the provisions operate in a most unfair fashion. That is inconsistent with the fundamental principle that citizens of New South Wales should be able to plan their affairs and proceed on the basis of thos plans in accordance with the laws at that time. The Minister in the other place also misled honourable members in the other place by saying that the double duty on mortgages does not exist, and that credits for duties paid elsewhere are allowed for under section 88F of the Act. In saying this however, the Minister missed the point.

Another fundamental principle of stamp duty is that it must be possible to determine whether an instrument will be liable to duty at the time of its execution. One of the amendments to the definition of loan security will catch a mortgage if it affects property in New South Wales at any time within twelve months after its execution. If at the time the mortgage is first executed it charges property in another State or Territory, it would be liable to duty in that State or Territory. If at the time of execution the mortgage also charged property in New South Wales, the other jurisdiction would provide a measure of relief against the duty payable in that jurisdiction. However, if this mortgage does not fix on property in New South Wales until, say, eleven months after its execution no effective relief would be available in that other jurisdiction for the duty that would then become payable in New South Wales. The credit under Section 84F—not 88F, as stated by the Minister in the other place, and reported in *Hansard*—is available, but subject to one indefinable criteria, which is that the Chief Stamp Commissioner must be provided with such information as he requires for the purpose of the section.

Requirements of the Chief Stamp Commissioner are not set out in the legislation. Nor are they or will they be set out in regulations. Under existing section 84, criteria are spelt out in the legislation. This is consistent with the principle that a citizen should be able to plan his affairs by reference to clearly defined laws, and should not be required to be subject to the whims of public servants, which may change from time to time and without notice. In view of my slight testiness earlier, this might be a convenient time to congratulate the fine public servants who have been involved in the preparation of this bill. I refer to Mr Bruce Buchanan, the Commissioner for Stamp Duties, and Mr Tony Clyne, the Secretary of the Department of Finance. It is perhaps unfortunate that such fine public servants are saddled with a Minister who is both a raving lefty and an economic illiterate. The two public servants that I have mentioned have done their best to establish good relations between the New South Wales Government and the business community. This bill, pushed into the system by the Minister in the other place, will achieve exactly the opposite result. The Opposition opposes this outrageous bill.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [8.28], in reply: As reported recently in the media, this legislation will, among other things, impose duty on funds provided under bill facilities supported by mortgages and other securities. The bill is intended specifically to remove the discriminatory nature of existing provisions that could result in a person borrowing, say, $50,000 to finance a home, having to pay $145 stamp duty; but a large corporate borrower being able to structure arrangements through bill facilities so that no more than $5 stamp duty is payable. In a recent instance $200 million was provided under bill facilities, but because of the inadequacy of the legislation, only $5 stamp duty was paid. The attitude of the Commissioner for Stamp Duties always has been that those arrangements attract an *ad valorem* duty, but present legislation leaves the

matter open to doubt. The legislation will simply introduce an element of certainty, to the benefit of borrowers of small amounts of money.

Recent media reports have concentrated on rollovers and the unfair impact of the amendments on them. The rollover of a bill supported by a mortgage and other securities involves the cancellation of a negotiable instrument upon its security and the issue of a new negotiable instrument maturing in a certain number of days. Duty will be payable on the issue of each new negotiable instrument in this situation, and this is precisely what the amendments are intended to achieve. Duty is charged on each rollover of this type because the re-issue of a negotiable instrument is, in every sense, the provision of additional funds. Accordingly, duty is charged.

Another focus of attention has been the application of stamp duty to bank overdrafts. It needs to be emphasized that duty will be attracted only by overdraft facilities that are supported by some form of loan security instrument, such as a mortgage. Again, nothing has changed in that respect. What the amending legislation does is remedy the shortcoming that duty is currently payable on the agreed limit rather than on advances from time to time. As presently drafted, a $100,000 overdraft will attract duty on that amount only, notwithstanding that a borrower may obtain numerous advances which, when aggregated, are far in excess of that amount. As long as the overdraft limit is not exceeded, the advances will not attract additional duty. That is clearly not within the spirit of loan security duty and these steps quite properly have been taken to ensure that each advance is brought to duty. In the example cited by the *Australian Financial Review* of 4th December, the borrower makes withdrawals totalling $200,000 against the $100,000 overdraft. Why should not duty be paid on the total withdrawal, since the security is available to cover this in its entirety? Where is the equity in distinguishing between that taxpayer and the taxpayer who pays duty on an up-front advance or loan of $200,000?

Incidentally, the reference to duty on overdrawn cheque accounts is difficult to understand. Even now, an "all moneys" mortgage—taken as security for a home loan—secures all moneys which may now or in the future become due by the borrower to the lender, whether in relation to the home loan or otherwise. In theory it could be claimed that each cheque drawn against the overdraft amounts to an advance and is liable to stamp duty. In practice that is not done, and the situation will remain unchanged. The amendments also remove the capacity of lenders and borrowers to bring in New South Wales property as security for a loan after the security has been stamped. The working group looking at the provision became aware of the practice of limited loan securities being outside the scope of the New South Wales stamp duty provisions because at the time of execution no New South Wales property was involved. Consequently, property in New South Wales will form part of the security for the loan, and stamp duty will have been avoided.

A similar problem arises with an unlimited loan security where the full advance is made at or before the date of execution of the security. This deficiency makes remedial action essential, and the amendments address the need. However, recognition has been given to the difficulties which might face the holders of floating charges and these have been specifically excluded. Guarantees have been brought within the definition of loan security to prevent them being used as previously, to provide, in the commercial sense, security for loans while avoiding the incidence of duty. I commend the bill.

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

The House divided.

Ayes, 20

Mr Brenner	Mr Hankinson	Mrs Symonds
Mr Dyer	Mr Healey	Mr Vaughan
Mr Egan	Mr Ibbett	Mrs Walker
Mr Enderbury	Mr Kaldis	Mr Watkins
Mr French	Mr King	*Tellers,*
Mrs Grusovin	Mrs Kite	Mrs Arena
Mr Hallam	Mr Reed	Mr Garland

Noes, 15

Mrs Bignold	Mr Matthews	Mr Willis
Mr Doohan	Revd F. J. Nile	
Mrs Evans	Mr Percival	
Mrs Jakins	Mr Philips	*Tellers,*
Mr Jobling	Mr Pickering	Mr MacDiarmid
Mr Killen	Mr Rowland Smith	Mr Samios

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 8

The Hon. P. S. M. PHILIPS [8.42]: I move:

That at page 21, all words on lines 22 to 26 be omitted.

I addressed this matter in detail during the second reading stage of the bill. I remind honourable members that this provision relates to a mortgage that does not affect a New South Wales property at the time of the execution but affects it at any time during twelve months thereafter, when no refund is applicable and multiple duty is therefore payable. It is axiomatic that such a provision is unworkable and unjust; hence the Opposition's amendment.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [8.43]: The Government opposes the amendment.

Amendment negatived.

The Hon. P. S. M. PHILIPS [8.44]: I move:

That at page 22, all words on lines 1 to 5 be omitted.

I advance the same arguments for this amendment as I did for my previous amendment.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [8.44]: The Government rejects the amendment.

Question—That the words stand—put.

The Committee divided.

Ayes, 19

Mrs Arena	Mrs Grusovin	Mrs Symonds
Mrs Bignold	Mr Hallam	Mrs Walker
Mr Brenner	Mr Hankinson	Mr Watkins
Mr Dyer	Mr Ibbett	
Mr Egan	Mr Kaldis	*Tellers,*
Mr French	Mrs Kite	Mr Enderbury
Mr Garland	Revd F. J. Nile	Mr Reed

Noes, 13

Mr Doohan	Mr Matthews	Mr Willis
Mrs Evans	Mr Percival	
Mr Jobling	Mr Philips	*Tellers,*
Mr Killen	Mr Pickering	Mrs Jakins
Mr MacDiarmid	Mr Rowland Smith	Mr Samios

Question so resolved in the affirmative.

Amendment negatived.

The Hon. P. S. M. PHILIPS [8.48]: I move:

That at page 23, all words on lines 1 to 29 be omitted.

Should this amendment not be agreed to, the provision as it stands would knock the stuffing out of small businesses and small-businessmen. It is common for small-businessmen to obtain overdraft accommodation from a bank and to provide security for that advance. It is common also for a one-man business to do the same. The effect of the provision will be to attract liability for *ad valorem* duty at the rate of 0.4 per cent every time a small-businessman draws a cheque against his overdraft. I referred to this matter in detail at the second reading stage of the bill.

