



Legislative Council

12/09/84

GOVERNOR'S SPEECH: ADDRESS IN REPLY

Fourth Day's Debate

Extract

The Hon. J. H. JOBLING [3.47]: I am honoured to have been elected by the citizens of the State of New South Wales to this, the oldest of the Parliaments in Australia, a Parliament with a long and distinguished record of service to the people of this State, a Parliament of high ideals and traditions; indeed, a true House of review. When first established in 1823 the Legislative Council was only able to review legislation, but with the passage of time, many changes have occurred in its role. Its composition has changed. Its role has altered from the role of a Governor's House— a House whose members were solely appointed by the Governor of the day, and whom one might well have expected would support his views—to a then politically appointed House without restriction on members' terms, progressing through the years to a House that is now publicly elected by the citizens of New South Wales; a House whose members' terms are subject to public accountability, and whose members are elected on a regular basis. The date 24th March, 1984, was indeed a watershed in the history of the Legislative Council of New South Wales, for it was on this day that the final step in the current transformation of the Legislative Council was completed. The Legislative Council is indeed now a completely different Chamber from any of its predecessors in as much as all of its members are now elected by the public at State elections. It is indeed now a full-time House, a working legislature, a genuine House of review.

The great change as proposed has now occurred, the metamorphosis is now complete—and yet I wonder whether it is. Certainly in less than 200 years much has been achieved. As we look forward towards the Australian bicentenary in 1988, which is less than four years away, I cannot help but feel that these are exciting times. There is still much to do and there is still much to achieve, if we are to ensure a better next one hundred years for the citizens of New South Wales. I am pleased to see a strengthening of the role of the Legislative Council; the reintroduction of legislation that originates in this House; a progression towards the committee system, a system that will ensure that this will indeed be a true House of review—an independent House in its own right. During the Forty-seventh Parliament, 418 bills were passed through both Houses. Of those bills, 14 were amended by this Council, resulting in 175 amendments being submitted. In 1973, during the Forty-second Parliament, only 253 bills passed through both Houses. I should like to make it perfectly clear at the outset that I am a firm supporter of the bicameral system of Parliament, and I believe in it. It is a system that allows time for consideration and review of the decisions made often in a highly emotive and politically charged atmosphere in the Legislative Assembly.

The bicameral system acts as a check against one House of Assembly and what would be its absolute power—a power, I might add, which can all too quickly deprive the citizens of New South Wales of their voice of dissent, of their chance to express their views in a manner that a true democracy should allow, and indeed— for that democracy to survive—must allow. It was one of those great subjects addressed in the golden era of debate in the British Parliament by such greats as Bourke, Fox and Pitt the Younger; perhaps, equally as successfully, it was put by John Mill in this way:

The consideration which tells most in my judgment in favour of any holder of power, whether an individual or an assembly by the consciousness having only themselves to conduct. It is important that no set of persons should, in great affairs, be able, even temporarily, to make their will prevail without asking anyone else for his consent.

A majority in a single assembly easily becomes despotic and over-weening if released from the necessity of considering authority.

The desires of the Government, as outlined by His Excellency the Governor in his Speech to this House, set out the coming years as the Government would see it. But I must ask the question: do those things reflect the needs and aspirations of the individual? Whether we like it or not, society is composed of individual people

with different hopes, ideas and aspirations, and their endeavours to achieve those goals should not be hindered or diverted by excessive government intervention and regulation.

Just as the traditions of this House have stood the test of time, so have the needs of the individual person. They must be considered; they must have the opportunity to set their own parameters. It should be a reflection of their ideals and understanding of society; a freedom of choice, of dedication to work; the development of each individual's potential to its fullest to ensure a quality of life. Indeed, a lifestyle that each individual or family could enjoy is certainly not an unreasonable goal, at the same time ensuring care and assistance to the infirm, the sick, and the needy. The right to choose rather than be told or compelled is surely the view of every fair-minded person and is certainly a view held by all Liberals. I abhor government and bureaucratic intervention into society and their attempts to try to regulate the individual's actions. I certainly, without hesitation, reject the extremes of all political colours and their usually inflexible and narrow dogma. There is no doubt, therefore that *I* shall certainly reject the socialist-oriented philosophy of stultifying grey, mindless average mediocrity, which their policies of equality seem hell-bent on achieving. I wonder what happened to achievement and excellence. Individual effort and desire to achieve must be promoted and nurtured if this State, again, is to grow and develop; to be a leader in the industry; to attract capital investment; to create the productivity that we so desperately need to ensure that the youth of this State will have a chance to obtain and keep long-term employment and be assured of career opportunities so that they may be able to plan with confidence in their future. The present programmes have offered little or no hope, and they do nothing to resolve the problems or give any real grounds for future optimism.

