Tuesday, 15 October 1985

The SPEAKER (the Hon. C. T. Edmunds) took the chair at 2.6 p.m. and read the prayer.

ABSENCE OF MINISTER

The SPEAKER—Order! I advise the House that the Minister for Housing will be absent during questions without notice.

BROADCASTING OF PROCEEDINGS

The SPEAKER—Order! I also advise the House that I have given approval for the broadcasting of question time and the Budget debate by television and radio.

QUESTIONS WITHOUT NOTICE

TRAVEL AND ACCOMMODATION CONCESSIONS

Mr KENNETT (Leader of the Opposition)—I address my question without notice to the Premier. Given the standards of propriety laid down by the Premier that holders of public office must not accept travel or accommodation concessions and recalling that the Premier used those standards and circumstances to force the Governor's resignation, will the Premier now confirm that the Alcoa company paid for two days' accommodation for the Premier and Mrs Cain at a five-star hotel in Pittsburgh? Will the Premier now apply to himself the same standards he demanded of the Governor when he forced him from office?

Mr CAIN (Premier)—The desperation of the Leader of the Opposition for headlines is well known. I shall not dignify his attempts to hang on to his job by lending any legitimacy to the question he asks.

I undertook a job on behalf of this State and I made clear the circumstances of my travel on that occasion. I stopped at that hotel which is owned by Alcoa. I paid for my own expenses over and above the room, as I recall it. I shall check the details of all the arrangements during that stay and I shall advise the Leader of the Opposition in due course.

Mr ROSS-EDWARDS (Leader of the National Party)—I refer to the Premier's recent announcement that public office holders must not accept travel, accommodation or other concessions from companies or individuals. Is the Premier aware of any Parliamentary members of his party who have accepted such benefits in the past year and, if so, what action has he taken or will he take against them?

Mr CAIN (Premier)—No such matter has been brought to my attention. If the Leader of the National Party brings it to my attention, I shall investigate the matter.

PORTLAND ALUMINIUM SMELTER

Miss CALLISTER (Morwell)—Can the Premier provide the House with details of the potential involvement of the Chinese Government in the Portland aluminium smelter?

Mr CAIN (Premier)—This week has brought a significant new announcement concerning the progress of the State's most important international development, the Portland aluminium smelter project. CITIC, the Chinese International Trust Investment Corporation, has signed heads of agreement to take a 10 per cent share in the smelter. The

signing took place in Beijing on Tuesday last week. A delegation from CITIC arrived in Melbourne this morning and they will be reviewing the financial and legal arrangements over the next few weeks.

I plan to show the Chinese visitors progress on the construction of the smelter later this week. There is a great deal to see, as I have advised the House before. Great progress has been made and, if CITIC takes up the 10 per cent share, the interests in the joint venture will be: Alcoa of Australia Ltd, 50 per cent; the Government of Victoria, 30 per cent; the First National Resource Trust, 10 per cent; and CITIC, 10 per cent. The completion of this project will be a landmark in the development of this State.

TRAVEL AND ACCOMMODATION CONCESSIONS

Mr BROWN (Gippsland West)—I refer to the question asked by the Leader of the Opposition about the Premier's breach of his own standards of propriety and now ask further: Did the Premier and Mrs Cain travel in the first-class compartment of a PanAm jet to America on 1 May 1985? If so, were the full, first-class passenger fares paid; if not, why not?

The SPEAKER—Did the Premier hear the question?

Mr CAIN (Premier)—Yes, I did. I left this State on 1 May, a day late. The custom and the practice, so far as travel is concerned, of Ministers and Government officers, is to travel business class. On that occasion, I travelled first class because I was required to undertake a 17-hour flight and address a meeting on my arrival at Los Angeles. That was the arrangement made. It is the only occasion I can recall when I have ever travelled first class. The arrangements were made by the department.

The rules I have endeavoured to lay down are that Ministers and others travel economy class, and first class if they are to undertake an engagement on the same day at the end of that travel if the journey is more than 2 hours. That is the rule that has been observed. I believe it is being kept, and properly kept. That has been the situation.

The Government has endeavoured to observe reasonable standards and to be concerned to protect the public purse. Apparently it is not the concern of those opposite. I do not see anything wrong with requiring people to be circumspect in the use of public funds. We have been, and will continue to be so.

Mr ROSS-EDWARDS (Leader of the National Party)—Is it a fact that the honourable members for Boronia Province and Templestowe Province have each accepted free overseas trips in recent months and, if so, what action does the Premier propose to take in relation to those trips?

The SPEAKER—Order! Is the question directed at the Premier?

Mr ROSS-EDWARDS—Yes.

Mr CAIN (Premier)—I have no knowledge of such trips. If the Leader of the National Party wishes to provide me with the information, I will consider the matter. If the Leader of the National Party is saying that back-bench members of this House have some obligations with respect to travel, for which I am responsible, then let me hear what he is saying.

Mr Ross-Edwards—Answer the question.

Mr CAIN—I have given the answer; I have no advice or information.

TRADE BETWEEN VICTORIA AND CHINA

Dr COGHILL (Werribee)—Will the Minister for Industry, Technology and Resources advise the House of progress being made in arrangements for trade between Victoria and China?

Mr FORDHAM (Minister for Industry, Technology and Resources)—I thank the honourable member for Werribee for the question and his ongoing interest in the development of trade with countries in the Pacific region. The Government is providing new horizons for Victorian business by promoting market opportunities in China and Japan. The Department of Industry, Technology and Resources has recently appointed a senior trade officer, with some sixteen years' experience in foreign affairs, to head up the office of China projects.

Mr Colin Heseltine will provide Victorian firms with expert advice on trade and joint ventures with China. The China projects office will explore opportunities offered to Victoria by the current restructuring and modernization of the Chinese economy, and its growing open-door policy for trade and economic co-operation with specified countries, including Australia. This initiative will build on the existing links between Victoria and Jiangsu, established through the sister State relationship and the sister city link between Melbourne and Tianjin.

In addition, through the China projects office, Victorian firms interested in doing business in China's major industrial and agricultural region of Jiangsu will have access to detailed information about their commercial prospects.

As a further development in the western Pacific region and in order to promote trade links with Japan, Victoria has on secondment to the department a trade officer with some seven years' experience in Tokyo and has arranged a two-month exchange of industrial officers with the Aichi Prefecture. There is no doubt that Victoria's continued economic growth depends on Victorian business expanding its horizons into such new ventures and competing on world markets. The Government is facilitating that by providing international expertise and knowledge of new markets.

The Government has been delighted with the response from Victorian industry and employer organizations. Most of the key firms in this State realize the significance of future trade with China and Japan if the economy is to grow and if further employment opportunities are to be provided. I am certain the Government has the overwhelming support of Victorian communities in these major initiatives.

I contrast important issues of this type in dealing with the economic development of Victoria in China and Japan with the puerile rubbish honourable members have heard this afternoon. When will the Opposition begin to be concerned about the real economic and social issues in this State? No wonder the Opposition is in its present position!