The Hon. J. C. J. MATTHEWS [8.50]: The Hon. P. S. M. Philips has made the point clear. I do not believe members of the Government understand what they are doing. Certainly the Minister does not understand. If the Government does not accept this amendment, effectively it will be putting up interest rates in many instances by 1.6 per cent. Honourable members on the Government side talk about their alleged support for small business, but now they are putting up interest rates on bills by at least 1.6 per cent. The Government may believe small business can take that; I assure it that small business cannot. If the bills on a one million dollar loan are rolled over every 90 days, money comes into the account and goes out of the account every 90 days, and that will attract tax or duty of 0.4 per cent. If that happens four times a year, $16,000 additional interest has to be paid on that loan. Business is tight as it is. Interest rates are extraordinarily high. Small business is paying 16 per cent or 17 per cent interest on these bills. This measure will add effectively 1.6 per cent to that figure. Small business will be paying an interest rate of 18.6 per cent instead of 17 per cent. The Opposition strongly opposes this provision. Obviously the Minister does not understand the bill. In all sincerity, I do not believe members on the Government side really understand what they are doing. This will be a crippling blow to small business.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [8.52]: The Government rejects the amendment.

Question—That the words stand—put.

The Committee divided.

Ayes, 17

Mrs Arena	Mr Garland	Mrs Symonds
Mr Brenner	Mrs Grusovin	Mrs Walker
Mr Dyer	Mr Hallam	Mr Watkins
Mr Egan	Mr Hankinson	*Tellers,*
Mr Enderbury	Mr Ibbett	Mr Kaldis
Mr French	Mr Reed	Mrs Kite

Noes, 15

Mrs Bignold	Revd F. J. Nile	Mr Willis
Mr Doohan	Mr Percival	
Mrs Evans	Mr Philips	
Mrs Jakins	Mr Pickering	*Tellers,*
Mr Jobling	Mr Samios	Mr MacDiarmid
Mr Killen	Mr Rowland Smith	Mr Matthews

Question so resolved in the affirmative.

Amendment negatived.

Schedule agreed to.

Schedule 10

The Hon. P. S. M. PHILIPS [8.57]: I move:

That at page 35, after line 33, there be inserted the words

Loan Securities

6. The amendments made by Schedule 8(1); (2); (3); and (8) (b) do not apply to a loan security executed before the commencement of those amendments.

This amendment applies to financial accommodation, which includes funds provided by means of a loan or bill facility. The definition of loan security picks up financial accommodation, which means that the amendments can apply to funds provided after the date of commencement, 1st January, 1987, in respect of a loan or bill facility executed and made prior to these amendments. This is true retrospective legislation. It is interesing to note that the Minister, in the course of her enlightening and helpful reply at the end of the second reading debate, did not make the assertion on this occasion that was made in the other place, that this is not true retrospective legislation. Obviously it is. It is utterly objectionable. I understood the Australian Labor Party was opposed to true retrospective legislation. It has introduced it in this bill and the Opposition opposes it.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [8.59]: The Government rejects the amendment.

Question—That the words be inserted—put.

The Committee divided.

Ayes, 15

Mrs Bignold	Revd F. J. Nile	Mr Willis
Mrs Evans	Mr Percival	
Mrs Jakins	Mr Philips	
Mr Killen	Mr Pickering	*Tellers,*
Mr MacDiarmid	Mr Samios	Mr Doohan
Mr Matthews	Mr Rowland Smith	Mr Jobling

Noes, 17

Mrs Arena	Mrs Grusovin	Mr Reed
Mr Dyer	Mr Hallam	Mrs Symonds
Mr Egan	Mr Hankinson	Mrs Walker
Mr Enderbury	Mr Ibbett	*Tellers,*
Mrs Fisher	Mr Kaldis	Mr Brenner
Mr Garland	Mrs Kite	Mr Watkins

Question so resolved in the negative.

Amendment negatived.

Schedule agreed to.

Bill reported without amendment, and passed through remaining stages.

LAND TAX MANAGEMENT (FURTHER AMENDMENT) BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [9.4]: I move:

That this bill be now read a second time.

The purpose of the bill is to make some minor amendments to the Land Tax Management Act 1956, including measures to correct certain anomalies in the legislation. However, before the specific provisions of the bill are dealt with it would be relevant to review the major reforms to the land tax system that have been introduced by this Government in the past two years. The initial stage of these reforms, introduced for the 1985 tax year, was the replacement of the old tapered scale of rates, comprising fifteen steps, with a simpler scale of rates with just four steps. Land values were frozen at the levels that applied in the 1984 tax year and for landowners in most cases this represented valuations as at 1st July, 1980.

The new scale of rates provided relief to some 80 per cent of all land taxpayers where 1980 property values were below an unimproved capital value of $150,000. Because of the freezing of land values and the marginal increase in the exemption threshold, the number of people paying land tax remained virtually the same. The second phase of the land tax system reforms was introduced for the 1986 land tax year. Those reforms involved the further simplification of the land tax scale to a single marginal rate of 2 per cent, a reduction from the previous maximum rate of 2.5 per cent. Furthermore, the exemption threshold below which no land tax is paid was raised by 71 per cent from $55,000 and $94,000, resulting in more than 10 000 taxpayers who paid land tax in 1984 and 1985 being exempt from land tax in 1986. Taxpayers who

benefited from this reform included the owners of one or two investment properties and people with weekenders along the coast.

The final reform introduced was a system of annually adjusting land values by means of the use of equalization factors. In order to introduce this system it was necessary to bring property values to a common base date of 1st July, 1984. That action required a once-only catch up in land values from 1st July, 1980, which on average was about 45 per cent or just over 11 per cent per annum for the period 1980 to 1984. Equalization factors are determined by the Valuer General for each local government area and for each type of zoning and are published in the *Government Gazette* on or before 30th September each year. These equalization factors are applicable for the land tax year following the date of gazettal and reflect the Valuer General's estimation of the increased property valuation since the previous revaluation.

The reforms that have been introduced were designed to make the land tax system more equitable for all taxpayers by ensuring that landholdings of equivalent value are liable for the same tax and by avoiding the large cyclical peaks in valuations every three years and the subsequent substantial increases in land tax that occurred under the old system. Since the introduction of the reforms there has been a dramatic fall in the number of ministerial complaints received by the Minister for Finance on land tax matters and it is clear that the new system has achieved its objectives. The Government has decided that there will be no further adjustment to the exemption threshold for the 1987 tax year following the 71 per cent increase to $94,000 in 1986 and that the rate of tax also will be held constant at two per cent. It should be mentioned that in a recent survey of land tax rates conducted by the Building Owners and Managers Association, which was published in the *Business Review Weekly,* the land tax rates in New South Wales were shown to be already lower than in all other mainland States. Tasmania was not included in the survey. I shall now outline the specific amendments contained in the bill.

As a result of amendments to the Conveyancing Act designed to speed up the processes involved in land sales, which came into effect from 1st May, 1986, greater emphasis has been placed on vendors obtaining necessary information and clearance certificates on land conveyances. There has been a growing demand on the Department of Finance by vendors seeking certificates under section 47 of the Land Tax Management Act with regard to the land tax liability on individual parcels of land since these amendments became law. However, under the provisions of the present Act, section 47 certificates can be issued only to a bona fide purchaser and only the purchaser who requested the certificate may rely upon it. The bill will allow for certificates to be applied for by both vendors and purchasers and for the purchaser to rely upon the certificate even if issued to the vendor.

The bill will also clarify the exemptions available to charitable and educational institutions and religious societies. The exemption available to these bodies was amended last year to make land subject to tax if it is leased to a non-affiliated body for a commercial purpose. Representations were received by the Minister for Finance from a number of groups regarding the ambiguity of the legislation. These amendments will make it clear that there will be no tax liability in cases involving the casual hiring of a building, such as occurs with church halls and in those instances where the lessee does not use the premises for commercial purposes; for example, retirement villages, nursing homes and private schools. The Department of Finance has in fact interpreted the relevant provisions on this basis, but the amendments will put the matter beyond doubt.

The Act was also amended in 1985, making lessees of Crown land liable for land tax on the same basis as if they owned the land. However, there have been some anomalies as a result of that amendment because a number of lessees who are already paying full market rental have not been able to renegotiate their lease payments to take into account that they are now required to pay land tax. Therefore, the bill provides for the deferment of land tax on lessees until their lease can be renegotiated or until the 1989 land tax year, whichever occurs first. Lessees of Crown land will not be required to pay land tax for the 1986 tax year. Another amendment to the Act in 1985 was the withdrawal of the tax exemption to health benefits funds and, as a part of this measure, the exemption available to friendly societies in relation to their benefit fund activities was also amended. However, as a result of this amendment the entire landholdings of three friendly societies in New South Wales that conduct health benefits funds became subject to land tax.

