Legislative Assembly

***Monday*, 13 April, 1981**

Bills Returned—Petitions—Questions without Notice—Bills (Declaration of Urgency) —Constitution (Legislative Assembly) Amendment Bill (Introduction, second reading)—Constitution (Disclosures by Members) Amendment Bill (Introduction, second reading)—Luna Park Site Bill (Introduction, second reading)—Water (Amendment) Bill (Introduction, second reading)—Crimes (Sexual Assault) **Bill** and Cognate Bill (Committee)—Medical Practitioners (Amendment) Bill (second reading)—Forestry (Amendment) Bill (second reading)—State Lotteries (Amendment) Bill and Cognate Bill (second reading, third reading)—Public Authorities (Financial Accommodation) Bill and Cognate Bill (second reading)—Pathology Laboratories Accreditation Bill (second reading, third reading)—Liquefied Petroleum Gas (Grants) Amendment Bill (second reading, third reading)—Transport (Amendment) Bill (second reading, third reading)—Pastures Protection (Amendment) Bill (second reading, third reading)—Adjournment (Bathurst District Hospital—Playground Supervision)—Question upon Notice.

Mr Speaker (The Non. Lawrence Borthwick Kelly) took the chair at **10.30** a.m.

Mr Speaker offered the Prayer.

BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Companies (Acquisition of Shares) (Application of Laws) Bill

Companies and Securities (Interpretation and Miscellaneous Provisions) (Application of Laws) Bill

Corporate Affairs Commission Bill

Crimes (Securities Industry) Amendment Bill

National Companies and Securities Commission (State Provisions) Bill

Securities Industry (Application of Laws) Bill

PETITIONS

The Clerk announced that the following petitions had been lodged for presentation:

Policing of Darlinghurst

The Petition of certain citizens of New South Wales respectfully sheweth:

That the residents of Darlinghurst are concerned by the activities of prostitutes and transvestites resulting in indecent acts, traffic hazards, noise pollution, unseemly and offensive behaviour and indecent exposure in Forbes, Liverpool, Darley, Thompson Streets, Darlinghurst Road and Thompson Lane.

Your Petitioners therefore humbly pray that your honourable House will increase police supervision to enable the residential area of Darlinghurst to restore the safe environment previously enjoyed by residents prior to the introduction of the Offences in Public Places Act.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr Barraclough, received.

Moral Standards

The humble petition of the undersigned citizens of Australia, New South Wales, respectfully sheweth:

That we the undersigned, having great concern because of the spread of moral pollution in our State call upon the Government to introduce immediate legislation:

(1) To give positive support to the Lord Mayor of Sydney and other local government authorities in their attempts to clean up moral pollution in our communities.

(2) To give local government authorities the power to reject applications from individuals or companies for moral pollution centres which are against the public interest such as so-called sex shops, live sex shows, blue movie cinemas, massage parlours (brothels), escort services (prostitution), et cetera.

(3) To tighten up the standards used by the New South Wales Publications Board so as to include the total prohibition of any pornographic publication or film containing child pornography, bestiality, sodomy or violent sex acts against women, such as rape and pack rape, sadism and torture, etc.

Your Petitioners therefore humbly pray that your honourable House will protect our society, especially women and children from moral pollution and its harmful effects.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr Day and Mr Paciullo, received.

Homosexual Discrimination

The humble petition of the undersigned citizens of Australia, New South Wales, respectfully sheweth:

The gay community (comprising lesbians and homosexual men) is constantly faced with discrimination in all areas of public and private life. Gays are denied rights under the law which are taken for granted by heterosexual members of the community.

Hence we are calling for;

an end to discrimination in employment;

an end to discrimination in education;

an end to discrimination in child custody;

repeal of all anti-homosexual laws;

an end to police harassment of lesbians and gay men.

We support moves to amend the anti-discrimination legislation to include homosexuality as a provision of the Act. This would go some way towards protecting the rights of gay people.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr Barraclough, received.

Maitland Hospital

The Petition of certain citizens of New South Wales, respectfully sheweth:

That the Maitland Hospital being over 100 years old is in desperate need of extensive upgrading. Many areas need immediate attention. In view of the major expansion of industry and population surrounding Maitland we urge haste in the planning and provision of new facilities.

Your Petitioners therefore humbly pray that your honourable House will intercede on our behalf with the Minister of Health.

Petition, lodged by Mr Toms, received.

QUESTIONS WITHOUT NOTICE

LOCAL GOVERNMENT LEVIES

Mr MASON: I address my question without notice to the Premier and Treasurer. Did he make an election promise in 1976 to abolish the payment of all levies and charges by local councils to government statutory authorities, including the Board of Fire Commissioners? Have councils faced increases in their fire brigade levy of 25 per cent in 1979 and 30 per cent in 1980, while being restricted to a rate increase of 12.5 per cent this year? Does the Premier and Treasurer intend to remove the burden of the fire brigade ievies and other levies from ratepayers, which he so clearly promised in 1976?

Mr WRAN: The Leader of the Opposition has referred to a number of statistics. I shall give him a considered answer tomorrow.

COASTAL MOORINGS

Mr WEBSTER: I address my question without notice to the Attorney-General and Minister of Justice. Is it a fact that earlier this year I invited his attention to the potentially dangerous situation of ships mooring off Dee Why and Long Reef beaches? In my representations did I point out that if any of these ships lost their moorings, they could create the biggest environmental problem that this State has ever seen? Will the Attorney-General and Minister of Justice inform me and the House what powers, if any, the State has in prohibiting ships mooring so close to shore.

Mr WALKER: As the honourable member said, it is true that earlier this year he raised with me his justifiable concern about the possible consequences flowing from large maritime vessels, including oil tankers, moored at sea in the vicinity of Sydney beaches. Though I am sure that the masters of such ships take great care to ensure that their vessels are properly moored, nonetheless the possibility exists that during heavy storms a ship could break loose from its anchorage. The disastrous consequences of a large ship drifting on to the shoreline is not difficult to conceive. We have seen that happen in other parts of the world and, naturally, should be concerned about such a matter. In addition to that possibility, a problem could arise if inadvertently one of these ships were to discharge quantities of oil or other pollutants into the sea. That has happened in Botany Bay on more than one occasion. The honourable member and his constituents could justifiably be concerned about such a matter.

The problem is a real one and concerns the Government—in particular my colleague the Deputy Premier, Minister for Public Works and Minister for Ports. However, the problem is that as the law stands State governments have no avenues open to them to regulate the mooring of ships at sea. The Maritime Services Board's jurisdiction over the anchoring of vessels at sea is governed by the port boundaries regulations. In the case of Port Jackson, the regulation defines the seaward limit as an arc of a circle extending three nautical miles to sea from Hornby Light, which is situated on inner South Head. Within this area anchoring is strictly controlled, but outside this limit anchoring is left to the prerogative of the ship's master, who alone is responsible for the safety of his ship.

The offshore legislation introduced by me into this House late last year, which was proclaimed to commence from 23rd February, 1981, applies the civil law of the State to acts or omissions occurring within the coastal sea adjacent to the State. The Act does not, however, apply any laws that are incapable of applying in the coastal sea or that are expressed so as not to apply in the coastal sea. Nor does it apply to a law that is expressed to apply in other specified localities.

The Commonwealth Coastal Waters (State Powers) Act confirms the State's jurisdiction to make laws applying in the territorial sea. However, such laws are not capable of applying to the extent of any inconsistency with a law of the Commonwealth or with the constitution. The problem of ships mooring at sea is that the Commonwealth has concurrent power with the States by virtue of section 51 (1) of the Australian Constitution, and the fact that many of the provisions governing ships engaged in oversea trade are regulated by international convention, such as the right of innocent passage in territorial waters.

In a nutshell, the matter is the direct concern of the Commonwealth Government. It is possible that it will become a matter of concern for the State Government when the rest of the package legislation dealing with seas and submerged lands, presently going through the various Parliaments, is passed and that portion dealing with intrastate shipping has been dealt with. But that will solve only part of the problem relating to ships operating intrastate. It will not cover international tankers or ships going to other

States. The responsibility lies upon the Commonwealth Government to resolve the present rather dangerous situation. Unfortunately, despite innumerable representations made to the federal Government by the honourable member for Wakehurst and by this Government, the Commonwealth Government does not appear to be interested. I regret to say that we shall have to try to educate the Commonwealth Government in that respect because the problem is grave. The responsible federal Minister should be much more concerned than he is about the people on the north coast of this State.

The Liberal Party has lost three seats in that part of New South Wales not only because of the high approval rate this Government has in the area but also as a result of the neglect of those electorates by the federal Government. The Liberal Party assumes that, as some electorates have traditionally voted for that party, those areas can be neglected entirely. That party thinks it can forget about the problems of constituents like those of the honourable member for Wakehurst. The honourable member for Pittwater also should be concerned about this matter instead of continually attempting to interject. Apparently he is not willing to take up the matter with the Commonwealth Government and demand that something be done to alleviate the terrible risks that people on the North Coast are facing from these ships.

RAILWAY FREIGHT RATES

Mr PUNCH: I direct my question without notice to the Minister for Transport. Did the Minister mislead the House last week by claiming that my move to disallow new freight conditions would have stopped the movement of all freight in New South Wales? Is it a fact that if the new conditions had been disallowed, the old conditions would have still applied? Will the Minister confirm that the main difference between the old and new freight conditions concerns the use of the critical phrase "prescribed charges" in the new conditions which allows the State Rail Authority——

Mr Walker: On a point of order. Mr Speaker, the Leader of the Country Party continues to use and abuse question time by seeking to continue a debate that took place in this House on a previous occasion. As I recall, the last three questions the honourable member has asked have been designed to justify a point of view he expressed in an earlier debate, which was denied or refuted by members on this side of the House. The function of question time is to elicit information from Ministers, not to continue a previous debate. I submit that the Leader of the Country Party should frame his question so as to enable facts to be elicited from the Minister; it should not be framed in an argumentative form.

Mr Punch: On the point of order. I asked the Minister whether he had misled the House. I submit that such a question requires to be put in a detailed form.

Mr SPEAKER: Order! The Leader of the Country Party, in putting the question to the Minister for Transport, did refer to a debate that had occurred earlier in this House. However, he has asked for information regarding the regulations governing the carriage of freight and the conditions under which such freight is carried. I rule the question in order.

Mr PUNCH: Will the Minister confirm that the main difference between the old and the new freight conditions is in the use of the critical phrase "prescribed charges" in the new conditions, which allows the State Rail Authority and the Government open slather to increase freight rates without parliamentary scrutiny, and to penalize country people at will?

Mr Wran: On a point of order. Mr Speaker, it is permissible for the Leader of the Country Party to ask a question, but he is not permitted to use terms such as "open slather", an obviously argumentative expression. Obviously the Leader of the Country Party did not like the rubbishing he got in the country press after his performance in the House last week.

Mr SPEAKER: Order! No point of order is involved. From time to time phrases are used in this House which are argumentative. However, I do not consider that the use of the expression "open slather" falls into that category. Has the Leader of the Country Party completed his question?

Mr Punch: Yes.

Mr COX: What I said in the House when the Leader of the Country Party moved for disallowance of the new regulations applying to freight charges in this State was that the new conditions and by-laws repealed the old conditions. What I said on that occasion was correct. Had a vote been taken and the new by-laws been disallowed, the State Rail Authority would not have been able to carry freight. That is the advice I have received from the authority. In view of the fact that the Leader of the Country Party has referred to an open slather, I shall give a few comparisons of freight charges in New South Wales and Victoria to make the position clear. The charges I shall quote are for the carriage of 1 tonne of the goods mentioned for a distance of **320** kilometres, which is an average haul on the State's rail system. The freight on 1 tonne of tiles for that distance is **$97.05** in Victoria and **$46.30** in New South Wales. The freight on fibro is again **$97.05** in Victoria and **$34.20** in New South Wales. The freight on **1** tonne of breakfast foods is **$97.05** in Victoria and **$82.60** in New South Wales. The freight on hardware is **$97.05** in Victoria and **$58.40** in New South Wales. In Victoria the freight on tyres is again **$97.05** and it is **$70.50** in New South Wales. The freight on **1** tonne of confectionery is **$242.63** in Victoria and **$150.20** in New South Wales. The freight on plants and shrubs in Victoria is **$97.05** and **$58.40** in New South Wales.

As the Leader of the Country Party mentioned television sets, I shall deal with the freight on those items. The freight on **1** tonne of television sets and parts is **$169.84** in Victoria and **$155.20** in New South Wales. On carpet underfelt the freight is **$121.32** in Victoria and **$82.60** in New South Wales. The freight on mattresses—that is sponge rubber mattresses and other types—is **$339.68** in Victoria and **$155.20** in New South Wales. Those figures indicate clearly that although there has been some increase in freight rates in New South Wales, the rates in this State compare favourably with those in Victoria. A comparison of freight rates in the other States would show a similar situation. The Leader of the Country Party has gone round the State issuing misleading statements about this matter. I propose to give the House details of the Swan report, which is the last report on public transport endorsed by the former Liberal Party-Country Party Government. That report recommended massive reductions in rail services to rural areas. That report recommended also the closure of the twenty-five branch lines I detailed in the House some time ago.

SCHOOL LECTURES BY POLICE

Mr ROBB: My question without notice is directed to the Minister for Police and Minister for Services. Late last year did he announce that the police advisory section had revised the content and scope of lectures delivered in schools throughout the State? Will the Minister advise me and the House whether the new curriculum has been successful in helping children to deal with the many difficult and dangerous situations they face in our changing society?

Mr CRABTREE: The honourable member for Miranda deserves congratulations and commendation for the interest he continues to show in the welfare of the young people of this State. In the gallery today there are some fine students from North Caringbah Public School who are fully aware of the energy and conscientiousness of their local member. It is true that in co-operation with the Department of Education, the police advisory section has revised its curriculum to provide in our schools instruction lectures that are relevant to the problems young people face today. The new curriculum includes special subjects and different lectures for infants, primary and high school students. The lectures are designed to build up the confidence of young people in our policemen and policewomen, and to alert them to the dangers they face in both a physical and moral sense from undesirables within the community. Individual topics include stranger-danger, road, water and fire safety, and living in general. High school pupils are advised also in relation to drinking and driving, and they are provided with suggestions for handling problems that have often led in the past to involvement with drugs. The new courses are proving successful and the real benefits will become more obvious as time passes.

It is worth noting that over a 5-year period the 26 police officers attached full time to the safety advisory section have delivered 125 000 separate lectures to classes of school children throughout the State. I am proud to announce that during that period more than 3 000 000 children were given this type of instruction. This action, combined with other aspects of community education, including police-citizens' boys clubs, and the work of other sections of the police force, is a positive attempt by the police to help young people to develop as healthy and well balanced Australians. Again I thank the honourable member for Miranda for his continued interest in this wonderful work.

COAL EXPORTS

Mr SCHIPP: I direct a question without notice to the Minister for Mineral Resources and Minister for Technology. As it is almost the first anniversary of the Premier's highly publicized trip to China in May 1980, will the Minister give details of the tonnages of steaming coal that have been exported as a result of the promised $80 million a year coal deal with China? What long-term agreements have been signed or are pending? Which New South Wales collieries have received the benefits of these contracts? How many new jobs have been created as a result of the contracts?

Mr MULOCK: I do not have with me details of tonnages of coal exported by individual collieries. Many of the long-term contracts are arranged privately between the collieries and the users of their commodity. However, I shall ascertain the information sought by the honourable member for Wagga Wagga and make it available to him and honourable members.

HOUSING LOAN INTEREST

Mr MOCHALSKI: Recently did the Minister for Mousing, Minister for Co-operative Societies and Assistant Minister for Transport approve increases in the rates of interest payable to depositors in permanent building societies? Will the Minister inform the House what effect these increases will have on the rates of interest that societies charge to borrowers on home loans? Does the Minister discuss regularly with building societies movements in interes. rates?

Mr SHEAHAN: During the past week or so I announced approval for a variation in rates for some types of investments in permanent building societies. However, I did not announce any increase in interest rates for borrowers of home

loans. Movements in interest rates by authorities that are regulated to any degree by the New South Wales Government are granted reluctantly. The Government has been faced with the fact that someone in the federal sphere has woken up in the middle of the night and decided to vary the Australian savings bond rate without giving any reason for doing so. Though this Government may be subject to the whims of the federal Government that affect competition for investment funds in the market place, it still has a responsibility to hold down as far as possible borrowers' rates for home loans, at the same time protecting the industry and ensuring public confidence in credit unions and building societies.

In regard to the other part of the honourable member's question, I must tell him that during the past year the permanent building societies have been most responsible in their attitude to borrowing rates. Last year when the movement in rates was upwards the building societies agreed to some concessions in interest packages to first-home buyers. This year, in response to my recent decision, the societies agreed to hold down as long as possible pressure on borrowing rates. There will be movement in borrowing rates only according to the pattern of withdrawal of on-call moneys and investment in other avenues of interest-bearing deposits.

It is not true that I discussed with the permanent building societies suggested changes in interest rates as a result of market pressures, but it is true that there is a major building societies advisory committee chaired by the director of my department, a body representative of the industry. That committee keeps a close watch on interest rates and meets regularly as required by movements in the market. I have made it clear to the permanent building societies that we expect them to endeavour to explore the possibility of innovative packages for their borrowers in order to reduce to a minimum the burden on homeseekers in the early years of mortgage. We in Australia have been conservative in changes in mortgage instruments. I hope that the permanent building societies, following the current war in interest rates initiated by the Commonwealth Government, will carefully examine the prospect of innovative packages such as those now under investigation by the Treasury and my department for the terminating building societies. I thank the honourable member and other Labor members for their interest in this matter. He and others have shown great concern for the borrowing rates charged by building societies and other lending institutions. It is a pity the Commonwealth Government does not display similar concern.

WATER STORAGE

Mr FISCHER: I direct a question without notice to the Minister for Lands, Minister for Forests and Minister for Water Resources. Is it a fact that most major water storages in New South Wales have reached very low levels due to the cumulative effect of the drought, with the Chaffey, Glenbawn, Keepit and Wyangala dams close to empty? Has he devised an emergency plan to cater for this situation, especially if there are no winter catchment rains and severe irrigation water rationing becomes necessary? Further, will he investigate the possibility of expanding the major storage construction programme in this Stale beyond Windamere and Split Rock dams to help overcome future drought cycles?

Mr GORDON: The fact that the Chaffey Dam is nearly empty obviously requires some explanation. Indeed that dam has never been more than 16 per cent full. About a year ago or just before the drought that dam was declared open bv the Premier and Treasurer. As fortune would have it, the dam was then at about 16 per cent of its capacity. The Tamworth water supply is now down to about 4 per cent.

Mr Park: It was holding **24** per cent.

Mr GORDON: I am reminded by the honourable member for Tamworth that it was holding **24** per cent, but it is now **4** per cent. If the present Government had not taken over the construction of Chaffey Dam, that storage may have suffered the same fate as Windamere Dam—it would not have been built. Surely the honourable member must be fair and agree that the Liberal Party-Country Party Government of this State, which he supported, stopped construction on that dam. The water supply situation at Tamworth was eased by the building of Chaffey Dam for the water that flowed into the dam was in addition to the normal water supply. A figure of 16 per cent of capacity was achieved in this major structure, which is capable of holding about 270 000 megalitres. As for an emergency plan, every river valley has an advisory council to assist the Government.

A list of priorities is built into the Water Act. For instance, stock and domestic use has first priority; permanent planting, such as trees and vines, has the next priority; annual crops have the next priority; and the lowest priority is given to pastures. I am sure this list of priorities has the agreement of every member in this House. The State has had the benefit of Chaffey Dam, Glenbawn Dam and Copeton Dam, which were opened by this Government, as well as various distributory works on the Narnoi, the Gwydir, the Murrumbidgee and other rivers throughout the State. The State has been in a much better position during this drought than in the previous drought of 1968–69, though the situation has been desperate in certain areas. Major dams, such as the Glennies Creek Dam and Windamere Dam are under construction, as well as other distributory works. Water storage, serious as it is, is far better for the fact that a Wran Labor Government has been in office for the past five years.

ALLANDALE HOSPITAL

Mr NEILLY: My question is directed to the Minister for Health. Will the Minister inform the House of what is being done at Allandale Hospital to ensure continuity of training for geriatric staff, both now and in the future? What is being done about the provision of additional ablution facilities at that hospital? What steps are planned by the Government to provide generally for the patients?

Mr K. J. STEWART: The first two wards at Allandale Hospital opened in 1963 and a further thirteen wards were completed between 1963 and 1967. Initially the whole hospital was designed for psychogeriatric patients, including some from Sydney and other parts of New South Wales. In 1968, because of pressure brought to bear, the hospital became purely a geriatric hospital. At present 80 per cent of the patients admitted to the 'hospital come from the Hunter region. The hospital has 50 beds with a daily patient average of 514. At present 433 staff are employed at Allandale. The average stay at the hospital is 136 days. The average age of male and female patients is 82 years.

Air-conditioning is being installed at a cost of $50,000 in the four villa wards, which are the wards affected by the heat of the afternoon sun. Also, sun-screening of the wards is being carried out at an additional cost of $65,000. Replacement of flooring by the hospital maintenance staff is being implemented. Chairs are being replaced progressively. Plans for upgrading the existing facilities and the provision of additional toilet and bathroom facilities are under way. Agreement has been reached between the hospital, the regional office and nursing staff as to the requirements. Work will proceed on the two highest priority wards at a cost of approximately $100,000. This work will commence within the next couple of months.

Recently I visited Allandale Hospital in company with the honourable member for Cessnock. I had discussions with the executive staff at Allandale and the executive of the staff association. These discussions concerned the conditions existing at the hospital and the maintaining of the hospital's role as a geriatric training unit. The honourable member for Cessnock and the House may rest assured that the Health Commission of New South Wales will continue to upgrade the facilities and amenities at Allandale Hospital, having regard always to the comfort of the patients. I assure the House that Allandale Hospital will always remain under the constant supervision and watchful eye of the honourable member for Cessnock.

KYEEMAGH–CHULLORA ROAD

Mr ARBLASTER: I address a question to the Minister for Transport. It refers to Mr Kirby's inquiry into the Kyeemagh–Chullora Road. Was the first volume of Mr Kirby's report received by the Government last November and did it contain recommendations concerning the cartage of containers from the Brotherson dock? Because the delay in making public the contents of the first volume of the inquiry's report and the details contained in the other reports concerning the route of the proposed new road is causing union, business and community unrest and hardship, will the Minister advise the House when the contents of the entire report will be made public and when he will make a statement on the action the Government proposed to take on these urgent matters?

Mr COX: What the honourable member for Mosman states is correct. Late last year the first part of the container report was made available, and about five weeks ago additional reports came to hand. The reports are under investigation by TRANSAC—the Transport Strategy Advisory Committee—which represents major departments. I have had discussions with Mr Kirby and discussions are taking place with the relevant unions. I am doing everything possible to reach finality with the reports so that I may make the necessary recommendations.

ONE STOP INSURANCE SHOP PTY LIMITED

Mr MAHER: My question without notice is directed to the Minister for Consumer Affairs and refers to a series of failures among insurance brokers, particularly the One Stop Insurance Shop group of companies of Parramatta Road, Haberfield. Has the Minister made various statements expressing his concern at these failures and the need for regulation of the industry? Is the Minister aware of a recent claim by the federal Treasurer that any delay in setting up a system of regulation is the fault of the New South Wales Government? Is this claim in accordance with the fact? Will the Minister tell me and the House what progress has been made towards setting up machinery to protect consumers in the event of failure by insurance brokers?

Mr EINFELD: The honourable member for Drummoyne has shown commendable interest in this matter. Indeed, recently he corhmunicated with me after hearing of the imminent closing down of One Stop Insurance Shop Pty Limited. The honourable member was concerned about not only the loss to people who paid premiums to that company but also the 200 employees of that organization who looked like being dismissed. Unfortunately, all his predictions at that time have materialized. I have seen reports that recently the federal Treasurer was seeking to blame the New South Wales Government for his delay in introducing legislation to regulate insurance brokers. Mr Howard is reported to have accused the New South Wales Government of failing to respond to a request for comment on the Law Reform Commission's report

on the industry. I expected more of the federal Treasurer who, in the past, appeared to be truthful, at least, even if many of his other so-called attributes have not been so good. It is shameful that he should blame others for his own indolence, and the dilatoriness of his own department and its lack of initiative.

No approach has been made by the federal Treasurer to the New South Wales Government, to me or to my department about this report. The only action that I can ascertain as having been taken is the sending last November of a copy of the report to the Government Insurance Office of New South Wales seeking its comment. The insurance broking industry has caused great concern. In recent weeks the following three large brokers have been reported as being in difficulties: Kinloch (Insurances) Pty Limited, which traded in Victoria and New South Wales and has recently had a receiver or liquidator appointed; Perth Beneficial Insurance Brokers Pty Limited, which also has had receivers appointed; and One Stop Insurance Shop Pty Limited, which trades in New South Wales, Victoria and Queensland, has closed down with reportedly no assets whatever. Over the past eighteen months fourteen insurance broking companies have closed down.

The situation has been crying out for more oversight of the industry. Repeatedly the Premier and Treasurer and I have argued strongly on behalf of the New South Wales Government that the federal Government should be the one to regulate the insurance broking industry. That Government is in the best position to regulate the industry most effectively. In any event, the legislation should be uniform. The industry agrees. Last week representatives of two peak organizations, namely, the Insurance Brokers Association of Australia and the Confederation of Insurance Brokers of Australia, put proposals to the federal Government. Already the Queensland Government has limited legislation. I understand that State would be happy to vacate the field and leave it to the Government in Canberra. As recently as last week the Chief Secretary of Western Australia introduced legislation into that State seeking to set up a licensing board and to provide for compulsory indemnity and fidelity bonds for brokers. I am urgently studying proposals that New South Wales should also go it alone. The Government is exasperated and frustrated by the federal Government's irresponsible vacillation and procrastination.

Despite requests for action by State governments and the industry, the federal inactivity has caused distress to the customers of insurance brokers. Quite rightly, the honourable member for Drummoyne mentioned One Stop Insurance Shop Pty Limited in New South Wales. That company was placed in provisional liquidation in March, with debts of more than $1 million. The Supreme Court of New South Wales agreed that F.A.I. Insurance Group could buy the company's record of policy holders. That has been done so that F.A.I. will be able to ask those who have already paid premiums to the One Stop Insurance Shop group whether they would rather transfer the insurance to F.A.I. I have instructed officers of the Department of Consumer Affairs to keep a close watch on the situation. The department is standing by to give advice and whatever help is possible to policy holders of the One Stop Insurance Shop group of companies. I should repeat that if the federal Government continues to be dilatory in giving assistance, the State Government will take action to regulate and control the behaviour of insurance brokers.

SOUTH EASTERN QUEENSLAND ELECTRICITY BOARD

Mr BOYD: Is the Minister for Industrial Relations and Minister for Energy aware of statements made by the county clerk of the Northern Rivers County Council, Mr John Beattie, about the terms of the takeover from South Eastern Queensland

Electricity Board? If so, do those statements disagree substantially with information supplied to me by the Minister in his answer to a question upon notice on 7th April? Did Mr Beattie say that the cost of transfer would be $15.6 million compared with the figure given by the Minister of $18 million over twenty years? Will the Minister inform the House of the true position?

Mr HILLS: I am rather amazed at the honourable member for Byron. I do not know how the Northern Rivers County Council could take over the South Eastern Queensland Electricity Board. I assume that the honourable member means that it will take over some ——

Mr Boyd: The Minister knows what I mean.

Mr SPEAKER: Order!

Mr HILLS: I was about to say that I assume the honourable member for Byron meant the reticulation rights within New South Wales where the South Eastern Queensland Electricity Board operates. It is proposed tbat those arrangements will terminate at the end of this financial year. It was necessary to ask the South Eastern Queensland Electricity Board whether it intended to continue with its franchise rights in New South Wales. The board intends to terminate those rights. Recently I discussed the matter with the Northern Rivers County Council. When the council's representatives left me, they were satisfied with the details I had given them.

RUNDLE GROUP OF COMPANIES

Mr O'CONNELL: I ask a question without notice of the Attorney-General and Minister of Justice. As recent events affecting the development of the Rundle shale oil deposits seem to demonstrate that the extravagant claims made by the Prime Minister and the Deputy Prime Minister were election gimmickry only, and as the Sydney Stock Exchange has instituted an investigation into trading in shares in the companies involved round the date in February when the federal Government was advised through Senator the Hon. J. L. Carrick of difficulties experienced in the project, will the Minister request the Corporate Affairs Commission to conduct an inquiry into share trading in those companies? Will the Minister inform the House of the result of the investigation as soon as possible?

Mr WALKER: Media reports suggest that huge losses are being suffered by Australians who acted on the glowing recommendations of the Prime Minister and members of his Cabinet and bought shares in the Rundle group of companies. Many of those persons who were superannuees and people on fixed pensions have now lost everything. Naturally they are not pleased. Many complaints have been received. Those who invested believed they were entitled to rely upon the statements made by the Prime Minister and his glowing reports about the viability of the shale oil projects. Though I am deeply concerned about losses suffered by pensioners and superannuees, the worst feature of the crash of the Rundle group of companies is that it has delivered a body blow to major institutional Australian investors who have been constantly criticized by the Prime Minister—and even by me—for not putting their money into Australian investments. Parliamentarians throughout Australia have taken the view that institutional investors and large investors should put their money into Australian investments.

As a result of that encouragement many persons invested in those companies. They have suffered grievously for putting their faith in the Prime Minister and an Australian project. I hope and trust that this event will not significantly retard Australian development. I have serious doubts whether institutional investors will have the

courage to take similar action on such advice for a long time. On the other hand there are strong rumours throughout the commercial and industrial communities that certain persons made huge financial gains from the tremendous increase in the value of shares following the Prime Minister's statement. It is rumoured also in those communities that those persons are alleged to have sold their shares for huge profits, estimated to be millions of dollars, shortly before technical advice became available that made nonsense of the previous statements of the Prime Minister. Naturally, if those rumours are correct, the Corporate Affairs Commission of New South Wales and the National Companies and Securities Commission should be taking a close interest in the trading of shares shortly after the Prime Minister made his statements and shortly before the technical advice became available that made nonsense of those statements. The Corporate Affairs Commission of New South Wales is anxious to determine whether breaches of the Securities Industry Act have occurred, particularly in respect of insider trading. As a result, discussions have been held with representatives of the Sydney Stock Exchange to ascertain precisely who were trading in those shares. A careful and detailed analysis of relevant New South Wales share tradings is taking place to ascertain whether breaches of the law have occurred. If any breaches are discovered, I assure the House that they will be dealt with according to law.

CULTURAL RENEWAL

Mr CAMERON: My question without notice is directed to the Premier and Treasurer. Has his notice been invited to the new focus on what is called renewal now evident within many parts of western civilization? As one illustration only of this new focus, did all magazines controlled by Time Incorporated deal extensively with this theme, under the title heading "American Renewal"? Does the Premier accept the existence of any need for such renewal, rebirth, or renaissance to upgrade motivation and sense of purpose within New South Wales? If so, has the Premier any serious proposals or ideas on this matter which he is able to communicate to the House?

Mr WRAN: New South Wales has a sense of purpose. It is the leading State of Australia, economically and spiritually. The people of New South Wales are proud of what is happening in their State. There is no need for any artificially promoted campaign to make the people of New South Wales feel relevant and worth while. Queensland might have to promote pumpkin scones, but New South Wales has made enormous advances in the welfare of the people and large investments have been made in the State's resources. Five years ago New South Wales had the highest level of unemployment of any State of Australia, but today it has the lowest level of unemployment. The cultural life of New South Wales has made Sydney the cultural centre of Australia. New South Wales laws provide for equal opportunity and outlaw discrimination on a variety of grounds. Those facts confirm that the well-being and sense of well-being of New South Wales citizens are of paramount importance to the Government. I only wish that the honourable member for Northcott would detach himself from that budding politician, the Rev Fred Nile, and move round among real people in New South Wales, which would enable him to find out what is going on.

INFLATION

Mr MALLAM: Did the Premier and Treasurer see a statement in the *Sydney Morning Herald* of 7th April this year, credited to Professor Milton Friedman, in which he asserts that inflation problems in Australia can be laid squarely at the door

of the federal Government? Also did he state, when questioned about the inflation rate, that the federal Government blamed others and did not get down to explaining the real reason? Was that the reason for the comment the other day by the Deputy Leader of the Opposition when he said——

Mr SPEAKER: Order! I rule the question out of order. It asks for confirmation of a press statement.

TRANSPORT (AMENDMENT) BILL

PATHOLOGY LABORATORIES ACCREDITATION BILL

LIQUEFIED PETROLEUM GAS (GRANTS) AMENDMENT BILL

PUBLIC AUTHORITIES (FINANCIAL ACCOMMODATION) BILL

MISCELLANEOUS ACTS (FINANCIAL ACCOMMODATION) AMENDMENT BILL

PASTURES PROTECTION (AMENDMENT) BILL

Declaration of Urgency

Mr WALKER (Georges River), Attorney-General and Minister of Justice [11.24]: I declare that these bills are urgent.

Question — That the bills be considered urgent bills — put.

The House divided.