DISCOUNT AIR TICKETS

Mr PESCOTT (Bennettswood)—I ask the Premier: on exactly what day was he first advised by members of the Police Force or the Minister for Police and Emergency Services about police investigations into discount air fares?

Mr CAIN (Premier)—To the best of my knowledge, it was some time around the middle of August that I was advised that charges were to be laid against a senior police officer.

NURSING DISPUTE

Mrs RAY (Box Hill)—Will the Premier inform the House of the details of the Government's offer to nurses and whether the offer conforms to the wage fixing guidelines?

Mr CAIN (Premier)—The Government has made an offer to the nurses which it believes is consistent with wage fixing guidelines. It has been widely accepted as a generous offer. The $22 million package provides a new career structure for nurses to encourage them to stay in their chosen profession. It recognizes the responsibility and complexity of nursing in the 1980s and takes into account increases in work value.

Today the Industrial Relations Commission of Victoria decided to conduct a private conference at 2.15 p.m. with the Royal Australian Nursing Federation. The Trades Hall Council, private employers and the Victorian Government will meet tomorrow at 10.30 a.m. The Full Bench of the Industrial Relations Commission will begin to hear the nurses' wage claim. The Royal Australian Nursing Federation will be asked to respond by 10.30 a.m.

I now make an appeal to the common sense of nurses on behalf of the public of Victoria; surely the nurses must realize that further industrial action will not assist in the presentation of their claim. Last Friday at a mass meeting the federation decided that nurses should go on an indefinite Statewide stoppage from next Thursday. I regret that at the mass meeting the officials of the federation did not explain the wage fixing guidelines or the detail of the offer before them. As a Government, we are continuing to be firmly committed to the accord and the wage fixing guidelines, which have brought wage stability and economic growth to the community in a way that we have not seen before.

ALLEGED MISLEADING HOW-TO-VOTE CARDS

Mr KENNETT (Leader of the Opposition)—Over the week-end the Premier has had the opportunity of considering the ramifications of the confusing answers he gave last week to questions concerning the Nunawading by-election scandal. Will the honourable gentleman now tell the House when he first heard about the scam; the date he knew that Labor Party people were involved; the date he knew that Mr Batchelor was involved; and, finally, the date he knew that Ministerial staff were involved?

The SPEAKER—Order! The honourable member used a word with which I am not familiar. I think the honourable member used the word "scam". Will the honourable member explain?

Mr KENNETT—In deference to you, Mr Speaker, I shall withdraw the word "scam" and include the word "scandal".

Mr CAIN (Premier)—As I said before, the desire of the Leader of the Opposition to make headlines seems to know no bounds. Last week the Leader of the Opposition made statement after statement, and he was wrong five out of five times. He had a different story every day. Today the Leader of the Opposition seeks to try to blow up the Nunawading situation because he is under threat from the destabilizing twins on his front bench, the honourable members for Polwarth and Hawthorn, and there are probably others.

Honourable members interjecting.

The SPEAKER—Order! I ask the Premier to resume his seat. I ask that the House come to order and that honourable members on the Government benches restrain their enthusiasm for continuous interjections.

Mr CAIN—The Leader of the Opposition knows, as does everybody else, that an investigation is being conducted by the Chief Electoral Officer. That is the proper course. Apparently, implicit in this question, is the suggestion that I should take on some concurrent investigative responsibility in this whole matter. That is a role I reject; it is a role I will not take on.

Mr Ross-Edwards—You are not game to!

Mr CAIN—I shall not intrude on the properly constituted investigative role of the Chief Electoral Officer. It is the proper course to protect the integrity of that process. An obligation rests on all of us to keep out of that process. I thought possums had some sense of danger. The Leader of the National Party has a selective memory. Let us talk about him for a moment. The Leader of the National Party became Leader in 1970 because his party knocked off George Moss——

Honourable members interjecting.

Mr CAIN—The Leader of the National Party has the gall to make comments about election cards, yet he became Leader because the National Party knocked off George Moss for doing a private deal on a how-to-vote card with the then State Australian Labor Party Secretary, Mr Bill Hartley. That is what happened. I have not finished and I have not yet finished with the Leader of the National Party either. Those how-to-vote cards were printed for George Moss by Industrial Printing and Publicity Co. Ltd for the Australian Labor Party. The Honourable John Galbally delivered those cards to the bush in his car.

The deal involved swapping preferences and using unofficial how-to-vote cards to increase the votes for the National Party at the expense of the Liberal Party. The Leader of the National Party knows that because he benefited from the deal.

Mr KENNETT (Leader of the Opposition)—On a point of order, Mr Speaker, the Premier has not even attempted to answer the question about his cover-up. All honourable members are interested in the other matters to which he has referred, but if the Premier does not have the confidence or the honesty to tell Parliament about his involvement in the cover-up, he is not fit to be Premier of the State.

The SPEAKER—Order! That is not a point of order; that is an explanation.

Mr CAIN (Premier)—The deal came unstuck and, instead, the Labor Party won three seats. The Leader of the National Party waltzes into this Chamber expressing his moral outrage, yet the National Party wrote the book on dodgy electoral practices.

As I have said on several occasions, and will say again, the Chief Electoral Officer has a job to do. I intend to see that he does his job without interference. The Leader of the Opposition is hypocritical in assigning to me a role that he has not adopted. Did the Leader of the Opposition investigate what his mates in South Gippsland were doing? Is he investigating what the Liberal Party was doing when it printed and paid for how-to-vote cards that shifted Labor Party preferences to the Liberal Party? Has he investigated the role that members of the Liberal Party and some members of the front bench, as I understand it, played with the mountain cattlemen in Nunawading? What about that one?

Mr ROSS-EDWARDS (Leader of the National Party)—On a point of order, Mr Speaker, you have ruled in the past that there must be some relevance between the question asked and the way in which the Minister answers the question. However, for the past 5 minutes honourable members have listened to some interesting but inaccurate details of historical incidents.

The SPEAKER—Order! I am not aware that I have made such a ruling. However, I advise the Leader of the National Party that I am about to ask the Premier to return to the question and to answer it.

Mr CAIN (Premier)—It is recognized that these incidents occur in election campaigns. Complaints have always been made about the conduct of elections. The Opposition is suggesting that somehow I should be held responsible for every incident involving members of the Labor Party. That comes as a hollow call from the Opposition; its Leader is not even responsible for what comes out of his own mouth, let alone for what his colleagues do during election campaigns.

Implicit in all of this is an assumption that I have a special guardian or watchdog role concerning the actions of members of the Labor Party. I have never undertaken nor shall I undertake such a role. My role is as head of Government and Leader of the Parliamentary Party. I am not a party official or a functionary; and I have never been one. I have not been involved in detailed party organization, and I shall not assume that guardian role.

I shall not take on that role because I have more to do with my time than to play those games. I am sure no one believes what happened in Gippsland South and Nunawading Province elections is clever or desirable. It is total arrogance for the Leader of the Opposition to make self-righteous assertions about this matter when the Liberal Party has a spectacular

record of having been involved in similar actions over a long time. Members of the Liberal Party are past masters at actions of this kind during election campaigns.