Earlier this year the Minister for Finance approved of an administrative arrangement to restore the land tax exemption to these three societies and this bill will give effect to that arrangement. Finally, the bill will expand the exemption currently available for a principal place of residence to include multiple occupancy developments of land that have been approved under the provisions of the Environmental Planning and Assessment Act. Multiple occupancy in this context relates to communal type developments that provide the opportunity for people to collectively own, share and manage a single parcel of land, with the right to build and occupy dwellings on the property as their principal place of residence. This exemption from land tax will especially encourage people on low incomes to obtain low cost housing through the pooling of resources. I commend the bill.

The Hon. P. S. M. PHILIPS [9.14]: During the past seven years, at least until the end of the last calendar year, land tax has increased at an average of 16 per cent a year, while in some years values have been static. Such major increases in land tax are significant. Many who own land do not have an income from the land in line with the valuation. Many who own vacant land have no income at all, and to that extent land tax is a wealth tax. Every time the Opposition debates a land tax bill that point should be made. In addition, many commercial tenants pay a proportion of land tax in their rents. That means that many struggling shopkeepers and small-business people have been dramatically affected by price increases and have passed them on to the customer. At a time of rapidly increasing rents from the combined effects of the proposed capital gains tax and the State land tax, this has been a crippling burden and has resulted in further landholders getting out of the market.

There is widespread dissatisfaction with the land tax reform measures introduced in 1985. The main problem lies in the equalization factors used to determine the land values upon which the tax is payable. These factors are based on the average land value for zoning type in each local government area. Because an average is used, many properties which have gone down in market value have had big increases in land tax liability. Some property-owners have faced increases of up to 80 per cent for the last year. Most properties in the central business district have had increases of 300 per cent. There is no right of appeal against these increases. Though many of these increases are the result of a catch-up which should not be repeated, the equalization factors will continue to create anomalies unless some appeal mechanism is established. This bill does nothing to address this problem.

The amendments are basically of minor nature and will reduce some of the current anomalies. However, the amendment which clarifies the position regarding property owned by charities and religious institutions does not go far enough. Where a church or charity leases property to a commercial interest they are liable for land tax payments. While there is some case for treating all commercial properties on an equal basis, the revenue derived from these properties is used for welfare services and religious purposes. The coalition does not believe the Government should be taxing this source of revenue and believes this is an unnecessary intrusion of the State into church affairs. The new land tax bill will cost the Sydney diocese of the Anglican church more than $300,000 this year, and an estimate of the overall cost to churches and charities in the State would be around $2 million to $3 million.

The Opposition opposes the bill for the reasons enumerated. It also opposes the amendment relating to multiple occupancy. As the Minister has said, the bill extends the exemption currently available for a principal place of residence to multiple occupancy developments of land which enabled people to collectively own, share and manage a single parcel of land. This is aimed at providing exemptions for low income groups pooling resources to obtain low-cost housing. The Opposition believes that arrangements such as this encourage the development of slum conditions, and in urban areas do little to ease housing problems for families on low incomes. For this reason also the Opposition opposes the bill.

The Hon. DEIRDRE GRUSOVIEN (Minister for Consumer Affairs and Assistant Minister for Health) [9.23], in reply: My remarks in reply will be brief. I wish to comment on the criticism that land tax increased by 300 per cent in the central business district in 1986. I give the House an example of a property in the central business district. The 1980 land valuation for Barclay House was $3.1 million. Until 1985 this was the figure upon which land tax was assessed. By 1984 the revised land valuation was estimated at $15.24 million—the 1983 base valuation of $12 million, plus an equalization factor of 1.27. This represents a tax-free capital gain for the Australian Mutual Provident Society of 392 per cent on the land alone in a period of four years.

During the same period the land tax remained constant at approximately $75,000. No cries of anguish were heard in those years. In 1986 when the 1984 valuation was used for land tax purposes, the heavens opened. However, the long delayed and entirely fair increase in land tax was still significantly less than the underlying land value increase. The land tax exemption at present available to religious, charitable and educational bodies is similar to that for council rates, except that council rates are payable on vacant land and land used for commercial purposes by these bodies. Stamp duty concessions are available only in respect of charitable and educational activities. Purely religious activities do not qualify for stamp duty concessions. With these few remarks, I commend the bill to the House.

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

The House divided.

[*In Division*]

The Hon. C. Healey: On a point of order. Two members have moved while the House is in division.

The Hon. R. B. Rowland Smith: On the point of order. The Hon. C. Healey said that the members of the Call to Australia party moved after the bells had ceased. I submit they did nothing of the kind. They were about to move when the bells ceased ringing.

The Hon. G. Brenner: On the point of order—

The PRESIDENT: Order! The matter does not need further consideration. It is highly irregular for members to move once the division bells have ceased ringing. The division bells ceased but the two honourable members who did move may not be conversant with the rule. I am sure they will not offend again.

Ayes, 17

Mrs Arena	Mrs Grusovin	Mrs Symonds
Mr Brenner	Mr Hankinson	Mrs Walker
Mr Egan	Mr Healey	Mr Watkins
Mr Enderbury	Mr Ibbett	*Tellers,*
Mr French	Mr Kaldis	Mr Dyer
Mr Garland	Mrs Kite	Mr Reed

Noes, 15

Mrs Bignold	Revd F. J. Nile	Mr Willis
Mr Doohan	Mr Percival	
Mrs Evans	Mr Philips	
Mr Jobling	Mr Pickering	*Tellers,*
Mr MacDiarmid	Mr Samios	Mrs Jakins
Mr Matthews	Mr Rowland Smith	Mr Killen

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time, and passed through remaining stages.

BUSINESS FRANCHISE LICENCES (TOBACCO) (APPLICATION AND ENFORCEMENT) AMENDMENT BILL

BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) (APPLICATION AND ENFORCEMENT) AMENDMENT BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [9.30]: I move:

That these bills be now read a second time.

These bills further strengthen business franchise legislation and represent a further landmark in this Government's continuing fight against tax evasion. There are three principal areas of concern raised by the present level of tax avoidance and evasion in regard to business franchise fees. The first is the loss of revenue caused by tax evasion, which threatens the Government's budget strategy by reducing the funds available for essential expenditure, particularly in the areas of health, police, corrective services and welfare. The second area of concern is the unfair cost advantage gained by traders, who evade licence

fees by importing tobacco from Queensland, over business people who are complying with the law. This grossly unfair advantage is threatening the livelihood of honest business people and this factor alone provides sufficient justification for the Government to take decisive steps.

The final area of concern relates to the Government's health policies. It is now accepted by everyone, except the tobacco companies, that there is a link between the consumption of tobacco and certain diseases. In fact, the Drug and Alcohol Authority has estimated that more than 16 000 people in Australia die each year from diseases such as cancer, heart disease, strokes, bronchitis and emphysema, as a direct result of smoking. Licence fees on tobacco provide a legitimate means of recouping some of the cost of smoking to the health system, and they are intended also to be a direct disincentive against smoking, particularly among young people. It is a matter of continuing concern that the Queensland Government has fostered a tax evasion industry at the expense of every other State and Territory.

The bills directly attack avoidance and evasion by amending the present Act to apply licence fees explicitly to interstate trade in a non-discriminatory manner; that is, fees will be imposed uniformly and equally on the sellers of tobacco and petroleum products, regardless of whether the seller is engaged in interstate or intrastate trade. The introduction of measures last year to strengthen inspectors' powers and to increase penalties has had a substantial effect on the illicit interstate trade. However, since those amendments, there has been a growth in direct importation by one operator in particular, Nelsons Tobacco Company Pty Limited. While this particular operator may feel sheltered by the Constitution, it is this Government's view that there is, in fact, no protection under section 92 for those who avoid and evade tobacco licence fees.

A recent High Court case, *Miller* v. *TCN Channel 9*, gives support for the Government's view. The Government firmly believes that the real intention of the authors of the Australian Constitution was to prevent discriminatory burdens being place on the interstate trade. This legislation clearly does not place a discriminatory burden on interstate trade, because exactly the same fee is levied on both the intrastate and interstate traders. To hold that section 92 allows fees to be levied only against the intrastate trader is to turn it upside down as the section would then prejudice the local traders, ensuring that their prices would be uncompetitive with those of bootleggers from across the border. The ancillary measures included in these bills are intended to increase the Department of Finance's capacity to trace tobacco and petroleum products through the distribution system, to ensure that licence fees are paid when they are due.