Ayes, 57

Mr Akister	Mr Face	Mr O'Neill
Mr Anderson	Mr Gabb	Mr Paciullo
Mr Bannon	Mr Gordon	Mr Quinn
Mr Barnier	Mr Haigh	Mr Ramsay
Mr Bedford	Mr Hills	Mr Robb
Mr Booth	Mr Hunter	Mr Rogan
Mr Brereton	Mr Jensen	Mr Ryan
Mr Britt	Mr Johnson	Mr Sheahan
Mr Cahill	Mr Keane	Mr A. G. Stewart
Mr Cavalier	Mr Knott	Mr K. J. Stewart
Mr Cleary	Mr McCarthy	Mr Walker
Mr R. J. Clough	Mr McGowan	Mr Webster
Mr Cox	Mr McIlwaine	Mr Whelan
Mr Crabtree	Mr Maher	Mr Wilde
Mr Curran	Mr Mair	Mr Wran
Mr Day	Mr Mallam	
Mr Degen	Mr Mochalski	
Mr Durick	Mr Mulock	*Tellers,*
Mr Egan	Mr Neilly	Mr Flaherty
Mr Einfeld	Mr O'Connell	Mr Wade

Noes, 35

Mr Arblaster	Mr Freudenstein	Mr Punch
Mr Barraclough	Mr Greiner	Mr Rozzoli
Mr Boyd	Mr Hatton	Mr Schipp
Mr Brewer	Mr Healey	Mr Singleton
Mr J. H. Brown	Mr King	Mr Smith
Mr Cameron	Mr McDonald	Mr Sullivan
Mr J. A. Clough	Mr Mason	Mr Toms
Mr Dowd	Mr Moore	Mr West
Mr Duncan	Mr Murray	Mr Wotton
Mr Fischer	Mr Osborne	*Tellers,*
Mr Fisher	Mr Park	Mr Caterson
Mrs Foot	Mr Pickard	Mr Taylor

Question so resolved in the affirmative.

CONSTITUTION (LEGISLATIVE ASSEMBLY) AMENDMENT BILL

Introduction

Motion (by Mr Wran) agreed to:

That leave be given to bring in a bill for an Act to extend the maximum period between general elections for the Legislative Assembly from 3 years to 4 years.

Bill presented and read a first time.

Second Reading

Mr WRAN (Bass Hill), Premier and Treasurer [11.29]: I move:

That this bill be now read a second time.

The bill is designed to extend the normal term of the Legislative Assembly from three to four years. The bill is subject to the approval of the people of New South Wales at a referendum. If approved, the bill will not affect this 46th Parliament or the next Parliament—the 47th. It is proposed that the alteration in the Constitution should first apply to the Legislative Assembly elected for the 48th Parliament of New South Wales. In the truest sense, this is a bill for the better governance of New South Wales.

The Government believes that, by introducing this measure, the New South Wales Parliament is giving a lead to all Australian parliaments, including the national Parliament. It is a timely measure; it is a sensible measure; it is a democratic measure. The true strength of parliamentary democracy is not to be measured merely in terms of the multiplicity or frequency of elections. Its true strength lies in the balance which it strikes between responsiveness and responsibility—Parliament's responsiveness to the needs and demands of the people, and an elected Government's responsibility for the longer-term interests of the whole community.

There can be no doubt that the frequency and multiplicity of elections in Australia reduce our national capacity for long-term, sound, consistent decision-making. Given the massive complexity of modem government, and the modem economy, the need for better decision-making processes is abundantly clear. Further, a longer term in office would enable governments to adopt essential but perhaps unpopular initiatives, confident that the electorate, over the long term, would endorse the more responsible

course. There are many, too, who believe that there are simply too many elections in Australia, and far too much energy, time and money are expended on election campaigns. I share that belief.

In recent years the electors of New South Wales have been to the polls for either federal, State or local government elections and federal or State referenda on an average of more than once a year. In the past thirty years voters in New South Wales have been compelled to go to the polls on thirty separate occasions. That excludes local government elections. During that period there have been seventeen federal elections, of which four were for the Senate and five for the House of Representatives; eight were simultaneous elections. In addition, there have been four series of federal referenda, of which only one, in 1974, coincided with a federal election. During the same period there have been ten State elections and six New South Wales referenda, of which, again, only one coincided with a New South Wales election.

I do not suggest for a moment that mere inconvenience to voters is any justification for altering the Constitution. But it is just not conducive to good government if the community and its governments and parliaments live in a permanent and perpetual election atmosphere. concomitant with this chronic electoral atmosphere is the over-riding concern of parliamentarians with raising funds and attending election-related functions. In the result, their attention is concentrated far too little on the important State or national issues that come before them in the House, and far too much with a concern to ensure their re-election.

I believe the bill has widespread—and virtually bi-partisan—support. For example, the federal council of the Liberal Party was reported in the *Sydney Morning Herald* of 14th April, 1980, as saying that the federal Parliament's maximum term should be increased to four years. That recommendation has been supported by a committee of federal Government backbenchers, who earlier this month were reported as recommending to the Prime Minister that a referendum should be held to extend the life of the House of Representatives to four years. The Victorian Premier recently announced also that his Government would introduce a 4-year term to take effect from the Victorian elections which are due to be held next year. The Premier of Western Australia has indicated his support for the proposal. It was reported in the *Canberra Times* of 31st March that the Leader of the Opposition in Western Australia, Mr Ron Davies, also supported the idea. The Leader of the Opposition in this Parliament has indicated his support for the proposal. In addition to political and party leaders, the major newspapers have warmly supported the concept. On 25th January, 1979, a leading article in the *Sydney Morning Hernld* read:

> The Herald has repeatedly advocated a longer term of office for Australian Parliaments. In so doing, we have been concerned not to make politicians' lives easier but to secure a better standard of Government for the public.

An editorial in the *Australian* of 26th September, 1979, was in the following terms:

> The proposal that the lives of Australian Parliaments should be extended deserves careful consideration. And, we believe, acceptance.

Indeed, the proposal is even supported by the Institute of Public Affairs, which wrote to the *Sydney Morning Herald* in November 1979 as follows:

> The Institute of Public Affairs (N.S.W.) has recommended that a referendum on four-year terms for State Parliaments be held at the time of the next elections, but the introduction be delayed until the term after next.

When I read that I wondered what the Government was doing wrong. I should think that it would be the first time the Institute of Public Affairs—a party front organization—has been of one mind with a proposal put forward by the Government. I might mention one of the few reasoned arguments against the proposal. One of the arguments by Malcolm Mackerras, Elaine Thompson and others was that extension of the life of the Parliament would not have any effect upon the manipulation of election dates by governments of the day.

It is true that under the Westminster system there is no fixed parliamentary term. The Australian Constitution, unlike, say, the constitution of the United States of America, sets a maximum term for Parliament, not a minimum. However, it is important to note that the average life of the New South Wales Parliament over the past twenty years has been two years and nine months—that is, approximately the 3-year maximum provided by the Constitution at present. There can be no doubt that the term set by the Constitution exercises a considerable influence on governments as to the timing of elections. An unjustified premature election can itself become an election issue. It is of interest to note that the term of the New South Wales Legislative Assembly was five years from its establishment in 1856 until 1874. The absence of political parties—as opposed to factions-during that period resulted in a number of governments being defeated in the Legislative Assembly. That was one of the main reasons why the parliamentary term was reduced to three years. There has been one interruption to that 107-year history. In 1916, the Government of the day passed a bill to extend its own life from three to four years. That bill, ostensibly justified as a wartime measure, in fact reflected the political exigencies of the day. Premier Holman's determination to force the bill through the Parliament in the face of severe public disapprobation resulted in the recall of a governor, who had declined to assent to the bill until instructed to do so by the Colonial Office in London.

I have every confidence that this measure will be passed through the Parliament and approved by the voters without such serious consequences—in fact, they are unimaginable today. On this occasion the question will be answered by the electorate. The people have the right, under the Constitution as it now stands, to determine whether the life of the Parliament should be extended or not. The bill does not seek to extend this Parliament. Nor does it seek to extend the Government's term of office or even that of the next Government. The public will have a choice at the referendum, a choice at the next election, and a further choice at the 1984 election to decide, first, whether there should be a 4-year Parliament; and second, which party should be the first to lead a government for an extended term.

However, the implications of this simple, eminently fair and democratic bill will be that unless a further reconstitution of the Legislative Council takes place, the term of members of the Legislative Council will revert to twelve years. Honourable members on both sides of the House are well aware of the criticism made by this Government of the old Legislative Council because it was not democratically elected and that the term of office of members of that council was far too long. Those members were far too divorced from the realities of political life and too unresponsive to the aspirations of a changing society. It is not the intention of this Government that there be any reversion to a 12-year term. It is the Government's intention that there be a further reconstitution of the Legislative Council so as to transform that House into a 2-term House whose members will serve for a maximum of eight years.

It is proposed that this reconstitution be deferred until there is a clear expression of the views of the public on a 4-year term. There will be adequate time in the next three years to introduce proposals for the reconstitution of the upper House. As honourable members are aware, any such reconstitution must be approved also by the electors at a referendum. That referendum could be held, subject to the

approval by the people of the 4-year term, either during the life of the next Parliament or in conjunction with the 1984 general election. The bill is short and simple; it is scrupulously clear and democratic. This is not an attempt by the present Government—or even the next Government—to entrench itself in power for an extra year. The bill deserves—and I have every reason to believe it will achieve—complete bipartisan support not only in the House but also in the community at large. I have every confidence that each member of this House will support the proposal for what it is—that is, a fair and reasonable method of seeking the approval of the people to a sensible and popular constitutional reform for more effective administration of this State. Not the least important aspect of this measure is the example it will set for other Australian Parliaments, particularly the national Parliament. Once again, New South Wales is giving the lead. I commend the bill.

Debate adjourned on motion by Mr McDonald.

CONSTITUTION (DISCLOSURES BY MEMBERS) AMENDMENT BILL

Introduction

Motion (by Mr Wran) agreed to:

That leave be given to bring in a bill for an Act to require Members of Parliament to disclose certain pecuniary interests and other matters.

Bill presented and read a first time.

Second Reading

Mr WRAN (Bass Hill), Premier and Treasurer [11.43]: I move:

That this bill be now read a second time.

The bill provides for the disclosure by members of Parliament of their pecuniary and other interests. Honourable members will be aware of the policy of this Government that members of Parliament should be required to comply with a scheme for the registration and disclosure of pecuniary interests. It will be recalled that this House had resolved previously that such a scheme should be established by resolutions of each House. Unfortunately, the Government was advised later that the scheme it proposed could not be enforced because of the anachronistic and anomalous defects in the Constitution Act in relation to the powers of this Parliament. As I indicated to this House on 27th November, 1980, the situation could be overcome only by the passage of legislation providing for the registration and disclosure of financial interests and expressly empowering each House of the Parliament to impose penalties for non-compliance. In addition, it is necessary also for this legislation to go to a referendum of the people under section 7A of the Constitution Act as it affects the powers of the Legislative Council.

Since this proposal was initiated in 1976 by the establishment of a select committee to formulate a scheme for pecuniary interests, only one of the numerous leaders of the two coalition parties has criticized the concept of disclosure of pecuniary interests. Former leaders of the status of Sir Eric Willis and Sir John Fuller were strongly in favour of a scheme of this nature. The Hon. M. F. Willis, Leader of the Opposition in the Legislative Council, has also supported the introduction of legislation to give effect to a pecuniary interests scheme. Only one leader of either party has objected to the principle of disclosure—that is, the Leader of the Country Party in

this House, the honourable member for Gloucester. I should be surprised and disappointed if the Liberal Party is willing to change the attitudes formerly expressed by its leaders and argue against this bill at a referendum. The establishment of **a** scheme whereby members of Parliament can be seen to be above reproach not only enhances the prestige of our parliamentary system but also protects the members themselves against scurrilous attacks, which in the past they found difficult to rebut. It is my earnest hope that members of the Country Party will also see the advantages in this bill and will convince their leader that the referendum should be approached on a bipartisan basis.

I turn now to the detailed provisions of the bill. The bill comprises one schedule, the principal provision of which is item (2), which seeks to insert a new section 14A into the Constitution Act. This section will empower the Governor to make regulations to give effect to the pecuniary interests scheme. The regulations may require the disclosure of the interests of members in relation to real or personal property; income; gifts; financial or other contributions to any travel; shareholdings or other beneficial interests in corporations; partnerships; trusts; positions, whether remunerated or not, held in, or membership of, corporations, trade unions, professional associations or other organizations or associations; occupations, trades, professions or vocations; debts; payments of money or transfers of property to relatives or other persons by, or under arrangements made by, members; and any other direct or indirect benefits, advantages or liabilities, whether pecuniary or not, of a kind specified in the regulations.

New section 14A (1) (c) will direct the method by which the information to be disclosed must be evidenced, and the times at which the information must be lodged. Proposed section 14A (1) (d) relates to the compilation and maintenance of the pecuniary interests register. New section 14A (2) will empower either House of the Parliament to declare vacant the seat of any member who wilfully contravenes any regulation made under subsection (1). In practice, it is proposed that committees be established in each House to oversee the scheme, and that allegations or complaints about non-compliance by any member with the scheme be referred to the respective committee for investigation and report back to the House. This should have the effect of allowing any member who, by omission or oversight, has failed to meet any of the requirements, to rectify his oversight or omission before the House is called upon to determine whether or not he has been guilty of any wilful contravention. New section 14A **(3)** requires the House to specify the circumstances that constitute the contravention, and regulates the manner in which the House may deal with a declaration that a seat has become vacant.

The Government is firmly of the view that members of both Houses should be treated on a similar basis. There would appear to be no reason why there should be any distinction in the requirements applicable to either House. Proposed section 14A (4) requires this. As I indicated, the Government proposes to move for the establishment in each House of a committee to oversee the administration of the pecuniary interests scheme. One of the roles of the proposed committee is seen to be the consideration of any modifications of the scheme that may appear desirable. Although the regulations governing the scheme will be promulgated by the Governor upon the advice of the Executive Council, new section 14A *(5)* will provide an opportunity for the committees to make representations with respect to any proposed regulations prior to their promulgation. With a view to maintaining the similarity in requirements in both Houses, new section 14A (6) provides that no regulation made under the Act will cease to have effect unless it is disallowed by both Houses of the Parliament. This, of course, departs from the normal practice in relation to regulations, but it will ensure that the Government of the day is able to lay down similar requirements, even if the opposition party controls the upper House.

The other amendments effected by the bill are mainly consequential in nature. I should explain that the amendments in the bill that affect the important section of the Constitution Act, that is, section 7A, do not in any significant way affect the principal purposes of that section. Those amendments are designed to provide that any enactment with respect to the circumstances in which the seat of a member of Parliament becomes vacant—as does the present bill—must be approved at a referendum unless it applies in the same way to both Houses of Parliament. New subparagraphs 7A *(6)* (d) and (e) are designed simply to ensure that regulations, standing orders and other provisions made under this bill do not have to be resubmitted to the people. Under the present wording of section 7A (1) (c) it is not clear, even though this bill is approved by referendum, whether the regulations to be made under it in due course may otherwise have fallen foul of the blanket provisions of section 7A. The amendment effected by paragraph 3 of the schedule will empower either House to make standing rules and orders as may be required under this measure. Honourable members are well aware of the Government's resolve in this matter. It is indeed unfortunate that these initiatives have been delayed to the extent that they have, and that they must now be further delayed while we await the approval of the voters. I have no doubt that any voter who takes the opportunity to peruse the bill will strongly support the principles it embodies. I commend the bill.

Debate adjourned on motion by Mr Dowd.

LUNA PARK SITE BILL

Introduction

Motion (by Mr Gordon) agreed to:

> That leave be given to bring in a bill for an Act to provide for vacation of the site of the amusement park known as "Luna Park" subject to the retention thereon of certain structures.

Bill presented and read a first time.

Second Reading

Mr GORDON (Murrumbidgcc), Minister for Lands, Minister for Forests and Ministcr for Water Resources [11.52]: I move:

> That this bill be now read a second time.

As the title indicates, the object of the bill is to obtain vacant possession of the area known as Luna Park. This area had been occupied for a number of years by Luna Park (NSW) Pty Limited under four leases from the three statutory authorities which own various parts of the site, namely the Commissioner for Main Roads, the State Rail Authority of New South Wales and the Maritime Services Board of New South Wales. These leases had all expired in **1975** but Luna Park (NSW) Pty Limited is still in occupation under the holding-over provisions of the leases. On 23rd September, 1980, Cabinet approved of the acceptance of a tender submitted by Sir Arthur George, as nominee for a company to be acquired or incorporated and to be known as Australasian Amusements Associates Pty Limited, for a lease of the site of Luna Park for use as an amusement centre. The company was subsequently registered as Harbourside Amusement Park Pty Limited.

At the time that the tender was accepted the Government appointed representatives of the Friends of Luna Park as consultants to advise as to what items should remain on the site to assist in retaining the character of the amusement park, which had

been one of Sydney's outstanding features for many years. The leases had varying provisions in respect of the issue of notices to quit and the removal of items which were the property of Luna Park (NSW) Pty Limited. The Crown Solicitor advised that the company might be invited to enter into a deed of surrender rather than proceed under the provisions of the leases to obtain vacant possession. For some months negotiations regarding this deed have gone on with Luna Park (NSW) Pty Limited. During the course of those negotiations the Government made a number of concessions to that company in an effort to see that it was not disadvantaged in not being the successful tenderer. The conditions of the various leases did not provide for the sale to an incoming tenant of any improvements which were to remain on the site but only that the company could remove those items which it had placed on the land.

Following receipt of the report of the Friends of Luna Park, I decided that five of the items which I considered to be the most important in retaining the amosphere of the park should remain. This placed the company in a position where it could sell those items to the new tenants at a price which was naturally considerably higher than would have been obtainable had the company had to remove them before they could be sold. When the two parties could not reach agreement on the value of these items, I made arrangements for the Valuer-General to arbitrate on the value, which appeared to be the only way in which this impasse could be overcome. The arbitrated amount was $500,000. Under the provisions of the leases the company had a responsibility to remove the remainder of those items which it owned. In an effort to obtain vacant possession, I agreed to relieve the company of this cost, estimated at $113,000, by accepting the responsibility on behalf of the Government for their removal. Although these items then became the property of the Crown, I undertook to remit to the company any money received from the incoming tenant for any of the items which it subsequently decided it wished to use.

Finally, I arranged for the authorities which own the land to waive any rent accruing after the date of the unfortunate fire which resulted in the closing of Luna Park. Although those negotiations have been proceeding for six months and despite the considerable concessions made to the company by the Government, it has still not been possible to reach an agreement which I am willing to sign on behalf of the Government, taking into consideration the advice of the Crown Solicitor and an eminent Queen's counsel. The Government is adamant that every effort must be made to have this prime attraction re-opened by next Christmas and the only possibility of this now seems to be the enactment of this legislation before Parliament rises. If this opportunity is lost, there is no guarantee from the progress to date in trying to obtain vacant possession by means of the deed of surrender that vacant possession will be obtained in time to allow re-opening of the park by next Christmas.

The provisions of the bill are solely to ensure vacant possession of the site from Luna Park (NSW) Pty Limited early enough to give the incoming tenants every chance of re-opening by Christmas, to ensure that those items which should remain to assist in preserving the character of the amusement centre are not disturbed and to entitle the company to payment for those items. It has not been considered necessary to include in the bill provisions regarding payment to the company of any amounts received by the Government for the sale of any other items to the incoming tenants, acceptance by the Government of liability for the removal of items not sold or removed by the company and waiver of rent. Those matters can be dealt with administratively, and I assure the House that these concessions, which were to be included in the deed of surrender, will still be given. I now table for inclusion in ***Hansard*** additional detailed and explanatory information to assist honourable members in their understanding of the bill. I commend the bill to the House.

Luna Park *Site Bill,* 1981

Clause 1. Short title.

Clause 2. Interpretation.

Clause 3. Provides for the termination, on a day (not earlier than 3rd May, 1981) appointed by the Minister, of all existing rights to occupy Luna Park and for the Minister, if necessary, to require the Sheriff to deliver possession of the site.

Clause 4. Makes it an offence to remove or demolish the structures specified in Schedule 2 to the bill (being those required to be retained on the site) but allows the removal of other structures.

Clause 5. Vests in the successful tenderer for the site the structures specified in Schedule 2 upon payment to the present lessee of $500,000 reduced by $1,000 for each day on which that lessee remains in occupation of the site after the day appointed by the Minister and referred to in clause 3 and by the amount of any damage to those structures since the amount of $500,000 was determined.

Clause 6. Imposes liability on the directors of the company that is the present lessee for any offence against the Act committed by the company.

Clause 7. Denies payment of any compensation by reason of the enactment and operation of the proposed Act.

Clause 8. Provides for the manner of taking proceedings for an offence against the Act.

Debate adjourned on motion by Mr McDonald.

WATER (AMENDMENT) BILL

Introduction

Motion (by Mr Gordon) agreed to:

That leave be given to bring in a bill for an Act to amend the Water Act, 1912, to limit the objections which may be made to applications for licenses, permits, authorities or group licenses made under that Act.

Bill presented and read a first time.

Second Reading

Mr GORDON (Murrumbidgee), Minister for Lands, Minister for Forests and Minister for Water Resources [11.59]: I move:

That this bill be now read a second time.

The object of the bill is to limit the objections which may be made to applications for a licence, permit, authority or group licence made under part II of the Water Act, 1912. This will be done by providing that an area may be declared to be a proclaimed local area and by providing that where the application is made in respect of a work which is or is proposed to be situated within a particular proclaimed local area objectors will, speaking broadly, be limited to two groups. An occupier of lands that are situated wholly or partly within the proclaimed local area and whose

interests may be affected by the granting of the application may object to the application. Also a Minister, government department or statutory authority of this State, whose interests may be affected by the granting of the application, may object to the application.

In the latter half of 1979 the number of objections to applications for licences and authorities increased dramatically. Under the procedure laid down in the Water Act, 1912, all persons whose interests appear to be affected are permitted to attend a land board inquiry and to be heard in support of and in opposition to an application. This has been taken to include persons who are in opposition to the application even though they did not lodge objections. Until 1979 the procedure laid down in the Water Act had been used by persons whose land was situated within reasonable proximity to the land that was the subject of the licence, thereby keeping delays and costs within acceptable limits.

From 1979 onwards the provisions of the Water Act have been used as the basis for objections lodged by the South Australian Government and various pressure groups from the lower Murray in New South Wales, Victoria and South Australia. In fact, by December 1980 two landholders from the lower Murray had objected to more than 550 applications for licences or authorities on every regulated river system deemed to affect the Murray basin and many unregulated streams. Some of these applications have been geographically remote; for example, an objection to an application near Boggabilla on the New South Wales–Queensland border river system. At present in New South Wales approximately 675 applications have been objected to. These cover more than 100 000 hectares of proposed irrigation. Some of the applications objected to relate to land to be irrigated having an area of only 2 hectares. These applications are being delayed, as each will be the subject of public inquiry. From past experience it is known that the objectors do not always appear at inquiries.

As a consequence of these repeated and vexatious objections lodged from afar, many of the applications are being subjected to long delays. It is a matter of concern to the Government that it should not accept delays caused by objections that are obstructive and occasion inordinate delays and expense to applicants. The objections frequently relate to applications for licences for small irrigation developments. Furthermore, as previously stated, some of the applications affect small creeks that are hundreds of kilometres away from the River Murray. Repeated representations have been received from New South Wales farmers to alleviate the distress caused by these delays. Consequently, the proposed amendments to part II of the Water Act, 1912, are intended to limit the right of objection to the granting of licences, authorities and permits. This limitation will be achieved on a geographical basis.

The amendment to the Water Act, 1912, proposes in essence that certain areas can be proclaimed by the Governor and published in the ***Government Gazette.*** These areas would be described as proclaimed local areas. Thereafter, the right of objection to an application made subsequent to that proclamation and relating to a work within that area would be limited to local occupiers, New South Wales Ministers of the Crown, government departments, and statutory authorities of New South Wales whose interests may be affected. At any subsequent land board inquiry, in accordance with present statutory requirements, it will be necessary for the objectors to demonstrate that their interests may be affected by the granting of the application. In the bill a local occupier is defined, broadly speaking, as an occupier of land where that land is wholly or partly situated within the same proclaimed local area as the work. That definition specifically excludes a statutory authority or instrumentality, a government department of any other State or Minister of any State other than New South Wales.

The bill contains a new provision giving the commission a discretion to re-advertise any amended application where that application has been amended by the applicant subsequent to advertisement. Upon the readvertisement, the application shall be treated as a new application and the original application shall be deemed to be withdrawn. This amendment is proposed to avoid the confusions and difficulties that have arisen in the past and to clarify this issue. At present 580 applications have been objected to and are awaiting a land board inquiry. The bill does not contain retrospective provisions relating to current objections and the procedures affecting them. Steps have been taken to increase the facilities of land boards to deal with the unusual number of inquiries awaiting hearing before those boards. The rate of referrals to land boards has risen significantly and it is proposed to increase the number of land board sittings by appointing a second land board chairman.

The restrictions proposed by the bill are broader than those applying in other States. For example, Queensland has a geographical limitation on objections in that owners of land situated more than 24 kilometres from the applicant's land are generally restricted. In Victoria and South Australia, there are no similar provisions for any objections to, or appeals against, the granting of entitlement to extract water from rivers. The New South Wales proposals for proclaiming local areas will relate to whole river valleys rather than small areas. This would ensure that an opportunity to object is available to fairly large numbers of persons. I commend the bill to the House.

Debate adjourned on motion by Mr Fischer.

CRIMES (SEXUAL ASSAULT) AMENDMENT BILL

CHILD WELFARE (AMENDMENT) BILL

In Committee

Consideration of Legislative Council's amendments.

Schedule ***of the*** *amendments* ***referred to in Legislative Council's Message*** of ***9 April,*** 1981.

Child Welfare (Amendment) Bill

Page 4, Schedule 1, line 5. ***Omit*** "submit to", ***insert*** "furnish the child or young person".

Page 4, Schedule 1, line 16. ***After*** "Minister", ***insert*** "with".

Mr WALKER (Georges River), Attorney-General and Minister of Justice [12.6]: On behalf of the Premier and Treasurer, I move:

That the Committee agree to the Legislative Council's amendments.

These are the amendments that were suggested by the honourable member for Vaucluse to the Child Welfare (Amendment) Bill. I undertook to have the amendments incorporated in the bill but, because of technical difficulties, it was not possible to do it in this Chamber when the bill was considered in Committee. It was decided that the amendments should be incorporated when the bill was considered in the Legislative Council. The undertaking I gave has been honoured and the proposal is now before honourable members.

Mr DOWD (Lane Cove) [12.7]: The Opposition is delighted that the Attorney-General and Minister of Justice is fulfilling his undertaking. These important amendments are a tribute to the contribution that the honourable member for Vaucluse has

made to this Parliament during the short time she has been a member and they are an indication of the major contribution she will continue to make. It is most unfortunate that the Legislative Council did not see fit to accept the other amendments proposed by the Opposition, for they were of real significance to the people of this State. I hope that when the Attorney-General and Minister of Justice has the opportunity to reconsider what the Government has done——

The CHAIRMAN: Order! The honourable member for Lane Cove must confine his remarks to the amendment being considered by the Committee. He cannot indulge in a second reading debate.

Mr DOWD: The Government is to be commended for accepting these amendments, which the Opposition supports.

Motion agreed to.

Legislative Council's amendments agreed to.

Adoption of Report

Resolution reported, and report adopted on motion by Mr Walker.

MEDICAL PRACTITIONERS (AMENDMENT) BILL

Second Reading

Debate resumed (from 9th April, *vide* page 5681) on motion by Mr K. J. Stewart:

That this bill be now read a second time.

Mr CATERSON (The Hills) [12.10]: This bill deals mainly with the registration and disciplining of doctors. No class of professional persons is as controlled as medical practitioners yet receives as much criticism and, from time to time, vilification. Doctors and their organization, the Australian Medical Association, regard the provisions of the present Medical Practitioners Act as inadequate when dealing with registration, and feel that the disciplinary provisions lack an element of justice. Unfortunately, from time to time in this House the present Minister for Health criticizes doctors. I understand that he has served with great distinction in his area as a member of a hospital board, but occasionally in this Chamber he appears to derive some satisfaction from attacking the medical profession. Recently he told the House that he numbered among his friends members of the medical profession, but I am disappointed that occasionally he should display what I regard as a callous disregard for doctors' sensitivities. At times he and members of the Labor Party are overcritical of the medical profession, which is subjected to strict control and has a rigid disciplinary code.

The Minister and members of the Labor Party in questions in this House and debate on legislation, particularly on the consumer affairs legislation that was recently before the House, seem to regard doctors as crooks or potential crooks. They are not. Not so long ago the Minister for Health read to the House a long list of incomes received by country doctors in serving the community direct and in their local hospitals. I made inquiries of one doctor in the Gulgong area and he gave me some interesting facts. That doctor worked extremely long hours in the year in question at the local hospital. As well, he was subject to constant calls because no other doctor in the area was available. That doctor also handled all the casualty work at the hospital. I note that the bill seeks to include in the disciplinary provisions an item relating to fraud.

I hope the Minister is not seeking to link the introduction of that offence with his list of country doctors, who serve people in the outback well and are highly regarded by their patients. The Minister would have my support if he sought to create a category of fraud related to medical benefits. I dissociate myself from any imputation against country doctors.

The bill takes no account in its discipline provisions of the long hours worked by doctors. It was unfortunate that the Minister for Health should make a critical statement about medical officers in Sydney's public hospitals. I realize that he has withdrawn that statement and apologized to those concerned; no doubt he very much regrets making it. The resident medical officers in the various Sydney hospitals are subject to close and critical discipline. Their work pressures are rarely experienced or equalled by others. They work very long hours but must still ensure that their work is carried out properly and efficiently. If they do not do so, they feel the weight of the disciplinary provisions of the principal Act. As the father of three doctors who over the past ten years have been resident medical officers, I know the hours that doctors work. Their working day often stretches beyond twelve hours—to fifteen hours and even longer. As well, they work under arduous conditions. Last weekend one member of my family worked all day Saturday and Saturday night. Then she was on duty again on Sunday and Sunday night and she will work until eight or nine this evening.

I hope the Minister will not repeat his criticism of the young doctors who do so much for the community but are harshly treated or criticized for their efforts. Indeed, their treatment in public hospitals in the Sydney area is almost inhumane. Their conditions leave much to be desired'. In one hospital during the last few days young doctors worked long hours and when they completed their tasks they were expected to complete patient discharge reports. They were threatened that if they did not do so they would be suspended and would receive no pay. No industrial union in Australia would tolerate such conditions for their members. Young doctors are not allowed to park their vehicles on hospital premises unless they pay for car stickers. Again, no industrial union would allow such a thing to happen to their workers. If I were their industrial advocate, there would be a different story to tell. I am mentioning these matters because from time to time the Minister for Health sees fit to speak out against doctors. When he does it I get very edgy. From day to day I see exactly what goes on in the lives of registered doctors in the major teaching hospitals in the Sydney area and also in the district hospitals. I have had some association with the Parramatta hospital and other hospitals in the area and their doctors.

For some time a feeling has existed within the community that laxity occurs in the registration of oversea doctors. The Minister for Health and his advisers are to be commended on the provisions of this bill that seek some tightening up of the provisions applying to the registration of oversea doctors. The apparent flooding of Australia, and in particular New South Wales, with foreign-born doctors is uppermost in the minds of doctors. This matter was raised by the honourable member for Clarence, who suggested that better immigration control should be imposed on the entry into Australia of foreign doctors, particularly those who are required to undertake further training before being eligible for registration. I object to the part of the bill that proposes that an oversea doctor may be issued with a certificate of regional registration entitling him to practise in a particular region. This provision is obnoxious. The honourable member for Clarence alluded to this matter and queried why, in this respect, country people should be regarded as second-class citizens. It is worse than that. Because of the existing situation, the importation and training of more doctors from overseas could reduce country people to the level of twenty-second-class citizens.

The Health Commission of New South Wales should concentrate on encouraging locally trained doctors to work in country areas. The bill will give country people not only second-class medical service but it will also impose an added burden on the training facilities of the State's hospital system. The bill seeks to continue the present practice of oversea doctors receiving hospital training at the expense of local students. The Minister for Health is aware of the concern among graduating doctors that proper facilities are not always available for training in New South Wales hospitals. Many of them find that they are able to spend one year only in a hospital. Even though they may wish to spend more years in hospital service they are prevented from doing so because training positions in hospitals are given to doctors imported from overseas.

A few years ago the problem of vacancies in hospitals was magnified when the full effects of the change in the medical course from five years to six years were felt. In the one year two groups of medical students were seeking placement in the public hospital system. For some time not all the State's medical student graduates were able to be placed within the system. I am disturbed by the Minister's admission that it is likely that a surplus of doctors will continue in New South Wales. His admission raises the question whether the Government ought to be implementing what the bill seeks to do, namely, to continue almost unabated the practice of training doctors from overseas who cannot, because of the provisions of the Act, be registered despite the training that those doctors have undergone already. If a surplus of doctors exists in New South Wales, it will affect the quality of medical attention available in the community. It will not improve the quality, as I understood to be suggested by the Minister for Health and the medical board. If I understand the Minister and the medical board correctly, they are completely off the ball in this regard. As I see it, the people of New South Wales will suffer a deterioration in the quality of medical attention, which has been regarded as of high standard.