I shall put the matter into perspective. Honourable members know that this has gone on at all levels of politics. Can any honourable member say that he or she does not know of any incident or any time when this has occurred? Of course, honourable members know about such things. It is humbug to suggest otherwise.

The task now facing the Government is to put in place some system that will make future election campaigns better than they have been. Five years ago I suggested to the Deputy Leader of the Opposition, when he was Minister of Public Works, that some process of vetting how-to-vote cards should be introduced, but my suggestion was rejected.

The Labor Government will introduce legislation in an attempt to minimize the prospect of "clever" electoral tactics that have always been apparent; it is certainly time something was done about this situation.

Mr Austin interjected.

Mr CAIN—I suggested it to the Deputy Leader of the Opposition five years ago, but he would not be in it. The Opposition will have the opportunity of showing how fair dinkum it is by its support of the proposed legislation. The Chief Electoral Officer has a job to do in investigating the conduct of the Nunawading Province by-election. He should be allowed to perform that task without the politically motivated urgings of the Leader of the Opposition, together with those of the Leader of the National Party. The Leader of the Opposition has gone over the top, as usual, to protect his own political head. He knows that his members are out to get him—that is all he is concerned about—so he has gone over the top again.

The Government will not intrude on, or interfere with, the job that the Chief Electoral Officer should be doing.

GRAIN FREIGHT RATES

Mr W. D. McGRATH (Lowan)—In view of the recent statement of the Minister for Transport that the 6 per cent increase in charges for rail freight of grain was reasonable and just, will the Minister demonstrate his own confidence in that statement by now allowing freedom of competition between road and rail transport of grain?

Mr ROPER (Minister for Transport)—I thank the honourable member for the question of which he gave notice in the *Wimmera Mail Times* last Friday. Over the past three and half years the Government has adopted an extremely cautious and careful attitude towards the setting of grain freight rates because it is aware of the huge increases that occurred in the 1979–82 period. In the space of those three years grain rates increased by more than 50 per cent. My predecessor ensured that increases in those rates came down to the inflation rate and made commitments that, as improvements were made in the delivery and organization of grain, the benefits would be passed on to the farming community. Those benefits have now started to be passed on.

This is the first occasion in the past seven years on which the increase in grain freight rates has been below the consumer price index movement. No one on the Opposition side of the House could point to a performance in recent times anywhere near that record. The increase in grain freight rates has been significantly less than the cost to V/Line of providing those services this year.

As the Government said that the benefits would be passed on to the farming community, a number of meetings have been held with the Victorian Farmers and Graziers Association to discuss the arrangements for this year and for the future. Those discussions also involved the Canac report and overloaded trucks. Although we did not reach agreement, we have reached a basis for continuing discussions about the appropriate level for costings of grain freight in this State.

We have also discussed with the Grain Elevators Board its rates for this year. They will also be increased by significantly less than the movement in the consumer price index. The evidence is on the board. We are providing much lower increases in rates than those that occurred previously. We will continue to do so and to improve the way in which this major freight is carried to Portland and Geelong.

PROPOSED SUBMARINE CONTRACT

Mr SIMPSON (Niddrie)—Will the Minister for Industry, Technology and Resources provide the House with details of the result of his visit to West Germany and Sweden in relation to the proposed submarine contract?

Mr FORDHAM (Minister for Industry, Technology and Resources)—I thank the honourable member for Niddrie for the question. It is an important issue, and I hope his interest is shared by honourable members from both sides of the House. The mission included representatives of the Australian Chamber of Manufactures. Mr Brian Powell accompanied me, together with a senior representative from the State Bank of Victoria and industry representatives. It included people from Dunlop Olympic Ltd, Siemens Ltd, the Commonwealth Aircraft Corporation Ltd and Olex Cables. We endeavoured to show the two contractors—Kockums-AB of Sweden and IKL/HDW of West Germany—the close co-operation that exists between the Victorian Government and Victorian industry on this important project.

I remind the House that the project involves $2·5 billion for the six submarines. The Government has been endeavouring to maximize Victorian industry participation in the provision of equipment and components for the submarines and to put forward the case for Victoria, particularly Corio, being the assembly site for the submarines.

After an exhaustive study across the State the Government is of the view that Geelong is the most desirable location. Geelong has the appropriate deepwater port and the location is surrounded by almost 30 acres of available land. There is a ready supply of skilled labour within Geelong and the western suburbs of Melbourne.

Of course, Geelong is the pioneer of Australian site agreements. For more than ten years now negotiations have been taking place between employers and the Victorian Trades Hall Council for site agreements in the Geelong area. Both contractors regard this as an extremely important component for the development of stable industrial relations.

I was able to take to the contractors a document signed by Mr Peter Marsh, Mr John Halfpenny, Mr Brian Powell and Mr Bob Herbert, who represented the Labor movement and industry in the State, setting out the structures and processes that would be followed were an assembly site to be established within Victoria. My delegation was well received in both Germany and Sweden and it was acknowledged by both contractors that Victoria is very much in the forefront of their considerations for this important project.

The Government anticipates that recommendations on the final tendering and the proposed assembly site from each of the contractors will go to the Commonwealth Government between March and May of 1986. It is extremely important that Victoria becomes involved for both the sake of employment and the potential for technological transfer for industry.

I am delighted with the response that I am receiving from employers, employer organizations and the Labor movement right across the State. I look forward to Victoria receiving the lion's share of this project in the months and years ahead.

OVERSEAS TRAVEL BY PREMIER

Mr KENNETT (Leader of the Opposition)—I refer the Premier to his evasive answer given to the honourable member for Westernport and I ask the Premier whether he is aware of his edict that Ministers and other senior officers of the Government, when

travelling overseas, should travel only business class. In that context I ask the Premier if he can remember whether the tickets he held for a flight that he took on Pan American Airways in early May were business-class or first-class tickets.

Mr CAIN (Premier)—On that occasion I was travelling as head of the State Government on behalf of the Government and the trip was paid for by the State. I make that very clear. The arrangements were made by departmental officers. Part of the itinerary of the trip was to visit the Alcoa plant, but there were a number of other engagements.

The Leader of the Opposition is prepared to lower himself to any depth. Let us be frank about this, I provided all details of the trip to a member of the Opposition in response to a freedom of information request. By interjection an honourable member makes reference to the La Jolla Tennis Club. I spent four days there in a private capacity and I paid for it myself. The cost was $1200. I am not sure how many other honourable members do that.

When I travel interstate or overseas I am repeatedly pressed to upgrade and I resist at all times. In fact, I have been at airports where people have issued me with first-class seats and I have asked them to give me tourist seats. That has happened on many occasions.

I believe I have set what I regard to be proper standards for travel. I have said that the trip overseas was at State expense. The payment of expenses was arranged for by the people who travelled with me; I had no part of it. I told the House what happened.

Honourable members interjecting.

Mr CAIN—I am not blaming anyone; I am saying that I travelled overseas business class and that on the long leg from Sydney to Los Angeles I travelled first-class, as I was asked to do. It was a 17-hour flight and I had been delayed in Melbourne.