The powers of inspectors will be strengthened to enable them to ask questions and require truthful answers of any person in relation to dealings in tobacco and petroleum products. This will overcome a loophole in the present legislation which limits inspectors to asking questions only in relation to records. The bills also require that records be kept of consignments to be delivered into or within New South Wales. The record of consignments will be required to specify the type and quantity of goods, as well as details of the consignor, the consignee and the destination of the goods. It will be an offence for a driver to produce inaccurate records to an inspector upon request, which will carry a penalty of $1,000 or three months' imprisonment. Furthermore, the powers of seizure, which at present may only be exercised in relation to tobacco, are to be extended to petroleum products.

The bills provide for goods to be seized in cases where persons involved do not provide accurate information upon request from an inspector as to the owner and destination of the goods and where these persons fail to convey the goods and the inspector to the specified destination. Petroleum and tobacco products may be forfeited where a person is convicted of unlicensed trading in relation to the goods. When tobacco and petroleum products are seized, inspectors will be empowered to take charge of the vehicle and to deliver the goods to a storage depot. In the case of tobacco, the storage depot will usually be a Public Works Department warehouse in Sydney and, in the case of petroleum products, arrangements will be made with the oil companies to store the goods at the nearest available depot. Inspectors will be required to issue receipts for all seized goods.

Amendments to the evidentiary provisions are also included in these bills, providing that the production of a notice of assessment is conclusive evidence of the due making of the assessment in any proceedings under the Act, except in the case of an appeal, when it shall be prima facie evidence only. These amendments are complemented by provisions which make it clear that the onus of proving that an assessment is incorrect lies with the person liable for the assessed fees. Restrictions on the use of information supplied by a person in issuing assessments and civil proceedings against the person will be removed, thus strengthening the anti-avoidance provisions while still maintaining the principle that a person should not be forced to incriminate himself in criminal proceedings. These evidentiary provisions are standard in almost all Commonwealth and State taxing legislation with the exception of the business franchise legislation.

A general provision enabling the chief commissioner to provide a refund of fees has been included, in order to avoid double taxation on interstate trade where goods are sold by retail in another State or Territory and business franchise fees are paid in that other State or Territory as well as in New South Wales. This issue will be raised by the Minister for Finance with the other States and Territories in order to ensure that a consistent policy is adopted throughout Australia. Finally, in order to bring the tobacco system into line with that operating for petroleum products, tobacco licence fees will be imposed on the first wholesaler in the distribution chain instead of the final wholesaler. I commend the bills.

The Hon. P. S. M. PHILIPS [9.37]: The aim of the bills is to stop the evasion of licence fees by importing tobacco from Queensland. The bills will amend the present Acts to apply licence fees explicitly to interstate trade when in the past they have been applied only to intrastate trade. The Government believes that there is no protection under section 92 for those who avoid and evade tobacco licence fees and that the real intention of the original authors of the Australian Constitution was to prevent discriminatory burdens being placed on interstate trade. The Government states that this legislation does not do this. Inspectors' powers will be strengthened in relation to questioning of those dealing in tobacco and petroleum products.

The bills will also require drivers to produce accurate records to an inspector on request, with penalties of $1,000 or imprisonment for three months for failing to comply. The powers of seizure which will now be increased in relation to tobacco are to be extended to petroleum products. These measures are complemented by provisions that make it clear that the onus of proving that an assessment is incorrect lies upon the person liable for the assessed fees. Because of the Government's considerable difficulty in curtailing the illegal trade

in tobacco as well as diminishing the burgeoning growth of illegal tobacco trade under section 92 of the Constitution, the Government is now attempting to face the problem squarely. It is questionable whether this approach would survive a legal challenge in the High Court, given the previous experience of other challenges.

The Hon. B. J. Vaughan: The court has changed, though.

The Hon. P. S. M. PHILIPS: As the Hon. Bryan Vaughan has pointed out, the composition of the court has changed somewhat. But prior to the recent change in the composition of the court, cases such as the Hematite case, relating to tax on Victorian oil pipelines, were adverse to the position the Government has now taken. The latter tax was overturned in the High Court. The Opposition nevertheless supports the bills and wishes the Government well.

Motion agreed to.

Bills read a second time, and passed through remaining stages.

NEW SOUTH WALES STATE CONSERVATORIUM OF MUSIC (AMENDMENT) BILL

Second Reading

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [9.43]: I move:

That this bill be now read a second time.

The object of this bill is to amend the New South Wales State Conservatorium of Music Act, 1965, to provide additional and more precise powers to the board of governors of the conservatorium. In the seventy years since its establishment, the conservatorium has developed into the finest institution of its type in this country and one of international standard. This has been achieved through the attraction of outstanding teachers and performers to its faculty and through the fostering of the highest standards in its students. Many of Australia's finest performers in the music arena attended the conservatorium as students. The board of governors is charged with the responsibility for the administration, care, control, management and maintenance of the conservatorium. It also has a statutory responsibility to promote, advance and encourage musical appreciation, taste and achievement in the community. The board of governors was established after the introduction of the New South Wales State Conservatorium of Music Act in 1965. Some changes to the role of the board were introduced in the 1977 amendments to the Act.

Essentially the present bill more clearly defines the powers of the board of governors with respect to employment, financial investment and governance of the conservatorium. The changes partly derive from existing provisions for the universities and colleges of advanced education. The membership of the board of governors is to be changed to now include the principal of the Newcastle branch. This is in recognition of the increasing status of the branch. Additionally, the bill makes provision for the establishment of a convocation of graduates and the subsequent election of a graduate to the board. Two existing positions are to be deleted, being the co-opted member, to be replaced by a ministerial appointee, and the public servant position nominated by the Premier.

I turn to the powers of the board of governors. The bill proposes that the board have the power to employ contract staff under terms and conditions determined from time to time by the board after consultation with the Public Service Board. This provision enables the board to employ outstanding teachers and musicians from both overseas and within Australia to teach for limited periods. The bill provides that the board can temporarily employ staff under section 80 of the Public Service Act. These employment powers do not differ substantially from the existing powers of the board except that the board at present may employ staff under section 80 only under delegation. The bill provides the board with new powers related to the investment of funds. These are derived from the powers granted to the New South Wales universities in 1984. For the purposes of the provisions, all funds of the board will be classified as either class A or class B funds. Class A funds include gifts, grants and fees for which a high degree of security of investment is necessary. Class A funds must be invested in accordance with the provisions of the Trustee Act, whereas class B funds may, with some minor restrictions, be invested in the same manner as funds of the State Superannuation Board. If the board wishes to invest funds in some other manner, it will need to seek the approval of the Minister and the concurrence of the Treasurer. Investment pools may be established and managed by the board, and the income earned must be distributed at least once per year.

The objects of the board of governors are slightly amended by the bill. The principal objects are proposed as being to foster the achievement of excellence in the teaching of music and in the provision of the highest standard of practical musical education to those who have exceptional musical talent and aptitude for the profession of music. This has long been the central purpose of the conservatorium. Finally, the bill provides for the prohibition of the administration of a political or religious test for students or officeholders and an increase in the powers of the board of governors to make by-laws. These provisions are substantially in accordance with the existing powers granted to universities and colleges of advanced education. They will facilitate the proper management of this outstanding educational institution. I commend the bill.

The Hon. JUDITH JAKINS [9.47]: All things taken into consideration, though I am perilously close to supporting the bill, honourable members will not be surprised to learn that, as I have a reputation to keep, the Opposition's predictable stand is that it cannot support the bill. I speak as one who has no musical ability whatever, although an attendant told me the other day that he heard me whistling a quite heart-rending and somewhat talented version of "Tit Willow, Tit Willow".

The Hon. B. H. Vaughan: Would you like to try it on us?

The Hon. JUDITH JAKINS: I have heard talk of a piano being built for the Parliament.

The Hon. B. H. Vaughan: Bought, not built.

The Hon. JUDITH JAKINS: I am sorry. If the Parliament has a piano, I can promise honourable members, as my contribution, a quite stirring rendition of chopsticks.

[*Interruption*]

The Hon. JUDITH JAKINS: The board shall consist in future of seventeen members, of which there shall be official members, appointed members and elected members. The Opposition believes that it is quite

appropriate for the principal of the Newcastle branch of the conservatorium to take his place on the board of governors. The bill does not propose to change the number of elected members, which is two. The only thing about which I am a little puzzled is the wording in proposed new section 4 (3) (a) (i). The wording in that proposed new section is almost the same as that in the principal Act. The bill includes the words "have the prescribed qualifications" but does not include the words "and experience" which are to be found in the Act. Perhaps the Minister in her reply might explain why those two words are not included in the bill. It is appropriate that a student of the conservatorium be a member of the board of governors.