I refer now to the provision concerning the removal of a doctor's name from the register if six months after registration that doctor does not reside in New South Wales. No doubt provisions exist to cover doctors who reside in the border towns and wish to maintain their registration on the New South Wales medical register, even though their actual place of abode may not be within this State. As I understand the provisions of the bill, if a doctor were living at Wodonga, six months after his name had been placed on the register his name would be removed from it. That might cause some difficulties along the border areas. I refer now to the disciplinary provisions of the bill. At present the disciplinary tribunal is able to caution, reprimand or suspend a doctor for a period of twelve months, or to remove his or her name from the register. I have included the term "her name" because two of my three children in the medical profession are females.

The bill seeks to change the disciplinary provisions to permit a suspension of up to 3 years to be imposed instead of 12 months, and to introduce a fine of up to $10,000. There is merit in the proposal to increase the tribunal's power to suspend a doctor for a period up to three years. Many practitioners who appear before the disciplinary tribunal do so because of the pressures under which they work or because they resort to practices not generally acceptable to the community. Though doctors have a great responsibility, there must be a tempering of justice to those who stray. By giving the tribunal power to suspend a doctor for a period of up to three years, it will have available to it a better means for disciplining a doctor than the removal of his name from the register. It is a great pity that should a doctor's name be removed from the medical register, all the study he has undertaken wasted and his life's work ruined.

The imposition of a fine as an alternative penalty has a great deal of merit. I am always amazed that when one is referring to doctors and businessmen, fines of $10,000 are suggested, but nowhere near this sum is proposed for trade unionists who

might be guilty of malpractice. The fine of $10,000 is so harsh that it should not be tolerated in any of the Government's legislation. Young doctors in particular are under great pressure. Although I do not condone their behaviour, some resort to drugs. I know some who have had the misfortune to be involved in this way. From time to time the medical disciplinary tribunal that considered their cases acted too harshly. I hope that the introduction of the power to suspend a doctor for a longer period and to impose a fine will encourage the Medical Board to be a little more considerate towards doctors and to show concern for them when considering the imposition of penalties. Once a doctor is barred for life from practising medicine, the whole of his life's work is gone. I hope that the tribunal will show a better understanding when considering penalties. I hope also that there will be better understanding by the Minister, who will be aware that on occasions I have by way of interjection asked him to say a good word about doctors.

I note that the bill seeks to increase the size of the Medical Board from thirteen to seventeen. I question the wisdom of this increase. From my experience, the larger a board the less likelihood there is of agreement on things to be done. For instance, I question the need to have a representative of the Royal Australian College of Medical Administrators on a medical board concerned with disciplining and registering medical practitioners. I question also the need for the board to have a representative of the Royal Australian and New Zealand College of Psychiatrists, though I assume that as other colleges will be represented, that college expects to be represented. I am always intrigued by the need for protecting the ethnic community. One medical practitioner is to be nominated by the Ethnic Affairs Commission. Wbv cannot any medical practitioner look after the interests of the ethnic communities? Every doctor in each hospital and every medical practitioner in private practice has patients of different ethnic backgrounds. I question the need for one to be nominated specifically by the Ethnic Affairs Commission. In the same way that one does not have to be a horse to judge a horse show, one does not have to be a doctor of ethnic background to look after the interests of ethnic people. It is time that the Government acknowledged that the medical practitioners appointed to the Medical Board do not represent on that board a particular group but represent the community as a whole. Each member of the community is entitled to representation from every person appointed to the Medical Board.

I note that the bill provides that in particular circumstances internship will be for one year but it may be extended. When the medical course was reduced from six years to five years, there was a lot of talk about the internship being increased from one year to two years. I am pleased to observe that the Minister has not introduced that positive requirement. I understand that there is a move within university circles to return to a 6-year medical course as many hold the view that the same quality of doctor is not graduating from the 5-year course as graduated from the old 6-year course. The two student members of the inter-university committee that dealt with the curriculum and length of the course, now Dr Warwick Britton and Dr Ian Caterson, submitted a minority report on this aspect. Because of the additional elements contained in a 6-year course, they were of the view that it produced a better trained and more capable doctor. If the rumour that hospitals were reconsidering this matter is correct, I submit that they have taken a step in the right direction.

I support the changes that will be made to the training of oversea doctors, as they will be advantageous to the medical profession as a whole. I hope that the proposed changes to the disciplinary provisions will result in better justice being meted out to those doctors who are of necessity brought before the Medical Board. I ask that Labor supporters from the Minister down show a better understanding towards

members of the medical profession and that they will not indulge in the sort of criticism that one hears in this Chamber about that profession, the services of which we all need from time to time. The medical profession readily gives of its knowledge, talents and experience.

Mr Whelan: The honourable member is the only one who criticizes them.

Mr CATERSON: I am not. The Minister is always critical of doctors. If the honourable member for Ashfield had been present when the consumer affairs legislation was before the House he would have heard many Government supporters criticize the medical profession. I recall the honourable member criticizing that profession when speaking on that bill. I hope honourable members opposite will show greater support for this professional group.

Mr K. J. STEWART (Canterbury), Minister for Health [12.40], in reply: I thank the honourable member for Clarence and the honourable member for The Hills for their contributions. I shall deal first with the final point raised by the honourable member for The Hills after being prompted by the honourable member for Clarence, who approached him and said, "Do not forget the attacks on doctors. Finish up with that." For the benefit of the honourable member for The Hills, I shall refer to an article that appeared in the *Sydney Morning* ***Herald*** on 6th April. When addressing the Australian Consumers Association on medical costs and health care in Australia the federal Minister for Health and Minister for Home Affairs and Environment, the Hon. M. J. R. MacKellar, warned the people of Australia about medical costs and warned the profession also in these words:

> Providers of health care services must become aware of the costs they generate and should not abuse their positions through, say, fraud or over-servicing.

According to the honourable member for The Hills that is doctor-bashing. One wonders whether the honourable member for The Hills in a critical letter to the federal Minister for Health accused the medical profession of fraud and over-servicing. Last Tuesday in another newspaper that I do not have before me in the House the federal Minister for Health was reported to have said:

> New South Wales will better be able to manage its hospital services when it learns to control the doctors in New South Wales.

I resent the honourable member for The Hills accusing me of being a doctor-basher and ignoring statements of a similar tenor by his colleague the federal Minister for Health. I accuse the honourable member of base political motives. He has tried to turn the debate into a political attack upon me. **At** least his colleague the honourable member for Clarence started his contribution on a high plane. I have made no statements in the House on this subject of any greater moment than that made by the federal Liberal Minister for Health last Saturday week in Sydney. I name the honourable member for The Hills for the hypocrite that he is, for he did not once mention what had been said by Mr MacKellar or criticize him. The honourable member for The Hills is not game to criticize Mr MacKellar, for he is a Liberal Party Minister and the honourable member for The Hills believes that members of the Liberal Party are born to rule and everything said by a federal Liberal Minister must be acceptable.

The honourable member for The Hills accused Government supporters of doctor-bashing. In reply to him and to the honourable member for Clarence I should say that the proposed amendments have the support of the medical profession in New South Wales. The Government has acted upon representations made by the

Medical Board of New South Wales, including members of the learned colleges and of the Australian Medical Association. The amendments have been introduced by a government that has been concerned for the medical profession in this State. All of the amendments could have been introduced by the former Liberal Party–Country Party Government in its eleven years in office in this State.

The honourable member for The Hills should not accuse the Government of not having a high regard for the medical profession. The Health Commission of New South Wales and I as Minister for Health have most cordial and harmonious relationships with the majority of doctors in New South Wales and with the Australian Medical Association. At times we disagree and have differences in philosophy. At times the decisions made by the Government do not coincide with the views of the Australian Medical Association or of the majority of the New South Wales medical profession. However, we all have responsibilities. The responsibility that reposes in me as Minister for Health is to make decisions that accord with the interests of the majority of the people of New South Wales, though at times those decisions might not accord with the views of a segment of the community.

[*Mr* ***Deputy-Speaker left the Chair at*** **12.45** *p.m.* ***The House*** *resumed* ***at*** **2.15** *p.m.*]

Mr K. J. STEWART: Before lunch I was replying quietly to the honourable member for The Hills and the honourable member for Clarence about statements made in this debate. I do not propose to reiterate statements I have made already, except to answer an assertion by the honourable member for The Hills related to a statement made in this House by me last year on the earnings of some country doctors under the modified fee for service. The honourable member for The Hills said that I made a ministerial statement in which I attacked doctors. Nothing is further from the truth.

At that time I was being attacked by country doctors who claimed that a reduction in the modified fee for service to 75 per cent of the Commonwealth schedule fee was creating an injustice. Those doctors were attacking me. They claimed that the Government and I should have been paying them 85 per cent of the Commonwealth schedule fee as a modified fee for service. I told the House and the citizens of New South Wales the amounts being paid under the 75 per cent modified fee for service, and I left it to the House and the citizens of New South Wales to decide whether we were underpaying those doctors and being unjust to them. Obviously I embarrassed many people. Certainly I embarrassed the honourable member for The Hills. If he were to read my ministerial statement, which was carefully structured, he would see that it was in defence of the Government's decision, not an attack on doctors. I left open whether the people of New South Wales thought the Government and I were underpaying country doctors or other doctors receiving modified fees for the service they were providing. I shall not resile from that ministerial statement. I shall not resile from the Government's decision. The claim by the honourable member for The Hills that I was attacking country doctors shows the political content of the statement he made today, in which he endeavoured to attack me and the Government. He was in collusion with the honourable member for Clarence who whispered in the ear of the honourable member for The Hills that he should conclude his speech by accusing me and the Government of attacking doctors.

The honourable member for The Hills mentioned a number of amendments that I propose to move in Committee. I should like to give all honourable members notice that I propose to move amendments related to the functioning of the investigating committee under the Medical Practitioners Act, 1938. The amendments are, for the most part, of a validating nature and will remove doubts that exist about whether the

investigating committee was validly constituted at its inception. The amendments are contained in item (9) of schedule 1 to the bill. The effect of the other amendment to the Act contained in item (9) (a) of schedule 1, is to make it clear that a person who holds or has held the office of stipendiary magistrate may be appointed as chairman of the committee. A copy of the proposed amendments has been circulated to the honourable member for Clarence, who acknowledges that Mr Dacre King, the senior legal officer of the Health Commission of New South Wales, discussed the matter with him. However, I felt I should give the House more information than that, and decided it is best that honourable members have that information now rather than at the Committee stage.

In 1963, when the investigating committee was constituted, the Act stated that the chairman shall be a stipendiary magistrate. The Act was silent on the manner or means by which the stipendiary magistrate should be appointed. It appears that in 1963, because the Act was silent on that matter, the Under Secretary of the Department of Health appointed a stipendiary magistrate. Legal advice suggests that because of the importance of the position and because of convention in these matters, the stipendiary magistrate should have been appointed by the Governor in Executive Council.

In 1969, after the retirement as a magistrate of the magistrate who was appointed as chairman in 1963, his appointment as chairinan was reaffirmed by the Under Secretary of the Department of Health. It was suggested by senior counsel that some doubt existed about the validity of the appointment—possibly in 1963, definitely in 1969, because at that time he was a retired magistrate—as the Act stated that the incumbent chairman shall be a stipendiary magistrate. That throws into doubt all investigations by the investigating committee since 1963, and also throws into doubt 30-odd cases that have been referred by the investigating committee to the disciplinary tribunal of the Medical Board. Those cases include prescribing for drug addicts contrary to the Act, Medibank fraud, and complaints by patients of professional misconduct. To validate the investigating committee I propose to move those amendments.

The honourable member for Clarence suggested that Dr Hamieri, a person involved in an appeal to the Administrative Law Division of the Supreme Court, should be recompensed for his costs in the matter. The Government does not propose to recommend that Dr Hamieri have his costs. Dr Hamieri has been charged with sixteen cases of fraud against Medibank. I imagine that any costs he would have been involved in have already been funded by the federal Government by virtue of the fraud.

The honourable member for Clarence spoke about many provisions of the bill. As to domicile, if doctors have not taken up residence and commenced practice within New South Wales within six months of registration or promulgation of the new amendment to the Act, they will be removed from the register and will not be able to re-apply for five years, unless extenuating circumstances would validate the application. If persons of international repute had applied previously and been caught up with the retrospective amendment and the medical profession and the Government felt that registration in New South Wales would be of benefit to and in the interests of the people of New South Wales, registration within the 5-year period could be permitted.

Honourable members will be aware that in New South Wales there are thousands of absentee registrants. Those doctors are registered in New South Wales because of the ease with which they can become registered here and have returned to their homelands. They have registered as an insurance against civil or political upheaval or

turmoil in their own countries and, if that came about, they would descend upon the city of Sydney and upon the State of New South Wales and commence practice. The Government looked at that aspect for some time, as did the Medical Board. That is the reason for the retrospective application of that amendment.

The honourable member for Clarence also mentioned lay organizations. That subject has been the cause of some concern. A couple of years ago discussions took place on this aspect between the Australian Medical Association and the Health Commission of New South Wales. The amendments suggested by the Australian Medical Association then were not acceptable to the Government of New South Wales and consequently further deliberations are now taking place. Perhaps the Government could have included some of the provisions within this amending legislation but unfortunately that would have delayed the legislation even further. Because of the Government's concern that the legislation should be amended as quickly as possible, it looked with disfavour on further delay. The matter had already been delayed for other reasons. Why should not lay organizations be controlled in a similar way to the private medical practitioner? I assure the honourable member for Clarence that the matter is under consideration. I foreshadow suitable amendments to the Medical Practitioners Act in the future.

The honourable member for Clarence expressed concern about licensing provisions under section 21A. 1 am sure that he is aware that the whole reason for the amendment to the Act is to take out that provision. He said that country people were being discriminated against. That was the opinion of the Government. The amendments were made when there was a shortage of medical practitioners in New South Wales. Because of the scarcity country towns and many government institutions could not recruit medical practitioners. The Minister for Health at that time—I am sure it was with the concurrence of the Parliament—decided that licensing provisions should be placed in the bill. The Government thinks the provisions have outlived their usefulness. If the honourable member for Clarence reads my second reading speech he will see that I said this:

> The board points to the fact that the present system of regional registration under section 21A discriminates most unfairly against the people residing in remote country towns. Moreover, an unreasonable degree of responsibility is placed upon a doctor who is required, notwithstanding that he is denied full registration status, to provide consultation and treatment in difficult circumstances and to cope with any emergency situation.

The honourable member for Clarence and the honourable member for The Hills criticized the Government for allowing the practice to continue. I do not want to carp, but I point out that the Liberal Party and Country Party Government had eleven years to rectify the situation. Since **1978** no person has been licensed in New South Wales under the provisions of section 21A. That was done in consultation with the Medical Board. It is not right for the Opposition to be critical of the Government for delay in this matter. The Government felt that the supply of doctors was sufficient through oversea registrations and because of the number of local graduates. There was no need for registration under that provision. The honourable member for The Hills enlarged on that. He said that no provision should be made for any oversea graduate to come to Australia with any limited registration. The provision he referred to allows persons to come to Australia to do research work or for post-graduate training.

Obviously the honourable member for The Hills did not have a thorough briefing on this aspect; it must have been shallow. A fortnight ago an international congress on neurology was held in Sydney. It was attended by neurologists from all over the world including Israel, the United States of America, Europe and Great

Britain. These medical practitioners were not registered in Sydney. Had any of them something to show the Sydney medical practitioners, it would have been possible under other sections of the Act to grant limited registration and perhaps enable them to perform an operation or demonstrate a technique or procedure. From what the honourable member for The Hills has said today they would not be allowed to do that under any circumstances.

The honourable member for The Hills said also that if someone from overseas wished to come to Australia or Sydney to enhance or upgrade his medical knowledge by undertaking a post-graduate training course or doing research, he should not be permitted to do so——

Mr Caterson: The legislation is too wide.

Mr K. J. STEWART: The honourable member for The Hills, in saying it is too wide, is hedging. What he said previously was too shallow. Despite the plea by the honourable member for The Hills to provide training posts for our own graduates, the fact is that there are still some second-year resident medical officers' positions vacant in the New South Wales hospital system. He advocates that a world famous surgeon from Israel, Denmark or the United States of America in Sydney on some sort of study term or exhibition should not be able to practice medicine, and should not be able to demonstrate to medical practitioners in Australia.

Mr Caterson: That is rubbish. It goes beyond that.

Mr K. J. STEWART: The honourable member should not say that I talk rubbish when I have proved conclusively to him that what he said was rubbish. The Government is abolishing the licensing system for two reasons. First, because the problem that it was created to overcome is no longer present. Second, it is most discriminatory. Under no circumstances will this Government tolerate having one degree or standard of medical practice in Sydney without having the same or similar standard in country districts. The standard of medical practice in New South Wales should be uniform. No matter where people live they should be entitled to have the highest standard of attention. The honourable member for The Hills does not want that. He does not think that medical practitioners from other parts of the world should demonstrate their skills and expertise in Australia.

The honourable member for Clarence mentioned advertising. The Government has taken a firm position in regard to advertising. It was only in the past year or two that the Government changed advertising regulations in regard to optometrists; these new regulations were applicable from July last year. That proposal was opposed by the honourable member for Eastwood who said that the Government should require optometrists to adhere to the strict advertising code that applies to medical practitioners, dentists and other paramedical and professional bodies in New South Wales. It is not the Government's intention to allow the professions to indulge in entrepreneurial advertising of any sort. Had the honourable member for Clarence been shadow minister for health when the amendments to the Optometrists Act were being debated, he would know how strong the Government's attitude is with regard to professional advertising. That is not to say that the Government is happy with some advertising limitations that have been imposed—especially on medical practitioners. The outcome of the Government's attitude will very much depend upon the recommendations made by the Prices Commissioner after the hearing into doctors' fees. One of the biggest contributions to that hearing related to advertising.

I have said it before and I say it again: it is possible that the Government will permit a type of advertising by medical practitioners that will be closely monitored and regulated. I refer to doctors being able to advertise the time of their surgery

hours, whether they make home calls, speak an ethnic language and bulk bill. That is purely administrative advertising to permit the consumer *to* make up his mind which medical practitioner he wishes to attend. Under no circumstances would the Government allow advertising of an entrepreneurial type. It would not want to see such advertising as, "Have one operation and get one free", or, "My operations are neater, quicker and better".

Despite some criticism from honourable members opposite, I believe they are well aware of the Government's ethics in this matter. The honourable member for Clarence mentioned also the schedules to the bill. Many persons with qualifications from foreign universities are accepted by universities in this State under reciprocal agreements. The purpose of the amending bill is to take them out of the Act. The only graduates who will be acceptable in New South Wales for automatic registration will be those from Great Britain, Ireland and New Zealand. The reason is that all medical schools in those countries have been accredited by the General Medical Council of Great Britain. The council that sets the standard for medical training in Australia is the same council that sets the standard for medical training in the three countries I have mentioned. It will always be possible for the schedule to be extended. That would be done only by regulation and would come under the purview of this Mouse in the ordinary way.

The honourable member for Clarence foreshadowed an amendment that would give a doctor aggrieved at being reprimanded by the investigating committee the right to appeal to the disciplinary tribunal. The Government is not willing to accept that amendment for the specific reason that the investigating committee's deliberations are *in camera*. They are private and are not made public whatsoever. If a doctor is reprimanded by the investigating committee, no one knows about it. The findings are not made available to the general public. The Government does not envisage any doctor of sound mind, having been reprimanded by the investigating committee, deciding to appeal to the disciplinary tribunal when that tribunal will be presided over by a judge of the Supreme Court and all of its deliberations made public. Also, that clause is intended to give the consumer extra rights. If the consumer, client or patient who has complained to the medical board—and has had his complaint heard by the investigating committee—feels that the investigating committee has not acted responsibly, he will have a right of appeal to the disciplinary tribunal.

It should be remembered that the composition of the investigating committee also will be amended by the bill. It will consist of a stipendiary magistrate, two registered medical practitioners and a non-medical practitioner appointed to watch consumers' interests. This provision was not asked for by the Medical Board or the medical profession. They would have seen it as only being discriminatory against their members. The medical profession would not want such a provision as the amendment foreshadowed by the honourable member for Clarence, it would mean as medical practitioners leaving the protection of hearings in *camera* and of the private tribunal, and being brought into the limelight. I doubt that any doctor would be willing to subject himself to that. For that reason, the Government is not willing to accept the amendment.

I have already dealt with some matters raised by the honourable member for The Hills. He said that in the main the bill provides for the disciplining of doctors. It does not do that. That was the sort of prejudice contained in the honourable member's speech—that all of a sudden the Government would be knocking doctors and complaining about them. The bill's main purpose is to enforce registration provisions preventing medical practitioners of doubtful or dubious qualifications being able to register in New South Wales as they have been able to do for the past sixteen years—eleven years of the term of the former Government and five years during my term as Minister—though that latter period may extend beyond that.

The whole purpose of the bill is to regulate the registration of oversea graduates in New South Wales. Although discipline of doctors forms only a small part of the amending legislation, it was not a small part of the contribution made to the debate by the honourable member for The Hills. His prejudice showed strongly. Each portion of the bill has the support of the medical board of New South Wales. Medical practitioners might not have been happy with one or two aspects of it; perhaps that a member of the Royal College of Medical Administrators was to be appointed to the medical board. But our medical administrators, in the main, are senior persons vested with the responsibility of administering hospital and health services. They perform that function Australia-wide. They are the ones who must usually supervise the end product which comes into the system. The Government felt that they should be represented. The college of administrators is most responsible and the Government felt that its representative should be allowed to sit on the medical board. Thus administrators are part of the machinery for determining registration eligibility in New South Wales. The suggestion that they should be excluded will not be accepted by a majority of medical practitioners in this State, and not at all by the medical superintendents and such persons working in medical and hospital administration in New South Wales. A remark made by the honourable member for The Hills showed acute racial prejudice.

Mr Caterson: **Of** course it was not prejudice; it was common sense.

Mr K. J. STEWART: It was not commonsense, it was racial prejudice displayed openly by the honourable member for The Hills. He asked, why will there be a registered practitioner on the medical board nominated by the Ethnic Affairs Commission of New South Wales? He does not understand the chagrin that has developed among the ethnic population. He does not understand that the huge influx of refugees from Vietnam and Lebanon want their own medical practitioners. Lebanese people were demonstrating outside this Parliament today. The honourable member for The Hills has no rapport with those people who cannot understand why their medical practitioners who treated them in Asia, in the Middle East or in Europe, cannot come into Australia as registered medical practitioners and treat them. These people will not be registered under the amendments to the Medical Practitioners Act. The honourable member asks why we should license these people, why we should let foreign graduates take the jobs that our daughters and sons have been trained to do. The Government is doing that to maintain a standard of medical practice in New South Wales. It should like the Ethnic Affairs Commission, through a registered medical practitioner, to have regard to the deliberations of the medical board at its source—at medical board meetings.

Mr Caterson: That does not mean a thing.

Mr SPEAKER: Order!

Mr K. J. STEWART: It means a great deal. It means that the minority sections of the community are now part and parcel, officially, of the deliberations of a statutory board that makes decisions concerning them. In that way their voices are able to be heard. The honourable member would not know of that, as he is a wasp, born and bred. The honourable member does not think there is any reason why the ethnic community, or ethnically trained people, should have regard paid to them when the compositions of boards are being formulated. The honourable member reminds me of one former Liberal Minister who suggested, when we sought to appoint a nurse to the Health Commission, that nurses are lovely and do wonderful work but their opinion is not needed at such a high level. The honourable member has just said the same **thing about** members of **the** ethnic community in New South Wales. There are many ethnic people round Parramatta, and no doubt a lot of them demonstrated here this afternoon about the lack of concern, empathy and sympathy that the Opposition has

given to their problems. The honourable member should tell Turks, Vietnamese and Lebanese that there is no room for any person with an ethnic background to have any input at the medical board level. The honourable member for The Hills said that if a doctor lived in Wodonga and practised in Albury he could be taken off the medical roll and not be registered for another five years. That is nonsense.

Mr Caterson: I was asking a question.

Mr K. J. STEWART: When the breathalyzer legislation was before this Parliament one member said that Victoria had a maximum .05 for its rate. New South Wales set .08 as the limit for the prescribed concentration of alcohol. The honourable member asked that if one had a collision on the border and one-half of the car was in Victoria and the other half in New South Wales, and the reading of body alcohol level was .06, would you be charged with driving with more than the prescribed concentration of alcohol, as in Victoria, or would you be let off because it was under the .08 level permissible in New South Wales? If doctors live in Victoria but practise in New South Wales, then, quite simply, they are practising in New South Wales. The honourable member for The Hills should not go back to those who advised him on this occasion especially on medical matters. Perhaps he should stick to local government matters; he seems to do better with those than with others. This is an historic bill which will bring New South Wales into line with the recommendations of the presidents of the medical boards of Australia. What better company can a Labor Minister be in? What better company can the honourable member for The Hills accuse me of keeping? It was a unanimous recommendation from the presidents of the medical boards of Australia. When those presidents read this debate they will learn that the members who were against this measure were the honourable member for Clarence and the honourable member for The Hills.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Page 31

Omit section 27A (1), insert instead :—

(1) There shall be an investigating committee which shall consist of—

(a) a stipendiary magistrate appointed by the Minister on the nomination of the Chief Stipendiary Magistrate, who shall be the chairman of the committee:

Mr K. J. STEWART (Canterbury), Minister for Health [2.50]: I move:

That at page 31, line 8, the words "a stipendiary" be left out and there be inserted in lieu thereof the words "a person who holds or has held the office of stipendiary".

As I understand the position, if the amendment is carried the Committee may then go back and deal with other amendments which affect the bill. I put forward this amendment for the reasons I outlined in my reply at the second reading stage; that is, to validate the procedures of the investigating committee since 1963.

Mr SINGLETON (Clarence) [2.51]: The Opposition has no objection to the amendment, which will bring the Act into line with practice and overcome a number of difficulties.

Amendment agreed to.

Page 33

23 After section 27A (5), insert :—

(6) Where the investigating committee has, in respect of a complaint made to it, cautioned or reprimanded the person against whom the complaint was made, the person who made the complaint may appeal to the disciplinary tribunal against the decision of the investigating committee, in which case the tribunal shall proceed to hear the complaint as if it had been referred to the tribunal under subsection (3) (c).

Mr SINGLETON (Clarence) [2.52]: I move:

That at page 33, line 24, after the word "made," there be inserted the words "that person or".

The Opposition is not satisfied with the Minister's reply to the questions I put to him about this matter, for a number of reasons. One is that the Minister said that a doctor would not need a right of appeal as he would not wish to engage in the public hearing of an appeal. It is not for the Minister to make that decision. A doctor should have the protection of a right of appeal. The doctor should have the right to decide whether or not he will exercise the right of appeal. If the bill were to provide that right, justice could be seen to be done. Members of the Opposition are of the view that the amendment would protect the medical profession from possible future discrimination and manipulation. We realize that these problems will not occur while the present Minister holds the portfolio, but no one knows what the future holds in relation to political interference in any field of enterprise. The medical profession is the most private of all the fields of private enterprise.

The Minister, when replying to the second reading debate, failed to mention anything about the situation where a complaint is lodged under the Act when amended and also with a consumer claims tribunal. The Opposition wished to know from the Minister whether complaints can run concurrently before a consumer claims tribunal and an investigating committee. If they can, considerable overlapping and considerable cost will be involved. Doctors against whom complaints are made will have to spend many hours preparing their cases and giving evidence to consumer claims tribunals and investigating committees. That is not good enough. The Opposition would agree to a provision that consumer claims tribunals may refer complaints against doctors to an investigating committee.

New South Wales has now a strong Minister for Consumer Affairs and during the recent debate on the Consumer Protection (Amendment) Bill honourable members heard him and other Government supporters attacking professional people. The honourable member for The Kills referred to this matter in his contribution to this debate. It was unfair for the Minister for Health to attack the honourable member for The Hills over what he said at the second reading stage about remarks by Government supporters during the debate on the Consumer Protection (Amendment) Bill. The Minister for Health could not have been strong enough in his stand in Cabinet on this matter. If the amendment I have moved is not carried, doctors and the community will know that two Government bodies will have the right to hear complaints against doctors at the one time.

Mr K. J. STEWART (Canterbury), Minister for Health [2.56]: I assure the honourable member for Clarence that I did not lose out in Cabinet. I recommended the provision. If he thinks I lost eighteen to one in Cabinet he may disabuse his mind, for I won nineteen to nil. The amendment moved by the honourable member seeks to allow a registered medical practitioner to appeal to the disciplinary tribunal where the investigating committee has cautioned or reprimanded him. The purpose of the proposed new subsection is to enable a complainant, who is dissatisfied with the leniency of the investigating committee in merely cautioning or reprimanding a registered medical practitioner, to appeal to the disciplinary tribunal. In essence the amending clause is a consumer protection clause.

Inasmuch as a caution or reprimand does not occasion any punishment, the need to allow a registered medical practitioner to appeal to the disciplinary tribunal appears fallacious. Moreover, as the disciplinary tribunal would be unaware of any caution or reprimand made by the investigating committee—the proceedings being held in cnmera—any appeal by a registered medical practitioner would immediately publicize the matter, for the disciplinary tribunal sits in open court, and an appeal would occasion a rehearing which could result in the registered medical practitioner being suspended from practice for a period of up to three years or having his name removed from the register and, in addition to either of those alternatives, fined up to $10,000. The Government has not been asked for an amendment such as that moved by the honourable member for Clarence. Furthermore, acceptance of the amendment would be deleterious to the interests of members of the medical profession of New South Wales, which I am pledged to look after.

Mr CATERSON (The Hills) [2.59]: I support the amendment. I do not understand the Minister's logic. The proposed new provision gives a right of appeal to a person who makes a complaint to the investigating committee, but no right of appeal to a doctor who is cautioned or reprimanded. As a matter of justice a medical practitioner who is cautioned or reprimanded ought to have the right to clear his name. When the Minister spoke about public hearings he was only pulling the wool over peoples' eyes. The fact remains that when a caution or reprimand has been given it is recorded against the medical practitioner and may be used in future proceedings before the tribunal or a court of law. It is illogical for the Minister to say that as the tribunal is open, the medical practitioner will not seek to clear his name. That is a type of reverse logic that the Minister is wont to use from time to time. It is important that the medical practitioner have the right of appeal to the tribunal, and it is up to him whether he uses that right. It is wrong for the Government to say that it will not grant the right because it does not know whether it will be used. That should be a matter for the medical practitioner.

The Minister has not answered the question the honourable member for Clarence asked him. Why should a medical practitioner not have this right? Further, what is the position about the investigating committee and the investigatory procedures under the Consumer Affairs Act? The Minister said that everyone had agreed with him on this provision. If the Minister says that Cabinet agreed with him about subjecting medical practitioners to two concurrent inquiries, he bas missed the point. I am not too certain that Cabinet did not disagree with him. Some Ministers have their photographs displayed on exhibits at the Royal Easter Show, but the Minister for Health does not have his photograph there. The Premier and Treasurer, the Minister for Housing, Minister for Co-operative Societies and Assistant Minister for Transport, and the Minister for Industrial Development and Minister for Decentralisation have their photographs exhibited but the Health Commission exhibit does not display a photograph of the Minister for Health. Obviously he is not as

favoured in Cabinet as he suggests he is. I deplore the Minister's explanation, for it is completely illogical. How a medical practitioner goes about trying to clear his name should be for him to decide. The Minister ought to answer the question that has been put to him. That question is, will medical practitioners be subjected to two concurrent investigations by two separate instrumentalities? The Minister has resiled from his responsibilities in this matter.

Mr K. J. STEWART (Canterbury), Minister for Health [3.4]: The simple answer to the question asked by the honourable member for The Hills is, no. Complaints received by the investigating committee are usually about convictions for felonies, addiction to drugs or alcohol, that a person is not of good character or that he is guilty of professional misconduct. In the main, complaints received by the Department of Consumer Affairs concern the quality of care, overcharging or failure to charge the schedule fee. There will not be two concurrent investigations. Opposition members should give the Government credit for having some intelligence. I know Government members are not Liberals but we try hard.

Mr SINGLETON (Clarence) [3.5]: I am pleased that the Minister has said that there will not be two inquiries going on at the same time. However, he has not told the complete story. It is well known that one government department never knows what another department is doing. Will the Department of Consumer Affairs refer complaints to the medical tribunal or will the department attend to them? The Opposition believes firmly that a section of the community will be the subject of many complaints by idiots. A large number of complaints lodged with the Department of Consumer Affairs are idiotic. This proposed legislation will allow such complaints to be lodged against members of the medical profession. The Minister has declined to say what will happen to complaints received by the Department of Consumer Affairs. I should like to know whether such complaints will be referred to the tribunal.

Mr K. J. STEWART (Canterbury), Minister for Health [3.6]: Honourable members and the people of New South Wales may rest assured that there will not be two investigating tribunals acting concurrently on the same complaint. Steps will be taken to see that that does not occur. Complaints will be screened at the point of receipt. As to the ignorance of the honourable member for Clarence of what happens in government, I cannot help him, except to say that he is destined never to discover it for himself.

Amendment negatived.

Schedule agreed to.

New clause 9

Mr K. J. STEWART (Canterbury), Minister for Health [3.7]: In accordance with standing orders I move:

That the following clause be inserted:

Validation.

9. (1) In this section—

"disciplinary tribunal" means the disciplinary tribunal referred to in section 28 of the Principal Act;

"investigating committee" means the investigating committee referred to in section 27A of the Principal Act;

"relevant period" means the period commencing with 2nd September, 1963, and ending with the commencement of this section;

"the commencement" means the commencement of this section.