As honourable members will be aware, I am a resident of the upper Hunter that most beautiful part of New South Wales with its major city and port of Newcastle, which I must note is one of the great export ports of Australia, with its related heavy industry and development, through the rich rural areas, the mixed farming and irrigated lucerne flats and one of the strongest dairying areas in New South Wales. Honourable members would be aware of the world-renowned upper and lower Hunter vineyards and the resultant tourist attraction that they bring. Indeed, I expect to see many honourable members in that area for the wine festival over the coming October long weekend. The area is noted for its cattle and horse studs, its magnificent scenery, rugged areas of sandstone cliffs, dense forest, of man-made water storages, lakes and dams with recreational facilities, its rivers and streams in which fish still may be caught, and mountains, rugged and occasionally snow-capped. The area has managed, with great difficulty I might add, to keep all of this despite the rapid growth of industry and the related projects in the area. As the area progresses, so does New South Wales and indeed, one might say, Australia. It has been claimed, quite rightly I believe, that the Hunter Valley may be classed as a microcosm of Australia.

I have been advised that one should not be too critical in a maiden speech. Therefore, I shall wait for another day to deal at length with the problems of water conservation, of flood-prone land, of the cattle industry, of meat marketing and abattoirs, and the beleaguered dairy industry, all of which seem to be singled out for special treatment by this Government. One could be forgiven for believing that the Government has some desire, indeed a plan, to destroy the rural industry, whose existence and production are essential to city life in particular, and Australia's export capacity as a nation and its long-term economic well-being. As honourable members are aware, close to Muswellbrook is the heart or, if you like, the engine room, of the State's power production. The Liddell power station and the soon to be completed Bayswater Power Station will be capable of producing a rated 4 640 megawatts of power, which is the larger percentage of this State's generating capacity. In close proximity are the major open-cut coalmines, including, I am pleased to say, the recently re-announced, but reduced in size, Mt Arthur coalmine, estimated now to produce some 3.5 million tonnes of coal a year instead of the estimated 10 million to 11 million tonnes, which would have made it by far Australia's largest open-cut coalmine.

There are three specific areas to which I wish to turn in this address—the areas of roads, coal and related freight charges, and local government. Local government is claimed to be the third tier of government. It is said to be recognized by State and federal governments as that area which is closest to the people. Yet successive governments have continued to deny this recognition for the third tier of government. The Minister has given an undertaking to local government that before the end of this year he intends to enshrine in legislation constitutional recognition for local government. I noted with interest that nothing was mentioned by His Excellency, the Governor, in his Speech in this House, though credit was sought for the re-establishment of the Department of Local Government and the appointment of a Minister solely

responsible for local government matters. It is all too apparent that nothing in the Governor's Speech revealed that that proposal will come to fruition or that in fact the Government seriously wishes it to happen. It would seem that State and federal governments have a desire that those things which make money or are of a vote catching nature are of use to them. They are quite happy to take but are all too ready to give back to local government those fields that are expensive, costly and vote losing. At the same time there are restrictions placed upon local government's ability to raise money and increase charges to meet the higher imposts imposed upon it by those items which are being moved into its sphere—items in relation to which they do not have the money or the opportunity to service correctly. That is a particularly sad situation because the local government scene, being that one closest to the people, is certainly the one that is most likely to identify the needs of those areas and render the greatest service for the least number of dollars expended in those particular fields.