The Opposition deplores the fact that the sole co-opted member to the board has not been retained. I cannot envisage that one such member would have done too much harm. However, I object not so much to the fact that such a member is no longer to be a member of the board but to the fact that the Minister will be making so many more appointments. I shall deal with that matter in a moment. It is commendable that it is proposed that a person elected by the convocation is to be a member of the board. I believe that former members of institutions have much to contribute, just as former students of a school have much to contribute to that school. That is a particularly good proposal. Perhaps provision could have been made for the appointment of more than one such member. What I am really steamed up about is the fact that the Minister will in future be able to appoint ten members. Previously the number of ministerial appointed members was between six and eight, which was a flexible situation, but now the Minister will be able to appoint ten members out of a total of seventeen.

The Hon. P. F. Watkins: What is wrong with that?

The Hon. JUDITH JAKINS: I shall tell the honourable member. It is because a quorum is nine members. Previously when the board of governors had a membership of between fourteen and sixteen, depending on whether the Minister appointed six, seven or eight members, a quorum was eight members. That meant that the Minister could not achieve complete control of the board by his own appointees, but the new proposal leaves no doubt about the Minister's ability to control the board because he will appoint ten of the seventeen members. As a quorum is nine, the Minister's appointees could arrange their own meeting and appoint their own chairman, deputy chairman, secretaries and whatever without calling on the other members at all. That is just a little undemocratic. Honourable members will remember that when the Minister has introduced bills dealing with universities he has said that the appropriate number of members for the Minister to appoint to university boards or university councils, which have a total membership of twenty-nine or thirty members, was six—six out of thirty. In this instance he wants to be able to appoint ten out of a total of seventeen members. I think that is bad, and the Government should do something about it. Proposed new section 4 (7) reads:

> A person is not eligible to be elected or appointed as a member if the person is of or above the age of 70 years.

The rules have changed since the day before yesterday, because Gough Whitlam has just been appointed to a board, and he is seventy years of age. He is beginning his membership of that board at age seventy.

The Hon. B. H. Vaughan: Two members of the senate are more than eighty years of age.

The Hon. JUDITH JAKINS: Well, this provision just seems a little sneaky to me. Theoretically, it is not democratic for the Minister of the day to be able to appoint the number of members that makes up a quorum. This is probably a little far-fetched, but it has been pointed out to me that there is a precedent for this. Honourable members might remember what happened at the Loan Council meeting in the Khemlani affair. I am not suggesting that the same thing will happen in this case, but what is proposed is not right. The bill proposes significant changes to the principal Act with regard to the investment powers of the board and the distribution of dividends from those investments. Though it appears that everything is in order, I have a query about what appears to be a contradiction. Proposed new section 14 (4) reads:

> The Board may invest any class A funds or class B funds in a form of investment approved by the Minister, with the concurrence of the Treasurer, where the Minister is of the opinion that the Board would suffer loss or hardship or be otherwise disadvantaged if the funds were to be invested in accordance with the other provisions in this section.

In view of that provision, I do not see the need for a governing board at all, because if the Minister does not like what it does he can simply change the rules. Bearing in mind that he will be appointing the majority of the members of the board, why would he want to overrule them completely and make his own rules? Perhaps I have put that badly. Other Opposition members might explain it better. That provision seems improper. In view of the fact that the investment powers of the board have been expanded to such an extent, not only is it highly improper that the Minister of the day can appoint the majority of members, but also if he does not like their decisions he can overrule them and do things his own way.

I cannot find it in my heart at this hour of the night and at the commencement of the festive season to be completely uncharitable to the Government. However, the Opposition would appreciate a plausible explanation of those matters I have mentioned, in particular my comments about the government appointees. I am confident that the reasons given by the Minister will be completely unconvincing to the Opposition. I conclude by wishing Government members, misguided though they may be, an extremely merry Christmas. The Opposition will oppose the bill but, in the true spirit of Christmas, we shall not divide the House.

The Hon. DEIRDRE GRUSOVIN (Minister for Consumer Affairs and Assistant Minister for Health) [9.58], in reply: I shall deal first with the composition of the board. It is an appropriate model, bearing in mind the nature of the institution, the size of its student body and the fact that the State provides substantial funding in addition to the Commonwealth's funding in advanced education courses. I come to the argument of politicization. That argument cannot be sustained when one examines the present ministerial appointees to the board, because they are distinguished persons in the music area, the community and business. In addition to their professional expertise, all have an interest and involvement in music and the performing arts and are dedicated to furthering the tradition of excellence at the conservatorium. I shall deal now with the deletion of the position of the co-opted member. As the honourable member knows, this proposal is in accordance with the Minister's correct belief that such appointments are undemocratic. The Minister believes, quite correctly, that institutions are responsible to the community they serve, and it is the responsibility of the staff, students and Minister to ensure that the most suitable appointments are made.

Ministerial appointments have been increased to nine, not ten. It is important to understand that there has been no alteration to the appointment of the tenth member. As previously, it remains a position to be filled by the Minister's appointment of a public servant from within his administration. The Minister has always had that power of appointment, and thus the terms of that appointment have not altered. The amendments are intended to support the governing body of an outstanding educational institution in the achievement of its objects as defined in the Act. I commend the bill.

Motion agreed to.

Bill read a second time, and passed through remaining stages.

SPECIAL ADJOURNMENT

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

That this House, at its rising today, do adjourn until Tuesday, 24th February, 1987, at 2.30 p.m., unless the President, or if the President be unable to act on account of illness or other cause, the Chairman of Committees shall, prior to that date, by communication addressed to each member of the House, fix an alternative date and or hour of meeting.

ADJOURNMENT

Seasonal Felicitations

The Hon. J. R. HALLAM (Minister for Agriculture, Minister for Lands, Minister for Forests, and Vice-President of the Executive Council) [10.4]: I move:

That this House do now adjourn.

I am honoured to have become the Leader of this House, and to have the opportunity to extend the season's greetings, best wishes and felicitations to all honourable members of the House. That I have moved this motion highlights that this has been a year of change. I became Leader of the House in most unexpected circumstances when the Hon. Barrie Unsworth moved on to another place. I offer my sincere thanks to my parliamentary party colleagues for their support. I thank particularly the Premier for his assistance. He has taken on a role for which he is admirably suited and in which he can and will lead this State boldly into the future. I thank the Hon. Barrie Unsworth for his hard work and dedication during his time in this Chamber. He has followed in the steps of the Hon. Neville Wran who went from this House to another place to serve a record term as Premier of this great State. To Mr Wran and his family, and all former members of this House, I extend the Government's sincerest wishes for the coming festive season. Again, I welcome the Hon. Michael Egan to this House. Similarly, I acknowledge and welcome the Hon. Greg Percival, who rejoined this House on the resignation of the Hon. Lloyd Lange.

I take great personal joy in extending to you, Mr President, and your family, a happy and holy Christmas. I offer my best wishes for your good health and fortune in the New Year. Again this year you have presided over the House in such a way as to maintain the high standards set in previous years. I am certain all members join me in thanking you for your efforts, and offering the season's greetings. In thanking you, Mr President, I cannot overlook the Chairman of Committees, the Hon. Clive Healey, and the Temporary Chairmen of Committees. The latter roles have been more than admirably filled by the

Hon. Dorothy Isaksen, the Hon. Norm King, the Hon. Joe Thompson, the Hon. Sir Adrian Solomons and the Hon. Max Willis. The Hon. Clive Healey has fulfilled his role in his usual admirable manner and has the respect and gratitude of all members of the House. The Temporary Chairmen have various functions to perform, some more active than others, but all have worked hard and are highly respected throughout the Parliament for their positions and abilities. I extend to them the season's greetings and best wishes for 1987.

I take the opportunity once again to welcome to the table the Hon. Deirdre Grusovin in her position as Deputy Leader and Minister for Consumer Affairs and Assistant Minister for Health. I congratulate her on her appointment and look forward to working closely with her in the years to come. Deirdre has worked tirelessly in her dual roles and has provided me with valuable support during this session. I am sure all members of the House join me in offering to Deirdre and her family best wishes for Christmas and the New Year. To the Leader of the Opposition, the Hon. Ted Pickering, his Deputy, the Hon. Bob Rowland Smith, and other members of the Liberal Party and National Party, I extend my best wishes and appreciation for their contributions to the House. I extend also my sincere wishes to Reverend the Hon. Fred Nile, the Hon. Marie Bignold, the Hon. F. M. MacDiarmid and the Hon. Elisabeth Kirkby. The role of the Opposition is to question and, more often than not, oppose. That opposition need not be total, and it is with respect and appreciation that the Government acknowledges instances of bi-partisan support. Despite the sparring that occurs across the Chamber, there is mutual respect and an understanding of our respective roles and responsibilities in our society.