(2) Any person who purported to act in the office of a member of the investigating committee at any time during the relevant period shall be deemed—

(a) to have had the qualification required by section 27A (1) (a), (b) or (c), as the case may have required, of the Principal Act, as deemed to have been amended by subsection (7), for his appointment to that office; and

(b) to have been duly appointed to that office, but this subsection does not operate so as to enable the person to hold that office after the commencement.

(3) A person who, immediately before the commencement, purported to hold the office of a member of the investigating committee shall, on the commencement, be deemed—

(a) to have the qualification required by section 27A (1) (a), (b) or (c), as the case may require, of the Principal Act, as deemed to be amended by subsection (7), for this appointment to that office; and

(b) to be duly appointed to that office.

(4) Any act, matter or thing—

(a) purporting to have been done or omitted to be done during the relevant period by the investigating committee or any person purporting to act as the chairman or any other member thereof; and

(b) which could have lawfully been done or omitted to be done by the committee or the person purporting so to act if the committee had been duly constituted under the Principal Act when the act, matter or thing was done or omitted to be done,

is hereby validated.

(5) Any act, matter or thing—

(a) done or omitted to be done by the disciplinary tribunal or any member thereof with respect to a complaint or charge purporting to have been, before the commencement, referred to it by the investigating committee; and,

(b) which could have lawfully been done or omitted to be done by the tribunal or member if the complaint or charge had been duly referred to it by the investigating committee in accordance with the Principal Act,

is hereby validated.

(6) Subsections (4) and (5) do not operate so as to validate any act, matter or thing done or omitted to be done, before the commencement, by the investigating committee or the disciplinary tribunal with respect to the complaint or charge the subject of proceeding number S618 of 1981 in the Administrative Law Division of the Supreme Court.

(7) The reference to a stipendiary magistrate in section 27A (1) (a) of the Principal Act, as in force during the period commencing with 2nd September, 1963, and ending with the commencement of Schedule 1, shall be deemed to include, and to have always included, a reference to a person who has held the office of stipendiary magistrate.

Mr SINGLETON (Clarence) [3.10]: The Opposition has no objection to the proposed amendment. However, I was a little surprised to hear the Minister condemn the doctors. The Minister implied that if a case were to go against the Crown, the doctor concerned would have already had his costs paid to him, in effect, through his fraudulent dealings. The Opposition takes the view that a doctor is not guilty until he is proved to be so. The costs of many such cases could be substantial. It is only fair that the Opposition should be given some idea of the extent of the Minister's concern in this matter. The Opposition would like to know whether the Minister understands the position of a doctor who may be cleared of a charge but is presented with a large bill for costs. It is sad that a doctor in that position could be clobbered by large costs. In this respect the Minister should state the Government's commitment in respect of this matter.

Mr K. J. STEWART (Canterbury), Minister for Health [3.11]: If I did not make the position clear, I apologize to the honourable member for Clarence. The doctor concerned was found guilty of sixteen charges of fraud against the National Health Act, As a result of his being found guilty in the Supreme Court he was brought before the investigating committee. If I misled the honourable member for Clarence, it was not done on purpose.

New clause agreed to.

Adoption of Report

Bill reported from Committee with amendments, and report adopted on motion by Mr K. J. Stewart.

FORESTRY (AMENDMENT) BILL

Second Reading

Debate resumed (from 18th March, **vide** page 4826) on motion by Mr Gordon:

That this bill be now read a second time.

Mr FISCHER (Murray) [3.15]: The Forestry (Amendment) Bill is a significant and important piece of legislation which, among other things, provides some sweeping powers that will enable the Forestry Commission of New South Wales to embark on a course of socialism and to take over sawmills throughout the State—as far south as Barham and as far north as Murwillumbah—if the Government decides to take such a step. All this underlines the measure of uncertainty and the lack of confidence in the timber industry of New South Wales. The Government has failed to come to grips with the serious policy decisions that are required. It has failed to provide the strong leadership that is necessary to support the logging of timber in parts of the North Coast, including rain forests, in areas such as the Washpool and elsewhere.

To some extent the timber industry of New South Wales is at the crossroads. Its importance to the State is often underestimated. The area of forest land in New South Wales amounts to 3 288 258 hectares and forested land in the national parks consists of 1 193 528 hectares. Other public lands contain forests over a massive 6 208 000 hectares, and private forests cover an area of 5 283 000 hectares. The total area under forest in this State is 16 772 786 hectares—a large part of New South Wales. Wood production in this State amounts to 3 million cubic metres. The salary and wages associated with the timber industry of New South Wales total $143,290,227, and that represents a massive economic input to the State.

The employment statistics are even more interesting and underline the importance of the regional concentrations associated with the timber industry and the sawmills. A total of 6 867 persons are employed in sawmills; felling and extraction contractors

employ 627 persons; the sleeper, pole and mining timber cutters employ 1 123 people, and the Forestry Commission has 2 006 employees. The direct involvement of the timber industry leads to the employment of 10 623 persons. One must hear in mind the massive onward indirect involvement that is heavily dominated by the timber industry. The prime area of such activity must be the North Coast of New South Wales. The State's massive timber industry and its future are at the crossroads, for we are asked to deal with a bill that is the equivalent of a bank nationalization measure. The Government has set up a number of inquiries and investigations into the use of State forests while it is logging those forests and using the material for its own prescribed purposes. I draw the attention of the House to a background paper issued by the National Parks and Wildlife Service—a State government instrumentality. The October 1979 issue of the paper contained the following recommendation:

> Withdraw all publicly owned rain forests from logging and place under permanent reservation.

That is also the thinking of large sections of this Government. That type of thinking and the Government's uncertainty about its policies are causing great concern to the timber industry not only on the North Coast but also throughout the State. The Associated Country Sawmillers of New South Wales and many other organizations are also concerned about the timber industry. It is time that the Minister for Lands, Minister for Forests and Minister for Water Resources took the opportunity in this House to make a positive declaration on the future of the timber industry in this State. The Minister should also state the Government's intentions about the future use of State forests on the North Coast and clarify the issues as to land usage so far as national parks are concerned. It is important that our State forests are subject to the balanced conservation management programmes of the Forestry Commission of New South Wales. I agree with the Minister that in the past some of the State's greatest conservationists have been members of the Forestry Commission of New South Wales and on the staff of that commission. Many of those persons were practising conservation before Milo Dunphy was heard of in New South Wales and their predecessors will continue to do so long after Mr Dunphy is forgotten. That is why I support the role played by the Forestry Commission of New South Wales.

Basic government support is required to assist the Forestry Commission of New South Wales to get on with its work. That support also is needed to help the timber industry to carry on its important economic role throughout New South Wales. However, that support has not been forthcoming by the Premier and Treasurer, who has bowed to extremist conservationists on almost every issue. I raise no objection to the Premier and Treasurer taking weekend trips to the Colo National Park with conservation groups. I am not concerned at his visiting Murwillumbah and other places and seeing the situation there. I, too, have inspected those areas. Accompanied by the honourable member for Byron and the honourable member for Lismore and other members representing North Coast electorates, I climbed Mount Warning and walked through Lamington Plateau National Park and inspected State forests in that area. I object to the continual setting up of inquiries. The Terania inquiry, which is still in full swing, is being conducted at great expense to the taxpayers. The cost of that inquiry has already exceeded the value of timber proposed to be extracted from that area in any one year.

This State is now to have another strangulating inquiry into the Washpool. Having received the environmental impact statement of the Forestry Commission of New South Wales—a succinct and sensible support document—that is not good enough for the Government: the Minister for Planning and Environment must get into the act. There is to be a further independent assessment done without delay. The real situation about the Washpool must be revealed. The Government hopes the delay will

go on until after the next State election. The Government hopes that it will sneak back on to the Treasury benches and then recommend the cessation of all logging of the Washpool. The Government's approach to the Washpool is obvious; it involves ripping up the Forestry Commission's environmental impact statement on the Washpool and a cessation to logging in that area, which will bring about the decimation of the sawmills at Grafton and elsewhere. That is the serious prospect facing the North Coast, not only at Terania and the Washpool but also in other places including areas near Wauchope and Bellingen.

I am a keen conservationist and bushwalker, as are many of the staff of the Forestry Commission of New South Wales. I appreciate the magnificence of forests and the natural wilderness areas but I put them in their proper perspective. The development of national parks under the former Liberal Party-Country Party coalition Government and under this Government has been a worthwhile step in the right direction. That development has been designed to safeguard our forest heritage and protect these delicate parts of the State for future generations. But development has to be kept in balance. One cannot have the whole of New South Wales declared a national park—and I do not suppose the Government would suggest that. Obviously, the whole of the North Coast cannot be declared a national park. If that were done, the jobs of thousands of people in the electorate of Clarence—in fact throughout the North Coast—would be jeopardized. The Opposition appeals for a sensible balanced approach to be adopted to the administration of the timber industry in this State. The bill is an important measure. The future development of the timber industry must be carried out carefully so that there will be no further destruction of the confidence of that industry in New South Wales.

The Opposition is totally opposed to the provisions of this bill that would permit the Government, without reference to this Parliament, to purchase sawmills and go into vertical mergers. Such mergers would place the Government in the privileged position of being a protected supplier of timber and, in turn, an operator of sawmills. It could then go on to taking over other sawmills. The Opposition believes that there is no need for the Government to launch out into the commercial operation of setting up sawmills. In this respect the bill provides:

> . . . to construct, purchase or take on lease sawmills or factories for the purpose of enabling it to carry out certain operations and to enable the commission to engage such employees as are, in the opinion of the commission, necessary . . .

The Opposition believes that those activities are best left in the hands of private enterprise. If there is a particular problem associated with thinnings from a special softwood plantation—for example, those associated with the paper mill near Tumut—or some hoop pine plantation, that can be dealt with by legislation. If there is a need for the commercial processing of thinnings by the Forestry Commission because no other sawmill in a particular area is geared up for that operation, the matter can be brought before this House and dealt with by way of a special bill. No great problem would be posed by the setting up of a one-off operation as a result of a specific endorsement by the Parliament in respect of the processing of thinnings. To give the Government on open cheque to empower the Forestry Commission of New South Wales to purchase sawmills throughout the State without reference to the Parliament is wrong. That would be a big-government type of approach and totally out of tune with the times, with performance orientation and with the need *to* protect the Forestry Commission.

The commission performs its role magnificently: it is the grower and supplier of timber. and the manager of our state forests. Despite what the trendies say it is the conservationist extraordinaire. The role of the Forestry Commission of New South

Wales is not to process timber on a commercial basis. I place on record the fact that should the Forestry Commission of New South Wales set up a sawmill operation, it will require more labour a cubic metre of wood production than if the process were carried out by private enterprise. It is a sad fact of life that the Government's administration of any commission's operations always leads to inefficiencies and an unnecessary grandness of scale, particularly in employment structures. This is another reason why it would be better if the commercial processing of timber could be left where it belongs—that is, in the hands of private enterprise—which has to compete in the market-place and be ruthlessly efficient in order to survive.

Apart from other considerations, the Forestry Commission will gain an unfair advantage from its privileged position of calling the shots about the more than three million hectares of forestry land in New South Wales and looking after its own interests as a supplier of timber before the interests of private enterprise sawmills in a particular area. By way of example, I refer to the Murwillumbah area which has, say, two sawmills. The State Government may establish a third sawmill. All the state forests in that area are managed and controlled by the Forestry Commission. If in three or four years' time there were a shortage in that area of a particular size or type of timber, the commission would look after the interests of the government enterprise before making timber available to the private enterprise mills. I assert that the Forestry Commission should not be involved in any sawmilling operations in New South Wales, except when there is an insufficient use of thinnings or a particular by-product from softwood forests. When that position arises the Forestry Commission on behalf of the Government should submit legislation seeking authorization of this type of development as a one-off operation.

The bill does not provide only for a massive development of sawmills under the umbrella of operations authorized by the Forestry commission. The commission will embark upon a new ball game. I refer particularly to the powers to be given to the .commission to borrow money as set out in schedule 2 to the bill. The word is going round the State's forests, some of the key towns involved with forests, and in Pitt Street too, that there is a subtle manoeuvre by the State Treasury to reduce the Forestry Commission's perceived financial performance, which has been the target of attack by extreme conservationists, trendies and organizations such as the Total Environment Centre, the Colong committee and so on. Those organizations have homed in on the perceived financial performance of the Forestry Commission and argued, unfortunately with some success in the news media, that the commission is responsible for huge losses and is costing the taxpayers a substantial sum in the process of destroying the State's forests, especially in coastal areas. The Treasury and the Premier and Treasurer are paving the way for the Forestry Commission to be forced to borrow its own funds rather than to receive a proper allocation from consolidated revenue, as has been the practice. The financial performance of the commission will be further belittled in the eyes of the public. thus providing further opportunity for the extreme conservationists of New South Wales to manoeuvre against the commission and the State's timber industry.

The sweeping power to borrow money will be controlled mainly on a month-by-month or year-by-year basis by the Treasury rather than by the Forestry Commission. I cannot say definitely that the prediction I have made will eventuate. The bill provides a basis for the Forestry Commission being squeezed of its last drop of financial blood. This is in the interests of the Premier and Treasurer and the extreme conservationists with whom he gathers from time to time, including the Colong committee and the Total Environment Centre. The Opposition will watch carefully to ensure that the Forestry Commission is not forced to its knees financially. The business paper has a reference to the Public Authorities (Financial Accommodation)

Bill and its cognate bill the Miscellaneous Acts (Financial Accommodation) Amendment Bill. That legislation provides a structure by which a number of government instrumentalities in New South Wales will be able to borrow along lines similar to those set out in the bill before the House. It lists a number of government authorities, including the Water Resources Commission, that will be able to borrow under the proposed legislation.

The Government has asserted that it wants to standardize the movement of government departments and instrumentalities into the field of borrowing in their own name. The Government has taken that intention a step further by saying that the legislation will provide for a standard, uniform approach to such borrowings with proper protection for the taxpayers of New South Wales and the interests of the department or instrumentality concerned. Yet the Government by its bill will give the Forestry Commission the imprimatur to go its own way. In Committee the Opposition will have more to say on this aspect. If for some reason the Committee stage is removed from the proceedings associated with the bill, which I hope will not be the position, I inform the House that the Opposition is opposed to the principle that the Forestry Commission of New South Wales shall be allowed to borrow in its own right as a separate entity. Further, the Opposition is much opposed to the method adopted, namely, by way of schedule tacked on to the Forestry (Amendment) Bill rather than on a consolidated and co-ordinated basis under the provisions of the Public Authorities (Financial Accommodation) Bill.

The Government cannot assert on the one hand that it will introduce legislation setting out the basis upon which borrowing by government instrumentalities will proceed and, on the other hand, introduce legislation authorizing the Forestry Commission to proceed on its own way. The honourable member for Ku-ring-gai will refer to other aspects of the bill including receivership, which are not included in the other legislation to which I have referred. I ask the Minister to inform the House why the borrowing provisions to which I have referred are included in the Forestry (Amendment) Bill and not in the Public Authorities (Financial Accommodation) Bill.

The proposed legislation will endorse the right of the Forestry Commission of New South Wales to proceed in new directions. I support change in industry and in the operations of government departments, if that change can be justified. I submit that the changes proposed by the Forestry (Amendment) Bill in its two major thrusts of taking over, buying or setting up commercial sawmilling operations in New South Wales, and launching into a one-off set of arrangements for financial borrowing are not justified. Those provisions are unnecessary and could be achieved more properly by other methods. For that reason the Opposition will oppose the second reading of the bill.

I should give an explanation to clarify some minor aspects of the measure, Honourable members would be aware of the existing powers and practices of the Forestry Commission of New South Wales in relation to equipment for firefighting and other purposes. Some doubt has existed about the Commission's legal position on that issue. The Opposition endorses the major effort that is mounted each year by the Forestry Commission to fight bushfires, mountain fires and fires even in the plains forests, in the Barmah state forest near Mathoura in my electorate, in the Baradine area or on the North Coast. Each year the commission conducts a major firefighting operation in the interests of those who live in the Sydney suburban area and those in every state electorate. The commission helps to provide security for the State's timber resources and for the safety of persons who might be in the forest areas, passing through the forests, or using them for recreation purposes.

The Opposition supports the validation of powers associated with forest protection, but regrets that that provision is wrapped up in the legislation with the thrust against the commercial operation of sawmills and the borrowing of money. In no way should my opposition to the second reading of the bill be taken as a criticism of the validation of the powers of the Forestry Commission. I remind honourable members that the forests of New South Wales are renewable resources, whether they be rain forests, hardwood forests or softwood forests, plantings or naturally renewed forests. If properly managed by the Forestry Commission, by private enterprise or private landholders, as are many of the forests in New South Wales, these resources can be use to create a perpetual timber yield. The Government should be providing a basis to ensure that the demands of sawmillers will be met as far as possible by forests that will give a perpetual timber yield.

The Opposition supports the multipurpose use of forests including the recreation role of those areas as exemplified in the magnificent development at Wiangaree state forest on the northern border of New South Wales. I commend to honourable members a visit to that project or to any of the State's forests. That type of development has been designed to encourage people from all walks of life to use the forests for recreation and for a wide range of other purposes. If the extreme conservationists had their way, many of the forest and wilderness areas would not be as accessible to the public as they now are. The conservationists would have further blocked and restricted the proper role of the Forestry Commission of New South Wales. The Opposition commends the multipurpose use of forests. The Forestry (Amendment) Bill does not specifically cut across that role, but the danger exists that the Forestry Commission and a Labor government gung-ho intent on expanding its operations will take up the powers provided by the bill and buy sawmills or set up new sawmills where they are not required. Where new sawmills are required they should be established by special authorization and legislation, not by sweeping measures like this one.

Mr MOCHALSKI (Bankstown) [3.45]: I support the remarks made by the Minister in his second reading speech. Early in my career as a member of the House I became aware of the importance of forestry activity to employment opportunities in my electorate. Like the former member for Bankstown, the late Mr N. J. Kearns, I have made representations on behalf of Timberply Pty Limited, a plywood manufacturer, to have pine logs made available to that company from the Forestry Commission so that the company could continue with its operations when suddenly imported logs were no longer available. It might surprise honourable members to learn that oversea supplies of some timber species are dwindling. New South Wales will have to produce more timber to meet its own requirements, and the proposed amendments will help to make that possible. I am aware that the Forestry Commission does a good job under pressure to try to supply Australian manufacturers of wood products, in spite of the inadequate resources of timber in the State's forests.

My conclusions about the provisions contained in the measure flow from a realization of the importance of giving the Forestry Commission clear access to the industries that it serves. Having accepted that point, it follows automatically that the Forestry Commission should have clear and legally explicit means of gaining that interest. That is sensible administration and good law. To me it seems to explain in a nutshell the essence of the amendments. The main purpose for varying the powers of the Forestry Commission is to give the commission clear authority to enter the field of wood processing and other commercial activities associated with the timber industry. The provisions of the bill include the right to form corporations in association with private enterprise or to purchase shares and otherwise participate in the management of those joint ventures. The timber industry is of critical importance to the rural economy of New South Wales. It is of vast significance also to the whole State.

To understand the significance of the industry one need point only to the fact that 140 000 hectares of state forests are established under softwood plantations, and that new plantations are being sown at the rate of 5 000 hectares a year. When one considers also that the State's timbered areas now consist of about 3.5 million hectares one begins to realize that the Forestry Commission is an extremely large enterprise that for many years has received massive sums of public capital. The importance of the industry is not recognized by large numbers of people, including Opposition supporters. I have read intemperate and misleading remarks about the bill that were attributed—I hope wrongly—to the Leader of the Country Party. There is no suggestion of nationalizing or socializing the timber industry, as he suggested. The questions concern economics and practicalities, two subjects with which the Leader of the Country Party will never be familiar.

If the Country Party ever returns to the Treasury benches of the State—perhaps some time in the middle of the next century—it will be pleased to have this measure on the statute book. In the same vein, I believe that there will be little informed objection from members of the Liberal Party, for too many of its supporters can see the advantages of the bill's provision for industrial enterprises. Even if Liberal Party members cannot accept that, the Forestry Act already contains longstanding powers for the Forestry Commission of New South Wales to convert and sell timber and articles of timber. Those provisions were introduced by past conservative governments.

The amendments to the Forestry Act proposed by the bill will elaborate upon and expand the general provisions. They will set the limits on interpretation of those provisions and they will authorize the Forestry Commission of New South Wales to make appropriate investments, as the Minister explained in detail in his second reading speech. The proposed power to borrow money and raise loans is necessary and practical if the commission is to be involved in the timber industry. The measures will give the commission the potential to take greater advantage of fluctuating prices when it borrows to invest in land for its pine forests and related activities. Most government and semi-government authorities and instrumentalities have in their enabling legislation powers similar to those proposed by this bill. If the Forestry Commission were to be constituted in 1981—not in 1916, the date of the original Forestry Act—such powers would be vested in the commission without argument. In other words, the amendments to the Act will modernize the provisions of the old Act. Even the troglodyte members of the Opposition should agree with that statement.

Unless provisions such as those contained in the bill are clear and legally explicit, legal challenge is possible. This has been the experience with other Acts. In recent years Parliament has had to amend relevant Acts hurriedly, often without dissent. For that reason alone this is necessary and timely legislation. In my view it will be standard, acceptable practice for governments to engage in commercial activity, either on their own or in conjunction with private or public institutions. I foresee one other major advantage arising from the passage of the bill. The active participation of the Forestry Commission in the commercial side of the industries for which it now only grows wood will give the commission a better insight into those industries. That must make the commission more responsive to its operating problems. In that way the measures contained in the bill will allow the commission to play an even more influential role in the fight against unemployment in the industry, about which I have had representations from my constituents involved in the timber industry. Advantages must flow from allowing the Forestry Commission to fill gaps in the processing side of the industry. Constraints to such action are clearly defined in the bill. The concurrence of the Minister for Lands, Minister for Forests and Minister for Water Resources and the Treasury will be required before action can be taken.

The fiscal meanness of and constraints imposed by Fraser and his cohorts in Canberra have caused the New South Wales Government to look to further involvement with private industry. The commission is charged with the management of New South Wales forests within an efficient resouce framework cognizant of society's needs. The Government recognizes that the people of New South Wales are not indifferent to the manner in which public resources are managed and developed and who ought to be reaping the benefits. The commission is one of the Government's most important resource management agencies. There is no reason, for example, why the Forestry Commission cannot develop it resources in conjunction with, say, private industry, the Housing Commission or other public utilities in order to alleviate the public housing needs of New South Wales by the use of a resource owned by the community. Surely, this approach is long overdue.

The amendments will give the Government greater scope to ensure the maximum return for the people of New South Wales on past and current capital investment. The amending provisions show that the Government and the Minister are continually assessing and formulating the development of a coherent management philosophy for the activities of the Forestry Commission. I congratulate the Minister and the Government on their foresight. They are looking to the future and taking advantage of sound investment opportunities by using Crown timber and related resources for the advantage and benefit of **all.**

Mr Greiner: The Minister and the Government state that the Government has nothing in mind.

Mr MOCHALSKI: That is a typical comment from one of the more junior members in this House. I commend the legislation to the House and to the people of New South Wales.

Mr KING (Oxley) [3.54]: Today it is my privilege to deliver my maiden speech and I crave the indulgence of the House for any indiscretion I may commit in doing so. First I should like to thank the electors of Oxley for electing me, and particularly for their resounding vote of confidence in me. I place on record my thanks to the many persons who helped me to become the member for Oxley. They included my campaign director Mr Terry Drury, the Hon. J. W. Kennedy, M.L.C., Mr Bruce Cowan, M.P., Philip Lucock and, last but not least, my wife.

I pay special tribute to my predecessor Mr Bruce Cowan, who held the seat of Oxley for fifteen years before my election. During that period he was a member of both the Government and the Opposition, and had the honour of holding the office of Minister for Agriculture and Minister for Water Resources. Upon resigning his seat in this House he contested the federal seat of Lyne and was fortunate to be resoundingly elected as the federal member for that seat. Mr Cowan has always been noted for his unfailing courtesy and for dedicated service to his constituents. It is fair to say that he has the respect of all in his electorate, including his political opponents. That is perhaps the highest praise to which any member of the Parliament can aspire.

The seat of Oxley will have been changed radically when the Government's redistribution proposals are in force at the coming State elections. The purpose of the Government is to give effect to the Labor philosophy of one vote one value. That electoral redistribution will abolish some country seats, in particular one of the North Coast seats. As the North Coast is one of the most rapidly growing areas of New South Wales, I and the people of the area are at a loss to understand why the electoral boundaries there are to be changed. When the redistribution was announced the Government gave an assurance that there would be a maximum of 10 per cent

tolerance in the application of the one vote one value principle, which may be considered commendable but since the Government's election to office the goal has not been achieved.

Already the new seat of Oxley is 13 per cent over quota. On the latest statistics available from the New South Wales Electoral Office, by the time the first election on the new boundaries is due, it will be 19 per cent over quota. I understand that the situation is much the same for the new seats of Coffs Harbour and Byron. I have not yet examined the position relating to other coastal seats. However, it shows that the concept of one vote one value is farcical, particularly when seats in some outer metropolitan suburbs are 8 per cent and 10 per cent under quota and the figures for seats in the Sydney metropolitan area average 92 per cent of the country electorates. Rather than one vote one value, with apologies to Mr George Orwell, may I observe that under the New South Wales Labor Government all votes are of equal value except that city Labor voters have more value than the votes of country constituents.

The electorate of Oxley, with its present boundaries, encompasses the towns of Taree, Port Macquarie, Wingham and Camden Haven, some of the loveliest areas in Australia. I am sure I am not being biased in saying that. Many honourable members will agree with me. A large number of problems in the electorate are related to the fact that it is a rapid-growth area. Of particular importance to the electorate is the reconstruction of the Pacific Highway—about which recently I asked the Minister for Local Government and Minister for Roads a question without notice—and work on the main road and the trunk road from Wingham to Comboyne and Kendall to Comboyne. Other major growth problems are the provision of adequate water and sewerage services, and the school building programme. Perhaps the most important issue to be resolved is unemployment. My electorate needs effective decentralization, for though it is one of the most rapidly growing electorates in New South Wales, it has one of the highest levels of unemployment. This situation is common to the whole of the North Coast.

The main industries of my electorate are tourism, dairying, timber and building. That brings me to the importance of the bill before the House. The timber industry is of extreme importance to my electorate and the North Coast in general. I commend the honourable member for Bankstown for recognizing that fact. The statements of many Government supporters about the timber industry had led me to assume that Government supporters do not recognize the importance of that industry.

The timber industry is particularly important to the Hastings Valley where I reside. The industry there is worth $25 million a year. It employs 1500 people out of a total population of about 33 000. The whole of the North Coast is affected by a higher than average level of unemployment, with one of the highest levels of unemployment in the State. The National Country Party regards the timber industry as of paramount importance for the continuing economic well-being of the North Coast and New South Wales. The timber industry on the North Coast, particularly the milling of indigenous timber, is facing a crisis of confidence brought about by the policies of the Government and by continuing attacks upon the industry by extreme conservationist elements from all parts of the State, but particularly the metropolitan area of Sydney.

Before I am branded an anticonservationist may I say that the citizens of New South Wales are indebted to the conservation movement, particularly its founders, who drew the attention of the public to the crying need for conservation of the environment. Many of their ideas were long overdue, particularly in urban areas. I strongly supported them. Prior to becoming a member of the House I was on the

council at Port Macquarie and I strongly supported most of the objectives of conservationists in the urban area. However, with the timber industry the conservationists are dead wrong. Their views are totally inconsistent with the realities. Conservationists with whom I have supported many measures in my electorate have said to me that the community should oppose logging of a piece of virgin forest in the district. A simple inquiry would have revealed, as was the case in two areas that were brought to my attention, that it would be the third logging. That is typical of their lack of knowledge of the timber industry and of the growth of forests in New South Wales.

The whole attitude to the timber industry by conservationists is a triumph of emotion over reason. Because of the power of television to extract an emotional response people say that logging of the forests must be stopped, that it would be a tragedy to cut down a tree. That is being said without a simple examination of forest culture and scientific forestry which shows that the forests are better for a carefully managed logging programme. The truth is, as the honourable member for Murray has pointed out, that timber is a renewable resource and, if properly administered and controlled, the return to society from logging is greater than if the timber is left as a semilogged forest. In that case the timber simply ages and dies and associated problems of disease arise, denying to society the benefit of the forest that can be obtained by logging.

A rational forestry policy should be determined. In recent years all forms of rational appreciation of forestry policies have been discarded. The Government does not listen to the advice given to it by its expert forestry advisers. Though they have studied the science of forestry and have experience and knowledge, they are being ignored. The Government is listening to those who make an emotional appeal. Half of the time the Government listens to people who merely sit in armchairs saying that conservation should occur. Those people forget about jobs. They forget about society's need for timber. They forget about where the timber will come from if it is not logged in New South Wales. The honourable member for Bankstown has mentioned the enormous cost of imported timber. If the timber comes from overseas, people will have to pay more for it. The import bill will skyrocket.

The indigenous timber industry of the North Coast is under attack. **A** crisis of confidence is occurring. A surge of recovery is occurring on the North Coast because of improvement in the building industry, but people are afraid to invest in the timber industry even though it would be for the long-term benefit of the area. Conservationists, who have jobs and live in the city, demand conservation regardless of its effect on the jobs of other people. That view has widespread support from people outside the National Country Party. The people on the North Coast appreciate the immense economic importance of the timber industry to that area and to the State. Socialization of the timber industry with government-owned sawmills is not needed. The Government should take advice from its experts on forestry and permit private enterprise to get on with the job. This is really a fundamental question of philosophy. Private enterprise should receive support from the Government to get on with the task. Private enterprise has the experience, know-how and capital to do the job.

The Government should not blunder into another area of business and in so doing receive unfair advantage over private enterprise. Though I have not had time to study the principal Act, it is clear from a glance that no provision is made for the Forestry Commission of New South Wales to pay stamp duties and payoll tax, as is done by other business people. Those taxes are a heavy burden. If the Forestry Commission of New South Wales breaks even or makes a small profit, doubtless the Government will say that the venture was profitable, but the State will be short-changed because the Forestry Commission will not pay the taxes that any private entrepreneur would have to pay. Earlier speakers in the debate have spoken of the

need for government enterprise in the timber industry and government-ownership of sawmills. I ask honourable members whether they can name one government-owned industry in New South Wales that has been a financial success.

Without the sort of advantages I have spoken about, that is, not paying payroll tax or stamp duty on transactions—the things that ordinary citizens must pay—the proposal will be a failure. It will be a drain on the resources of the State. The only way the venture could possibly be successful would be if the Government entered into a joint venture and handed out privileges to the other partner. I oppose the bill on principle. The philosophy is completely bankrupt. Extreme conservationists tell the public that the Forestry Commission of New South Wales is too close to the timber industry. They say that the commission is a failure and not fit to advise the Government on timber policy. They say that the Forestry Commission of New South Wales has a vested interest in the timber industry. The Government takes notice of those people but proposes to have the Forestry Commission totally enmeshed in the business of forestry.

How will it be able to argue that the Forestry Commission is fit to be an independent business adviser when it is totally involved in private business? It is totally wrong and contrary to the principles of good and sound management of government to have the Government's main policy advisory body entering into, and taking a vested interest in, the business on which it is seeking to advise the Government. I strongly oppose the bill on principle. We really need to get back to accepting that the timber industry of this State by and large is a renewable source and there is an independent advisory body in which all sections of the community can have confidence. The government of the day should still make decisions on forestry matters, confident that the advice it has received is the best available independent, scientific assessment of the needs of the State. How can it possibly get that when it is setting up a body as an entrepreneur to compete with business. How would it be able to say to the extreme conservationists, "What you say about the Forestry Commission is not correct; those few deals do not affect its interests". This morning the Premier and Treasurer told honourable members that they must declare their pecuniary interests. Talk about a confusion of pecuniary interests! It is time for a complete reassessment of the role of the forestry industry in New South Wales. That is the only point on which I agree with the Government. I reject the bill in its entirety.

Mr HATTON (South Coast) [4.11]: Hardwood timber is now acknowledged world-wide as an extremely valuable resource. People overseas and those who inherit our country will judge us on the way we manage this valuable world resource. The timber industry plays an important role on the South Coast. It has some of the rarer species, for example, spotted gum and the Macrozamia fern, which is only found in the southeastern corner of this continent. The problem with the hardwood timber resource is that, apart from being extremely scarce, it takes a long time to renew itself. Though it withstands fires, it is liable to destruction from wildfires. In the electorate of South Coast these fires occur at regular intervals and with such ferocity that they burn out of control. It is not possible to do anything about them, except to take the best preventive measures available. The role that the National Parks and Wildlife Service plays in this regard to supplement the excellent work of the Forestry Commission is extremely important. Few things are more important to the preservation of forests on the South Coast than to provide that the budget of the National Parks and Wildlife Service—as well as that body's attitude—ensures that wildfires do minimal damage.

This scarce hardwood resource, which takes thirty-five to forty years or longer to renew itself, is the life work of forestry officers. Over a number of years I have developed an association with forest industries on the South Coast and I believe I

have a balanced view. I well understand the attitude of the forestry officer—whose whole career is to grow, to manage, to cull, and to farm timber—when his crop is not available for the purpose for which he has developed his training and to which he has devoted his career, because some group says it is no longer available. The Forestry Commission acknowledges the high recreational value of forests. Despite the danger of fires, the Forestry Commission has an understanding attitude to tourists, encouraging them to visit forests.