The attitude of this State Government is well known in attempting to circumvent its own laws in relation to local government. The State Government and many of the *ad hoc* departments—it really does not matter whether it is Landcom or Elcom, the list is endless—are more than happy to circumvent the planning and environment procedures by whatever means are available. It is difficult to come to any other conclusion about the intention of this Government's desire to dismember local government. Examples of this are the requests by Landcom in relation to subdivisions and the Electricity Commission in its attempt to push through high voltage lines on the Central Coast with neither a care or a thought for the people whose land it crosses, let alone the inconvenience it might cause. One looks also at the State Government in relation to the Sydney city council and the proposed Darling Harbour programme. The list is endless. This certainly does not suggest a desire for recognition, a desire for genuine partnership or a suggestion of enshrining local government in legislation as the third tier of government.

The situation in the planning and environment field was clearly outlined by my colleague the Hon. J. P. Hannaford when he spoke of control by State Government of local government environment and planning legislation and its fund raising ability and its rating ability. I make it quite clear that I do not suggest that this ability should be limitless; certainly it should be kept within reasonable bounds. The power of the Minister to dismiss at will any local government authority without a proper hearing or trial does not in any shape or form smack of equality. The Hon. G. R. Ibbett, being a member of a local council that had such action taken against it, explained clearly to this House his feelings. One looks at the actions of the Boundaries Commission and finds that its activities are not those of one body in equal partnership with another. Let there be no doubt, there is an urgent need for the Boundaries Commission to be restructured and reconstituted. There are simple ways of doing it and the Opposition has already suggested them. To restore confidence and to suggest hope, this is a matter that should be dealt with as a matter of urgency. There is nothing more likely to cause upset, concern and distrust than to have hanging over a council's head the threat of a possible amalgamation or a dismissal. As usual it is the citizen of that area who finally suffers.

It is interesting to watch the development of the attitude of a State Government towards local government in the welfare and social welfare field. It is interesting also to note the requirement for local governments to become more involved. It might be asked, where is the long term assistance? Where is the money and where is the manpower? I suppose in this day and age instead of manpower one should use person power. Where is the backup necessary to develop these standards to the fullest? Local government is certainly best suited to deliver many of these services, but the opportunity is consistently strangled by a centralist bureaucracy. Despite the many statements made by the Minister, including one of bridging the gap made in an interview with the Local Government and Shires associations, it would seem that the Minister for Local Government sees and describes himself as the Minister for tittletat. That is hardly the attitude one might expect from a Minister who is said to support the activities and attitudes of a vigorous equal partnership.

One might be forgiven for suspecting, when considering the Department of Local Government, that it is not programmed to assist local government needs. The department does not initiate new ideas. It does not present new programmes. It does not seek to develop and help in the growth of local government in its many and varied areas of activity. Rather, it serves as a pure financial watchdog, a regulative body. In fact, it is merely an overseer. I wonder what was the last positive and productive initiative undertaken by the Department of Local Government to assist in local government development? It seems that the many parts of local government, which once fell under the ambit of the Department of Local Government, have been hived off to the many other government departments and spheres. I am reasonably convinced that this

Government is determined to destroy local government, the so-called third tier, by stealth and deliberate action. The Government has no intention to share with local government an equal partnership in the care and well-being of New South Wales. I can find nothing in the Governor's Speech to dispel this fear. The hardworking voluntary citizens in local government can find no cheer either.

Let me now turn to roads. Roads are, as honourable members know, the link and lifeblood of our country, whether it be in time of peace or war. It does not matter where one travels in New South Wales, whether it be in an urban area or a rural area, the roads are steadily but at an increasing rate falling to bits. If anyone doubts this, try travelling throughout the State. Should members do so I only hope that they have strong vehicles or regular access to service stations so that they might keep their motor vehicle together. For those of us who travel mostly in country areas, let me give the assurance that the going is a lot tougher. Much will be and has been made of the federal bicentennial road funding and the work being done as a result of this funding. This money is appreciated and certainly is doing a good job. Without the provision of those road funds our road system would be in an even more parlous state than it is.