Mr Ross-Edwards—Who paid for it?

Mr CAIN—It was paid for by the department. Payment is a matter for the department. Apart from the $1200——

Honourable members interjecting.

Mr CAIN—I went out of my way to pay for that part of the trip that was private; the rest is an expense of the State, as it properly should be.

TEACHERS' STRIKE

Mr SHELL (Geelong)—Will the Minister for Education inform the House of the action that he proposes to take on the proposed work stoppage by three teacher unions?

Mr CATHIE (Minister for Education)—There is particular public interest in this issue. The teacher unions have inflicted considerable suffering and damage upon Government schools and upon the students enrolled in those schools. Indeed, for teacher unions to take this strike action—in my belief without any proper cause—and to decide to do this in the vital third term, when higher school certificate students are coming into their final month of preparation for important examinations at the end of their twelve years of schooling, is extremely irresponsible.

The teacher unions have claimed that the Government was about to worsen teaching conditions in this State. Nothing could be further from the truth. Victoria has the best conditions that exist anywhere in Australia and possibly anywhere in the world. I have spent considerable time in taking out advertisements, in appearing on television, in speaking to the media, and in writing to school councils and to teachers setting out the facts of this issue. I have been able to disprove completely the claim that the Government was about to worsen teacher conditions.

Looking at every way in which one can measure teacher conditions, it is obvious that Victoria has the best pupil-teacher ratio of anywhere in Australia. The Government has a

commitment to continue to improve those ratios under the present Budget. Victoria has the best class sizes of anywhere in Australia. In the term of the Cain Government, class sizes in secondary schools have been reduced. When the Labor Party first came to office only 65 per cent of class sizes in high schools was below 25. That figure is now 90 per cent. The Government will continue to improve that ratio this year under the Budget that the Treasurer has introduced.

As a result, if one considers the per capita expenditure on secondary education in Victoria and compares it with the rest of Australia, the Government is funding at the rate of 17 per cent higher than the national average. By every means that one can measure the success of the Government in improving considerably the quality and the standards of education in Victoria, it shows a magnificent record. As a result, teacher unions have completely changed the basis of their strike. They told the Government that it was because the Government wanted to worsen teachers' conditions. The Government has been able to disprove that contention but now the unions say that the Government has broken both the existing agreement and its promises to the unions.

They refer to clause 11 (6) in the current agreement which states that the parties to the agreement recognize that there is a strong expectation that total enrolments in secondary schools will begin to decline in the latter part of the decade. However, that decline is taking place earlier than expected.

As there will be 12 000 fewer students next year there is simply no case—as the teachers are arguing—for the same number of teachers. Clause 11 (6) indicated that the deployment of teachers in the context of such a decline will be the subject of further negotiations. I have always been prepared to enter into negotiations with teacher unions, so no promises have been broken in that respect.

The agreement goes on to say that it is agreed that such negotiations will proceed on the basis of retaining positions in order to at least maintain existing conditions of work for teachers. That is exactly what the Government is doing so how can it be accused of breaking any agreement it has entered into with the teacher unions. The agreement goes on to say——

An honourable member interjected.

Mr CATHIE.—The honourable members from the Opposition benches can draw their own conclusions. I am putting forward the facts.

Clause 11 (6) goes on to say that there ought to be a staffing ratio of extending the curricula options and the provision of specialist staff should be considered. That is an offer that I am prepared to make to teacher unions and it is an offer that was made to them yesterday when it was put in writing that the Government is prepared to allocate a designated number of additional positions to high schools in the year 1987 as part of a two-year agreement for the purpose of assisting Years 11 and 12 thereby increasing the curricula offerings and facilitating the implementation of the Blackburn report. In other words, the Government is prepared to tell the Victorian Secondary Teachers Association that, in light of the Blackburn report and introducing the new Victorian Certificate of Education in 1987, and in light of adopting a much broader curricula and a new organization for schools, especially for Years 11 and 12, it is prepared to consider the staffing ratios and to adopt a new staffing ratio to deal with that situation.

What happens? The teacher unions rejected that proposition which was tabled in writing yesterday. Unless the teaching unions come back to negotiating on the basis of reality, there can be no solution to this strike.

STATEMENT IN DEBATE

The SPEAKER—Order! During the debate on the Ministerial statement on Thursday, 3 October, the Leader of the Opposition took a point of order asking that the honourable member for Melbourne withdraw a word which he found to be offensive.

After the word was identified, I ruled that it was an unparliamentary expression and asked the honourable member to withdraw the word and apologize to the House, which he duly did.

I have listened to the official tapes of the debate and I am satisfied that the honourable member for Melbourne did not use the word to which the Leader of the Opposition objected.

PETITIONS

The Clerk—I have received the following petitions for presentation to Parliament:

Rural schools

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY IN PARLIAMENT ASSEMBLED:

The humble petition of the Merrijig Primary School, and the undersigned citizens of the State of Victoria, sheweth petition against the proposed closing of rural schools in Victoria.

Your petitioners therefore pray that rural schools in Victoria should not be closed.

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

By **Mr McNamara** (228 signatures)

Rye–Blairgowrie secondary school

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY IN PARLIAMENT ASSEMBLED:

The humble petition of the undersigned citizens of the State of Victoria sheweth that Rosebud High School will be unable to reasonably accommodate its student population in 1986 due to lack of essential facilities and crucial shortage of ground space. As the high school containing the largest student population in the State of Victoria, 1295, and with an anticipated intake of 300 students at Year 7 in 1986 making a total enrolment of nearly 1400, it is of utmost concern to the undersigned citizens that educational opportunities for all students will be minimized because of overcrowding.

Your petitioners therefore pray that a further high school be developed in the Rye–Blairgowrie area without delay to alleviate the pressures that will be unendurable at Rosebud High School in 1986.

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

By **Dr Wells** (946 signatures)

Melba Avenue–Anderson Street by-pass, Lilydale

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY IN PARLIAMENT ASSEMBLED:

The petition of the undersigned citizens of Australia respectfully showeth the concern of the members of the Lilydale Chamber of Commerce and Industry together with other traders of the township of Lilydale and citizens of the Shire of Lillydale and outlying areas at the extreme delay of proceeding with construction of the Melba Avenue–Anderson Street bypass (a copy whereof is hereunto annexed) understood to have been first mooted in 1958 and approved in principle in 1978. The concern of the aforementioned is because of the current volume of traffic using Main Street, Lilydale, and the consequent difficulties of parking and shopping in and around the said Main Street together with the added dangers and delays of crossing the said street, (it being noted that there are significantly more parking facilities on the south side of the said street than on the north side thereof).

The delay in proceeding with the said bypass therefore serves to discriminate against labour intensive small retail outlets who mainly employ junior staff at casual rates but who are able to provide on-site car park facilities and other service firms and companies outside of the Township of Lilydale and generally to present unnecessary inconvenience to shoppers, citizens and visitors to the Township of Lilydale.