It is agreed that the best management of forests, in particular hardwood forests, is sustained yield. As the painting of the Sydney Harbour Bridge is a continuing job, which is never finished, so the management of a forest should be a continuing and never ending job. The cutting of timber should be geared to the yield of the forest. If this had been done with our resources timber, that timber would still have been there in twenty, forty or a hundred years' time. However, because of the actions of a previous Minister for Conservation—not a Minister of this Government-despite the advice of his officers, quota was sold over the sustained yield amount. The first mistake made on the South Coast was the overcutting that was allowed to take place. The second mistake was bound to happen because of a change of attitudes. I refer to the intrusion of national parks and Aboriginal land claims into timber areas. In many instances these could be supported. I certainly support the preservation of some areas in the national parks because of their beauty—such places as Nelson Lake and Middle Lake in the Mimosa National Park.

In other areas the Government should have allowed selective cutting prior to the area being placed into the national park. This would have helped the sustained yield concept of state forests, and the forests would have recovered though, from a selfish point of view, they certainly would not have recovered within my generation. The larger areas would not have recovered in the next two generations. Once put aside, the area would have recovered. That action should have been taken. However, because of the intrusion of national parks—and they comprise a very large area indeed—in all the shires on the South Coast and the city of Shoalhaven the forest is being seriously overcut. The life of the mills will be twenty to twenty-five years.

Forests should be managed to make the best use of a scarce resource. I hope that is what this legislation is all about. We have to ensure that the people who have a substantial capital investment in the industry will get a reasonable return. Those persons who bought quotas and those who had a capital investment of hundreds of thousands of dollars in large machinery should be able to get the sort of guarantee that will enable them to amortize their investment over a reasonable period. Another initiative is to ensure that employees in the timber industry get a smooth transition out of that industry. Few groups in the community work as hard. By and large, as a group, timber workers are poorly paid for the work they do. The hands of a timber worker resemble the tread of a tyre. He works extremely hard and often works in mills in dangerous and dirty conditions. His day is hard. In years of wet weather he could receive an extremely poor return for his work. In such years loggers cannot get their tractors into the bush and get the product out. For months at a time these people live a hand to mouth existence. Loggers invest large sums of money in expensive snigging and logging equipment. I do not know how they will get a fair return on their capital. How the person who works in the mill—who often lives in a substandard house near the mill—will survive concerns me in any future management of the timber industry on the South Coast.

We must apply our minds to the setting aside of areas for national parks. If we state that some areas of forests cannot now be used for the purposes for which they were previously developed, we must provide alternative means of employment for

the people affected. I refer to those who have invested their capital and whose lives depend on the industry. The person on a fixed income who cannot afford to be out of work for even a short period must be kept in employment so that he can keep body and soul together.

Changes have occurred because timber resources are becoming scarcer. What was once regarded as a salvage log is now regarded as a sawlog in a quota. There is a great restriction on the taking of mine props. Though they are essential to keep the southern coalfields operating, by and large mine props come from young trees which would be prime sawlog trees at maturity. Severe restrictions have been placed on sleeper cutters for exactly the same reason; high quality sleepers come from high quality sawlogs which would provide high quality timber. With the downgrading of timber that has to be included in sawlog quotas, it has a lower value, and there is less return.

One of my greatest disappointments has been the woodchip debacle. That disappointment is also felt by many persons who scrutinize forestry resources. The public was given to understand, certainly when I studied the proposed woodchip industry, that it would be the great saviour; it would use up all the tops, all the flitches from the mill, all the timber that could not be used for other and better purposes. This has not been so. While woodchip is sold out cheaply to oversea interests, woodchip technology will not be developed to make the best use of timber that is left lying in the forest—the unwanted tops, the remainders of the timber. It was a great disappointment when the woodchip industry failed to produce the technology it was supposed to produce to make the best use of this scarce resource, hardwood. I pay tribute to the conservationists because they suffered a lot of flack, and still do on the South Coast. Had they not taken a keen interest, particularly in what was happening in the woodchip industry, we would not have seen the development of the chequerboard pattern of clear felling, with wildlife being preserved in the fringe areas of the chequerboard pattern. We would not have the stream management plan or the strict control of drains and logging roads as an insurance against erosion and siltation. I do not care what Forestry Commission officers tell me; I firmly believe that.

There is no doubt that forestry officers have done much progressive work but the crunch came when clear felling became a great issue, and pressure was brought to bear. I pay tribute to the conservationists who identified beautiful areas, set out to preserve them, identified many of the timber species and preserved some of our native wildlife, such as the sugar glider. Management along the stream beds preserved the old rotting timber which would normally be pushed out of the way, to remain as habitat for possums, sugar gliders and other native animals that may choose to use them. That is part of the proper management of our forests. We must never overlook the fact that management of wildlife is an important part of forest management.

The change in techniques has resulted in the better use of sawdust. It is used as fuel at brickworks; for example, in Nowra where it is a very effective fuel to fire bricks. The oil pricing policy of the federal Government has ensured that all those thousands of tonnes of sawdust which were completely wasted are now put to use. A company in the industrial estate in Nowra is experimenting on the conversion of sawdust into oil. It is a promising industry, which could make good use of the tens of thousands of tonnes of dumped sawdust waste. Lignum is a valuable resource. We must pay much more attention to the way we utilize it. If this bill, by giving

power to the Forestry Commission, allows entrepreneurial interests to use our resources better, I am all for it. If it instigates better research, I am all for it. But if, controlling as it does both the use and production of the resources, it adds to unfair, direct competition with mills that are struggling to survive and to get a return from their capital investment and to keep labour on, I am firmly against it.

I am one who does not in my basic philosophy oppose governments becoming involved in areas that are traditionally those of private enterprise. I am certainly not in opposition to that sort of investment. I should like to see the Forestry Commission use these powers to get the best use of that section of the resource which is now underutilized or not utilized at all. If the Forestry Commission, in partnership with the conservationists, the National Parks and Wildlife Service, the Department of Labour and Industry or any other government department, can do something for labourers, mill workers, sniggers and bush workers, to cushion them from the effects of what will happen inevitably on the South Coast, it will have my unstinting support. I support the bill but I will be interested to see whether the Forestry Commission uses the new power wisely to help preserve the ailing timber industry or whether it uses the power as, yet another nail in the industry's coffin.

Mr GREINER (Ku-ring-gai) [4.26]: I will not dignify the remarks of the honourable member for Bankstown by referring to them for more than a moment. He began with a spurious, indeed nonsensical, proposition about world forest softwood resources and went on from that nonsensical start to make a speech that really does not deserve to be considered by this Parliament. I shall not consider it. I agree with the essence of the remarks of the honourable member for South Coast at the beginning of his speech about the future problems of hardwood resources on the South Coast in the general area of his electorate. I agree with his remarks about the Forestry Commission's role in encouraging a multiple use approach to forestry. I agree with his remark about the need for a sustained yield approach. I disagree with him only where he turned his comments to the substance of the bill. When he stated towards the end of his remarks that he would support the bill, he had made out no case for the conclusion he reached.

The honourable member for South Coast said that the Forestry Commission ought to be doing things that would lead to better use of the resources, particularly the underutilized resources of the South Coast hardwood industry by inference, and should be doing more by way of research. I do not disagree with this proposition but it does not follow from this particular piece of legislation. The Minister said clearly in his second reading speech that this measure focuses on the *pinus radiata* softwood plantations, and it does not follow that any power given in this bill will help the hardwood industry on the South Coast. In particular, it is highly unlikely that it will assist in using the presently underutilized resources because, by definition, harvesting and production will be uneconomical unless it is done in conjunction with existing mainstream manufacturing operations.

The underutilized part of the forest resource could be used effectively only if it were taken in the broader context. Should the Forestry Commission seek to do that it would be doing precisely what the honourable member for South Coast does not wish it to do; that is, to compete with the existing private industry in the area which, as he says, is in many cases already finding it difficult to make ends meet. In terms of the general approach taken by the Government on the bill, Government supporters have been unanimous in saying what a wonderful job the Forestry Commission does. The honourable member for Bankstown emphasized what a good job the commission does The Minister for Lands, Minister for Forests and Minister for Water Resources often says what a good job the commission does. If that is the case, why does the Government not listen to what the commission says? I remind honourable members of some

of the things the commission has been saying about the Waiangara State Forest, Terania Creek, Washpool, Bellingen Valley and the Boyd Plateau resource. In all these areas where the Forestry Commission is expert—and honourable members on both sides of the House agree that the commission is expert in those areas and knows what it is talking about—the Government consistently refuses to give the commission the support it deserves.

The Government consistently prevaricates and refuses to support publicly the Minister and the Forestry Commission. It is absurd that on the one hand the Forestry Commission is not getting the support of the Government in areas where the commission is undoubtedly expert and on the other, in areas where the commission has no expertise at all—the areas of manufacturing and marketing—the Government is seeking to give the commission new powers. The Government would do better to pay attention to what the Forestry Commission says in the areas that the commission understands and in which it has been expert for a long time. Once the Government accepts the advice of the commission in those areas, the Government—it seems to me—is logically in a position to advance the sort of propositions that are inherent in the bill.

I shall not dwell at any length on the philosophy behind the legislation. It has been expounded clearly by the honourable member for Oxley. I take this opportunity of congratulating him on his maiden speech. He will probably be with us only for a short time in the first instance but I do not doubt that the intelligent and practical approach he adopted in his maiden speech will stand him in good stead. Though I do not wish to interfere in the preselection policies of my coalition partners, I have no doubt that the honourable member will return to the Parliament at some future time. I shall read a short extract from the second reading speech of the Minister. He said the Government undertakes the work of looking after the State forests and, therefore, it is entitled to derive the benefit of every penny of revenue that can be obtained from them. Even that arch socialist, the honourable member for Bankstown, surely would not advocate something as extreme as that. I wonder if his constituents in the forest products industry, of which I am proud to say my family company is one——

Mr Mochalski: Is the honourable member disclosing a personal or pecuniary interest?

Mr Gordon: Has the honourable member got a Crown quota?

Mr GREINER: I wonder if they would agree with the statement that as the Government undertakes the work of looking after the State forests, it is entitled to derive the benefit of every penny of revenue that can be obtained from them. That is a philosophical nonsense. It is a proposition with which even the Government does not agree, though the Minister said it in his second reading speech. I should be delighted if the Premier and Treasurer would say in this House that he agrees with the proposition that where the Government undertakes the cultivation of a natural resource, such as forests or water, the Government is entitled to the benefit of every penny of revenue it can derive from that resource. I point out that absurdity in the second reading speech of the Minister. He should be ashamed of advancing that proposition. It is not a proposition that the Government believes in. It is certainly not one that members of the Opposition believe in. We reject it completely. The second reason the Opposition objects to the legislation is the *carte blanche* it gives the Government. Several times while the Minister was delivering his second reading speech he said: "Do not worry. Just relax, everyone. It is all right. Anything that the Forestry Commission does is subject to ministerial scrutiny and scrutiny by the Government".

Mr Mochalski: And the Treasury.

Mr GREINER: And the Treasury, but that is not good enough. Why should it not be subject to the scrutiny of this Parliament? The basic objection of the Opposition is that there will be occasions—and I shall come back to this point—where it would be appropriate for the Government to engage in some form of joint venture along the lines referred to by the Minister. But why should not the matter be brought before this Parliament? Why must there be yet further examples of a *carte blanche,* broad brush decision that gives the Forestry Commission power for ever and a day to undertake this sort of enterprise? The Minister said that no specific proposals are envisaged at present. Why should not the Government bring a specific proposal, when there is one, before the House, explain why it is desirable and let the Parliament consider it?

The next argument the Minister put forward was that the cost to the State was great. He made that point a couple of times. He emphasized that the management of forests has taken place at great expense to the State. This is true, but it is totally irrelevant to the proposition he is seeking to advance. Surely the price at which the resource is transferred from the State, from the Forestry Commission on behalf of all the citizens of the State to private enterprise, ought to reflect the cost, whether it is astronomical, minimal or somewhere in between. The fact that this undertaking by the Forestry Commission is expensive--and it is—in no way leads to the conclusion that the Forestry Commission ought to be given *carte blanche* to do whatever it likes in the manufacturing and distribution of forest products. The proposition is a non *sequitur* of the premise.

The next argument advanced by the Minister was that where there is insufficient capacity in the private sector the Forestry Commission would seek to intervene in the manufacturing process. This sounds fine, but if there is no capacity in the private sector and there is an economic purpose to be achieved; if ultimately there is a market for the product involved, why would not the private sector—which is already established and therefore would have clear advantages over any new Forestry Commission mill—seek to expand its capacity? Obviously it would be more useful for the private sector to expand existing capacity than for the Forestry Commission to seek to set up—on its own or in some sort of joint venture—new capacity to meet the need.

The next point I make was referred to by the honourable member for Oxley so I shall skate over it. Apparently what is suggested by the Government is that the Forestry Commission will compete with its customer. That strikes me as not particularly brilliant commercial practice for the Minister to advocate, especially when the Forestry Commission has a virtual monopoly of timber resources and is almost a single supplier, with marginal exceptions in terms of private sector forests. There is a virtual monopoly or an obligopoly in terms of the supply of the resource. What the Government is advocating here is that the Government authority which supplies the bulk of the raw material to the private sector will begin—on its own or in co-operation with someone—to compete with the very people that it is supplying. It seems unlikely to me that the private sector would find that situation satisfactory. I repeat that there may be occasions—such as the situation in Albury or Bathurst—that might be appropriate for a joint venture, but when we are talking of such major operations, what should happen is that a specific proposal should be brought to this Parliament for review and to be approved by the Parliament if that course is warranted. The House should not be asked to give the absolute *carte blanche* approval that is contained in the bill.

Mr Gordon: Is the honourable member suggesting that the Government should bring every Crown quota before the House?

Mr GREINER: It would be good sense to bring every major transaction before the House. The only argument that the Minister advanced in favour of that proposition was the experience in other States. He drew on the example of South Australia. The Minister probably does not know the financial history of the South Australian Government venture, but if he does I challenge him to recount to the House the experience of the South Australian Goverment's forest products manufacturing operations in the years **1974, 1975, 1976** and **1977.** The Minister probably does not know the answer, but they were a disgrace and a financial disaster to South Australia.

The Minister failed to mention the federal Government's radiata pine mill in the Australian Capital Territory. That was another commercial disaster and that is probably why it is no longer operating. The Government's argument is weak. All it can say is that this happens in other States and other countries. It happens in Europe, where it goes back to the last century. If that is the best argument the Government can advance for a proposal such as this, the situation is completely unsatisfactory. The honourable member for Bankstown referred to machinery matters dealt with in schedule 1 (2) (d). Obviously, the Opposition has no objection to tidying-up measures of that sort. In fact, it supports them. But they are incidental, and it should have not been necessary to introduce legislation to achieve minor technical improvements of that nature.

I turn now to borrowing powers, which were alluded to by the honourable member for Murray in leading for the Opposition. The borrowing powers proposed in schedules 2 and 3 are laughable. Later today honourable members will debate a piece of legislation that flies completely in the face of everything contained in schedules 2 and 3. In fact, they include specific provisions that the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer has said are no longer relevant. I shall return to that matter in a moment. This demonstrates lack of management on the Government's part. On the same day it will call on debate on two separate bills, one providing that the Forestry Commission shall have a range of borrowing powers, and spelling them out in some detail, and another in which the Government says—and the Opposition agrees—that this is a bad system.

Government instrumentalities such as the Forestry Commission should not have powers of this sort. Those powers are being deleted from Acts such as the Forestry Act and are being inserted in the Public Authorities (Financial Accommodation) Bill. The Opposition agrees that that is a better idea. It is ludicrous that if this bill is passed in its present form, with schedules 2 and 3 intact, should the Government wish to make any sense of the legislation it will be obliged to delete schedules 2 and 3 and move amendments to the schedules contained in the Public Authorities (Financial Accommodation) Bill and the Miscellaneous Acts (Financial Accommodation) Amendment Bill, which is cognate with it.

I shall not bore the House by dealing with each item, but item 5 of schedule 2 to the Public Authorities (Financial Accommodation) Bill provides the same things as are provided in schedule 2 to the Forestry (Amendment) Bill. The trend is to take out those provisions from bills regulating the affairs of statutory authorities and insert them in the Public Authorities (Financial Accommodation) Bill. Then we shall have bipartisan agreement. But the pathetic Minister and this pathetic administration could introduce an exactly opposite piece of legislation if the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer is right. This will have to be undone if the Minister persists. It is a nonsense of the first order.

Clauses 8, 9, 10 and 11 of the Public Authorities (Financial Accommodation) Bill cover all of the matters dealt with on page 12 of the Forestry (Amendment) Bill concerning debentures, payment of debentures and coupons. Clauses 12 to 14 cover the

question of raising loans in any country., Yet that bill implies that there are only three statutory authorities that the Government believes are suitable to raise money overseas. They are the Electricity Commission, the Metropolitan Water, Sewerage and Drainage Board and the Maritime Services Board. Apparently the Minister knows better. He seeks to include the Forestry Commission, but only for a short time. When it is suddenly added to the list it will have power to borrow overseas. The whole thing is a farce. In no way can the Government justify this sort of legislation. It is pathetic. In his second reading speech on the Public Authorities (Financial Accommodation) Bill to which this House will be giving attention later today, the Minister for **Sport** and Recreation, Minister for Tourism and Assistant Treasurer said:

> The final major feature of the principal bill is the absence of receivership provisions that have existed in the Acts constituting some, but not all, of our authorities for more than fifty years.

I ask honourable members to pay particular attention to the next sentence:

> The Government considers that such provisions have no relevance for lenders to statutory authorities.

That is good. Item 10 of schedule 2 contains a page and a half of details of receivership powers. What nonsense. The situation could be described in no other way. Either the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer is right and the receivership provisions have no relevance to any lender—and with that the Opposition agrees---or the Minister for Lands, Minister for Forests and Minister for Water Resources is right as the bill should contain a page and a half of receivership provisions. Logically, both Ministers cannot be right. I suggest to the Minister for Lands, Minister for Forests and Minister for Water Resources that the reasonable thing for him to do is to withdraw the bill or delete schedules 2 and 3 from it. They make no sense. They will never be brought into practice; they will not apply. If he persists with schedules 2 and 3 the Government and the Forestry Commission will make a shambles and a farce of the borrowing powers of statutory authorities.

I shall not weary the House further. As to the practical and philosophical aspects of the legislation, no case has been made out for the broad brush approach of the Minister in seeking power for the Forestry Commission to enter the manufacturing field and to borrow money, without parliamentary approval. As I have tried to point out, the situation is a complete and utter farce.

Mr SINGLETON (Clarence) [4.47]: I congratulate the honourable member for Oxley on making his maiden speech. In masterly fashion he made a good contribution to the debate on this bill and demonstrated his knowledge of the provisions contained in it. As other honourable members have said, I have no doubt that the honourable member for Oxley will go a long way in the parliamentarian system in New South Wales. The honourable member for Bankstown had much to say about efficiency, and particularly government efficiency. He talked about supplies of imported timber. It is well known that supplies of imported timber are becoming less plentiful. The honourable member said that himself. The Government of which he is a supporter is trying to encourage the importation of log timbers into this State where many mills, especially on the North Coast, are finding supplies difficult to get. This is because of the work of the greenies and others who have no knowledge of the regenerating ability of forests, in particular those on the North Coast.

It ill behoves the honourable member for Bankstown to talk about efficiency. The Government has no management skill to do what is expected of it under this bill. The Government cannot control the unions. The honourable member for Bankstown

should have told honourable members about the management ability of the State brickworks and the Government's attempts to control unions involved in coal exports. Last night when I was flying over Newcastle I noticed standing off Newcastle Harbour about forty bulk carriers waiting to get into the harbour. Delay in the turnaround of ships is depriving this State revenue and is preventing many nations in the Pacific bloc from getting the raw materials necessary to enable them to keep their wheels of industry turning.

I pay tribute to the Forestry Commission for its work in the management of forests in this State, particularly young plantations developed in the wonderful reafforestation programme. I also congratulate the commission on its work of recreation carried out in the forests and along main highways, particularly after the prolonged dry weather conditions. The fire control undertaken in the forests has been excellent and there has been a great deal of co-operation by the commission with the public and other timber-oriented industries in this State. However, I regard the bill as a calamity. It gives power to the Forestry Commission to buy out timber mills and develop new ones. It will mean that the Government will have the opportunity to move into Grafton and other areas of the north coast and close down mills in problem areas. However, that is not the answer and one cannot close one's eyes to other matters. This bill is not good enough and the people in this State will not accept the Government's intentions. Paragraph (iii) of the explanatory notes reads:

> To enable the commission, subject to certain restrictions, to construct, purchase or take on lease sawmills or factories for the purpose of enabling it to carry out certain operations and to enable the commission to engage such employees as are, in the opinion of the commission, necessary for the operation of those sawmills or factories.

That simply means that the bill is aimed at the socialization of the timber industry of New South Wales. I deplore the Government's action which will lead to further loss of confidence in the timber industry among those who are expected to borrow funds, invest in the industry and provide the employment that is so necessary. That confidence is necessary if the industry is to continue to keep sawmills on the north coast and other parts of the State in operation. This bill will affect engineering works in almost every town on the north coast. Those industries depend for their survival on the timber industry. I condemn the Government out of hand for further contributing to a tremendous loss of confidence in the industry.

I agree with the honourable member for South Coast that timber employees are extremely hard working; few jobs demand such manual work. Those workers have been under threat for almost five years. Decisions on Terrania Creek, Washpool, Blackscrub and Bellingen have been put off for months and months. This has meant that people who work hard for their living and have gone through a tough time have no confidence in the future of the timber industry. This bill is a shocking indictment of the Government. It is obvious that it cannot control its own preservationist element in the community. That element, which amounts to only a few people, seeks complete control of the majority in this State. Its actions have led to big problems in the timber industry and in the engineering works in country towns. I wish to voice my strongest protest at the fact that the Government appears to be too weak-kneed to do anything about the situation. It sends the Premier and Treasurer to such places as Grafton

where he goes round patting women on the shoulders and telling them not to worry. Undoubtedly the Premier and Treasurer has tried to lull people into a false sense of well-being.

Mr Gordon: How does the Premier and Treasurer do that?

Mr SINGLETON: By patting people on the back and telling them all will be well. But, people will not be lulled into a false sense of well-being. They do not trust this Government—neither do I nor do most of the people in the country areas. The country people are learning the hard way. They know they cannot trust this Government which is run by trendy left-wingers. They are winning the seats. One has only to read the newspapers to become aware that the left-wing is controlling the Labor Party. I am revolted by this bill, which aims at nothing short of the socialization of forestry and timber milling in New South Wales.

Mr GORDON (Murrumbidgee), Minister for Lands, Minister for Forests and Minister for Water Resources [4.56], in reply: I thank honourable members for their comments. I pay special tribute to the honourable member for Oxley on his maiden speech. He acquitted himself well; it is a pity that he will not be with us for much longer. Members of the National Country Party have worked themselves into a frenzy. One would think that the Government was intent on taking over every forest and every sawmill. Also, the honourable member for Ku-ring-gai was particularly anxious. Apparently he has a financial interest in the mills and no doubt sees money going down the drain from his point of view. I remember a similar frenzy when the Government introduced legislation to control sawmill residues. Again, it was said that the Government intended to take over sawmill residues and to commandeer the timber industry, but everybody knows that all has worked well and it has been to the advantage of the industry. The industry has been provided with a market, and we are expanding the market for residues that previously were burnt. The Forestry Commission and the Government do not have any immediate plans to enter into a commercial enterprise, but it was decided it would be desirable to include these matters in the commercial powers of the Forestry Commission. I can think of two such areas. One of them is at Tumut where there is a surplus of pine logs. As a result one mill was in danger of closing down, with the possible loss of 150 jobs. At that time the demand for timber was not as great as it is today and the Forestry Commission was approached to take on a joint venture with a reputable firm to manage the mill.

Mr Singleton: Was that recently?

Mr GORDON: Three or four years ago. The commission did not take that step. The timber industry picked up and the company concerned did not want to have the Forestry Commission as a partner. Had the commission the power to do so, it could have taken that opportunity in the timber industry; it could have looked at the matter from the other side, so to speak. Personally, I believe that would have been a good idea. On another occasion the commission was toting round a supply of thinnings to be used for pulp. Nobody wanted to purchase that pulp. One firm asked whether the Forestry Commission would go into partnership with it to convert the thinnings to pulp. Again the commission did not have the power to involve itself in such a proposal. Therefore, it wishes to have that power in future should the opportunity ever arise. The honourable member for Clarence spoke of the milling industry in that area. He may like to know that the amount of timber cut on the North Coast of New South Wales last year was the second highest ever, running back to the year 1964. The cut was 7 per cent or 8 per cent up on the previous year.

Mr Fischer: That does not apply to Washpool or Terania Creek.

Mr GORDON: The forestry industry is the fifth or sixth largest industry in New South Wales. It is a problem industry and it always has been. Reflected in its importance are industries concerned with building, mining, furniture making and other wood-based industries. The Country Party seems concerned that the State might receive benefit from its own pine forests. The State has a great potential to benefit from its pine forests. The bill will give the Government the opportunity to reap that benefit if the opportunity arises. Criticism has been levelled at the Forestry Commission of New South Wales being granted borrowing power. This bill has been prepared for some time. That borrowing power will be used immediately.

The Public Authorities (Financial Accommodation) Bill was designed to standardize the powers to borrow money already held by other authorities, such as the Electricity Commission, the Land Commission, the Soil Conservation Service, the Teacher Housing Authority. There is no doubt that the powers in this bill can be embodied by regulation in the Public Authorities (Financial Accommodation) Bill. There is no prospect of the Forestry Commission borrowing huge sums of money. The commission may require to borrow so that it can purchase land to extend its pinus radiata forests or for the acquisition of plant.

Another point of criticism was the fact that for some time the Forestry Commission of New South Wales has been hiring out plant to other authorities. This practice has been going on for some time. The Auditor-General has pointed out that under the Act the Forestry Commission of New South Wales does not have the power to act in that way. The honourable member for Ku-ring-gai, who became excited during his speech, should consult the Hon. F. N. Duncan, an experienced sawmiller and a supporter of the coalition parties. That gentleman would put the record straight about the so-called threats of the Forestry Commission and this Government to the timber industry in New South Wales. Generally speaking, country sawmillers and individuals, some of whom are not connected with any sawmill, are appreciative of the efforts of this Government towards the timber industry.

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

The House divided.

Ayes, 59

Mr Akister	Mr Face	Mr O'Connell
Mr Anderson	Mr Gabb	Mr O'Neill
Mr Bannon	Mr Gordon	Mr Paciullo
Mr Barnier	Mr Haigh	Mr Petersen
Mr Bedford	Mr Hatton	Mr Quinn
Mr Booth	Mr Hills	Mr Ramsay
Mr Brereton	Mr Hunter	Mr Robb
Mr Britt	Mr Jensen	Mr Rogan
Mr Cahill	Mr Johnson	Mr Ryan
Mr Cavalier	Mr Keane	Mr Sheahan
Mr Cleary	Mr Knott	Mr A. G. Stewart
Mr R. J. Clough	Mr McCarthy	Mr K. J. Stewart
Mr Cox	Mr McGowan	Mr Walker
Mr Crabtree	Mr McIlwaine	Mr Webster
Mr Curran	Mr Maher	Mr Whelan
Mr Day	Mr Mair	Mr Wilde
Mr Degen	Mr Mallam	Mr Wran
Mr Durick	Mr Mochalski	*Tellers,*
Mr Egan	Mr Mulock	Mr Flaherty
Mr Einfeld	Mr Neilly	Mr Wade

Noes, 33

Mr Arblaster	Mr Greiner	Mr Schipp
Mr Boyd	Mr Healey	Mr Singleton
Mr Brewer	Mr King	Mr Smith
Mr J. H. Brown	Mr McDonald	Mr Sullivan
Mr Bruxner	Mr Mason	Mr Toms
Mr Cameron	Mr Moore	Mr West
Mr Dowd	Mr Murray	Mr Wotton
Mr Duncan	Mr Osborne	
Mr Fischer	Mr Park	
Mr Fisher	Mr Pickard	*Tellers,*
Mrs Foot	Mr Punch	Mr Caterson
Mr Freudenstein	Mr Rozzoli	Mr Taylor

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Mr CAMERON (Northcott) [5.12]: At West Pennant Hills, which is part of my electorate of Northcott, there is a particularly impressive establishment of the Forestry Commission of New South Wales. I make plain that of all the instrumentalities of the New South Wales Government none rank so high in estimation as the Forestry Commission. I believe firmly that this government department, which serves the community, has values that are good, right and proper in every respect. The Minister said that the primary object of the Government in transferring powers to the Forestry Commission, as proposed by the measure, is to equip the commission with clear powers to enter into the spheres of wood processing and other commercial activities arising from its functions under the Forestry Act.

I wish to make but one comment about the Forestry Commission establishment in my electorate which is associated with the Cumberland State Forest. I agree with everything it does except that I do not support its becoming a nursery operation in competition with private nurserymen. That is happening, and it is a tendency that I do not want to see extended. My electorate, which is part of the metropolis of Sydney, is supplied by some of the best commercial private nursery establishments that can be imagined. It is grossly wrong and quite improper that the Forestry Commission should go into commercial competition with those private nurserymen. At all times it is open to an instrumentality like the Forestry Commission, with vast taxpayers' funds at its disposal, to undercut prices by selling at levels at which it is quite uneconomic for private nurserymen to compete. I add that I do not think that is happening. The private nurserymen are more than holding their own as commercial competitors with the Forestry Commission. Though I am willing to go to war on behalf of the Forestry Commission in virtually every other phase of its activity, and to support it against the mad extremes in some respects of the environmental lobby, I am not willing to support it when it seeks to become, without economic justification, a commercial competitor with private nurserymen.

Mr GORDON (Murrumbidgee), Minister for Lands, Minister for Forests and Minister for Water Resources [5.15]: It is refreshing to hear the honourable member for Northcott express fear about the Forestry Commission being a commercial enterprise that will put the private retailer out of business. Some of the honourable member's colleagues have said that if the Government embarked upon a commercial

activity it would go broke and thus cost the taxpayer considerable sums of money. Honourable members opposite should make up their minds. The honourable member for Northcott referred to the Pennant Hills nursery operated by the Forestry Commission in competition with private nurserymen. By invitation, that nursery is a member of the Council of Nurserymen's Association; it was invited to join that association. When the former Government was in office it put constraints on the sales activities of that nursery by allowing it to sell only those plants, shrubs and trees that were not in strong commercial demand. The former Government had that nursery well and truly harnstringed. Since the Government came to office that nursery has traded much more freely. The Government acknowledges that it has a responsibility to the taxpayers to recoup some of the capital investment in the Pennant Hills nursery.

Schedule agreed to.

Schedule 2

Mr FISCHER (Murray) [5.16]: I listened with interest to the Minister's comments at the second reading stage about the borrowing powers that the bill will confer on the Forestry Commission. The Minister asserted that the time aspect justified the inclusion of the schedule. He said that the bill will be enacted a little more quickly than the Public Authorities (Financial Accommodation) Bill, to which I referred in my speech at the second reading stage. For the sake of four or five weeks—and it will probably be a great deal less—the Government is seeking to implement antiquated powers, which the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer has condemned in this House. That Minister said when speaking on the Public Authorities (Financial Accommodation) Bill:

> The final major feature of the principal bill is the absence of receivership provisions that have existed in the Acts constituting some, but not all, of our authorities for more than fifty years. The Government considers that such provisions have no relevance for lenders to statutory authorities.

I submit that there is no justification for schedule 2 and schedule 3 of the bill. The provisions of those schedules are unnecessary and out of date. In any event, the financial accommodation legislation, which will have the same function but will operate in a more modern and co-ordinated manner, is due to be debated further in the House.

Mr GORDON (Murrumbidgee), Minister for Lands, Minister for Forests and Minister for Water Resources [5.17]: The comments made by the honourable member for Murray are irrelevant. The Government understands the problem, which can be corrected by legislation. In the meantime borrowing powers will be available to the Forestry Commission.

Mr GREINER (Ku-ring-gai) [5.18]: The argument of the Minister about the time element is nonsense. One is not considering even four or five weeks; the time involved will be less than that. The effect of the Public Authorities (Financial Accommodation) Bill, which the House will consider further at a later stage, can be changed by regulation. Although the Opposition does not agree with it, nevertheless it is possible to include the Forestry Commission in that bill by way of regulation. The Government's argument about it having the use of money in the meantime does not wash. There is no advantage to the Government or to the Forestry Commission by leaving these nonsensical schedules in the bill.

Question—That the schedule stand—put.

The Committee divided.