I thank the party Whips for their hard work this year. The Hon. Barney French and the Hon. Virginia Chadwick are vital cogs in the operation of our machine. I wish them a joyous Christmas and a happy holiday season. Mr Dennis Murphy, as Parliamentary Counsel, is one who is well known to all members of this House for his diligence and hard work. The drafting of legislation is a highly complex task which the parliamentary counsel perform with a degree of professionalism unsurpassed. He is ably supported by his staff, and I am sure all members look forward to working with them again in the new year. Also, we are indebted to the Government Printer and his staff for the untiring effort they offer in the production of *Hansard* and the voluminous parliamentary papers. I wish a merry Christmas to them all.

Particularly do I wish to thank and offer my best wishes for the festive season to Mr Les Jeckeln, Clerk of the Parliaments. Mr Jeckeln has been of invaluable support to all in this Chamber but perhaps no more so than to the Leader of the House in ensuring that the legislative programme is fulfilled. I wish him and his family a merry Christmas and a prosperous new year. I cannot overlook the Clerk Assistant, Mr John Evans, the Usher of the Black Rod and staff for their tireless efforts and assistance this year. All have worked extremely hard to meet the demands of members and the public, to whom we are of course accountable.

To the Editor of Debates, Mr Tom Cooper, and his assistant, Mr Bob Davey, and their staff, we extend our sincere appreciation. Accountability flows largely from the reporting of proceedings in this Chamber and that depends much on the highly professional band of Hansard reporters. Their task in recording our words must surely, at times, be onerous. They have done a magnificent job. To the Parliamentary Librarian, Dr Russell Cope, and the Library staff, we extend our sincere appreciation and best wishes. The operation of Parliament is a complex business, dependent upon the support and co-

operation of those within the building. I wish to extend my thanks and best wishes to the building manager's staff and the manager of the food and beverages services, Mr Stephen Mills. They are ably supported by keen and dedicated people who have earned the respect and appreciation of members.

I wish also to extend our best wishes to Mr Don Wheeler, and on behalf of all members here I wish to extend our very best wishes to Terry Gorrell and Sam Maccarone who are ill but previously served us with great willingness. We wish them a speedy recovery. Again, I should like to acknowledge the fact that George Hunter, who has served us so willingly and with so much pleasure for many years, will retire in January. I express the particular appreciation of all members of parliament to George Hunter.

Also ensuring accountability is the parliamentary press gallery. Though its members cannot satisfy all in the work they do, nonetheless that does not detract from the fact that they are appreciated and recognized as a vital link in the operations of this institution and democracy. In recent years parliaments around the world have become increasingly exposed to those who wish to destroy the system of government by the people for the people, a system highlighted by the work of this Chamber. Ensuring that our deliberations can be conducted safely, the work of the special constables and police around the parliamentary building is deeply appreciated. I am certain that I speak on behalf of all members in thanking them for their efforts and their labours. The operation of Parliament is complex and depends on a great many people. I personally, and I am sure all members, wish all of them a very merry Christmas and a happy New Year. I look forward to joining them again in February next.

I should like to make two final observations. One concerns the level of activity in the Legislative Council, which is a clear measure of change. In 1985 the Legislative Council sat for forty-five days and the Legislative Assembly for forty-six days; the Legislative Council met for 322 hours 39 minutes and the Legislative Assembly for 406 hours 56 minutes. In 1986 the Legislative Council sat for forty-eight days, including today—exactly the same number of days as the Legislative Assembly—and the total hours, not including today, were 322 hours 56 minutes for the Legislative Council and 398 hours 53 minutes for the Legislative Assembly.

It is incumbent upon me to publish the unanimous findings of an unelected committee of this House, chaired by the Second Clerk Assistant, formerly the Usher of the Black Rod, Mr Doug Carpenter. The committee consisted of the Hon. Franca Arena, the Hon. Dorothy Isaksen, the Hon. Jim Samios, and the Hon. John Doohan. The committee was formed to adjudicate on the most boring speech, the wittiest speech, the longest speech, and the shortest speech. A bipartisan approach was adopted and the chairman of the committee was totally objective.

I am pleased to report that the award for the most boring speech—which was on the subject of timber—was shared by the Hon. Ken Reed and the Hon. Richard Bull. Obviously after much deliberation and research the committee decided that the wittiest speech award should be made *in absentia* to the former Leader of the Opposition, the Hon. Lloyd Lange. Notwithstanding the efforts of the late Cyril Cahill, the award for the longest speech has gone to the Hon. John Jobling and the winner of the shortest speech category is, quite surprisingly, the Hon. Peter Philips.

The Hon. E. P. PICKERING (Leader of the Opposition) [10.18]: How does one follow an act like that? On behalf of the Liberal Party-National Party Opposition in this Chamber, I express to all honourable members best wishes for Christmas and the New Year ahead. To my mind this session has been one of the most interesting that it has been my good fortune to experience during my ten years in this Chamber. It has been a most historic session in that with the introduction of the Judicial Officers Bill ground not broken for many years was traversed. With the findings of the report presented to Parliament on standing committees, we look forward to historic changes in this House in the New Year. The report represents the hard work of many honourable members. Also, the standard of debate during this session has been extraordinarily high and at all times decorum and the dignity of the Chamber have been maintained.

The Opposition wish to go on record as thanking you sincerely, Mr President, for the way in which you have conducted the business of this House throughout the session. Again you have proved that you are an impartial President. You have continuously brought honour to the great office you hold. The Opposition expresses to you and your family best wishes for a happy and holy Christmas.

I thank sincerely the Deputy Leader of the Opposition, the Hon. R. B. Rowland Smith, and my deputy in the Liberal Party, the Hon. M. F. Willis, for the able assistance they have afforded me during the year. I wish both gentlemen and their families a happy Christmas. To the Leader of the Government in this House, the Hon. J. R. Hallam, the Opposition extends best wishes for a happy Christmas. The Minister has acquitted himself exceedingly well during this session. The Opposition's view is that he did his homework on the Judicial Officers Bill and brought great credit to the Chamber during that historic debate. On behalf of the Opposition I particularly want to express sincere appreciation and best wishes for a merry Christmas to the Deputy Leader of the House, Minister for Consumer Affairs and Assistant Minister for Health, the Hon. Deirdre Grusovin. Her appointment as a Minister was an historic one. As the first woman Minister in this Chamber she has done her sex proud. She has conducted herself in what can be described only as a most gracious fashion. We on this side of the House certainly appreciate that.

I have noted how the Opposition Whip, the Hon. Virginia Chadwick, and the Government Whip, the Hon. H. B. French, worked in great harmony. It would be fair to say there has been almost no turmoil between them. For that we are all grateful. We recognize that both of them have discharged well their demanding duties and in thanking them we wish them both a happy Christmas. To those on the crossbenches—Reverend the Hon. F. J. Nile, the Hon. Marie Bignold, the Hon. Elisabeth Kirkby and the Hon. F. M. MacDiarmid—and their respective families, we extend wishes for a wonderful and happy Christmas. To the Chairman of Committees, the Hon. C. Healey, and to the Temporary Chairmen of Committees who served so well during the year, we again express our appreciation. The skill shown by the Hon. C. Healey in dealing with bills of many parts has continued to be breathtaking.

To the Clerk of the Parliaments, Mr Jeckeln, and his staff the Opposition expresses great appreciation for the unflustered, articulate and accurate way in which they have advised us. We have noted particularly the younger members of the staff who have been in their training mode this year. It has been interesting to see how well they have been brought on under the able guidance of Mr Jeckeln. For that we are grateful. We wish all of them a happy Christmas.

We wish Dennis Murphy, Parliamentary Counsel, and his staff the very best for Christmas and the New Year.

Once again this year Mr Tom Cooper and his Hansard staff have excelled themselves in waving the magic wand over what we think we have said in this Chamber to develop it into something that is readable and can be understood by those inside and outside Parliament. It never fails to amaze me how they do so in the short time available. The service provided by Dr Cope and the staff of the Parliamentary Library has been quite remarkable and we wish them, too, a happy Christmas. To Don Wheeler and his band of merry men the Opposition extends a special word of thanks for the assistance they have given. We are conscious of the fact that they have laboured this year under some difficulty with shortage of staff owing to illness. Their performance has not diminished despite those difficulties, and for that we are grateful indeed.

It would be remiss of me if I did not join the Minister in drawing special attention to George Hunter. George is one of those merry faces I have been accustomed to seeing in the ten years I have been a member of this House. George, who has worked in the Parliament for twenty-three years, will leave us on 8th January. Tonight is George's last night in the parliamentary Chamber. I will certainly miss his happy face, as we used to board the same train late at night to go home. Again the parliamentary dining-room staff, led by Stephen Mills, and David Draper, have done us proud during the year. If I have any complaint it is that Stephen has not made it easy to keep my weight down and that I am looking forward to doing something about that. I have put on a ounce or two under his ministration.