Respectfully request that construction of the said Melba Avenue–Anderson Street bypass proceed with priority. Respectively submit that to allow further delay in construction of the said bypass will seriously impact the quality of life of the small retail business owner-manager and proprietors of firms of a service type nature and the quality of work life of employees thereof in the Township of Lilydale in particular and of the residents of the Shire of Lillydale and visitors to the Township of Lilydale in general.

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

By **Mr Plowman** (328 signatures)

It was ordered that the petitions be laid on the table.

PAPERS

The following papers, pursuant to the directions of several Acts of Parliament, were laid on the table by the Clerk:

Adult Education Council—Report for the year 1984-85.

Auditor-General's Office—Report for the year 1984-85.

Crimes Compensation Tribunal—Report for the year 1984-85.

Education Act 1958—Resumption of Land at Carrum Downs—Certificate of the Minister.

Environment Protection Authority—Report for the year 1984-85—Ordered to be printed.

Ethnic Affairs Commission—Report for the year 1984-85.

Land Conservation Council—Report for the year 1984-85—Ordered to be printed.

Law Department—Report for the year 1984-85.

Legal Aid Commission—Report for the year 1984-85.

Local Government Department—Report for the year 1984-85.

Melbourne and Metropolitan Board of Works—Report for the year 1984-85.

Museum of Victoria Council—Report for the year 1983-84.

National Gallery of Victoria—Report for the year 1983-84.

Police Regulation Act 1958—Determination Nos 414, 417, 419, 420, 422, 423, and 439 of the Police Service Board.

River Improvement Act 1958—Notice of intention to unite La Trobe River improvement district and the Thomson River improvement district.

Sport and Recreation—Report of the department for the year 1984-85—Ordered to be printed.

State Bank of Victoria—Reports, Statements, Returns etcetera for the year 1984-85—Ordered to be printed.

State Electricity Commission—Report for the year 1984-85—Ordered to be printed.

Statutory Rules under the following Acts:

Land Tax Act 1958—Nos 315, 320.

Lotteries Gaming and Betting Act 1966—No. 316.

Post-Secondary Education Act 1978—No. 325.

Private Agents Act 1966—No. 319.

Probate Duty Act 1962—No. 318.

Second-hand Dealers Act 1958—No. 312.

Transport Act 1983—No. 313.

Victorian Dairy Industry Authority—Report for the year 1984-85.

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The following proclamations, fixing operative dates for various Acts, were laid on the table by the Clerk, pursuant to an Order of the House dated 3 April 1985:

Accident Compensation Act 1985—Part VII—1 September 1985. (*Government Gazette* No. 92, 30 August 1985).

Firearms (General Amendment) Act 1984—section 8 (2)—14 May 1985. (*Government Gazette* No. 47, 14 May 1985).

Infertility (Medical Procedures) Act 1984—sections 1, 2 and 29—14 May 1985. (*Government Gazette* No. 47, 14 May 1985).

APPROPRIATION (1985–86, No. 1) BILL

(Budget Debate)

The debate (adjourned from September 24) on the motion of Mr Jolly (Treasurer) for the second reading of this Bill was resumed.

Mr STOCKDALE (Brighton)—The 1985–86 Victorian Budget sharply distinguishes the two major political parties in Victoria. In sharp contrast to Liberal policies, the Budget confirms Labor as a high-taxing and high-spending Government. Yet, again, for the fourth year in a row, the Budget provides for an increase in Government spending in real terms—that is, after allowing for inflation. On a national accounting basis, total net outlays are projected to increase by 10·8 per cent in money terms and by 2·6 per cent in real terms.

What Victoria needed in 1985–86 was a change of direction—a change away from the high spending and the savage increases in taxes and charges which marked the first term of the Cain Government. Victoria needed real tax cuts for two main reasons.

Firstly, after three years of Labor's high taxes, Victorians are entitled to real tax relief. Victorians, Victorian families and Victorian businesses are entitled to expect that the Government will not simply go on taking more and more of their income.

Secondly, the Victorian economy needed real tax cuts. The private sector of the State economy has been labouring under excessive Government taxes and charges. Real tax relief would have provided a non-inflationary stimulus to the economy. Moreover, Victoria needs to attract new industries to invest in this State. Victoria is a high-tax State compared with virtually all other States. High taxes are an impediment to attracting new investment to Victoria and creating new jobs for Victorians.

That is why the Liberal Party went into the 1985 State election with a policy of real tax cuts. We undertook to freeze all State taxes and charges for one year and to freeze energy charges until June 1986. That policy was a genuine commitment to tax relief for Victoria. The basis of that policy was that the Australian economy was growing again. We saw that growth as desirable and we saw it as an opportunity. An opportunity to cut taxes in real terms and get government off Victorians' backs.

Victoria had an opportunity. Labor has missed that opportunity.

The 1985–86 Budget confirms the Cain–Labor Government as a high-spending and high-taxing Government. The Treasurer has tried to project this Budget as one of restraint and tax relief but, in reality, this Budget further builds upon the high base established in the first term of the Labor Government. For the fourth year in a row, Labor has increased Government spending in real terms.

Mr Speaker, I seek leave to have incorporated in *Hansard* at the end of my speech the tables and the graphs that I have discussed with you and with the Treasurer.

The SPEAKER—Order! The course suggested by the honourable member is in order.

Mr STOCKDALE—Table 1 sets out, year by year, the increases in real terms of total Government outlays over the previous year. In 1982–83, over the previous year, it was 9·4 per cent. In 1983–84 the change was 3·6 per cent. In 1984–85 it was 6·2 per cent and in 1985–86 it is budgeted to be 2·6 per cent. The cumulative increase over the four years is 23·5 per cent in real terms and the average annual increase is 5·4 per cent.

Labor has continued its profligate spending. On a national accounting basis, in 1981–82, the Liberal Government spent just over $6000 million. This year the Labor Government will spend more than $10 000 million. That is an increase of $4000 million a year—an increase of 66 per cent over the four Labor Budgets. Put another way, that is an extra $1000 for every man, woman and child in Victoria that this Government will spend this year compared with what the last Liberal Government spent in 1982.

The Cain Labor Government has been an extravagant spender. If during the Labor years total net outlays had increased at the same rate as the consumer price index, outlays in 1985–86 would have been $7139 million. In fact, this year the Labor Government will spend nearly $1800 million more than that. So much for restraint in spending.

All this raises two questions: Where has the money come from and what have Victorians got for all this money?

First, where has the money come from? Apart from grants from the Commonwealth, money spent by the Victorian Government comes basically from two sources. First, from taxes and charges for Government services and, second, from borrowings.

Under the Labor Government Victorians have been subjected to increases in taxes and charges at record levels. Over the four Labor Budgets total taxation revenue has been increased by a huge 72·9 per cent.

Victorians have come to expect that this Government will find new ways each year to increase the tax burden. It is indicative of the attitude of Victorians to this Government that generally the public reaction to the 1985–86 Budget has been marked by faint praise. It serves only to emphasize the disastrous tax-slug that Labor imposed on Victorians between 1982 and 1985 that this Budget has been regarded as a "moderate" one simply because it has not hit Victorians with still further new taxes.