Ayes, 58

Mr **Akister**	Mr Gabb	Mr **O'Neill**
Mr Anderson	Mr Gordon	Mr Paciullo
Mr **Bannon**	Mr **Haigh**	Mr **Petersen**
Mr Barnier	Mr **Hatton**	Mr **Quinn**
Mr **Bedford**	Mr Hills	Mr **Ramsay**
Mr Booth	Mr Hunter	Mr Robb
Mr Brereton	Mr Jensen	Mr Rogan
Mr Britt	Mr Johnson	Mr Ryan
Mr Cavalier	Mr Keane	Mr **Sheahan**
Mr **Cleary**	Mr **Knott**	Mr A. G. Stewart
Mr R. J. Clough	Mr **McCarthy**	Mr K. J. Stewart
Mr Cox	Mr **McGowan**	Mr Walker
Mr **Crabtree**	Mr **McIlwaine**	Mr Webster
Mr **Curran**	Mr **Maher**	Mr Whelan
Mr Day	Mr **Mair**	Mr Wilde
Mr Degen	Mr **Mallam**	Mr Wran
Mr **Durick**	Mr **Mochalski**	
Mr Egan	Mr **Mulock**	*Tellers,*
Mr Einfeld	Mr **Neilly**	Mr **Flaherty**
Mr Face	Mr **O'Connell**	Mr Wade

Noes, 34

Mr Arblaster	Mr Freudenstein	Mr Rozzoli
Mr Boyd	Mr Greiner	Mr Schipp
Mr Brewer	Mr Healey	Mr Singleton
Mr J. H. Brown	Mr King	Mr Smith
Mr **Bruxner**	Mr McDonald	Mr Sullivan
Mr Cameron	Mr Mason	Mr Toms
Mr J. A. Clough	Mr Moore	Mr West
Mr Dowd	Mr Murray	Mr Wotton
Mr Duncan	Mr Osborne	
Mr Fischer	Mr Park	*Tellers,*
Mr Fisher	Mr Pickard	Mr **Caterson**
Mrs Foot	Mr Punch	Mr Taylor

Question so resolved in the affirmative.

Schedule agreed to.

Adoption of Report

Bill reported from Committee without amendment, and report adopted on motion by Mr Gordon.

Third Reading

Bill read a third time, on motion by Mr Gordon.

[Personal explanation]

Mr Greiner: I seek leave of the House to make a personal explanation.

Mr SPEAKER: **The** honourable member for Ku-ring-gai should indicate to the House the matter on which he wishes to speak.

Mr Greiner: The Minister for Lands, Minister for Forests and Minister for Water Resources, in his reply to the second reading debate, made remarks concerning me that directly reflect upon my character and reputation.

Mr SPEAKER: Order! The honourable member for Ku-ring-gai must be more specific before I allow him to address the House.

Mr Greiner: The Minister, in a throw-away remark in his reply to the debate at the second reading stage, said that apparently I had some mills that were going down the drain and that I knew they were going down the drain, or words to that effect. By inference he suggested that I had some financial interest in the measure being debated by the House. The remarks were untrue, and I seek to make a personal explanation.

Mr SPEAKER: Has the honourable member for Ku-ring-gai the indulgence of the House to make a personal explanation? There being no dissent, the honourable member may proceed.

Mr Greiner: I wish to make it clear on the record of the House that the family company with which I am associated has no dealings with the Forestry Commission of New South Wales. The company has no sawmills of any kind and it does not deal with the Forestry Commission of New South Wales. The Minister's remarks were unfounded.

STATE LOTTERIES (AMENDMENT) BILL

LOTTO (AMENDMENT) BILL

Second Reading

Debate resumed (from 25th March, ***vide*** page 5182) on motion by Mr Booth:

That these bills be now read a second time.

Mr McDONALD (Kirribilli), Deputy Leader of the Opposition [5.30]: These bills, which were introduced by the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer on 25th March this year are, as the Minister said, machinery in nature. The State Lotteries (Amendment) Bill relates specifically to the functions of the office of director. The Director of State Lotteries is joint licensee for the conduct of lotteries, and that licence is issued to a person as distinct from a corporation. In the event of resignation or death of that person while holding office, the licence shall be deemed to be revoked. The principal object of that bill is to provide that the director, in his capacity as licensee under the Lotto Act, is constituted a corporation sole. As a consequence, the corporation would then have perpetual succession and avoid the revocation that would occur under the existing provisions. A minor objective of the bill is the authorization of the Minister instead of the Governor to grant leave of absence to the director. The present situation is rather ludicrous. The director must have approval of the Governor to take leave exceeding fourteen days. That seems illogical. Another minor object of the bill is to ensure that officers and temporary employees of the State Lotteries Office may carry out any duty or function associated with the purpose for which the corporation is constituted.

The Lotto (Amendment) Bill will authorize the Minister to share equally with other States and Territories of the Commonwealth the duty on subscriptions to games of lotto conducted under the Act that are paid to persons in another State or Territory. Also, it will provide that the prize fund under the principal Act shall be paid into a bank account kept by the Minister as the corporation sole, instead of a bank account

kept by the licensee. In addition it will constitute the Minister administering the principal Act as a corporation sole for the purpose of administering what is called the lotto prize fund account, and of exercising the investment powers conferred on him by section 14 of the principal Act.

Prior to the launching of lotto the Prime Minister wrote to the Premier and Treasurer proposing that a mutually acceptable basis be negotiated for the collection of subscriptions within the Australian Capital Territory. I am not aware of that correspondence. I do not suppose one ought to be necessarily aware of it before the event, but certainly after the event one should be aware that there were such negotiations. The Prime Minister wrote to the Premier to secure for the Australian Capital Territory a reasonable share of revenues generated by Australian Capital Territory subscriptions to State lotteries and other forms of gambling. At the same time the Victorian Government agreed to share equally duty on subscriptions to Tattslotto made within the Australian Capital Territory. As a result of an ordinance that came into effect on 2nd March, 1981, approval cannot be given to the conduct of a state pool betting competition in the Australian Capital Territory until agreement has been reached on the payment of duty. Agreement was reached for duty on Australian Capital Territory subscriptions on lotto to be shared equally from 1st July, 1980. The proposed amendment to the Lotto Act confirms those arrangements.

The situation relating to collection of revenue from State lotteries and from lotto is interesting. This matter does not fall directly within the province of the Lotto (Amendment) Bill, but perhaps I should make brief reference to the fact that lotto revenue for 1979–80 was estimated to be $16 million. In fact, the State Treasury received about $24 million from that source. This financial year revenue is expected to be about $55 million. For the first six months of the financial year the estimate seems to be on target, as about $25.87 million has been collected from lotto revenue. However, revenue for 1979–80 was estimated to be $38 million. Receipts were about $37.36 million. This year lotteries are estimated to bring in $39.7 million. For the first half of the year, as in the previous year, that estimate appears to be on target, with about $20 million already collected. This shows that at least Treasury officials are able to estimate accurately revenue to come from State lotteries and lotto. Other amendments to this bill reflect, in part, the changes in the State Lotteries (Amendment) Bill. The Opposition has no objection to either bill, and supports both of them.

Mr O'NEILL (Burwood) [5.35]: I invite the attention of the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer and other members of the House to the requirements of section (2) of the State Lotteries Act, 1930. It states that the Commissioner of Police or an officer of or above the rank of sergeant shall be present at each drawing of a State lottery. When the Lotteries Act was introduced in 1930 the City of Sydney was much more compact than it now is. Naturally enough, the police force at that time concentrated its physical resources within the inner city area, and that requirement of the Lotteries Act was easily met by the New South Wales police force at that time. At present the drawings of state lotteries are conducted at the head office of the New South Wales State Lotteries at Burwood, within the electorate that I have the honour to represent in this House. Because the Sydney metropolitan area has undergone significant expansion since 1930, a close concentration of police strength is not available in the suburbs of Sydney, including Burwood. Often the provision of the services of a sergeant of the New South Wales police force from Burwood police station imposes a hardship on the officers who work assiduously at that station. In addition, it deprives the people I represent of the services for some little time of a dedicated and experienced officer of the police force.

I seek the revision of the regulations under section (2) of the State Lotteries Act while amendments to the Act are being considered by this House to provide that police of any rank in the force—with the exception, of course, of probationary constables—may be empowered to represent the Commissioner of Police at all future drawings of New South Wales State lotteries. I have with me a written communication from the Director of New South Wales State Lotteries which states that such an alteration to present regulations would be acceptable to him. I hand that communication to the Minister. The best interests of the residents of New South Wales and Burwood would be served if the alteration to regulations that I have suggested were encompassed in the amendments being considered by the House, or if they were implemented by way of regulation at the earliest possible opportunity.

Mr BOOTH (Wallsend), Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer [5.38], in reply: I thank the honourable member for Kirribilli for his contribution and his glowing remarks about the Treasury's ability to estimate accurately revenue from lotto and State lotteries. I congratulate the honourable member for Burwood upon his contribution. On many occasions I have visited his electorate, particularly over the past twelve months. I assure the House that he is doing a wonderful job for his constituents. His attention to the problems of his electorate have resulted in collective and individual benefits to sporting groups there. Representatives of sporting organizations have spoken to me in glowing terms of the contributions he has made to their amenities. It is only natural that the honourable member for Burwood should raise a matter associated with the New South Wales lotteries office. He had considerable work experience in that organization. I am mindful of the representations made by the honourable member for Burwood that police officers of ranks other than sergeant be given the responsibility of supervising lottery drawings. I have no objection to that being done. It is a most worthwhile suggestion and I shall certainly have it investigated. I shall advise the honourable member as quickly as I can of the results of my inquiries.

Motion agreed to.

Bills read a second time.

Third Reading

By leave, bills read a third time, on motion by Mr Booth.

PUBLIC AUTHORITIES (FINANCIAL ACCOMMODATION) BILL

MISCELLANEOUS ACTS (FINANCIAL ACCOMMODATION) AMENDMENT BILL

Second Reading

Debate resumed (from 8th April, vide page 5564) on motion by Mr Booth:

That these bills be now read a second time.

Mr McDONALD (Kirribilli), Deputy Leader of the Opposition [5.41]: The title of the Public Authorities (Financial Accommodation) Bill and the object of the bill, which is to confer upon certain public authorities power to obtain financial accommodation of various classes are deceptively simple. I am rather surprised, as are other Opposition supporters, that the Government should have declared the bill urgent. The measure was introduced only on Thursday, copies of the *Hansard* report of the speech do not exist and the bill was not available to honourable members until today. By courtesy of the Minister for Sport and Recreation, Minister for Tourism

and Assistant Treasurer I received a copy of the bill on Friday. There was no expectation that the bill would be declared urgent and no explanation has been given for that course of action. The Opposition assumes that the Government must have some reason to proceed with the bill in such unseemly haste.

For reasons mentioned during the debate on the Forestry (Amendment) Bill I shall touch on that aspect again later for it may throw some light on the financial provisions, particularly those related to oversea borrowings by the Government. A gross inconsistency has occurred in the way the Government has been handling measures, particularly those bills, which have the purpose of consolidating and streamlining the forms by which semi-government authorities may arrange their financial borrowings. The intent is laudible. The need for sensible economic management has been highlighted in the House in recent times by members of the Opposition. Over the past two years until tonight, the Government has given the matter little recognition.

In March 1979 the Electricity Commission (Loans) Amendment Bill was before the House. Cognate with that bill was the Maritime Services (Loans) Amendment Bill. The purpose of the first of those bills was to extend the borrowing powers of the Electricity Commission of New South Wales so as not to restrict it to borrowing by way of debentures, bonds, stocks and other securities. The purpose of the other bill was similar. Attention was drawn then to the problems that the Government would be likely to face following the introduction of bills of that nature and the difficulty that would confront the Government in its borrowing programme and in providing guarantees. I referred to those points in **1979** in my speeches on the Budget and on the Loan Estimates. I made particular reference to them in the speeches I made in 1980 on the Budget and the Loan Estimates when I led for the Opposition in those debates.

The problem was also debated in November of last year when consideration was being given to the Electricity Development (Amendment) Bill. In all those measures the Opposition expressed concern that stemmed from the infrastructure borrowing guidelines that the Prime Minister introduced in **1978.** At that time they were thought to be positive attempts on the part of the Commonwealth Government to free up the rights of the States to address themselves to how they would raise the additional funds necessary to cater for the so-called resources boom and provide necessary infrastructure funds.

As a result of the Commonwealth Government's attempt to get round the restrictive provisions of the Loan Council to permit States to embark upon their submissions for borrowings for various infrastructure needs, the Commonwealth faces an immense problem, and probably some difficulties are posed for State Treasuries. Part of the flow-on effect of the State's attempt to try to come to grips with the problem of bringing itself into the eighties is now seen. How can the States pull together to have the requirements and responsibilities of the borrowing programmes for various authorities met?

The story has never been told in New South Wales of an almost incredible borrowing programme, particularly for the generation of electricity. I touched on that aspect at some length in my capital works speech last year and also in my speech on the Electricity (Amendment) Bill. I made reference to the fact that the Government had not made a clear and concise statement on the financial implications of its desire to get a significant amount of the capital works funds sought for the State

of New South Wales. The infrastructure programme permitted by the Commonwealth Government in **1978** has had—as I said then—no direct impact on the federal Budget. It has had major implications for public sector expenditure and borrowing requirements and a significant effect on national economic and monetary policies. I shall quote from what the federal Treasurer said at the time of the Loan Council's consideration of the application from the New South Wales Government, and that of the Electricity Commission of New South Wales. I have used this reference before but, as it is apposite and brief, I use it again:

> Such large borrowings will inescapably require major adjustment to other areas of policy, including cuts in other borrowing programmes if they are to be accommodated. They also imply major large public sector calls on resources in direct competition with private sector demands associated with major development projects that were about to take off.

In making reference to what the federal Treasurer said in that debate in November last year I referred also to the fact that the programme envisaged by the Government was massive and was clearly beyond the capacity of New South Wales to finance from internal resources and normal borrowings. During the debate on the Electricity Development (Amendment) Bill I sought an assurance from the Minister for Industrial Relations and Minister for Energy, who was leading for the Government on that bill, that a green paper would be produced on the operations of the Electricity Commission of New South Wales, its borrowings programme, its financial position and the implications of all its actions, so that consumers might be properly informed. As the honourable member for Wagga Wagga reminds me, though I need no reminding, it was like trying to get blood out of a stone. Honourable members have had no response from the Minister.

It may have been better had I, as shadow Treasurer, directed my request to the Premier and Treasurer or to the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer who seems to be one of the more responsive Ministers. I am sure he would have seen the benefit of a green paper to provide the Parliament with information on the implications involved in the Government's action in embarking upon a borrowing programme, for the Electricity Commission of New South Wales alone, of **$6,300** million over the next ten years. Only the first part, **$1,900** million has been sought. I do not know whether any part of it has been approved other than the sum sought originally, that is, **$33** million. That sum was sought by the State of New South Wales but the application was rejected by the Commonwealth Government. The implications of the application and the proposed source of the funds were not clearly expressed.

What I have said touches only part of the matter. It makes no reference to the needs of government for the Maritime Services Board, the State Rail Authority or other authorities. The massive amount of money being sought for the programmes is almost beyond comprehension. The needs of the various government departments, and the implications of the infrastructure programmes, are of major consequence to this State and the economy of the nation. It was for this reason that the Opposition pressed—and I shall continue to press—for the Government to come clean. There is no reason why it should not.

The Joint Committee Upon Public Accounts and Financial Accounts of Statutory Bodies, which has been truly a bipartisan committee, looked carefully at some of these questions. Its members have addressed themselves to the problems of the accounts of government departments and also those of statutory authorities. That committee will be tabling its second report shortly. Perhaps the Parliament will be

enlightened some time in the future on the state of the accounts, in particular those of statutory authorities, and the need for better and more explicit information of their programmes as well as those of the Government.

The honourable member for Wagga Wagga suggested that the committee might soon have a change of chairman. To use a vogue term of politicians, the present chairman has been assiduous in his duties. A national columnist has said that maybe he is destined for higher honours—as is the honourable member for Coogee, who is showing a keen and positive interest in the legislation. I hope he will make a contribution to the debate later tonight. If he is to receive a ministerial guernsey, he had better start speaking on financial matters so that the House can evaluate his ability.

In 1978 I placed a number of questions on notice about State government borrowings. Two of those questions were answered on 16th November, 1978—though not completely. One might say that that was in the early days of trying to understand the implications of oversea borrowings by the State Government. It is a fair to say that the Government was then most reticent to come clean with the information I was seeking about the implications of its proposals—for its first intention was, as a result of the concurrence given by the Commonwealth, to borrow $299 million in foreign currency. This was to provide for the Port Kembla and Balmain coal loaders and the Eraring power station. The questions I asked on 16th November, 1978, included these queries:

> Which currencies will the loans be denominated and raised in? Will the loans be raised through foreign bond issues; or Eurocurrency loans? Will the loans be secured by private placement; or public issue; or syndication?

In part, the answer given on page 485 of the ***Hansard*** of 16th November, 1978, was to this effect:

> It will not be possible, therefore, to provide answers to the questions until the precise amounts to be sought are determined, the choice of local or oversea markets is approved, and a judgment is made of the most satisfactory currency, terms and conditions of borrowings in the light of economic and financial circumstances prevailing at the time.
>
> To attempt to foreshadow the answers at this stage would be irresponsible, since negotiations on the terms and conditions of the loans could be adversely affected.

The question I referred to was asked by me nearly two and a half years ago. On that occasion I asked a further question, which again referred to the first amount sought to be borrowed overseas, namely, $299 million. The question was in these terms:

(1) Does New South Wales have any holdings of foreign reserves to balance the effect of exchange rate fluctuations for such loan repayments?

(2) As the Federal Treasurer has now stated that the Commonwealth will not provide forward cover for such loan raisings, how will New South Wales cover the foreign exchange risk both on account of principal and interest payments?

(3) How will any exchange losses be reflected?

(4) Will the State Treasury account for any losses or will electricity consumers face increased charges?

The answer given started off by saying that my question proceeded from a fundamental misunderstanding of the approval cited. The answer referred to the question raised about currencies and pointed out that they will be decided at appropriate times vver the next three years from that date. The House has heard no more on that matter. Perhaps it is about time we did hear more. The answer continued in these terms:

> Whether there will be foreign exchange losses or profit. on the loans will emerge in the ten to fifteen years which follow, assuming, of course, that it is decided to borrow overseas rather than locally.

The Treasurer of the day refused to answer the remainder of the question, saying that he was not willing to anticipate the Government's future borrowing decisions or to speculate on the course of foreign exchange rates up to eighteen years into the future. He even suggested that my question was hypothetical. Maybe I am misinterpreting some of the legislation before the House, but it seems that what I was adverting to in my question—that is, whether the State Treasury will nccount for any losses or whether electricity consumers will have to meet increased charges—was close to the truth.

My interpretation of the bill before the House is that the relevant borrowing authority will have to pick up the tab and be responsible for the cost of borrowing. This will mean that if there are any forward exchange losses and the like—and with such a volatile money market there needs to be provision in the accounts for that eventuality—we need to tread carefully. Borrowings are being sought overseas by at least three of the bodies mentioned in the legislation. The Forestry Commission amending legislation before the House today will ensure that we shall get a fourth borrowing body. The legislation provides for the Maritime Services Board, the State Rail Authority and the Electricity Commission to raise loans overseas. They are three big spending bodies and they are not financially accountable to this Parliament.

I am concerned, as are many members on this side of the House, about a report that appeared in the *Sydney Morning Herald* on 31st March this year. The front page lead story has the heading, "Energy spending hits home funds". I do not know whether this report was really a private placement on the part of the Premier and Treasurer to give an exclusive run to the Fairfax press. Probably it was, because out of the blue came this leaked story:

> The NSW Government will have to find an additional $1,500 million over the next five years for its capital works program because of its commitment to developments to help the energy and resource fields.

The second part of the article reads:

> The State Treasury has told Government departments over the last few weeks that the Government is over-committed in its capital program by $300 million each year until 1986.

Mr Mallam: On a point of order. As the honourable member for Kirribilli is reading from an article in the *Sydney Morning Herald* and using it to attack the Government, he should vouch for the authenticity of the article.

Mr SPEAKER: Order! I am sure the honourable member for Kirribilli is reading only parts of the article and he will not quote it in full.

Mr McDONALD: The point of order taken by the honourable member for Campbelltown really highlights why I am trying to raise this matter. I cannot vouch for the accuracy of the article, for clearly it came from former State Treasury sources.

That is why I am referring to it. I do not believe that necessarily it is correct. I consider it to be a float on the part of the Premier and Treasurer to try to scare the Commonwealth into thinking along these lines: "Goodness gracious. The going will be extremely tough when we get together for the meeting of the Loan Council and the Premiers' Conference later this year."

Remember that that meeting was supposed to be held on 15th April and this article was published on 31st March. The aim was to make the federal Government believe that when the Premiers come together in June the New South Wales Government would ask for another $1,500 million and, having that request rejected, it would blame the Commonwealth. Then the New South Wales Premier and Treasurer would return to New South Wales and explain loud and long to the people: "Those rotten cows in Canberra knocked us back for $1,500 million that we need for the growth of this State. Therefore, we shall go to the people and seek a mandate because of what those terrible people in Canberra have done."

That is why I cannot vouch for the accuracy of that article. I should like to get some response from Treasury officials. In particular I ask the Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer what basis there was for the information contained in that article. No other newspaper carries the story.

The article in the ***Sydney Morning Herald*** of 31st March, 1981, stated:

> New South Wales will have to seek approval for additional overseas borrowings at the June Loan Council to pay for the $300 million overcommitment for 1981/2.
>
> Like every other State, New South Wales will be fighting for a substantial increase in its general loan account . . . and its special infrastructure financing program.

[Mr Speaker left the chair at 6.1 ***p.m. The House resumed at*** 7.30 ***p.m.]***

Mr McDONALD: I had been referring to an article in the ***Sydney Morning Herald*** of 31st March, 1981. I shall continue to quote from that article, which said:

> New South Wales will have to seek approval for additional overseas borrowings at the June Loan Council to pay for the $300 million overcommitment for 1981–82.
>
> Like every other State, New South Wales will be fighting for a substantial increase in its general loan account ($564 million this year) and its special infrastructure financing programme ($201 million).
>
> These two allocations, with borrowing by State instrumentalities such as the Electricity Commission, Maritime Services Board and Rail Authority——

They are three that are identified in schedule 5 to the bill. The quotation continues:

> internal sources such as Water Board revenue, and the Commonwealth specific purpose grants, provide most of the State's capital works **funds.**
>
> A senior government official stressed yesterday—

That was not the Treasurer or the Assistant Treasurer, but some amorphous figure, some spokesman, perhaps the under secretary or the deputy under secretary. At least it was a senior government official, no doubt from Treasury—

> —that the government's forward commitments for the development of energy and resources were confidential but added "sure, there are shortages."

The report goes on, from this mythical source that only the ***Sydney Morning Herald*** knew:

> "Capital funds are invariably short, largely as a result of the Commonwealth government's overall financial policy," he said.

The source of that information is not identified but one of the political correspondents from the press gallery in this place, Paul Ellercamp, made certain comments which were referred to in the article. I do not believe any members of the ***Sydney Morning Herald*** staff in the gallery were involved with this charade, this attempt to try to develop an attitude that the situation was difficult. The person who wrote that article was conned. Certainly the Premier and Treasurer did not make the statement; it is not attributed to him. I presume the same applies to the Assistant Treasurer. During the dinner adjournment I considered the possible whereabouts of the report. I do not believe such a report exists. Reference to that report was duplicity displayed by the person who fed information to the poor journalist from the ***Sydney Morning Herald*** who wrote this story. I do not see how, otherwise, a learned journal like the ***Sydney Morning Herald*** could have been duped.

When I considered what happened when State Treasury officials—therefore, the Treasurer—made a submission last year for the infrastructure borrowing programme, it became clear where the figure of $201 million arose; it came from a request to borrow this year a total of $234 million for the infrastructure borrowing programme. But $33 million of that, the amount to which I have previously referred and to which the Premier and Treasurer tried to attach importance during the Loan Speech last year, was held back. That $33 million was part of the accelerated electricity development programme. The details of this are all contained, for the benefit of honourable members, in table 2 in my speech to the House on the General Loan Account Appropriation Bill on 24th September, 1980. A subtraction of $33 million from $234 million leaves $201 million. One must look at the red of the requests this Government made to the Commonwealth and add them all up. They are all totalled, for the benefit of honourable members. The total amount sought at least year's Premiers' Conference for 1981–82 was $334 million; for 1982–83, $345 million; for 1983–84, $357 million; for 1984–85, $360 million; for 1985–86, $323 million and for 1986–87, $316 million.

If the mythical spokesman from Treasury, this unidentified source, had continued to give information to the poor person from the ***Sydney Morning Herald*** who wrote this article—certainly it was no one from the press gallery—he would have said that other requests were made for subsequent years: for 1987–88, 1988–89, 1989–90 there are figures of $273 million, $218 million and $141 million. They concerned the application made by this Government to the Loan Council last year. I am concerned that the Premier and Treasurer has not come clean with detailed facts as to involvements and needs. That attitude was reflected in my speech on the Loan Estimates last year when the Government tried to make an issue about the $33 million rejected by the Commonwealth for the accelerated electricity development programme. I have said before, that was part of the $1,901 million which this Government sought to borrow.

To put to rest this mythical report, apparently in its updated form because its figures check out, I should like to quote from Treasury documents that refer to the proposal of the New South Wales Government to seek infrastructure special additional funds of $1,901 million in 1985. That was to be over ten years as part of an overall programme to cost $6,315 million. It was to involve two additional 660 megawatt units at Bayswater power station to come into service in 1986, two new units at Mt Piper in 1987, and other units for 1988 and beyond, the locations of which are yet to be determined. The projects were also to include mines, water supply and transmission works. The programme envisaged is clearly, as the report says, a massive

one which is beyond the State's capacity to finance from internal resources and normal borrowings. The report went on to make reference to capacity and needs. The general philosophy of the proposal is consistent with the Prime Minister's invitation. The project seeks to utilize Australia's comparative advantage in energy intensive industries arising out of vast resources of coal and develop processing of other relatively plentiful resources. The report states that there must be some concern, however, that such major developments will push hard against supply constraints, including skilled labour, with similar adverse effects on costs to those that have occurred in Victoria. The proposed borrowings also have major financial implications, great constraint on the domestic capital market if borrowed locally, and worrying monetary policy implications if borrowed offshore.

There must also be concern that such a massive programme was submitted as recently as 28th May and that large elements of it are no further advanced than the preliminary programme planning stage. The information submitted is sketchy and much of it is based on unstated assumptions and cannot be restated as firm. There are major issues raised which officers—that is, federal Treasury officers—have been unable to resolve in the time available. In other words the report of the working party suggests that further examination is required into whether underground coalmines should be developed by the private sector rather than the Electricity Commission. On that point, the Opposition totally and wholeheartedly agrees. The report went on:

> Against this background it is recommended the proposal ——

Mr Mulock: What document is that?

Mr McDONALD: The proposal referred to is the proposal for $1,901 million.

The report continued:

> b e referred back to officers for further examination in consultation with the State.

That was last year. It is quite clear that the Treasurer ——

Mr Mulock: Which Treasurer—Commonwealth or State?

Mr McDONALD: Not the Assistant Treasurer, but the Premier and Treasurer will attempt to float—no doubt as there appears to be some need or justification for these funds—the same sort of demands. Therefore this poor journalist was duped into writing this *Sydney* Adorning *Herald* article headed, "Energy spending hits home funds". What absolute nonsense to be carried into such a situation as that when detailed information on this matter was given by me in this House on 24th September last year during debate on the loan estimates. If the Premier and Treasurer thinks that by a charade he can con the federal Treasurer and the Prime Minister into believing that, as they did not have adequate information last year ——

Mr Mulock: Queensland got it without any information.

Mr McDONALD: ——they will not get it this year, heaven only knows from whom New South Wales will be able to borrow it. That is unacceptable and I shall make it clear to the public that the Government proposes to perform a charade to justify the holding of an early election.

I turn now to the details of the bill. It could probably be described as a measure of the power of patronage or maybe Norm Oakes' bill. The big hand of the Treasury is clearly on this legislation. As I said at the beginning, there are many aspects of the concept of regularizing the borrowing rights that have validity. Good sense dictates that it should be so. My concern and that of the Opposition is principally because of the fact that this Government has failed to come clean on many of the issues to which

I have referred in my speech. The Minister, in his second reading speech, said that we are faced today with borrowing provisions in the area of more than thirty authorities which attempt to achieve essentially the same objectives, but which do so in different forms and in some cases with outmoded terminology. The Opposition agrees with that. Why did the Minister refer loosely to thirty authorities when there are about 339 statutory authorities and bodies in this State and, as I said at the weekend in Albury, in the period between 1976 and 1981, 85 additional statutory bodies and authorities have been created under the Labor administration. There are now 30 per cent more statutory authorities than when the Government came to office five years ago. Why then did the Minister refer to thirty authorities? That is not explained in any way.

The Minister said that certain authorities now have to borrow overseas under the infrastructure borrowing guidelines of the Loan Council. No doubt *the* Minister, in reply, will answer intelligently, with all the lucidity he can muster and with the backup of Treasury officials—for whom I have a great deal of respect—the point raised by my colleague the honourable member for Ku-ring-gai as to why the Forestry Commission was not included in the list in schedule 5. I suppose the answer will be that these bills were running at different times and the authorities were funded from different sources and as the Leader of the House did not know what was happening with all the legislation being dealt with——

Mr Caterson: He could not run a pie shop.

Mr McDONALD: That is so. The Government decided to put the Forestry Commission bill through the House first and that it was better to leave the funding provision in that legislation because it was different from the provisions in the legislation before the House. We now have the incredible anomaly that the Forestry Commission bill has passed through this House, regrettably without amendment, and we have before us legislation which does not make reference to the thirty authorities to which the Minister referred in his second reading speech, which have to borrow overseas. I cannot understand how the Forestry Commission falls within the infrastructure borrowing guidelines of the Loan Council. Perhaps it does. Perhaps it will not be slotted into schedule 5 at all. It may be that the provisions dealing with oversea borrowing in the Forestry (Amendment) Bill that has just passed through the House will ultimately be repealed and the matter will be dealt with by way of regulation under this bill. Perhaps the Minister, in reply, will make the position clear. I may refer to that matter again later.

The Minister spoke about the need for new mechanisms of financing on the domestic market. He said that the need is less obvious but no less important. The Opposition agrees with that. He referred also to the fact that the borrowing powers of the authorities should be expanded and modernized to meet the conditions of the eighties. He said the intention of the bill was to give lenders a single point of reference more in tune with current requirements, to back up their support for the capital needs of our authorities. We do not disagree with those sentiments. The purposes of the bill, however, require the approval of the Government, on the recommendations of the Minister, and with the concurrence of the Treasurer-one might almost say the Treasury—to borrowings by an authority; this will then permit the overdraft limits to proceed. The Minister then referred to four categories of borrowing, namely, domestic borrowings, oversea borrowings, deposits with authorities and other financial accommodation. Other financial accommodation includes such things as trade credit facilities. That is one point which does not seem to be explained anywhere in the legislation; though perhaps it escaped me in my consideration of the measure. Perhaps the Minister in reply will elucidate this point also.

The next point the Minister raised related to Government guarantees which are referred to in part VI. They are to be in a form approved by the Treasurer. The Minister said, quite properly, that there is a need to keep a close watch on contingent liabilities. The Opposition does not disagree with that. There will be obligations under guarantees in the offering of terms and conditions, but will those guarantees be published? Will everyone know what the Government's warrants are? On the question of guarantees the Minister said:

> Needless to say, this State's authorities secure the finest terms and conditions and we wish this to remain the case.

I do not know whether that is the case. As I intimated before the dinner adjournment, in 1978 I asked a number of questions about the terms and conditions on which the Government operates, whether it uses hard or soft currency, and what the rate would be, but no clear answers have been given. Instead, the Minister said blithely, "We operate on the finest terms and conditions because this State is great and therefore its warrants are worth while". Much more needs to be explained on that point. The Minister then dealt with receivership provisions. My colleague the honourable member for Ku-ring-gai touched on this matter in his speech in the debate on the Forestry (Amendment) Bill, but it is relevant also to the legislation now under consideration. The Minister said:

> The final major feature of the principal bill is the absence of receivership provisions that have existed in the Acts constituting some, but not all, of our authorities for more than fifty years. The Government considers that such provisions have no relevance for lenders to statutory authorities.

The honourable member for Ku-ring-gai asked why receivership provisions are contained in the Forestry (Amendment) Bill. Schedule 2 to that bill contains a number of provisions about receivers, their powers and duties, the commission to which they are entitled, and the application of the money received. Why are such provisions contained in that bill if the Assistant Treasurer contends they have no relevance far lenders to statutory authorities? The Minister said also:

> As a consequence of this bill, which preserves the existing borrowing powers of authorities and provides for them to be expanded as required, the powers given to authorities under the Acts by which they are constituted become redundant.

Hence the reason for the introduction of the cognate bill, the Miscellaneous Acts (Financial Accommodation) Amendment Bill, which will repeal the redundant provision. Perhaps Treasury officials were given no say in the drafting of the Forestry (Amendment) Bill. If they were consulted, what is the reason for the inconsistency in the advice given to honourable members by the Assistant Treasurer that the Government considers the receivership provisions have no relevance? That was not explained to honourable members earlier today during the debate on the Forestry (Amendment) Bill. I hope the Minister in reply will grace us with his comments on that matter.

Mr Mulock: On a point of order. Earlier in his speech the Deputy Leader of the Opposition referred to a Treasury document which, by way of interjection, I asked him to identify. I do not want to lose the opportunity to challenge him to identify the document. I ask him now to identify the document from which he quoted during this debate and to which he referred as a Treasury document.

Mr DEPUTY-SPEAKER: Order! I was under the impression that the Deputy Leader of the Opposition identified the document. He knows that documents must be identified.

Mr McDonald: I did.