Let us look at our poor old friend, John Citizen, the motorist, and the taxes and imposts of the licensing increases, all those taxes and charges he is paying and the increases he is continuing to pay year after year. One might well wonder what in fact he is getting for his money. The Government again this year has followed what has become its now usual practice of announcing increases in advance of the Budget so that the members of the public will not realize the real truth and the size of the tax increases imposed by this Government. It is a wonder that they have not used the indexation technique applied by the federal Government each six months to petrol, spirits and tobacco. It was interesting to note that on 1st September the Minister announced a number of increases. The annual renewal of a driver's licence is now \$20; that is an increase of 33 per cent; a learner's permit is now \$14, an increase of 40 per cent; a driver's licence test is now \$15, an increase of 50 per cent; car registration fees are \$20, an increase of 33 per cent; transfer car registration is \$12, an increase of 33 per cent. If one wants to buy personal number plates, they are now \$60; they have gone up 20 per cent. That is hardly an example of restraint being set by this Government or rises in accordance with the consumer price index, which is much quoted.

No wonder this State has the reputation of being one of the highest taxing States in Australia. At the same time if one looks at the Department of Main Roads and its plans for some of the super expressways, it will be seen that it spent a long time planning but there was no money to pay for them or to do anything about them. Many simple remedial factors would lead to a great improvement. It is probably time that the Minister suggested to his department that it come down from the clouds and work in the real world where the real people live. The condition of the roads is still steadily deteriorating; maintenance is falling behind at an ever increasing rate. Despite the increasing cost of operating motor vehicles, traffic on the State's roads is still increasing. This is leading to an ever increasing demand on the roads networks. It is expected that the demands on the road system will continue to increase even allowing for the continual market increase in fuel prices. This is because the rail system proved to be totally incompetent to handle the demands placed upon it.

The rapid increasing demands made upon the road system—and especially from the increasing number of heavy vehicles using roads—is causing accelerating rate of deterioration of their overall condition. As a result there is a correspondingly high increase in the requirement for the maintenance of works to attempt to keep these roads in a barely traffickable state. Some roads have almost reached the stage of being a series of potholes held together by a halfpennyworth of tar. Hopefully we say that if the rains do not come, we have got a chance. But, if they do come, they will cut away that little bit of tar that is there and reduce the condition of roads to something akin to chaos. The Department of Main Roads maintained that the policy of maintaining roads requires a continual increase in maintenance expenditure. The department said that in 1972-73 for every dollar spent on construction about 30c was spent on maintenance. By 1980-81 the equivalent expenditure had risen to about 50c and is still continuing to rise. If funds provided fall short of that requirement—having regard to the increasing demand on the road system, and the increasing cost of maintaining it—the road network will eventually collapse. The effects of this will compound the cost to the community, which is already suffering the effects of inadequate roads. Let there be no doubt that expenditures on improving roads is a sound investment, and something which would return to this State economic benefits many times the value of the cost of those roadworks. The resultant benefits of lower transport costs, increased employment, lower vehicle operating costs, energy savings, the reduced rate of

road trauma, with the consequent saving of social service payments, and the reduced private and commercial driver time would be just some of the many benefits. Any one of those would be of great benefit to the individual and the State, let alone the compound fact of those six items whose effect and cost to this State are absolutely enormous.

It is evident that the deterioration of roads without proper and correct maintenance is able to be calculated. The period from which deterioration begins to accelerate is already well known. Whilst it is understood that roads must begin to deteriorate from day one, it is only a gradual deterioration in that early stage. It is, however, after about 75 per cent of the road's life that it begins to deteriorate at an increasing rate. It is considered that a road will suffer total failure over a period of about twenty-five years. The critical point is reached after about fifteen or sixteen years. So, therefore what happens if that maintenance is deferred? What happens if the Government does not provide enough money for the construction of new roads and for the maintenance of those existing roads? I am sure honourable members would be aware that the answer is a very simple one. Deferred maintenance increases costs, and beyond a certain point those costs increase dramatically.