It is said that a man whose head is being banged against a wall feels relief when the banging stops. This is not that sort of relief. Our heads are still being assaulted by this Treasurer. The most we can say is that no new taxes have been imposed in this Budget.

As I have said, over its four Budgets, Labor has increased the level of State taxation by 72·9 per cent. By contrast, the level of prices, as measured by the implicit deflator of State non-farm product, has risen by 36·3 per cent including the 7·8 per cent increase forecast for the 1985–86 financial year.

This next point is important and the honourable member for Melbourne should listen to it as it will answer his interjections.

The ACTING SPEAKER (Mr Kirkwood)—Order! Ignore the interjections.

Mr STOCKDALE—In other words, by the end of this financial year, this Government will have presided over an increase in total taxation revenue of exactly twice the rate of inflation.

The 1985–86 Budget provides no real tax relief for Victorians, Victorian families or Victorian businesses. The Budget does not take even a first step towards making Victoria a more attractive place for investment.

The picture is less clear with respect to borrowings. Despite criticism by the Auditor-General, the Treasurer has still not fully disclosed in the Budget Papers the extent of the State debt. But even the "official" figures give cause for alarm. The Budget Papers show that at 30 June 1982, the last year of Liberal Government, the net State debt stood at $11 088 million. By the end of the 1985–86 year the State's net debt is projected to be $17 249 million. This is an increase of 55·6 per cent in three years.

So Labor's record is one of hitting Victorians hard with taxes and charges and excessive borrowing which mortgage the future of our children and, perhaps, even our grandchildren. I shall return to these matters later

Secondly, what have Victorians got for all this money. We have certainly got record levels of State taxes and charges. We have also got a massive increase in bureaucracy. Labor has established wasteful regional structures in many departments and exploded the Victorian public sector work force. Comprehensive and reliable statistics are not available in a single series for the whole of the present Government's period in office. Figures from the Australian Bureau of Statistics Series "Employed Wage and Salary Earners, Australia"—ABS Catalogue No. 6248.0—show that between the June quarter 1983 and the June

quarter 1985 public sector employment increased by 13 500. There is no real evidence that this explosion in public sector employment has made any contribution to improving the quality of life of Victorians generally.

Labor's massive spending spree has proven, beyond any doubt, that money and bureaucrats will not solve Victoria's problems. In virtually every area of Government activity Victoria faces a crisis situation. Despite record spending we face a crisis in education, a crisis in transport, a crisis in housing, a crisis in health and a crisis in personal security for Victorians. In all the areas that affect people directly, Labor has thrown money and bureaucrats at the problems but the situation is worse, not better.

In the education area, Victorian State schools are being crippled by disputes and strikes. The quality of education offered is being questioned by the community. Despite falling enrolments we have surplus teachers in some disciplines and severe teacher shortages in others. School buildings are in a dilapidated state and a recent teacher union survey shows that Victoria's school buildings are not being properly maintained.

Victorian parents are alarmed at the standard of education offered in State schools. Nothing illustrates their concern more than the flood of children away from State schools. Government school enrolments have been falling for a long time. In the past ten years enrolments in Victorian Government schools have fallen by more than 57 000. In the same time enrolments in non-Government schools have actually increased by more than 41 000. That is a net movement of 98 000 students over the past ten years.

Mr Cathie interjected.

Mr STOCKDALE—As the Minister interjects, one of the effects is that the number of private schools in Victoria has increased by 113 in the past ten years, while the number of State schools has fallen. This reflects the shift of students from Government schools to non-Government schools.

The problem has become worse under Labor. Nearly 50 per cent of that movement has occurred since Labor came to office. Since the end of 1981—the last year of Liberal Government—Government school enrolments have reduced by 26 100 while non-Government school enrolments have increased by 20 770. These figures simply show that many parents are reacting to the crisis in our State schools created by this Government.

In the transport area there has been a massive increase in bureaucracy. During the past three years and projected into the year of the Budget currently under discussion, two Labor transport Ministers have increased the cost of the central administration of the transport system by an unbelievable 645 per cent.

That is not the cost of running the trains or of the staff to provide the service; that is the cost of running the central bureaucracy or administration. It has increased by 645 per cent in four years.

Labor's first transport Minister squandered a fortune on consultants, new structures and highly paid bureaucrats; who could forget, week after week, those double-page newspaper advertisements for $65 000 a year bureaucrats for the transport network? Now the dream has come unstuck: the commuters are not happy, the farmers are livid, the unions are rebelling and the transport chief is leaving. Now Labor's second Minister for Transport can think of nothing better than to disband the lot and go back to where we started.

We have some new trains but many of those were actually ordered by the previous Liberal Government. Despite the increased spending we have precious little in new services, trains are still cancelled due to shortages of running staff and the trains still run late. Losses on the transport system are still increasing at alarming rates.

In four Labor Budgets, total expenditure in the Ministry of Housing has increased by more than 150 per cent, but public resources have been squandered on bureaucracy at the expense of provision of community services.

Mr Cathie—A great record!

Mr STOCKDALE—I shall refer the House to the record of which the Minister is so proud. Honourable members should focus their attention on facts, not rhetoric.

In the past four years waiting lists for public rental accommodation have increased from approximately 17 000 to 24 000. Outstanding Ministry of Housing home loan applications increased by 50 per cent between 1984 and 1985. The Government's housing purchase policies have contributed to overheating of the housing market. By the end of the current year the Ministry will have purchased 10 215 homes, pushing prices up by as much as 50 per cent.

Despite desperate shortages of accommodation, many Ministry homes, especially new stock, sit empty for six months or longer, and units under the granny flat scheme are vacant for an average of twelve months pending relocation. This has all occurred while 24 000 people are on the waiting lists. Houses are sitting vacant while 24 000 people are waiting for accommodation.

There should be bipartisan support in this House about concern for the current health crisis. In health, Victoria faces perhaps the greatest crisis of all. Again Labor has directed money at bureaucracy and not at meeting the health needs of the Victorian community. We have huge new bureaucracies in regional offices and still more are proposed in new district health councils. But the health system itself is a disaster area. Even nurses and medical officers have been driven to industrial action.

The Minister for Health, David White, has described hospital waiting lists as the measure of his success or failure. Labor fails his own test. Under Liberal Governments waiting lists reached a high of about 11 000. The former Minister of Health, Mr Roper, regarded as a human catastrophe for health, increased them to about 16 000. The current Minister has increased them to a record 25 700.

Victorians can now wait up to three years for pain-relieving surgery. This includes such important operations as hip replacements. For repair of a cleft palate a child can wait more than a year. That is the human misery behind the dismal record that the Minister for Education boasts about.

There are 91 intensive care beds in Melbourne. Only 63 are open today. A recent survey disclosed that nearly 1000 other hospital beds are closed. Absolutely essential resources are being affected. Recently, the Royal Melbourne Hospital had to close its casualty clinic twice in only ten days.

The Labor Government has found millions of dollars for expensive new bureaucrats. Now further waste is planned on new district health councils. But money is not available to open empty hospital beds or to restore intensive care services.