Mr Mulock: The honourable member did not identify it. He referred to it as a Treasury document and when I asked him by way of interjection whether it was a Commonwealth document or a State document he ignored my question. I do not mind his ignoring me, but I wish to exercise my right to have the document properly identified. The honourable member quoted from it at length and those passages will appear in Hansard as direct quotations. But at this stage the Deputy Leader of the Opposition has not identified the document, and I ask you, Mr Deputy-Speaker, to compel him to do so.

Mr DEPUTY-SPEAKER: I have an assurance from the Deputy Leader of the Opposition that he identified the document. I am bound to accept that assurance.

Mr Mulock: On the point of order. I wish to assure you, Mr Deputy-Speaker—

Mr DEPUTY-SPEAKER: Order! I have ruled on the point.

Mr McDONALD: I deal now with accountability and responsibility. Earlier in my remarks I traversed the reasons for the need for better presentation of accounts. The Government has failed to come clean with its facts and figures. In his report for 1979–80 the Auditor-General made his position on this matter perfectly clear. Perhaps honourable members have not taken the time or have not had the opportunity to read appendix 1 of the report. It is contained on pages 360 to 363 and deals with the Auditor-General's approach to statutory corporations on the subject of accounting and, in particular, the general theme of public sector statutory corporations under the control of this Government. In the main, those corporations are not accountable for Parliament. As the bill deals with statutory authority corporations, I quote the following passage, which appears at page 360 of the report:

> In the public sector, the decision to invest is usually governed by the priority of need of the public purpose (e.g. sewerage works) and not by the potential to earn revenue. The source of funds can be revenues or loans raised by the State, or sometimes, direct borrowings by the spending body. The term of repayment, if any, is not related to the lives of the assets being bought and can be more than 50 years. There is a general expectation that, within the limits of State budgeting, loans will be provided or renewed on maturity if cash is needed for capital expenditures. Interest paid is treated as an expense but only rarely is there a requirement to pay a dividend.

The Auditor-General said also:

> It is desirable that accounting be standardized to enable comparisons and to show clearly what capital funding policies have been applied.

The Auditor-General went on to produce items A and B of appendix 1 under the heading "Statements Showing Financial Position" and "Statements Showing Result of Operations". That latter item begins "Basic information needed in the accounts or in the accompanying notes to show a 'true and fair view'." He listed the twelve points he required from the statutory corporations. Item 8 related to "Sources of capital to be divided into capital acquired free of liability, public borrowings, State or other Government advances, State or other Government grants, retained earnings . . . reserves".

In item 11 the Auditor-General referred to contingent liabilities. I refer to that matter because the Opposition has, as I am sure has the Government, great respect for the role, function and independence of the Auditor-General. However, we would like to see his role significantly expanded and given greater status and opportunity to carry out efficiency audits and the like. Nevertheless, the moves by the current Auditor-General to seek from statutory corporations a statement of presentation of accounts and notes to show a true and fair view is welcomed by the

Opposition and, I am sure, by Government members. I should like to think, however, that the Government endorses the Auditor-General's view that the statutory corporations should comply with the requests of the Auditor-General as outlined by him in appendix 1 of last year's report.

There is little doubt in my mind that the whole structure of Parliament would be better served by an effective Public Accounts Committee. I am not referring to the present committee which examines overruns between what was appropriated last year and what has been spent; I am not referring to a body that should examine the sums that come through unauthorized suspense accounts. I am referring to a proper, effective Public Accounts Committee with power to investigate, challenge and probe the powers of the executive—and a committee that is properly staffed. I have in mind an investigative committee which could be Parliament's watchdog of the people's purse to ensure that the executive does not control everything. Such a committee should see to it that the heads of the statutory authorities and corporations are not running things their way as a tool of the Treasury. It should make clear that Parliament is supreme. The recommendation contained in the initial report of the Public Accounts Committee has my endorsement. Clearly, it is part of our policy that there should be a full and effeotive Public Accounts Committee in this Parliament. Indeed, I should like to see an endorsement and acknowledgement of that fact by the Premier and Treasurer later this year.

I wish to examine the subject of departmental planning and corporate plans. Professor Wilenski in his interim report to the Government in November 1977 referred to forward estimates. If ever there were a need for forward estimates—and perhaps even a forward estimates committee—it could be an essential element in good budgetary procedures. Professor Wilenski said in his report that efforts were under way to introduce forward estimates for the recurrent expenditure in the 1977–78 annual budget cycle. Heaven knows what happened to that. Certainly Parliament has heard nothing more about it. It was said that the Treasury expressed its interest in a corporate plan for further reviewing the structure of the accounts. I regret to think that all that has been buried in the too hard basket, but there was no doubt that Professor Wilenski was suggesting in his report a need for better presentation of data. We, and I am sure everybody else, endorse that view. Unless and until there is a better presentation of such matters, the ramifications of this legislation may find us in the situation where the Treasury has control and we do not know where to go from there. However, my concern on that may not be justified.

Before I move specifically to the other points in the legislation, I wish to deal with the question of disclosure. One implication of the bill before the House is that it should now be possible for the Government, through the Treasury, to make more adequate disclosure to investing institutions, and indeed to the public, of a wide variety of financial information that is not currently available in the State and local government debt market. The importance of such disclosure is highlighted by the wide diversity of public bodies that will still have the right to raise funds and by the wide differences in the financial expertise of the public servants responsible for negotiation of loans for various authorities. The Commonwealth Government, in its Budget Paper No. 6, provides full and meaningful disclosure of information on the securities of the various Commonwealth semi-government authorities. There is no reason why the disclosure by New South Wales should be any less. For example, at the moment the following information seems to be effectively unavailable. I refer to the total debt outstanding either for an individual borrowing authority or on a State basis; the maturity dates of all outstanding debt instruments; and the various interest rates applicable to the date outstanding. At present it is necessary for potential underwriters to seek such information on a case by case basis, and they enjoy varying degrees of success.

The administrative improvements made in the bill should allow the Treasury to make the appropriate improvements in the information supplied to the market. I suggest an appropriate time to introduce such an innovation would be in association with the presentation of the Loan Speech in the Budget session this year. Other questions need to be raised on this legislation. There was mention of a budget task force, of which we have heard nothing more in this Parliament. Obviously, it is kept close to the breast of the Premier and Treasurer and perhaps the Assistant Treasurer and the Under-Secretary and his troops. Did the budget task force or the working party officials have a say in this legislation? Surely if the Government believes in some form of freedom of information even at a lower level, the reports of the budget task force and the working party officials should have been tabled. Will each statutory body be required to set out details of borrowings and their terms—and, if not, why not? As I said earlier, why has this been confined to only thirty-odd authorities? In fact, the figure is slightly less: it is twenty-seven boards and commissions and four ministries. What has been the criteria and basis for including the thirty-one group in schedule 4? Will there be any variation in the loan council requirements, and are other States adopting similar procedures? Are we likely to see a more detailed statement for each authority? We get little information on that matter at present. Perhaps a little more worrying is the fact that this legislation may well give the Treasury absolute control. I wonder whether the heads of statutory bodies have been appraised of this legislation and are aware of its possible consequences to them. Will this move mean that all the papers will now go to what is to be called the State bank—or is is the Premier's bank or the socialist bank? We have not yet seen the legislation on that issue. We have only been told that we are to get such a bank.

It seems to be part of a move towards State capitalism. Honourable members have seen the changes to the structure of the Government Insurance Office and the State Superannuation Board. Changes are to be made to the structure of the Rural Bank. The Parliament has before it the Public Authorities (Financial Accommodation) Bill. I wonder whether Mr Oakes, the under-secretary of the Treasury, with the power he has in this State, will say to some of the lesser bodies not listed—not just the thirty-one bodies, as there are 339 different bodies—"Listen sport, we are going to give you a low priority in your borrowing capacity unless you bank with the Rural Bank". Time alone will tell on that point. Opposition members will be watching that aspect closely. This is an emergence of State capitalism. Socialism by stealth has been able to creep in, and regrettably the media has been uncritical of it. The media has been mystified by the insidious slowness of the move—like a sloth—not like it was under the Whitlam regime with its Khemlani affair. One begins to wonder whether it might not have been better had this Government had a Mr Khemlani in the background. Mr Khemlani was out to raise for the Whitlam Government $4,000 million, and that was thought to be a lot of money. What this Government seeks is to borrow $6,300 million for an accelerated electricity development programme. The Government does not say what it wishes to borrow for the State Rail Authority or the Maritime Services Board.

Mr Mulock: Would the Deputy Leader of the Opposition stop everything?

Mr McDONALD: No. This State now has socialism by stealth to the point where the business and corporate communities of this city are still too intimidated by the pressure of the Premier and Treasurer. People remain silent. They have been intimidated to a point where they feel their contracts might not be renewed. Time alone will tell on that matter. I am certain that Treasury officials are cognizant of the fact that the Opposition will be watching closely to see whether a situation arises that will permit the control of all these various authorities and boards to come under the umbrella of the proposed State bank or the Premier's bank. This situation was seen to

exist with the Minister for Youth and Community Services, when he intimidated all the bodies he controlled, all those little groups that were subject to his handouts; unless they banked with the Rural Bank they did not receive a handout. The writing is clearly on the wall. The fact that this Government is not willing to recognize that it is socialist based is regrettable. Apparently it is ashamed of it. The Government lacks integrity and does not have the courage of its own convictions.

The legislation refers to the financial accommodation for authorized persons and in clause 5 spells out what is the authority for their borrowings, namely, the purpose of its functions, the renewal of financial accommodation and the discharge or partial discharge of financial accommodation provided by the Treasurer. It is important to note that where the legislation refers to the approval of the Government, the approval referred to is given on the recommendation of the Minister responsible for the respective authority with the concurrence of the Treasurer, namely, the Premier. The definitions of party are spelt out in schedule 4, schedule 5, schedule 6, and schedule 7. What is not spelt out is what is meant by borrowing. Perhaps the Minister in reply may inform the House whether this includes all forms of credit. In his speech the Minister referred to trade credits when he spoke of categories of borrowings under other financial accommodation. Some explanation on that point would be appreciated.

Clause 6 refers to stamp duty exemption. Clause 7 deals with the investment of trust funds. Subclause (3) of clause 7 is interesting and refers to the fact that a council, meaning a body constituted under the Local Government Act, 1919, that is authorized to invest its funds, may do so providing the financial accommodation for the authority is in accordance with the Act. That is interesting, particularly in the light of the comment of the Minister for Local Government and Minister for Roads recently reported in the news media concerning the investment powers of local Government and possible amendments to the Local Government Act in regard to investments in merchant banks and the like. Perhaps that is a tangential point only.

With regard to borrowings from the Commonwealth, covered in part III of the bill—which refers to schedule 4 and deals with some twenty-seven boards and four Ministries—there is no explanation in the Minister's second reading speech, or anywhere else, to highlight the reasons why the groupings exist under schedule 4, schedule 5, schedule 6 and schedule 7. No doubt additional groups are intended to be added, all too regrettably, by regulation. For example, earlier today this House had before it the Forestry (Amendment) Bill and reference was made to the commission's capacity to borrow overseas. I am led to believe that if this legislation is passed the probability will be that the powers likely to be vested with the commission will be revoked and its powers will be included by regulation under this Act. I am concerned as to how many more of the 350-odd boards and authorities will receive power to borrow overseas or elsewhere vested by regulation. One of the real weaknesses of the bill is that no assurances will be given by the Government that it will come back to this Parliament should it intend to amend those powers contained in schedule 4, schedule 5, schedule 6 and schedule 7.

This Government, in the first three years of its regime, brought down more than 1 826 regulations. In many instances the Opposition has had to move for their disallowance. The Opposition hopes that legislation will be introduced to amend the statutes rather than a continuation of government by regulation through executive power. Clause 9 of part 111 deals with term loans. It is understood that the Minister will move amendments at the Committee stage. The Opposition will be happy to respond at that time. Clause 11 deals with income and relates to guarantees. The due payment of interest is a charge on the income. This is the matter to which I was referring—questions which I raised in November 1978 as to whether in fact the due payment of interest charges will be a charge on the income and revenue of

an authority from whatever source it arises. I interpret that to mean that if the Electricity Commission has made a botch up of its borrowing programmes the costs will be picked up by electricity consumers. If I am wrong on that interpretation of clause 11, I shall be delighted to be enlightened by the Minister.

Mr O'Connell: Who normally pays?

Mr McDONALD: The honourable member for Peats would be better informed had he listened to the earlier part of my speech when I made reference to the fact that the Treasury officials refused to respond to the question I asked in 1978 about who was going to pay. They said that it was hypothetical. Part IV of the bill deals with oversea borrowing. As I said, it covers at this stage only the State **Rail** Authority, the Electricity Commission of New South Wales and the Maritime Services Board. They were the three authorities referred to in the *Sydney Morning Herald* article of 31st March. Subclause (3) of clause 12 states that financial accommodation may be obtained in such forms, in such amounts and in such currencies, in such manner and on such terms and conditions, and so on as the Governor may approve. As I stated, this really means the Treasurer. Part IV refers also to guarantees, securities and similar matters.

Clause 14 refers to schedules *2* and 3, which relate again to oversea borrowings and loan repayment provisions. Part V refers to deposits and public authorities. Schedule *6,* which is referred to in part V, contains a different grouping of some eighteen bodies covered by the portfolios of the Minister for Planning and Environment, and the Minister for Industrial Development and Minister for Decentralisation. Clause 16 refers to other financial accommodation. Subclause (1) of that clause states that this section applies to an authority specified in schedule 7. That schedule lists some twenty-one authorities. Subclause (2) of clause 16 refers to financial accommodation of a kind not provided for by part III, part IV and section 15. I ask the Minister in reply to enlighten the House as to what that provision means. The subject of guarantees and certain payments in the form of guarantees and the like were referred to earlier in my speech.

I have taken the time of the House to highlight to honourable members the Opposition's great concern about why the proposed legislation was brought forward in an urgent manner. The House has not been afforded the opportunity to debate fully this matter, which has significant consequences for the future of New South Wales. On previous occasions the Government has failed to respond to my request to enlighten the Opposition about where it is going and what it is doing about borrowing programmes, particularly onshore and more particularly offshore. Until the Government does so, the Opposition can believe only that the Government does not consider the people to be important or that they should come before executive control and power. Nevertheless, leaving those considerations aside, the Opposition acknowledges that the legislation attempts at least to bring together financial provisions in a way that the Opposition suggested in previous debates in this House. To that extent the Opposition supports the measure.

Mr GREINER: Mr Speaker ——

Mr FLAHERTY (Granville), Government Whip [8.23]: I move:

That the question be now put.

The House divided.

Ayes, 55

Mr Akister	Mr Einfeld	Mr Neilly
Mr Anderson	Mr Face	Mr O'Connell
Mr Bannon	Mr Gabb	Mr O'Neill
Mr Barnier	Mr Gordon	Mr Paciullo
Mr Bedford	Mr Haigh	Mr Quinn
Mr Booth	Mr Hills	Mr Ramsay
Mr Brereton	Mr Hunter	Mr Robb
Mr Britt	Mr Jensen	Mr Rogan
Mr Cahill	Mr Johnson	Mr Sheahan
Mr Cavalier	Mr Keane	Mr A. G. Stewart
Mr Cleary	Mr Knott	Mr K. J. Stewart
Mr R. J. Clough	Mr McCarthy	Mr Walker
Mr Cox	Mr McGowan	Mr Webster
Mr Crabtree	Mr McIlwaine	Mr Whelan
Mr Curran	Mr Maher	Mr Wilde
Mr Day	Mr Mair	
Mr Degen	Mr Mallam	*Tellers,*
Mr Durick	Mr Mochalski	Mr Flaherty
Mr Egan	Mr Mulock	Mr Wade

Noes, 36

Mr Arblaster	Mr Freudenstein	Mr Rozzoli
Mr Barraclough	Mr Greiner	Mr Schipp
Mr Boyd	Mr Hatton	Mr Singleton
Mr Brewer	Mr Healey	Mr Smith
Mr J. H. Brown	Mr King	Mr Sullivan
Mr Bruxner	Mr McDonald	Mr Toms
Mr Cameron	Mr Mason	Mr West
Mr J. A. Clough	Mr Moore	Mr Wotton
Mr Dowd	Mr Murray	
Mr Duncan	Mr Osborne	
Mr Fischer	Mr Park	*Tellers,*
Mr Fisher	Mr Pickard	Mr Caterson
Mrs Foot	Mr Punch	Mr Taylor

Resolved in the affirmative.

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

Mr BOOTH (Wallsend), Minister for Sport and Recreation, Minister for Tourism and Assistant Treasurer [8.30], in reply: The proposed legislation is quite specific. The Deputy Leader of the Opposition said that the bills would streamline and modernize existing procedures and bring the borrowing procedures of authorities into the 1980's, and that is their intention. The bills deal with a number of authorities that operate under their own legislative framework that uses different language which, in many instances, is not as clear as that used in other legislation. This measure will bring all of the authorities under the one umbrella so that the procedures governing them will be understood by everyone. Much of the contribution to the debate by the Deputy Leader of the Opposition, who led for the Opposition, was outside the leave of the bill.

Mr McDonald: On a point of order. There is so much audible conversation in the Chamber that I cannot hear the Minister's reply to the debate.

Mr SPEAKER: Order! No point of order is involved.

Mr BOOTH: The Deputy Leader of the Opposition spoke for about fifteen minutes about a newspaper article that appeared on the front page of the ***Sydney Morning Herald.*** If he chooses to rely upon statements made by a so-called Treasury spokesman or some other unidentified and anonymous person, he has a lot to learn. I place no more reliance upon the validity of such a newspaper article than I would place upon what the honourable member for Kirribilli said when he quoted from a so-called Treasury document that still remains unidentified. The honourable member for Kirribilli gave the House an assurance that he would identify the document from which he quoted. It is obvious that he did not fulfil that obligation though he gave an assurance to the Deputy-Speaker that he was referring to a confidential document that had been submitted to the Loan Council.

[Interruption]

Mr SPEAKER: Order! If the honourable member for Rockdale and the honourable member for Drummoyne wish to conduct a conversation, they should do so outside the Chamber.

Mr BOOTH: The Deputy Leader of the Opposition weakened his argument when he could not give an assurance that he was referring to a confidential document. That being so, one cannot place any reliance on the validity of the other arguments he put forward in his contribution to the debate. In many instances the honourable member showed a complete lack of understanding of the proposed legislation. He spoke about the authorities that would be included within the scope of the measure and asked why they had been chosen. The reason is that the authorities that come within the scope of the proposed legislation have specific borrowing powers. The Deputy Leader of the Opposition castigated the Government for selecting those authorities without—as he put it—having consulted them. I assure the House that the authorities were consulted and that they agreed with the proposed legislation. It is part of the Government's normal legislative procedure to consult authorities and ministries that will be affected by its proposals. The authorities concerned with the measure before the House were consulted and said that they agreed with the Government's proposal. The measure will clear the decks and bring the authorities under the one umbrella in respect of loan borrowing procedures.

Much has been made about the amendments to the Forestry (Amendment) Bill that was before the House earlier today. The Forestry Commission requires borrowing powers for the present financial year. The Forestry (Amendment) Bill will give the commission power to borrow much quicker than would be possible under the proposed legislation, which may not receive Royal assent for some time. The receivership provisions in the Forestry (Amendment) Bill follow the traditional form. All Government authorities will be subject to the new provisions when they become operative and after the regulations have been gazetted. In short, the new provisions will provide uniformity. That uniformity will be achieved in the way suggested by the Deputy Leader of the Opposition after the regulations associated with this legislation and the Forestry (Amendment) Bill come into effect. The provisions of both measures will come under the same umbrella.

I assure honourable members that the Treasury is reviewing procedures relating to the publication of contingent liabilities under guarantees issued by the Government. The proposed legislation will deal mainly with loan procedures. The Deputy Leader of the Opposition drew his own conclusions about that aspect. These are budgetary matters that require Loan Council approval. The consent of the Loan Council must be obtained before money can be borrowed overseas, and there is no secret about

that. Oversea borrowings are under the close scrutiny of the federal Government. The honourable member for Kirribilli cast aspersions on Treasury officials and said that they had asked for additional information. He failed to mention that the federal Government gave the Queensland Premier, Mr Bjelke-Petersen, permission to borrow for three projects without submitting any information about the applications. Those applications were in respect of rail electrifications projects.

Although no information was submitted about those borrowings, the Deputy Leader of the Opposition now criticizes the Government. His criticism is based on the fact that in some cases Treasury officials asked for further information because of the enormous sums involved. My attention has been invited to a possible uncertainty in the existing provisions of clause 9 of the Public Authorities (Financial Accommodation) Bill. That clause dates that an authority may obtain financial accommodation in accordance with the bill for various purposes. It has been suggested that this provision could be construed as defining only the purpose of the borrowing and not the borrowing itself. At the Committee stage I propose to move an amendment to resolve any doubts about the specific authority to borrow in accordance with that clause of the bill.

Motion agreed to.

Bills read a second time.

In Committee

The CHAIRMAN: The Committee will deal first with the Public Authorities (Financial Accommodation) Bill.

Clause 9

Page 6

9. (1) This section applies—

(a) to an authority specified in Schedule 4; and

(b) to financial accommodation obtained within the Commonwealth by an authority to which this section applies the obligation to repay which has been evidenced as provided by section 10.

(2) Schedules 1 and 3 have effect in relation to a loan to which this section applies.

Amendments (by Mr Booth) agreed to:

That at page 6, all words on lines 4 to 6 be left out and there be inserted in lieu thereof the words

(b) to financial accommodation obtained under subsection (2) where the obligation to repay has been evidenced as provided by section 10.

That at page 6, after line 6, there be inserted the words

(2) An authority to which this section applies may, with the approval of the Governor, obtain financial accommodation within the Commonwealth.

Adoption of Report

Public Authorities (Financial Accommodation) Bill reported from Committee with amendments and Miscellaneous Acts (Financial Accommodation) Amendment Bill reported from Committee without amendment, and report adopted on motion by Mr Booth.

PATHOLOGY LABORATORIES ACCREDITATION BILL

Second Reading

Debate resumed (from 8th April, *vide* page 5552) on motion by Mr K. J. Stewart:

That this bill be now read a second time.

Mr SINGLETON (Clarence) [8.43]: The object of this bill is to control the establishment and development of pathology laboratories in New South Wales. The Opposition is concerned that this bill has been brought forward today as an urgent measure. Most members have not yet been circulated with the explanatory material incorporated in *Hansard,* and the Minister's second reading speech was in genera1 terms. Opposition members were compelled to obtain copies of the bill this morning so that they could study the proposed provisions. The Australian Medical Association has expressed concern about Government control of pathology laboratories. That organization considers that, as the Health Commission is conducting its own pathology laboratories in most New South Wales hospitals, anyone willing to meet the requirements governing the setting up of a pathology laboratory, should be allowed to establish such laboratory. However, the association fears that the bill will prevent the setting up of such laboratories. The Health Commission of New South Wales can use almost Draconian powers in respect of setting up of pathology laboratories. Those powers can prevent private organizations establishing pathology laboratories in opposition to units operated by the State. I do not suggest that the Minister or the Government would use their powers in that way but there is no way of telling what a future government or minister would do.

Mr Akister: Especially a Liberal Party–Country Party government.

Mr SINGLETON: The honourable member should not concern himself about what the Country Party would do. The only time the House hears anything from that member is when he makes snide comments by way of interjection. The honourable member for Monaro, who never has anything intelligent to say, should take cognizance of the fact that, as I am leading for the Opposition in this debate I have unlimited time. If he does not desist from interjecting, his party Whip will probably deal with him. I repeat, the bill represents the socialization of pathology in New South Wales. It costs the State Government a fortune to provide casualty treatment for patients and to operate hospital pharmacies. It would be interesting to know the cost to the Government of maintaining those pharmacies. The best method of controlling the costs of pathology laboratories is to provide competition, and private laboratories would do that. That service should be left to private enterprise. If private enterprise is willing to set up a pathology laboratory in a town, city, district or region, to take the risks involved and to meet the requirements of New South Wales authorities related to the setting up of such laboratories, it should be allowed to do so. Whether private organizations make a profit or incur a loss is no concern of the Government; it is the concern of private enterprise, which should not be stifled, as its well-being is in the interests of the development and progress of New South Wales.

When the Minister said that the Government has control of radiology he spoke of the hazards of radiology in medical treatment. I cannot see any real danger with pathology. Doubtless all honourable members will agree that radiation, which is part and parcel of radiology, presents a severe hazard. The more the subject is studied, the greater is the proof that there is no real danger from pathology. If a general practitioner in a town is not receiving satisfactory results from a pathology unit, it is probable that he will not support it any longer and that unit will go out of business.

I do not know how the Minister intends to handle this matter if all the responsibility for health care is returned to the State. I hope he will deal with that aspect in his reply. I hope also that the State's hospital laboratories will receive some relief from the requirements of the Act.

The Opposition is concerned that the bill does not define who may own a laboratory. One does not know whether laboratories must be owned by medical practitioners. A person properly trained in medicine must be in charge of a laboratory but no definition is given as to who can own a laboratory. I hope that the Minister will expand on that aspect. The activities of laboratories could fall into the hands of untrained persons whose only motive is profit, which would not be in the interests of the State. By clause 13 (2) (e) an application for accreditation must be accompanied by such fee as may be prescribed in relation to the application. Fees are becoming costly to all industries in New South Wales. The Builders Licensing Board requires that every person operating within the building industry must be licensed. Those fees are becoming more and more expensive each year, and the increased costs are thrown back on the people who buy homes. Fees in the building industry are having a serious effect on the cost of building homes in New South Wales. I hope that the fee envisaged by the bill is not brought to a level at which it will be a heavy cost factor in pathology services for families. The private sector eventually has to meet the cost of increased fees. I should be pleased if the Minister would tell the House whether private pathologists will pay these fees or whether the State will pay them.

Part V of the bill deals with appeals. The Opposition is pleased to note that appeals will go to the District Court. In recent times far too many bills have provided a right of appeal to the Minister only, and that is not satisfactory. The Health Commission of New South Wales should not be the licensing authority in respect of laboratories and also the prosecuting body.

Part VI of the bill relates to offences. No parity is seen between offences under this bill and the provisions of the Medical Practitioners (Amendment) Bill, which the House dealt with earlier today. A big disparity exists between the provisions of both bills as to the level of fines that can be imposed. By this bill the maximum fine is $2,000. Large concerns may be involved in pathology groups. By the Medical Practitioners (Amendment) Bill fines can reach $10,000 in cases where only one practitioner is involved.

By clause 45 (1) (a) (iii) a summons may be sent by prepaid post to a person at his place of residence or at a laboratory. The Opposition believes that service should be by certified mail. The Minister has intimated that such service will not be the last line of defence. As a summons would be served upon a person in serious cases, some of the concern felt by the Opposition is allayed. I point out that on occasions mail is lost and letters are incorrectly addressed. The fact that certified mail must be signed for would give a degree of safety to a person who may be summonsed for a misdemeanour that may or may not have occurred. No one should be seen to be guilty until proved guilty in a court of law.

Category 2 of schedule 3 provides that the director must be a pathologist or other medical practitioner with such qualifications and experience in that division of pathology as may be prescribed, or a scientist who has such qualifications as may be prescribed and who has not less than ten years' full-time experience in respect of that division of pathology. The Minister should state clearly who can own pathology units. Most hospital units are operated by the State and they do most of the pathology work performed in New South Wales. Pathology units could fall into the hands of corporations or companies interested only in profit making.

Medical entrepreneurs with absolutely no medical training could be running these pathology units. Though the Act prescribes that the person in charge must have proper training, the Minister should set out details of ownership of pathology units. The Opposition realizes that persons in New South Wales involved in pathology laboratories have been pressing for the legislation. Consequently the Opposition will support the measure. I hope the Minister will reply to some of the matters I have raised in the debate.

Mr J. A. CLOUGH: Mr Speaker ——

Mr FLAHERTY (Granville), Government Whip [9.1]: I move:

That the question be now put.

The House divided.

Ayes, 56

Mr Akister	Mr Einfeld	Mr Mulock
Mr Anderson	Mr Face	Mr Neilly
Mr Bannon	Mr Ferguson	Mr O'Connell
Mr Barnier	Mr Gabb	Mr O'Neill
Mr Bedford	Mr Gordon	Mr Paciullo
Mr Booth	Mr Haigh	Mr Quinn
Mr Brereton	Mr Hills	Mr Ramsay
Mr Britt	Mr Hunter	Mr Robb
Mr Cahill	Mr Jensen	Mr Rogan
Mr Cavalier	Mr Johnson	Mr Sheahan
Mr Cleary	Mr Keane	Mr A. G. Stewart
Mr R. J. Clough	Mr Knott	Mr K. J. Stewart
Mr Cox	Mr McCarthy	Mr Walker
Mr Crabtree	Mr McGowan	Mr Webster
Mr Curran	Mr McIlwaine	Mr Whelan
Mr Day	Mr Maher	Mr Wilde
Mr Degen	Mr Mair	*Tellers,*
Mr Durick	Mr Mallam	Mr Flaherty
Mr Egan	Mr Mochalski	Mr Wade

Noes, 34

Mr Arblaster	Mr Greiner	Mr Rozzoli
Mr Boyd	Mr Hatton	Mr Schipp
Mr Brewer	Mr Healey	Mr Singleton
Mr J. H. Brown	Mr King	Mr Smith
Mr Bruxner	Mr McDonald	Mr Sullivan
Mr Cameron	Mr Mason	Mr Toms
Mr J. A. Clough	Mr Moore	Mr West
Mr Duncan	Mr Murray	Mr Wotton
Mr Fischer	Mr Osborne	
Mr Fisher	Mr Park	*Tellers,*
Mrs Foot	Mr Pickard	Mr Caterson
Mr Freudenstein	Mr Punch	Mr Taylor

Resolved in the affirmative.

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

Mr K. J. STEWART (Canterbury), Minister for Health [9.6], in reply: I thank the honourable member for Clarence for his contribution. I regret that the honourable member for Eastwood was not able to join in the debate. I am sure his speech would have been sensible and supportive. The honourable member for Clarence confused and that the measure is one of the most socialistic pieces of legislation to come before the House. At the conclusion of his remarks he said that as the bill is supported by the medical profession in New South Wales, the Opposition will support it too. The Opposition cannot have it both ways. If the legislation is socialistic in intent, in no circumstances would it have the concurrence or agreement of the medical profession in New South Wales. If anything is anathema to that body, it is the slightest hint of socialized medicine. With the exception of one clause in the bill, the legislation implements in full the recommendations of a pathology accreditation committee of inquiry submitted to the Health Commission of New South Wales. Honourable members opposite should look for the socialists among that committee. This so-called socialistic legislation came from the Royal College of Pathologists of Australia, the Royal Australian College of General Practitioners, the Australian Medical Association, the Society of Pathologists in Private Practice, the Australian Association of Clinical Biochemists and the Australian Institute of Medical Technologists and all state representatives of that body.

The report, and the recommendations contained in it when brought down by representatives of those bodies, was adopted unanimously at the 1977 meeting of Australian Ministers for Health. In that year three States were governed by the Labor Party—Tasmania, New South Wales and South Australia. Though this was said to be socialistic legislation it was supported unanimously by Liberal and coalition governments in Western Australia, Victoria, Queensland and the Northern Territory. It was also supported by the Hon. R. Hunt, then the federal Minister for Health. Members opposite may say that this is socialistic legislation but the medical profession agrees with it and supports it. Surely Opposition supporters pay regard to the views of those who made the recommendations to the Government on this legislation.

Despite the claims made today by the honourable member for Clarence and the honourable member for The Hills that the Government is out of kilter with the medical profession, the legislation I have introduced on behalf of the Labor Government of New South Wales is based on recommendations that came purely from the medical profession. Thus those members' claims are quite wrong. The honourable member for Clarence also spoke of the provision concerning the establishment of new pathology laboratories. That clause was inserted because, after consultation with the federal Minister for Health, it was decided that a certificate of need would have to be provided by a hospital or by a group of private medical practitioners before they could institute a new medical service in New South Wales. That practice follows closely the free enterprise system adopted in the United States of America where medical practitioners compete with each other in highly sophisticated procedures.

The honourable member for Clarence said that the market place should test the value of medical practices and medical procedures; they should be allowed to find their own level. Unfortunately, it does not happen that way with the medical profession, which excepts itself from the free enterprise rule. The law of supply and demand does not necessarily apply to medical practices and medical procedures. Doctors, by their self-generation of service, increase consumer demand. I do not say that disrespectfully of the medical profession but it is a well-known and well-established fact. If a pathology laboratory is located in a particular area and a second laboratory opens up in competition, we would seek to avoid any over-servicing of the public.

The reason for this committee being set up, and for its accreditation to the pathology laboratories in Australia, is that the federal Government felt that pathology is over-servicing the community and is the main generator of costs under the

National Health Act. We are not acting universally tonight in introducing this legislation. New South Wales is now the leader in the field. The other States have yet to implement complementary legislation even though it follows a unanimous decision of the Ministers for Health in 1977.

We have not defined who shall own a laboratory. Perhaps this is where free enterprise comes in. It is naive of the honourable member for Clarence to think that if a person who is not a medical practitioner conducts a laboratory, he shall conduct it for profit. Why should anyone, including a medical practitioner, conduct a laboratory for anything other than profit? The profit motive is the component that induces people to invest private capital in a laboratory. Medical practitioners who are owners of laboratories would be among the more wealthy medical practitioners in New South Wales and Australia. I shall refrain from mentioning names. Pathology laboratories are a lucrative form of medical service. Because pathology laboratories are such lucrative business it was felt that there should be some control of them.