We thank the parliamentary building services for their assistance during the year, and in particular the staff who work on the twelfth floor. Margaret Kidd, in particular, has done a remarkable job in the photostating room. Despite the fact that Margaret has not been all that well this year, she has laboured remarkably. A late decision to provide the Opposition each day with five extra copies of the *Hansard* galley proofs must have come as a great relief to Margaret. I am sure she is now looking forward to the next session. We thank her most sincerely for her help.

Lorna Eaton and her secretarial staff have laboured long and hard. They have had to suffer technological innovation. They now have been provided with computers with green screens. I know, Mr President, you are most conscious of that fact. Anyone who has had to change to that sort of technology would know the amount of work involved in coming to grips with it. We thank Lorna and her staff for the assistance they have given us without complaint despite those technological developments. We wish all of them a merry Christmas.

Also, I thank Pamela Martin and Stephen Mutch, of my personal staff for their assistance, and, as most honourable members know, in the not too distant future Stephen will join us as a member of this House. I have been ably assisted during the year by Mrs Robyn Young and Jim Yeomans, who have worked in my office without pay to assist the Opposition in performing its functions. It would be remiss of me not to refer to the unfortunate illnesses of Terry Gorrell and Sam Maccarone. I am told they are both on the way to recovery. I wish them good health and an enjoyable Christmas. I express my sympathy to Marlene Knowles who suffered the sad loss of her son during the year. It was tragic. I am sure all our thoughts go with her tonight as she faces the Christmas period.

As Opposition spokesman on police matters I thank the police officers who again have ensured the security of this Parliament throughout the year. Once again we have come through without any untoward incident. Few parliaments in the world could boast, as we can, that nothing has threatened our security. As Christmas approaches and the New Year follows may you all see peace in the world in which we live. May you experience peace within the nation. Above all, may each and every one of you experience continuing peace in your hearts.

The Hon. R. B. ROWLAND SMITH (Deputy Leader of the Opposition) [10.30]: I support the remarks of the Leader of the Opposition. I wish honourable members a happy and holy Christmas. In the past few months the Leader of the Government has brought to this House great change. In the twelve years that I have been a member of this House I have never been more satisfied with the way that this House has been managed. The Hon. Jack Hallam has considered honourable members in so many ways. We are able to talk to him and this has created tremendous rapport between the Opposition and the Government. I wish to say to his charming deputy, the Hon. Deirdre Grusovin, how much she has supported him in this role. We are in this Chamber to do a job. At times the Leader of the House is given instructions that require him to take a particular course of action. When this occurs he has done so kindly and with dignity. This is most important. I thank Jack Hallam very much for what he has done.

It is important to remind honourable members that the last two Premiers of New South Wales have come from the Legislative Council. Some people may hold the view that the Legislative Council is not a terribly important institution. However, when we recall that Mr Wran, and now Mr Unsworth, were both members of this House, it brings great credit to this Chamber. The leader of the Opposition referred to the level of debate in this Chamber, which is far superior to that in the other House. This year has been a sad one for me and for my Whip, the Hon. J. J. Doohan, who lost his lovely wife. As we think of Christmas and the things that happened at that time, I wish to thank him particularly for his hard work and effort under most extenuating circumstances. The Hon. Sir Adrian Solomons has had a serious operation, but as I see, he is recovering well. I am sure that he will overcome his medical problems. I conclude my remark with the words of Jesus Christ who said: Fear not. I am with you always. I wish honourable members a merry Christmas.

Reverend the Hon. F. J. NILE [10.33]: The brevity of my remarks is not intended to reduce in any way their sincerity. With my colleague the Hon. Marie Bignold, the Call to Australia members of this House extend to you, Mr President, and to all honourable members, the Whips and other members who hold positions, the Clerks, the members of Hansard, the Parliamentary Counsel and the parliamentary staff our prayers for a blessed Christmas as we celebrate the birth of our Lord Jesus Christ who said: I have come to seek and to save that which was lost. We thank the Leader of the House, the Hon. Jack Hallam, for his co-operation and assistance. I thank the Deputy Leader of the House, the Hon. Deirdre Grusovin, for her courtesy. We wish both Ministers a joyful Christmas and a happy New Year. We thank the Hon. Deirdre Grusovin particularly for her attention to the questions asked by us and the improved response by positive Government action in many important areas of consumer affairs and health.

We also thank the Leader of the Opposition and Deputy Leader of the Opposition for their help and co-operation in many areas during this year, and wish them and their families a blessed Christmas. We thank also the staff of the House, particularly George Hunter, on his retirement, for his many kindnesses in making us feel welcome. We wish him a happy Christmas and a blessed retirement after twenty-three years' service to this Parliament. No doubt he deserves some sort of medal for that achievement. As all honourable members realize, the House is adjourning so that we can celebrate the birth of our Lord Jesus Christ. I am reminded again of those words of the prophet in Isaiah 9:6–7, immortalized in the historic music of *Messiah*, written hundreds of years before the birth of Christ, which referred to the role of government:

> For unto us a child is born, unto us a son is given: and the government shall be upon his shoulder: and his name shall be called Wonderful, Counseller, The mighty God, The everlasting Father, The Prince of Peace.
>
> Of the increase of his government and peace there shall be no end . . .

As we conclude this year, which has been the International Year of Peace, we will continue to pray that our world will experience another year, and many more years, of peace with freedom and justice for all. God bless you all.

The Hon. ELISABETH KIRKBY [10.36]: I shall not delay the House long but I wish to take this opportunity to thank you, Mr President, as always for your fair and just behaviour in your great office. It must be said that you are a very great President. I reiterate what the Leader of the Opposition and the Deputy Leader of the Opposition have said about the Hon. Jack Hallam and the Hon. Deirdre Grusovin. Since they became Leader of the House and Deputy Leader of the House respectively, the proceedings have gone smoothly. There has been co-operation and great attention has been paid to the Opposition's questions, particularly to questions from me on the crossbenches. For that I am extremely grateful. I know my constituents are grateful also when I pass on to them the answers I have received.

I wish to thank also the members of the Hansard staff and the research officers in the Parliamentary Library. They are few in number and there are many calls on their time. As we have no personal research assistants in this Chamber, I need to make much use of the library staff, but they are unfailingly courteous and have answered with rapidity every question I have asked of them. I wish also to express thanks and Christmas felicitations to the secretarial staff on the twelfth floor, particularly Lorna Eaton and Margaret Kidd. The workload they carry is very heavy indeed, particularly when the House is sitting. None of us would ever achieve anything were it not for the wise guidance of the Clerk of the Parliaments, Mr Les Jeckeln, and the other table officers. To them I express my thanks and felicitations for Christmas.

Tonight I feel as though I have had an early Christmas present. As honourable members may be aware, at the beginning of this week I believed I had suffered a loss from my office. Because it was a considerable loss financially, I had to report it to you, Mr President, to the Clerk of the Parliaments, to the security staff, and to Don Wheeler as the chief attendant. Tonight I missed three divisions for the first time since I became a member of this House, as I suddenly had an idea during dinner that if I removed all the drawers from my desk, I might find my missing stamps. I did that, and the stamps were hidden in material which had fallen between the drawers and the back of the desk.

I wish to say how happy I am, as I know what an unpleasant experience it has been for everyone—the cleaners who clean my office, who came to me to sympathize; the attendants who felt responsible, although they were not on duty at the time; and the secretarial staff. I am delighted to be able to inform you formally that I found the missing stamps and there was no mystery or unpleasantness connected with them. I shall no longer be pennywise and pound foolish. I shall stop stuffing the drawer with big manila envelopes to be recycled. I think it is such a waste to use them only once.

On behalf of the Australian Democrats, I wish every one of you in the Chamber, in the other House, in the Hansard gallery, the secretarial staff, the attendants, the dining room staff, the library staff, and also the cleaners, who do so much for us every day, a very happy Christmas and I hope you enjoy it with your families. May we all return refreshed in February to face another challenging year. I am sure it will be a year of challenge, particularly if the Parliamentary committees on which the Hon. R. D. Dyer has worked so hard and so long come into being in 1987. May I say in conclusion that I regard it as a privilege that I was elected to this House as the sole representative of my party. In spite of the Hon. R. B. Rowland Smith, philosophical differences, and party differences, I feel supported and encouraged by my parliamentary colleagues, and I value that very much indeed. Happy Christmas to you all.