One need only look at a recent Canadian study to see that it is far more economical to carry out improvements at about a 75 per cent life cycle, at the time where the pavement condition passes from good to fair rather than to defer it, because it will cost four or five times the number of dollars to get back to the same state if one tries to do it later. In fact, the pavement does not last as long. It would mean also an increase in the direct operating costs to the road user. So simply put, the timely rehabilitation saves money in the long run, extends the life of the road, provides the smooth surface, which we have every right to expect, and lowers the maintenance cost—whether it is from use by heavy vehicles or domestic motor vehicles—and contributes significantly to the structural strength of the road by increasing its life. So while maintenance is fundamental to lowering overall costs, the interesting fact that flows from this is the creation of jobs. In the Hunter region, and particularly in Newcastle, the creation of jobs is of paramount importance. I have listened to claims from the Government members about employment prospects and the reduction in unemployment figures. I shall quote from an address given by the federal Minister for Employment and Industrial Relations, the Hon. R. Willis, to the annual dinner of the Newcastle district section of the Metal Trades Industry Association on 14th August when he said, "Newcastle and the Hunter region have not benefited from a recovery from the recession to the same extent that other areas have". His department estimated that the unemployment rate for the Hunter region was 16 per cent against the national average of 8.4 per cent. A Metal Trades Industry Association survey in June presented a fairly pessimistic short-term outlook for the industry. The survey showed that in the next six months 3 706 jobs or 15.4 per cent of all jobs in the metal trades engineering companies in the Hunter region, could be lost as large construction projects finished.

It is to be hoped that the State Government is serious about the proposed submarine construction programme for the State Dockyard and the jobs that it might create, and that we are not merely being subjected to a window-dressing exercise or a wallpapering over the problem in the hope that it will not be apparent to others outside the region. I am sure honourable members would be aware that the road construction industry is one of the most effective providers of employment in Australia. We all know where the money comes from. But, should any honourable member have any doubts, let me make it perfectly clear that the motorists and the citizens supply the funds. The money for roadworks comes from vehicle registration, driver licence fees, fuel levy, duties, royalties, taxes, fees and so on.

With every tank full of fuel purchased approximately 60c in every dollar goes to government. Let us look for a moment at what those road dollars create in pay packets and be confirmed in the fact that they do. Some 64 per cent of all expenditure on roads goes directly to the employment of labour. In other words, for every \$1 million spent on roads, \$640,000 goes straight into Australian pay packets. In a recently published report of the National Association of Australian State Road Authorities—NAASRA—the result of a study prepared we should accept by experts in the field, it is stated that \$1 million spent on roads generated thirty-seven jobs in the road construction industry, fourteen in allied supply industries and a further thirty-seven in other industrial sectors, a total of eighty-eight jobs. Honourable members should note and remember well that the road construction industry is one of the most effective providers of employment in Australia. I am told it ranks third in the number of jobs generated for each \$1 million spent.

When one couples that fact with the savings in transport costs, wear and tear, and general time

saving, the need to ensure that our roads are maintained can be seen to be paramount. The Government has a duty to ensure that these funds are found, for the quality of those roads will have a direct effect on the well-being of the citizens, and it is a direct cost to each of us and our living standards as individuals. Expenditure on roads is a simple way for the Government to create new jobs, to continue existing jobs and to achieve a worthwhile result. The neglect of our road system is a direct responsibility of this Government. It has had the time to act and has chosen not to do so. It has chosen not to make the necessary funds available. With the passage of each year the problem will compound dramatically and the cost to this State will have increased extraordinarily. The Government's neglect to provide funds for roads has been confirmed by a recently released report. "An assessment of the Australian Road System in 1984", by the Bureau of Transport Economics. That report, which was released in July 1984, shows clearly that State Government expenditure on roads declined from 1972-73 to 1976, and recovered in 1979 before declining in 1981-82 back to the 1972-73 level. That is not a pretty picture.

It is clear also that the State Government expenditure on roads in relation to motor vehicles on the register has continued to fall over the last decade. It has fallen from \$184 expended per motor vehicle registered to \$123 in 1982, and this trend is continuing. At the Commonwealth level of funding for roads, it is only with the inclusion of the Australian Bicentennial Road Development funds and the Jobs On Local Roads—JOLAR—that the real expenditure in 1983 has been restored to a level that is equivalent to 1972. Perhaps Monday's belated announcement of extra funding for our roads is an indication that this Government may at last be recognizing the need for and the importance of good roads.