Federal counterparts of members of the Opposition say that this is an area of great concern. Over the years a number of regulations have been brought in to prevent medical over-servicing. The fees charged include covering the cost of registration. That system is no different from any established where fees are charged for the registration of a professional or medical body. The fee charged will cover the cost of regulating the profession, whether it is the medical profession, dentists, chiropractors, physiotherapists, or dental prosthetists. The fee charged will cover the cost for accrediting the laboratories and the required inspections of them.

The honourable member for Clarence raised an important point relating to proposed section 45 (1) (iii) which concerns the serving of notices. He suggested that service should be done by certified mail. Discussions were had with the Parliamentary Counsel but we were told that the form in which it appears in the bill is the general legislative procedure. Proposed section 45 provides:

> (1) Where by or under this Act, a notice or other document is required to be, or may be, given or served, that notice or other document may be given to or served on—
>
> (a) an individual—
>
> (i) by delivering it to him personally;
>
> (ii) by leaving it at his place of residence last known to the Board with a person who apparently resides there or, if he is the holder of a certificate of accreditation in respect of a pathology laboratory, by leaving it at the laboratory with a person apparently employed in the laboratory, being in either case a person who has or who apparently has attained the age of 16 years; or
>
> (iii) by sending it by prepaid post addressed to him at that place of residence or laboratory;

The honourable member for Clarence asked why notice should be sent by prepaid post. He added that Australia Post, under the present Liberal Party-Country Party Government, provides a notoriously inefficient service. If notice is given in the form set out in subparagraph (iii) of proposed section 45 (1) (a), the Government or the accreditation board will accept great responsibility by assuming that the person to whom the notice was directed was served with it or received it. It would be a defence for that person to claim that he had not received the notice. A similar provision is contained in the Medical Practitioners (Amendment) Bill which was debated today.

Notices under that bill can be served by post. The legislation does not stipulate that a stamp must be put on it. This bill is more particular. If notice were sent by prepaid post under this measure we should at least have to ensure that a stamp would be affixed to it before it was posted.

Under the Medical Practitioners Act, when a notice is served we do not have to put a stamp on the envelope; we only have to send the notice by post. I do not say that facetiously. That Act says that the notice may be sent by post, but in practice where a matter is important, especially if it involves the penal provisions of the Act or where it requires the attendance of a person, the medical board always has the notice served personally, even if it requires an employee of the Health Commission to travel to a country town to effect service. It is my view that any notice of a penal or important nature under the Pathology Laboratories Accreditation Act would be delivered personally to the addressee at his last known residence or to the registered address of the laboratory. If the honourable member for Clarence cares to check, he will find a similar provision in most other Acts which provide for the service of notices. I appreciate that in the main the Opposition supports the bill. I am pleased about that. The bill does no more than codify the recommendations of an august committee composed of senior persons from the medical profession in New South Wales and Australia, especially those concerned with the provision of pathology services.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr K. J. Stewart.

LIQUEFIED PETROLEUM GAS (GRANTS) AMENDMENT BILL

Second Reading

Debate resumed (from 8th April, *vide* page 5554) on motion by Mr Hills:

That this bill be now read a second time.

Mr PARK (Tamworth) [9.23]: The bill will amend the Liquefied Petroleum Gas (Grants) Act, which was introduced by the Minister for Industrial Relations and Minister for Energy on 23rd October, 1980. The principal Act followed legislation that was enacted by the Commonwealth Parliament in the autumn session last year. The original Commonwealth legislation provided for a subsidy of $80 a tonne for liquefied petroleum gas used in country areas where natural gas was not available. At that time the subsidy was restricted to householders, non-profit residential type institutions and schools. This was a fairly restricted field. In April last year I wrote to Senator the Hon. L. J. Carrick, federal Minister for National Development and Energy, asking him to consider extending the scheme to country industries, particularly the egg industry and the broiler growing industry which use brooders for raising chickens. They prefer to use LPG as it is more reliable than electricity. When electrical blackouts occur unpredictably the results are disastrous for these industries.

After the State legislation was introduced in October, I wrote to Senator Canick again requesting him to extend the subsidy to country industries. The bill which the Opposition supports, will complement legislation enacted by the Commonwealth Parliament towards the end of last year. The subsidy scheme is being extended to include

a wide range of primary, secondary and tertiary industries as well as a field of government activity and such public and community services as health and education. The Minister for Industrial Relations and Minister for Energy, in his second reading speech, referred to approaches that he had made to the Commonwealth Government seeking extension of the scheme. I welcome its extension, which is important to country people and country industries. Liquefied petroleum gas is available in areas where natural gas is not available. However, should natural gas become available in any areas to which the scheme now applies, the subsidy will be discontinued and consumers will be expected to convert to the use of natural gas.

The original Commonwealth scheme was to run for three years from 30th October, 1980. I trust it will be continued beyond that period and the state legislation will be continued also. The Minister said that he has asked the Energy Authority of New South Wales to undertake detailed studies of the short-term and long-term use of LPG in this State. I welcome that decision. No doubt the authority will eventually produce a paper for consideration by the Government. The Minister said that he has asked the gas board within the authority to liaise with the local government gas advisory committee on a number of proposals that may be put to the federal Government. I understand that the LPG policy was originally intended to extend to the automotive industry, including fleets of taxis, buses and trucks, particularly taxis in country areas. In my home city of Tamworth, which was one of the first cities in New South Wales where taxis converted to the use of LPG, it was understood that any subsidy that became available to country industries would be available to taxi fleetowners. So far this has not eventuated. I shall continue to press the federal Government to extend its subsidy even further.

The only automotive vehicles that can benefit from this scheme are forklift trucks and similar warehouse and factory vehicles that rely on gas propulsion. It must be borne in mind that natural gas is a limited and diminishing resource. The availability of liquefied petroleum gas in the future is more certain than natural gas. Therefore private motorists and industry—especially country industry—should be encouraged to convert to the use of LPG. Industries that can operate more efficiently on electricity should not be persuaded to change. However, other industries can operate more efficiently on LPG.

I should like the Minister to comment on two matters. They relate to the considerable cost of LPG in the country compared with metropolitan areas. One reason for the differential in cost is the freight on LPG to country areas. Though I do not have the latest figures, I understand that at present LPG is not included in the Commonwealth's freight subsidy scheme which is designed to almost equalize the cost of fuel in the country and the city. I have mentioned this matter to Senator the Hon. J. L. Carrick, Minister for National Development and Energy, and I shall continue to make representations to him, for it is an area in which the federal Government could assist. The other matter on which I should like the Minister's comment is margins, which fall within the State arena. I feel that distributors of liquefied petroleum gas are charging excessive margins to country consumers. The two matters I have mentioned—the freight differential in country areas and the margins charged in the country—add an unreasonable cost to LPG. I hope that, with co-operation between the Commonwealth and the State, something can be done about those matters in the near future. I support the bill.

Mr SCHIPP: Mr Speaker—

Mr FLAHERTY (Granville), Government Whip [9.33]: I move:

That the question be now put.

The House divided.

Ayes, 55

Mr Akister	Mr Einfeld	Mr Neilly
Mr Anderson	Mr Face	Mr O'Connell
Mr Bannon	Mr Gabb	Mr O'Neill
Mr Barnier	Mr Gordon	Mr Paciullo
Mr Bedford	Mr Haigh	Mr Quinn
Mr Booth	Mr Hills	Mr Ramsay
Mr Brereton	Mr Hunter	Mr Robb
Mr Britt	Mr Jensen	Mr Rogan
Mr Cahill	Mr Johnson	Mr Sheahan
Mr Cavalier	Mr Keane	Mr A. G. Stewart
Mr Cleary	Mr Knott	Mr K. J. Stewart
Mr R. J. Clough	Mr McCarthy	Mr Walker
Mr Cox	Mr McGowan	Mr Webster
Mr Crabtree	Mr McIlwaine	Mr Whelan
Mr Curran	Mr Maher	Mr Wilde
Mr Day	Mr Mair	
Mr Degen	Mr Mallam	*Tellers,*
Mr Durick	Mr Mochalski	Mr Flaherty
Mr Egan	Mr Mulock	Mr Wade

Noes, 34

Mr Arblaster	Mr Greiner	Mr Rozzoli
Mr Boyd	Mr Hatton	Mr Schipp
Mr Brewer	Mr Healey	Mr Singleton
Mr J. H. Brown	Mr King	Mr Smith
Mr Bruxner	Mr McDonald	Mr Sullivan
Mr Cameron	Mr Mason	Mr Toms
Mr J. A. Clough	Mr Moore	Mr West
Mr Duncan	Mr Murray	Mr Wotton
Mr Fischer	Mr Osborne	
Mr Fisher	Mr Park	*Tellers,*
Mrs Foot	Mr Pickard	Mr Caterson
Mr Freudenstein	Mr Punch	Mr Taylor

Resolved in the affirmative.

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

Mr HILLS (Phillip), Minister for Industrial Relations and Minister for Energy [9.40], in reply; I thank the honourable member for Tamworth for his contribution to the debate. He raised two matters which he asked me to deal with. One related to the cost of LPG in country areas as a result of freight rates. The honourable member raised the matter with Senator Carrick. I raised the matter with the Senator at a meeting of AMAC at Launceston last Friday week; he refused to accept that proposition. The honourable member for Tarnworth mentioned also the subject of margins. I undertake to ask the Energy Authority to investigate that matter. As soon as I have a reply I shall Id the honourable member know. I commend the bill.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Hills.

TRANSPORT (AMENDMENT) BILL

Second Reading

Debate resumed (from 8th April, ***vide*** page 5544) on motion by Mr Cox:

That this bill be now read a second time.

Mr ARBLASTER (Mosman) [9.42]: I thank the Minister for Transport for letting me have a copy of his second reading speech. It was much appreciated, particularly in view of the present industrial problems. The Opposition agrees with the provisions in the bill relating to salary and promotion appeals. It brings those concerned into line with the State Rail Authority and the Urban Transit Authority. We agree that underwriting facilities for taxis and hire cars involved in third party property damage should be widened. We regard that as a good move.

There are a few points with which I should like to deal touching the subject of claims for third party property damage. The record in this regard has been bad and many underwriters have withdrawn from this area of activity. Indeed, the Government Insurance Office is probably the only underwriter willing to accept such business in New South Wales. In Canberra the NRMA is virtually the only insurer that will accept this business. Certainly, experience of such claims has not been good. It is no wonder that premiums have had to rise. A premium of $540 for compulsory third party insurance is not exorbitant. The average claim for all motor vehicles at present is well over $1,000, and even higher depending on the type of risk accepted.

The Minister of Transport in his second reading speech said that the De Luxe Red and Yellow Cabs Co-operative would carry the loss up to a maximum of $2,000, and any excess over that figure would be carried by reinsurance. Bearing in mind the fact that the figure of $2,000 was brought in in 1965, it must be regarded as a low figure, considering some of the claims which have arisen. If one imagines the third party damage that can be caused by a side swipe against a Rolls-Royce, a BMW, a Porsche or even a Holden, it is obvious that the figure will be well above $2,000. Furthermore, if a vehicle runs off the road, collides with a telegraph pole and brings it down, or runs through somebody's front fence into a home, again the figure will be well above the $2,000 as a fixed amount. It is obvious that the $2,000 requires to be increased. Judging by the 1965 values, the minimum compulsory amount should be increased to a figure up to $7,000. Surely that is not an unreasonable amount to expect the taxi and hire car industry to carry, bearing in mind the sums paid out by the insurance industry each year—for example, to innocent victims of accidents. A premium of $540 for an existing basic cover of $2,000 was based on claims experience. Many cab drivers involved in accidents would have to pay out a good deal more than that amount to cover the excess above the figure of $2,000. Therefore, reinsurance is a good idea provided that a reinsurer can be found to cover the excess market.

I suggest that the overall premium could be in excess of $500. A few questions must be asked at this point. Will all taxis and hire cars have the extra cover? The De Luxe Red and Yellow Cabs Co-operative would have to carry an additional reinsurance amount up to a maximum of $200,000. Will somebody who is not a member of that co-operative be accepted as an insurance risk by the co-operative? I am referring to an independent cab driver or a member of another co-operative, such as Manly Taxis or RSL Cabs. Will the underwriters accept such risks regardless of previous driving experience and claims records? These are some of the problems that arise. The Minister will have to decide whom he will authorize as reinsurers. In fact, there will probably be more than one reinsurer.

We are aware of the conditions that will be required. I hope that they are similar to the conditions laid down by the Insurance Commissioner relating to liquidity ratios, with the reinsured person carrying the risk and also to a certain extent the person in the co-operative carrying the prime risk up to $2,000. Beyond that, consideration must be given to the contracts that the initial insurers enter into with reinsurers to ensure that cover up to $200,000 is available. In view of today's market place and judging by some of the verdicts that have been brought down, the figure of $200,000 may not be excessive. Some verdicts in property damage cases exceed $200,000.

The minimum compulsory insurance should be considered and, possibly under the Transport Act, should be increased from the compulsory $2,000 to a figure more in line with the current economic structure of claims. The Government will need to consider carefully who is authorized and whether the prime insurer will be required to accept all cab drivers and hire car owners and drivers who request insurance. When such persons have a bad claims record, that may be a reason for their premium rates to be additional to what should be regarded as normal. The Government must consider whether the re-insurer can carry the burden. Those are the main points that the Opposition seeks to raise. I am sure that the Minister knows what has to be done. The measures in this bill are good and they are supported by the Opposition.

Mr COX (Auburn), Minister for Transport [9.51], in reply: I am grateful to the honourable member for Mosman for his contribution. This bill covers the Red, De Luxe and Yellow Cab companies. It is the start of a programme in the taxi industry to provide a scheme of third party property damage insurance. It is a pilot scheme for those companies that I have mentioned. I agree with the honourable member for Mosman that before I approve any scheme into which these companies enter close scrutiny will be necessary. The honourable member for Mosman has stated that the $2,000 mentioned might have to be increased to $7,000. The Government will review that. The proposal contained in this measure was submitted some time ago and has been before Cabinet, which has agreed with it in principle. When the details are put before the Government they will be scrutinized carefully.

Reinsurance is important. I agree with the honourable member for Mosman that the taxi companies will probably reinsure with a number of companies. I assure the honourable member for Mosman that this matter has been closely perused by the Government. There is a history of companies running into problems with insurance within the industry. I have told Mr Kermode of the Metropolitan Taxi Council, who put forward the proposal, that before the Government approves the proposal it will be carefully examined by persons in the insurance industry to ensure that it is feasible. The Government does not want to agree with something for the sake of agreement and then ascertain that Red, De Luxe and Yellow Cabs may have problems at a later stage.

All that the bill seeks is to enable these companies to present a proposal to the Government for this type of insurance. It is not an easy area to enter, but the companies have asked the Government to give its approval for them to present a proposal. When presented, the proposal will be given the closest scrutiny. I shall have experts review the matter. The other matter raised relates to salary and promotion appeals. The honourable member for Mosman has said that measure is supported by the Opposition. That brings the matter into line with the State Rail Authority and the Urban Transit Authority. It brings it into line also with GREAT. I am thankful for the support of the Opposition. I shall take heed of the matters raised by the honourable member in this debate.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Cox.

PASTURES PROTECTION (AMENDMENT) BILL

Second Reading

Debate resumed (from 9th April, *vide* page *5658)* on motion by Mr Day:

That this bill be now read a second time.

Mr MURRAY (Barwon), Deputy Leader of the Country Party [9.55]: The Opposition will not oppose the amendments in the Pastures Protection (Amendment) Bill, which seeks to amend the Pastures Protection Act, 1934. A number of the amendments sought are necessary for the effective operation of pastures protection boards. For a number of years prior to coming into this House I was a director of a pastures protection board and a chairman of such a board. A number of the measures with which boards were concerned have been incorporated in this bill. The power given to a board to nominate a person when a company or partnership has failed to do so, though necessary, could create problems in the future conduct of elections. It is better that the failure of a person to vote should be recorded rather than the board being given power to insist that such a person shall vote. I presume that the basis of this measure is that when a stock return is lodged the board will take the name of the person attached to the return as the nominated voter. This could create problems, but by the same token it will guarantee that a ballot-paper is distributed.

The abolition of the 3 per cent levy on boards has been considered by boards for a number of years and has been requested on a number of occasions. It is interesting that the acceptance by boards of the cost of the superannuation scheme for veterinary inspectors and rangers is literally a deal with the Government. I ask the Minister to mention in his reply the net amount of money that is expected to be of benefit to pastures protection boards during the three years covered by the abolition of the 3 per cent levy. My knowledge tells me that it will be a substantial amount—probably in the vicinity of $130,000 and going up to $300,000. I do not have the full details of this amount.

It is strange that, when the Government announced the abolition of the 3 per cent levy and made quite a song and dance about it, the Government did not mention the trade-off involved in respect of superannuation. It is reasonable to expect that when these announcements are being made the pluses as well as the minuses will be pointed out. Another point involved is the removal of the limit on the rating that boards may charge for what is to become the wild dog levy. Last year the Dingo Destruction Board purchased substantial quantities of new wire netting to replace the dingo fence on the northern and northwestern borders. The purchase was necessary because the fence was deteriorating. For want of a better description, netting covered with plastic was purchased, which it is hoped will prevent the rapid deterioration of the fence, which previously has been caused by sand build-up and, as it does not often rain in the area, small quantities of moisture.

The bulk purchase has placed a severe strain on the fund and thus on the charges levied on ratepayers for the Dingo Destruction Board. Due to the present drought conditions in the Western Division the ratepayers are encountering much difficulty meeting this added cost burden that is falling virtually in one year. I ask the Minister to request the Minister for Agriculture in another place to give consideration to the Wild Dog Destruction Board spreading its purchase over at least two but

preferably three years so that the cost of the full rating for the purchase of the wire will not have to be met at the one time. That would provide a much needed relief to landholders and ratepayers in the far western part of the State. The changing of the name of the Dingo Destruction Board to the Wild Dog Destruction Board has given a fillip to the efforts of conservationists. The board's operations will continue but under a different name. The basic attack will still go on against the dingo and the wild dog.

A problem arises with the use of the poison 1080. In some parts of the State, particularly the Tableland areas, the reduction in the strength of 1080 has resulted in fewer kills from bait laying programmes. The new Wild Dog Board should return to using if not full strength, sufficient strength 1080 to gain a quick and efficient kill rather than continue with the weak strength, which is not achieving the desired results. If this strength is not increased, there will be a return to the use of Lucijet, which is one of the most disastrous poisons that could be used in any poisoning programme. Its effects linger for years. It permeates into the bone marrow and, indeed, into the bone and may kill many years after it is administered. One of the advantages of 1080 is that it breaks down with heat and water and its residual effect is reduced quickly. I should not like landholders with problems caused by dogs to be forced into using Lucijet, which is readily available from country stock and station agents. Lucijet is a jet fluid to control blowfly. There could be a return to using strychnine and arsenic poisons, which are put into meat baits and scattered about. These poisons are also non-selective killers and have an effect on all the natural wildlife in a given area.

The minimum rate is necessary. Hobby farms, especially those along the coast and near some towns, are causing many problems. Some time ago the Minister for Agriculture spoke about obtaining control over good farming land. Hobby farms in and around towns are probably the greatest cost to pastures protection boards. Invariably these farms are purchased by people who have little or no knowledge of stock and who demand the boards' full services such as veterinary assistance. These farms, especially those on the coast, would be a prime suspect if there were an outbreak, for example, of an exotic disease such as foot and mouth. The owners of those small farms would not recognize the symptoms of that disease. Consequently a constant check must be kept on their activities. That adds to the problems associated with noxious animals, weeds and so on. The imposition of a minimum rate related to a pastures protection board area rather than a fixed across-the-board rate is a commonsense approach.

Though there is no specific description of goats, I assume they are domesticated goats. Large areas in the Western Division of New South Wales have feral goats. There is no way that the number of feral goats can be counted and shown on a pastures protection board return. Nevertheless it would not be beyond the capacity of some boards to rate on the basis of feral goats. I should like to see included in the bill a strict provision that the goat rating is related only to domesticated goats. Undoubtedly feral goats could be included by landholders in the Western Division. I welcome the provision for the registration of brands and earmarks. The tattooing of goats is necessary, especially when one appreciates that top grade bucks cost $6,000 to $8,000, or even more. There is a need to identify readily a goat in case of its theft, and for breeding purposes. The stud goat industry has sought this type of amending legislation for quite some time. I assume that in due course the Act will be amended to provide for the movement of goats to be recorded by way of a stock permit.

Schedule 4 has phenomenal increases in penalties. Penalties will be increased from $100 to $500, $100 to $1,000, $20 to $500, $40 to $500, and $200 or a term of imprisonment not exceeding six months has been increased to $2,000. I assume those

substantial increases will not be further increased until at least the year 2000. I acknowledge the need for sufficient penalties to dissuade people from breaking the law and for them not to profit from breaching the provisions of the bill. The provisions contained in this amending legislation are acceptable to the Opposition. I ask the Minister in reply to answer the matters that I have raised.

Mr DAY (Casino), Minister for Industrial Development and Minister for Decentralisation [10.10], in reply: I thank the Deputy Leader of the Country Party for his contribution and for the support that he said the Opposition gives the measure. The matters he sought as a member of the pastures protection board have been included in the bill. The most important of those provisions is the abolition of the 3 per cent levy for administrative purposes that the honourable member's colleagues failed to impress upon the former Liberal Party–Country Party Government in the eleven years when it was in office.

Mr Murray: It took this Government five years.

Mr DAY: It took the Labor Government half the time that was available to the former coalition Government.

Mr Murray: There was a trade-off.

Mr DAY: It is fair to say that there was a trading-off so that it could be phased in. No one would take exception to that. The Deputy Leader of the Country Party asked me about the estimated amounts involved. I should inform the House that in the first year the trade-off concession will be $60,000, less a $55,000 saving, which will give a net saving of $5,000 to the pastures protection boards. In the second year the concession will be $118,000; when the savings of $55,000 is taken into account the net saving will be $63,000. In the third year the concession will be $176,000, less $55,000 on today's values—and one cannot project it—giving a net saving of $121,000. Over the three years the saving will be $189,000 with an ongoing saving of at least $121,000 a year. That is a much better deal than was given to the pastures protection boards under the administration of the former coalition Government. The boards will be better off by a minimum of $121,000 a year. Perhaps that is not the earth, but at least it is a step in the right direction.

I sympathize with the comments of the honourable member for Barwon about dingoes and 1080 poison. I agree that often uninformed people condemn 1080 poison, though it has many virtues by comparison with methods used previously to control wild dogs. I am not sure whether a reduction in the strength of 1080 poison is having the effects to which the honourable member referred. If it is, that will be considered. Poison should kill humanely, and promptly and should not leave animals in agony. If because of some misplaced humanitarian feelings the strength of the poison has been reduced so that it causes prolonged death rather than a prompt death, that should be examined. The 1080 poison is selective. There is a vast difference in the amount required to kill a dog and that required to kill other species of wild animals or birds. A significant safety margin is provided for in the 1080 poison so that it is selective, even if the strength is increased.

Mr Murray: It does not kill birds on the ground.

Mr DAY: If used in strengths many times greater than the amount required to kill dogs, it will kill birds, which can pick up a bait and carry it, as the Deputy Leader of the Country Party knows. The 1080 poison is biodegradable and has no residual effects. I commend the honourable member for his support of the methods adopted by the Government to control wild dogs. I understand the problems of injecting a doae of 1080 into meat bait. Consideration is being given to the technique to be used and its possible modification.

I understand that tomorrow a meeting will be held with the Minister for Agriculture to discuss the strength of 1080 poison to be used in meat baits. I assure honourable members that the problem is being controlled. In answer to the honourable member's comments about feral goats, I should say that I do not know how one counts wild goats. I am sure the Deputy Leader of the Country Party does not know either. The amendments proposed in the measure have been approved by organizations of primary producers and will form the basis for control of the innovative primary industry of goat breeding, which is becoming important and needs government control in the way designed to help the industry. I am sure no landholders would take objection to the proposed amendments. I hope I have answered the questions raised by the Deputy Leader of the Country Party in the debate. If not, I am sure the Minister for Agriculture will do so.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Day.

ADJOURNMENT

Bathurst District Hospital—Playground Supervision

Mr DAY (Casino), Minister for Industrial Development and Minister for Decentralisation [10.19]: I move:

That this House do now adjourn.

Mr OSBORNE (Bathurst) [10.19]: I raise a matter that is of concern to the board and staff of the Bathurst District Hospital and to many people in the Bathurst electorate. It concerns the renovation and refurbishing of historic buildings at Bathurst District Hospital. Last Friday I met the chairman and other board members who told me of their concern at the delay in the progress of the renovations to the buildings. Later that day I inspected the buildings and the departments that will move into the converted accommodation when it is completed. On 6th October, 1978, the Minister for Health visited Bathurst for the official opening of the new wing at the Bathurst District Hospital. On that occasion the Minister announced that the centuries-old buildings at the hospital would be preserved and modernized at a cost that was estimated then to be $800,000.

At the time, the Minister said that he had accepted representations by the board that the hospital buildings should be put to good use when they had been vacated after the opening of the new block. The Minister said that the old section would be used to house the hospital's expanding pathology department, the administration section, the outpatients department, casualty ward and a physiotherapy department. The Minister said also that the pathology department would be geared to do tests for the whole of the central western district. That news was greeted with much pleasure by the members of the board and by all who were at the hospital at the time. I should point out that the Minister acknowledged the historical and beautiful nature of the interior and exterior of the buildings and said they would be renovated. Work proceeded on the exterior.

I take this opportunity to pay tribute to the Department of Public Works and the architects and artisans associated with the external restoration of the hospital building. They have done a magnificent job. The work culminated in the final opening of the building in November last year by the former Governor, His Excellency Sir Roden Cutler. The Minister for Health was present on that occasion, and I am sure that he would agree with the comments I have made about the restoration work. The beautiful external facade hides an empty interior. The internal structure has been torn away. I wonder whether restoration should have been commenced on the internal structures and the exterior restoration work done last.

The building must accommodate many hospital departments, including the pathology department, which is located in a building isolated from the main hospital. Some eleven people are employed in that department, in an area about 8 metres square. Conditions in that building are cramped and unsatisfactory. The Minister for Health spoke in another debate about the growth of pathology services in Bathurst and other areas. The additional staff in this department do not have sufficient space in which to carry out their functions. The plan is to accommodate outpatients and casualty patients in the building when it has been renovated. At present the casualty department of the Bathurst District Hospital has three trolley bays to which patients and others moving along the corridors have ready access. Those who have been to the Easter car races at Bathurst would know the pressure put on the outpatients' and casualty departments of that hospital. Under the new arrangements more trolley bays and an essential and separate area for resuscitation will be provided. Ambulance reception bays are unsatisfactory. To reach them, ambulances are compelled to back down a steep slope, which must be uncomfortable for patients. The reception area is surrounded by an open hood, which is not weatherproof. It is planned to level the reception area and to enclose it properly, which will be of considerable benefit to patients who are brought there by ambulance.

The X-ray department abuts the old wing of the hospital. Persons waiting for X-rays have to remain in an open corridor, which might be comfortable at this time of the year. However, in June, July and August it can be extremely cold in Bathurst. Those conditions are unsatisfactory and they could cause a person to change his mind about waiting for an X-ray. Another matter is that the social worker occupies a small cubicle in the existing building. Apparently that area was a reception room in the old premises. No accommodation is provided for parents of children who are patients, although two such units will be included in the reconstructed wing. The hospital administration is scattered throughout the complex. I ask the Minister for Health to approach the Health Commission of New South Wales with a view to having this work completed as a matter of urgency.

The staff accepts that, in changing circumstances, inconvenience will be occasioned and are willing to put up with that. However, when such inconvenience continues for such a long time people are entitled to become discontented. I compliment the staff which has done a magnificent job in the circumstances. The hospital is still giving a first-class service but the conditions are so difficult that the board is concerned about the matter. I have complimented the Minister and the department on what has been done to the outside of the building. But a hospital should not only be lovely on the outside, it must also be functional. When the inside of the building is refurbished and brought up to modem standards it will be effective and efficient. I appeal to the Minister to approach the Health Commission of New South Wales on this matter and emphasize that the board of the hospital and its staff have been patient and have worked well in the circumstances. The Minister should seek to have the alterations and additions effected immediately.

Mr K. J. STEWART (Canterbury), Minister for Health [10.29]: I am aware of some of the problems that confront the Bathurst District Hospital. As the honourable member for Bathurst said, I was present at the opening of the new maternity wing on 6th October, 1978, the day prior to the general elections held in that year. I returned to the hospital last year when the former Governor of New South Wales, Sir Roden Cutler, opened the renovated and restored old building. A magnificent job was done on that building. I appreciate the fact that the honourable member for Bathurst congratulated the Department of Public Works and the Health Commission of New South Wales. Some criticism was made about spending money allocated to health on restoring these old buildings. However, I feel that the Government had a responsibility to maintain this old building, which is at least 100 years old. The opening of the renovated building coincided with the centenary of the hospital. Bathurst is an historic town with many magnificent early colonial buildings. The Government felt it had a responsibility to add to the lustre of Bathurst, and I was pleased about that.

I have had an assurance from the Health Commission of New South Wales and the regional director for the central western region that work on this project will proceed. At this stage I cannot give an indication why any delay is occurring. It is unfortunate that some of these matters cannot be attended to at regional level. The regional director, who is stationed in Bathurst, is closer to the board of directors of the hospital for the purposes of communication than he is to me, as Minister for Health, in Sydney. I shall take up the matter with that officer. I made an announcement that this work would proceed. I am careful not to make announcements that any work will proceed unless I am sure about the position. In the five years that I have been Minister for Health I have honoured all my promises. That is not a bad sort of record for a Minister, especially for a Minister for Health.

It is my wish to see that the services of the Bathurst District Hospital are operating in the manner I have outlined. The central western district pathology service is located in Bathurst. The hospital does pathology work for a number of neighbouring hospitals. I understand the difficulties under which the pathologist and his staff work. They operate in cramped quarters in a little out-building adjacent to the main hospital building. I undertake to determine from the Health Commission of New South Wales the actual position regarding the design, planning and renovation of the interior of the old building so as to make it serviceable for those facilities the Government announced would be placed there. I shall do that as quickly as possible and advise the honourable member for Bathurst.

Mr SCHIPP (Wagga Wagga) [10.32]: The matter I raise falls within the responsibility of the Minister for Education. It is increasingly being brought to my attention. I am sure most country electorates are confronted with the problem of lack of supervision of schoolchildren in school grounds in the early morning and the late afternoon. Last week a question was asked about this matter in the Legislative Council. The Minister in his reply completely shunned the problem by saying that many parents use the school as a child-minding centre. That may be what happens in the city, but in the country such an accusation would fall far wide of the mark. That would be drawing the long bow.

Children travelling from country areas into schools situated in main towns have no choice but to travel by bus. All honourable members would be aware of the worry of the parents of young children when their children arrive an hour or more before school starts and roam the playground unsupervised. Many persons have expressed their concern to me on this matter, which revolves round industrial trouble occasioned by the Teachers Federation. That body has decreed that the responsibilities of a teacher start at 9 a.m. and finish at 3.30 p.m. I do not deny that some schools maintain some voluntary supervision. However, a problem has been floated and much

concern has been expressed about the liability of a teacher if an accident were to occur on school premises before 9 a.m. and after 3.30 p.m. The Government and, in particular, the Minister for Education have to examine the situation closely. Many small country schools have been closed. Some of the children attending those small schools could be taken there at the appropriate time by their parents. That did not cause too much disruption to the life of the parents. Those children now have to travel long distances to a larger centre. There is no alternative to sending them on the school bus. At one primary infants school on the edge of a lake on the outskirts of Wagga Wagga the school bus often arrives at 8.15 a.m. The children of this school are supervised under a voluntary ***ad*** *hoc* arrangement. I envisage that some parents worry whether their young children might wander down to the lake, which is in an attractive area, and get into all sorts of difficulties.

The matter is serious and not simple of solution. Money will have to be spent on providing the supervision required—even if it is only a scheme of lollipop supervision at pedestrian crossings or by aged persons. The Minister cannot shrug off the difficulties by saying that the parents of these children use the school as a child-minding centre. He is ignoring the problem by saying that there is no option other than for the children to travel on buses that arrive at the school at a time when the children are not supervised. I ask the Minister to use his influence with his colleague the Minister for Education to overcome the problem.

Motion agreed to.

House adjourned at 10.34 p.m. until 10.30 a.m., Tuesday.

QUESTION UPON NOTICE

The following question upon notice and answer was circulated in ***Questions and Answers*** this day.

CONCORD TRAFFIC LIGHTS

Mr MASON asked the Minister for Local Government and Minister for Roads—

(1) What is the duration of the "green phase" on traffic lights in peak hours for traffic turning right from Harrison Avenue, Concord West, into Concord Road at Concord Road, Kiloola Street and Harrison Avenue?

(2) If drivers turning left from Kiloola Street into Concord Road continue through the "amber phase" and are still in the intersection at the commencement of the "green phase" for Harrison Avenue, is there sufficient opportunity for traffic from Harrison Avenue to enter Concord Road without undue delay?

Answer—

(1) Nominally 12 seconds. However, this can be increased at times by the addition of unused "green" time from the previous phase.

(2) Sufficient time is allowed for vehicles from Kiloola Street to clear the intersection before the introduction of the "green phase" for Harrison Avenue. Therefore, there should generally be no impediment to traffic from Harrison Avenue.