What sorts of priorities are these? These priorities are simply crazy. It is an obscenity that new bureaucracies are being established while thousands of Victorians wait in pain for basic medical care.

Nor is this Government properly providing Victorians with basic security in their own homes. Domestic crime is rife while promises of increased resources for police are being broken again and again. Victoria is blessed with the best Police Force in Australia. So frustrated have our police become with this Government that before the Nunawading election they embarked on a fierce campaign of media advertisements condemning the Government.

The answer to these problems is not more and more spending and more and more taxes. Victoria requires imaginative policy responses, a commitment to basic values and a reordering of Government priorities. The Labor Government has got its basic priorities all wrong. Our taxes have been squandered on bureaucracy instead of being devoted to improving services in our schools, on our buses and trains, in housing, in our hospitals and other areas of Government responsibility.

Even those who are usually regarded as Labor's friends are repudiating this Government's priorities. Public sector unions in essential public services are in near universal revolt. Other community organizations are alarmed. The Victorian Council of School Organizations is certainly no toady of the Liberal Party but in its journal *School Bell* for October 1985 it criticized Federal and State Governments for what it described as ". . . their extravagance in funding politically motivated programs" in schools.

This year, 1985 was an opportunity for Victoria to change the direction of the past three years. A chance to return to people-oriented Government; to redirect resources away from burgeoning bureaucracy and towards people's needs in schools, hospitals and other Government services.

Mr Cathie—What about the Youth Guarantee Scheme?

Mr STOCKDALE—I shall come to the Youth Guarantee Scheme. That opportunity to change direction has been missed. Labor has failed to meet either of the fundamental needs of Victoria, on the one hand, real tax reductions and, on the other, improved services.

I turn now to a review of the Victorian economy and to a more detailed analysis of the 1985–86 Budget.

THE VICTORIAN ECONOMY

Before turning to review the State economy, I refer to the content of the Budget Papers. A great deal of factual material is presented in the Victorian Budget Papers, perhaps more than in the Budget Papers of any other State. For that I commend the Treasurer and his officers. However, two important qualifications must be placed on that commendation.

First, as to the way in which economic data are marshalled and presented in the Budget Papers. The Victorian Budget documents have become essentially a vehicle for the Government's self-congratulation, its self-promotion and answers to its critics. The Budget Papers are essentially an exercise in advocacy. We do not endorse the self-serving conclusions drawn from the highly selective presentation of data.

Second, the Budget Papers, and indeed the general conduct of the Government in financial management, is highly secretive. Hence, the Auditor-General has been moved to criticize the accounting standards and lack of information in relation to such critical matters as the State debt, the Alcoa Portland project and the establishment of the Capital Works Authority. I shall come back to these and other matters later. We present now an alternative analysis of the Victorian economy. We have prepared a series of charts which will assist in expounding the Opposition's view of the economy.

As usual, the Treasurer asserts that Victoria is leading Australia's economic recovery. If that were unambiguously true, I would be congratulating the Treasurer on a fine performance and moving on to the next part of my speech. The Opposition firmly believes sustained economic growth, while it will not solve all our problems, will certainly do more than anything else to reduce unemployment and poverty and to raise the living standards of Victorians. The Opposition is unashamedly pro-growth and pro-policies which foster growth.

Unfortunately, however, the available statistics on the Victorian economy are not all good news. Some of them are indeed very favourable. I instance last Thursday's September employment figures when looked at in over-all terms. Other indicators are not good news.

For example, retail sales of goods—which accounts for about one-quarter of gross domestic product, rose by only 7·5 per cent in Victoria over the year to the three months ended July—the latest three-month period for which figures are available. In real terms that represents an increase of less than 0·5 per cent. However, in the rest of Australia, retail sales rose by 12·1 per cent over the year to the three months ended July: in real terms, an increase of around 5 per cent. In other words, the divergence between retail sales

in Victoria and in the rest of Australia—to which the Treasurer alludes in pages 48–9 of Budget Paper No. 2—is in fact getting worse, not better.

A similar picture is presented by data on motor vehicle registrations, the other major partial indicator of consumer demand. Over the year to the three months ended August, the latest period for which figures are available, motor vehicle registrations declined by 1·9 per cent in Victoria, as against an increase of 3·4 per cent in the rest of Australia. In seasonally adjusted terms, motor vehicle registrations fell by 17·5 per cent in the three months ended August—compared with the three months ended May—while the decline in the rest of Australia was only 7·3 per cent.

I turn now to the building sector. Over the years to the three months ended August 1985, private sector residential building approvals declined by 6 per cent in Victoria as against a decline of only 3·1 in the rest of Australia. Over the same period, private sector non-residential building approvals rose by 34·2 per cent compared with a 62·1 per cent increase in the rest of Australia. That is dealt with in graphs 3 and 4.

It is certainly true that the latest Australian Bureau of Statistics survey of private business investment expenditure indicates stronger growth in Victoria than in the rest of Australia over the year to the March quarter. However, the explanatory notes accompanying the survey point out that the allocation of capital expenditure between the States, especially for enterprises with operations in more than one State and for expenditure on leased equipment, is essentially arbitrary. In that context I draw attention to the statement in this year's South Australian Budget Papers that "there may be something of a head office bias in favour of New South Wales and Victoria in the investment levels recorded". That appears in the document *The South Australian Economy* at page 22.

It is also interesting that over the year to the three months ended July, lending by the major trading banks—an important measure of funds available for investment—rose by 18·7 per cent in Victoria, compared with an increase of 24·7 per cent in the rest of Australia.

I turn now to the labour market. Earlier I acknowledged that the latest figures for aggregate employment derived from the labour force survey show a greater increase for Victoria over the year to September than for the rest of Australia. In so far as that means more Victorians have jobs and fewer Victorians are unemployed, we, of course, welcome that result. However, from a broader perspective there are a number of aspects which give cause for concern, especially regarding the composition of employment growth in Victoria.

The latest figures for wage and salary earner employment, which were released this month, show that over the year to the June quarter, State public sector employment rose by 3·7 per cent in Victoria, as against an increase of only 1·7 per cent in the rest of Australia—and that is dealt with in graph 5. I emphasize the fact that by comparing the same quarter of each year, the effect of within-year seasonal variations in public sector employment is eliminated, while comparisons between States are not affected by the equal counting of full and part-time jobs—so that is a legitimate comparison. Reflecting the fact that the State public sector employment rose more than twice as rapidly in Victoria as in the rest of Australia, the State public sector accounted for 12·1 per cent of the increase in total wage and salary earner employment, as against 7·7 per cent of the increase in the rest of Australia.

This analysis can be confirmed from the opposite perspective using the industry dissection of total employment produced by the Australian Bureau of Statistics labour force survey every three months. Although national figures are available for August, the latest available Victorian data relate to May. Market sector employment might be defined as total employment excluding those sectors where employment is either within the public sector or largely determined by the level of public sector outlays, such as public administration, community services, electricity, gas and water, recreation and personal services, and other matters of that kind. In those terms, market sector employment rose

by 1·7 per cent in Victoria over the year to May, compared with an increase of 2·6 per cent for the rest of Australia. This is illustrated in graph 6.