The PRESIDENT: Honourable members, 1986 has been an eventful year indeed for this Chamber. This House was honoured in 1986, for our records show one of its members as Barrie John Unsworth, M.L.C., Premier, for the first time in our long history. This is my first opportunity to officially convey heartfelt congratulations to him and his wonderful wife, Pauline, a lady who brings great charm, support and dedication to her new role. I wish them well. We again observed during this year the loss of members and we welcome new members. To our numbers we add the Hon. Greg Percival, who rejoins us. Not too many make a come-back. Greg has been one of them. The Hon. Michael Egan, who came to us upon the resignation from our House of the new Premier, joins a very select group that can lay claim to have served in both Houses of Parliament. Both are making their mark.

Some of our members and staff have lost loved ones, and I know members have conveyed their sorrows and others remembered them where they considered it mattered most. I know that those members and staff appreciated the concern shown to them. This session indeed has been one of the busiest on record, and the smooth running of the House can be attributed primarily to the dedication of Les Jeckeln, John Evans, Doug Carpenter, Mark Swinson, our new Usher of the Black Rod—another event we welcomed in 1986—and that well-known aquaculturist Greg Kelly, who earlier this day tried to make flowers grow in my carafe. Along with Noel Marshall and Felicity, they have shown their usual dedication.

I thank the attendants, led by Don Wheeler, who is the longest serving officer of the Parliament, for putting up with us. During this session Terry and Sam, as has been said by those who have spoken in the motion on seasonal felicitations, have not been well. We wish them a speedy recovery and return to the ranks where they contribute so much. Today is the last day of service of Cheryl Taylor, from our printing service. She leaves us for married bliss. Cheryl has been an outstanding employee of the Council. I am sure all honourable members join with me in conveying to Cheryl our congratulations and best wishes for her future happiness.

I could not let this occasion pass without having something placed on record about Sir Adrian Solomons. Sir Adrian is a man who brings greatness to our ranks. He has in recent times undergone major surgery. We have all been concerned for him, but we have been more than delighted to see the father of the House return to us, to make his usual and most erudite contributions, in the best traditions of the House. May he long be with us, for he adds grandeur to our ranks. This will be the last day of service in this place for George. George will not have to put up with me referring to him as "that well-known Sassenach". He took it in good part. George has served in this House for a considerable number of years, and will retire early next year. We place on record, George, our appreciation of the service that you have rendered and the kind smile that has been ever present.

What would we do without the services of our food and beverage managers? We would save money, no doubt, on new clothing. They have been ably led by Stephen Mills, assisted by David Draper and Kevin Connelly. I have visited all parliaments of this nation, as well as many overseas parliaments. Our dining-room facilities are the best in the world. They have the best outlook, the best food, the best appointments and, above all, the best staff. Our grateful thanks go to them for their absolute dedication. They cater for our every need—nothing is a trouble to them. We are well served by the staff of this establishment.

In 1986, as I reported to the House a short while ago, our garden was the recipient of a prize from the city council as the best in the State. Bill Gratten and Ken Roberts nurtured it to its glory. We thank them for their efforts. I am informed that Bill Gratten is looking for a person of the same name as a well-known bushranger who raided the bushes, as was evidenced earlier today by the flowers in my water carafe.

I turn to Hansard. Tom, Bob and their men and women have coped very well in the past few days. Long after we are home in bed, they are still pounding typewriters, editing and subediting the debates that have taken place in this Chamber. Their extraordinary dedication never ceases to amaze me. The reports of debates that appear in *Hansard* are matters for great delight and satisfaction to all members. My own secretary, Marie Sergiou, has put up with me, and I know not why. She is a dedicated person. I thank her for her endless endeavours. To Merle and Lorna, the amanuenses, and the staff of the building manager's office who make this place as delightful as it is, one can only say "Thank you". As members are aware, during the past year Barbara Jay, building manager, left our service. When she left I conveyed our thanks to her for a job well done. Dr Cope and all those employees of the Parliamentary Library who render such great service in very difficult circumstances at times can never be thanked enough for their dedication.

My Chairman of Committees, the deputies and the Whips have my profound thanks. Not only have we acquired a new Premier, but as a result of his retirement from this House we acquired a new Leader of the Government. Jack Hallam has been a member of this place since 23rd April, 1973. As one of my mates says, he has come a long way from the paddy-fields. He has said of me that I have come a long way from behind a grocer's counter. Jack has brought a new spirit into this place. That point has been emphasized by other speakers. The new Deputy Leader of the House brings to the House something particularly delightful; she brings a great charm. She has been a mate of mine for more than thirty years. I wish all members in this International Year of

Peace the peace of Christ at Christmas. I trust that in 1987 you have your fondest dreams and wishes fulfilled.

I would be remiss if I did not say that our former leader, the present Premier, left his mark on this House, for which this House will be eternally grateful. It matters little whether one liked his predecessor, the Hon. N. K. Wran; one could not ignore him. He was the longest serving Premier of the State, and since 1976 he has dominated the political life of this State. He has had considerable input into the nation as a whole. I have looked on him as a loyal friend. I wish him and Jill, his great mate, all the good things for many years to come. I thank them for their service to the State.

Since I hold all members in high regard, I thought it fitting to do more than say a simple word of thanks to each and every one of you, and signal some for special mention. The Leader of the Opposition extends to me every courtesy one could wish. The Deputy Leader of the Opposition, the Opposition Whip and those on the crossbenches also extend to me their courtesy. Why the crossbenches are so called, I do not know, for those who sit upon them in this place seldom seem cross.

Ministerial staff have not always received the recognition they have perhaps deserved. In the past few years the dedication and spirit of such people, particularly the staff of Ministers in this House, has been something to glory at. They add real charm to this place. They are courteous, and nothing is too much trouble for them. I should like to finish offering my sincere wishes for the season to each and every one of you, by adopting the words of a poem which tells a great tale. It is entitled "In a Late Hour" and reads:

Though all men should desert you
My faith shall not grow less,
But keep that single virtue
Of simple thankfulness.

Pursuit had closed around me,
Terrors had pressed me low;
You sought me, and you found me,
And I will not let you go.

The hearts of men grow colder,
The final things draw near,
Forms vanish, kingdoms moulder,
The Antirealm is here;

Whose order is derangement;
Close-driven, yet alone,
Men reach the last estrangement—
The sense of nature gone.

Though the stars run distracted,
And from wounds deep rancours flow,
While the mystery is enacted
I will not let you go.

Peace to all.

Motion agreed to.

House adjourned at 10.58 p.m., until Tuesday, 24 February, 1987, at 2.30 p.m.

QUESTION UPON NOTICE

The following question upon notice and answer was circulated in *Questions and Answers* this day.

MEDICAL EXAMINATION OF ALLEGED VICTIMS OF CHILD ABUSE

The Hon. VIRGINIA CHADWICK asked the **Minister for Agriculture, Minister for Lands, Minister for Forests and Vice-President of the Executive Council,** representing the **Minister for Health—**

(1) Are medical examinations of the alleged victim in cases of suspected child abuse made by government medical officers?

(2) What procedures are followed to ensure the confidentiality of such material to all but authorized persons?

(3) What procedures are followed to destroy, or at least seal the results of such medical examinations in cases where the allegations are not found proven?

Answer—

(1) I am informed that in cases of suspected child abuse, particularly in the remote areas of the State, a government medical officer may medically examine the alleged victim. In most cases, where medical examination is indicated, that examination is conducted by a skilled paediatrician specifically trained in the needs of child victims of assault and at all times the interests of the victim are paramount.

To familiarize workers with the special response required in this area, the Government has already embarked on an extensive training program through the New South Wales Child Protection Council.

(2) There are stringent controls to ensure the confidentiality of material obtained through medical examination and other assessment processes.

The procedures regarding confidentiality are as follows:

(a) Documentation about material obtained through examination and assessment shall be kept within the hospital or other health facility record.

(b) If specimens are obtained within the medical examination for later forensic analysis, only the police may have access to the kit sealed by the examining doctor and, if necessary, kept under lock and later handed to the police by the examining doctor.

Small items such as swabs and scrapings are nearly always consumed in forensic tests. If some remains, a reference sample is retained.

(c) The record itself shall be kept in a secured area and only authorized staff shall be permitted access.

(d) Without the production of a subpoena or warrant, no record of any sort shall be released from the hospital or other facility.

(e) Information about the child shall only be supplied to authorized personnel and only after verification of their status and their involvement in the child abuse matter in question.

(f) After the Department of Youth and Community Services has been notified of the abuse, access to the results of examination and assessments is restricted to authorized officers of the hospital or health facility, authorized officers of the Department of Youth and Community Services and the police.

(g) Whether allegations are found proved or not, the bulk of material gathered within the process of examination is eventually incinerated approximately three months after completion of tests. Small reference samples may be retained longer in a locked freezer in case further work is required.

Reference samples and case records are destroyed only when storage space is no longer available.

(3) See Answer 2.