I turn to another area that vitally affects the economy of New South Wales; namely, the coal industry. These are difficult times for the industry. Again one need only look at the wages, taxes and royalties paid, and of course the freight charges, to realize that these are endangering one of the largest income producing industries in this State. The New South Wales coal industry must compete on the world market and in the market-place, especially the Japanese steel mills, whether we like it or not. We must accept that there is a surplus production of coal internationally and a glut of oil. So it is important that we look for ways and means of maintaining this job-creating, income-generating industry in this State. I pose the question, what action is proposed by this Government to assist the industry and to ensure that excessive freight rates and port charges do not bring the industry to its knees by crippling its ability to operate? Despite record production levels and sales, the coal industry in New South Wales is losing money. The irony is that New South Wales has some of the most attractive steaming coal deposits in terms of quality, proximity to port facilities and low overburden ratios, and though the State has been blessed with some of the world's best coalmines, the coal export industry is in trouble and many of the higher cost underground mines are on the verge of collapse because of excessive taxes and government charges.

It is interesting to note that this State's share of new markets has fallen from about 55 per cent in 1970 to 20 per cent today, while at the same time South Africa, our major competitor, has been able to capture an increasing share of new markets, rising from zero to about 40 per cent. One cannot help wondering why the South African coal producers have been so successful. Freight rates are one of the critical components of that situation. There is much disagreement about how State Rail Authority charges compare with those in other States and countries. I understand that the transport of coal is the State Rail Authority's largest single business operation. I am led to believe that the authority earns as much revenue from coal as it does from the whole of its passenger carrying services. There is no doubt that the subject of these charges that the State Rail Authority makes to carry coal in New South Wales will now come to the fore, especially in the wake of the pressure that has been placed on coalmining companies following lower prices that have been finalized for the sale of coal to Japan in the 1984-85 year. The State Rail Authority says that at the beginning of this year it gave the coalmining companies considerable concessions by way of lower cartage costs. At any rate, the tonnages for coal are now set for the next twelve months so it should not make any difference over the remainder of 1984 whether or not concessions are to be made.

It is interesting to remember that these increases without exception were imposed during the good times of the industry. The major area of disagreement is how these freights are calculated. Whether they are a basic calculation of so much per tonne or whether the freight cost per tonne per kilometre calculation is used, the results are interesting. In New South Wales the average distance to the port is about 100 to 105 kilometres. If one uses the SRA figure, one produces an answer of \$8.60 a tonne. If one uses the carrying figure of freight per tonne per kilometre one gets 8.2c. The comparable figures in Queensland with an average haul, say from South Blackwater, of approximately 340 kilometres, are \$10.05 and 2.9c. So when

one compares those two figures in Australia one observes a big difference. If one takes the Canadian figure where the distance hauled is 1170 kilometres, compared with 105 kilometres in New South Wales, and the New South Wales figure is \$8.60, the distance figure produced is \$18.70, but if one uses the other figure, which I believe is correct—the tonne per kilometre figure—the story is the opposite: it is 8.2c in New South Wales and 1.6c in Canada—a considerable difference. I accept that the argument is complex. The State Rail Authority denies overcharging, but a recent federal Government National Energy Advisory Committee report entitled "Transportation of Export Coal" belies that denial. The committee blandly admits that the cost of a unit tonne kilometre of railing coal in New South Wales and Queensland is significantly greater than in any other coal exporting country. The average charges here appear to be at least three times as high as those applicable in Canada, the United States of America and South Africa.

The New South Wales Government appears to have overlooked the fact that demand for steaming coal is price elastic. Lower government charges per tonne would enable producers to increase their market share as a result of increasing rather than decreasing State government collections. The welfare of the coal industry in both short and medium terms is becoming a critical issue as producers face losses on each tonne of coal sold at current international price levels. It has been claimed that the New South Wales producers of steaming coal are losing between \$6 to \$10 per tonne. The Government share of total coal industry revenue through charges and taxes is about 30 per cent. It is the one part of the coal industry to which minimal concessions have been made.

It is one thing to sell stockpiled coal at below its replacement cost. Whether honourable members like it or not, this is an economic loss. Because production charges have already been incurred in the past, the loss does not cut heavily into the cash flow of the company; but once stockpiles have dwindled, increasing output from mines to replace stockpiled coal for export markets incurs heavy expenditures, at today's costs, resulting in losses that will cut deeply into already inadequate cash flows. To put it bluntly, who is voluntarily going to incur additional losses of the order of \$6 to \$10 a tonne for the privilege of handing over 30 per cent of the gross in government charges and taxes set in more expansionist days? The alternative to direct government action now is closure of more coalmines, with resultant major job losses, a certain decline in government revenue, and an increasing inefficient and uncompetitive industry. It is interesting to note the recent announcement by a senior company official of the Saxonvale open-cut coalmine near Singleton that the mine was limping along at below break even point, largely because of high New South Wales Government charges. That is a mine that cost some \$120 million to bring into production, and has only been in production since mid-1982. It will survive the 1984 calendar year, but closure in the longer term is a definite possibility unless the mine's situation improves. It is appalling that so much money could be spent, and so many dollars and jobs could be lost, because of excessive government charges.

The other matter of concern, besides freight, is charges made at the port. When one looks at the Port Waratah Coal Services, one discovers a recent 33 per cent increase in charges. When one looks to the South Coast and the Port Kembla area, cuts in charges there could be funded, at least partly, by the State Government extending the depreciation period on the Port Kembla loader from 13 to 25 years. This would halve depreciation charges to the companies and allow them to pay the remaining costs in future years. The Minister will be interested to note that the \$280 million Kooragang coal loader recently received its first ship. The loader had lain idle for a considerable time due to industrial disputation. Argument on whether or not hatchmen should be used added strength to the contention that Australia is an unreliable supplier. A more embarrassing situation is hard to imagine: a loader completed months ahead of schedule, ostensibly at \$70 million under budget, has yet to be used. Workers are still rejecting the decision of the Commonwealth Arbitration Commissioner, Mr Baird, and are still insisting on their hatchmen, which would add over \$1 million a year to costs of operating that particular loader.

The first ship to use the coal berth since the loaders became commercially operational docked on 3rd August. The irony is that the ship was not waiting for coal; it was waiting to go to the wheat berth. This most unsatisfactory situation highlights the unreliability of the supply port. However, I can report that on 14th August the Japanese bulk carrier *Shornei Maru* became the first ship to load commercially at the plant when it began taking on a 55 000 tonnes cargo in mid-morning. The only problem was that there was a delay of more than two hours at the start of loading because of the late arrival of a train bringing coal to the loader.

What can be done to improve the situation? The Government can improve it if it has the courage to take a number of steps. It could put the coal industry back on a competitive basis by cutting the State rail

freight rate by \$3 a tonne, by cutting port charges by \$1 a tonne, and by tying State royalty charges to profits instead of tonnages, a matter which could save companies up to \$2 a tonne. The need for these lower government charges has been made abundantly clear by the actions of Japanese steel producers' success in achieving price units. The results of lack of action have been predicted as the loss of more than 1000 coal industry jobs and the closure of seven New South Wales coalmines. I ask, are we in New South Wales able to afford such drastic happenings? We need to get this State moving. We need to provide employment and produce long-term job security and increased productivity. I commend honourable members to the following words:

You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot establish sound security on borrowed money alone. You cannot build character and courage by taking away man's initiative and independence. You cannot help a man permanently by doing for him, that which he can, and should do for himself. But in these days of high inflation and high income tax there is not much incentive left for any of us, whether we be individuals, in big business, or small business. Private enterprise, like we individuals, needs incentives and in its case the profit incentive, the opportunity to earn reasonable but not excessive profits.

It is interesting to note that those words were attributed to Abraham Lincoln. Now it is suggested by the historian at Ford's Theatre that they more correctly should be attributed to the work of William J. Boetcher, a clergyman from Erie, Pennsylvania. The words are as true today as when they were first written some one hundred years ago. The Government will ignore them at its peril. I thank officers of the House and honourable members for the help, assistance, and courtesies extended to me during my first session of Parliament. Especially I thank honourable members for according me courtesy and tolerance in making my maiden speech. I think I am right in my feeling that such indulgences will not be so readily granted in future. I look forward to participating as a fully active member of this House from today.