In other words, while employment growth in Victoria has been stronger than in the rest of Australia, it has relied disproportionately on growth in public sector employment—that is, the Government's own employees and those of its authorities. The further strengthening in employment which has occurred in the September quarter appears to owe more to the improved competitiveness of the trade exposed sector in the wake of the devaluation of the Australian dollar than to any actions on the part of the Victorian Government.

Finally, I want to direct some attention to the rural sector. Rural producers Australia-wide have been caught in a cost-price squeeze. Nowhere has this been more apparent than in Victoria. According to the Bureau of Agricultural Economics, the index of average prices received by Victorian farmers declined by 21 per cent in real terms between 1980 and 1984, while the index of prices paid for inputs has risen by 5 per cent in real terms. Apart from interest, the greatest increases have occurred in areas controlled by Governments—rates and taxes up by 38 per cent in real terms; electricity up by 29 per cent; and freight charges up by 11 per cent between 1980 and 1984. Because farmers are price-takers, they are unable to recoup these increases from the international markets in which they have to compete with subsidized European Economic Community producers.

As a result, Victorian farm incomes have declined significantly. The Bureau of Agricultural Economics estimates that income per work year of family labour in Victorian broadacre farms will decline to $2289 in the current financial year compared with a national average of $7490. Two years ago this figure was $10 710. For the Victorian dairy industry, the estimated income per work year is even lower, at $1234, compared with the Australian average of $4653. Farmers have it tough. However, Victorian farmers have it toughest of all under this high-taxing Government.

Despite this calamitous situation the Victorian Government continues to burden primary producers with penal taxation, including the tax on the Grain Elevators Board and its policy of full cost recovery from rural freight services, to which most farmers have no legally available alternative, as against only 50 per cent cost recovery from passenger services, whose clients it sees as having greater electoral significance than farmers.

I turn now to the outlook for the Victorian economy generally in 1985–86. It is notable that the Budget Papers forecast a small increase in real non-farm product for the nation as a whole than does the Federal Government—4 per cent as against the 5 per cent expected by the Federal Treasury. The basic reason for this difference appears to lie in the fact that the Victorian Government expects a net contribution to gross domestic product growth from the external sector of only 0·7 percentage points, whereas the Federal Government expects a net contribution of 1·25 percentage points.

Despite this more sanguine assessment of the impact of the devaluation, the Victorian Government nevertheless expects Victorian non-farm product to grow more rapidly than the national average, primarily because of the disproportionate benefit that the devaluation is expected to bring to the Victorian trade-exposed sector. No evidence is produced to support this assertion. All we are told is the NIEIR which is the Government's advisory body, the National Institute of Economic Industry Research, says so. It is a highly selective quotation. I might add that NIEIR also says that national non-farm product will grow by only 2·6 per cent in 1985–86, but that piece of advice appears to have been rejected by the Government.

There are some other curious aspects to the forecasts in the Budget Papers. For example, it seems unlikely that real private consumption expenditure will grow by more in Victoria than in Australia as a whole when, as I demonstrated earlier, the major partial indicators of consumer spending are both pointing in the opposite direction.

Similarly, it seems unlikely that private dwelling investment will grow by 2 per cent in Victoria and yet fall by 4 per cent in Australia as a whole when new dwelling approvals are declining in Victoria at nearly twice the rate of the rest of the country.

The Budget strategy is based on an assumption of high economic growth, higher here than in the rest of Australia. If that growth is not achieved, the Budget strategy will be in serious trouble. The expenditure side of the Budget is not significantly related to the level of growth in the economy. Once the Government embarks upon its spending program there will be little flexibility to adjust outlays to any shortfall in revenues. On the other hand, the receipts side of the Budget is potentially sensitive to the rate of economic growth. If revenues fall short of the Budget Estimates the Government will find itself in deficit and Victorians will face a new round of tax increases, increased borrowings or both.

Of course, to the extent that Victoria's relative gain in economic growth flows from our disproportionate gain from devaluation of the dollar, the Victorian Government can hardly claim any credit. That is, unless the Government wants to suggest that its massive overseas borrowings contributed to the collapse of the Australian dollar earlier this year.

I turn now to examine the Budget in more detail. I shall deal, firstly, with revenue, secondly, with outlays and finally, with the deficit and debt management.

TAXATION REVENUE

I have already referred to the fact that the Government has increased Victorian tax revenue by a massive 72·9 per cent over its four Budgets.

I scarcely need say that one can find no admission of this atrocious record anywhere in the Budget documents. The Treasurer continues to resort to every conceivable device to conceal his performance. He continues to pretend that a range of imposts, including those which in his first Budget speech he introduced under the heading "Resource Based Taxes", are somehow not taxes when it comes to adding up the Government's record. Throughout the Budget documents, the Treasurer compares 1985–86 revenues with 1982–83, thereby glossing over the enormous increase in taxation which he imposed in his first Budget in 1982–83.

Let me remind the House of what the Government did in its first term of office. To quote directly from the Treasurer's first Budget, it "engaged in an extensive search for creative revenue measures". It permanently increased the rate of pay-roll tax and extended the pay-roll tax base. It increased stamp duties on land transfers in two hits by as much as 90 per cent, and imposed stamp duty on chattels. It dramatically increased land tax, and imposed a 1 per cent surcharge on holdings in excess of $936 000. It increased petrol tax, tobacco tax and, for a year, introduced a wine tax. It imposed new taxes on the Board of Works and the Grain Elevators Board and drastically increased taxes on the State Electricity Commission and the Gas and Fuel Corporation. It increased the tax on brown coal more than fivefold and imposed a new tax on gas consumption. For two years it imposed a tax on health insurance premiums until its Canberra brethren replaced it with an income tax surcharge. It imposed a new tax on financial transactions which more than offset the abolition of credit duty and stamp duties on cheques and marketable securities.

After all that, the Treasurer has the gall to include, at page 73 of Budget Document No. 2, a table purporting to represent the growth in the "taxation base" but which excludes "the revenue effects of policy initiatives"—that is, tax increases—"in the 1982–83 Budget and subsequent Budgets". The Treasurer then compounds this misuse of statistics by citing on page 4 of his Budget speech and on pages 73 and 166 of Budget Document No. 2 the relatively low increase in the State and local government charges component of the consumer price index as "evidence" of the Government's restraint—when he knows, or ought to know, that that measure excludes all of the taxes I listed a moment ago—except the health insurance levy—and in fact includes only those charges paid directly by consumers.

I reiterate that the Budget brings the total increase in taxation under the present Government to 72·9 per cent. Table 2 sets out the way in which this figure is calculated. It accepts the subtractions for Tattersall's revenue on-passed to other States and for stamp duties on corporate reconstructions offset by *ex gratia* refunds as made in the Budget Papers. However, it adds those items which properly ought to be considered as taxes but which the Treasurer continues to categorize as something else.

Let me deal with those items. As I mentioned previously, when the Treasurer increased the energy consumption levy and raised the brown coal royalty by 428 per cent in his first Budget, he did so under the heading, "Resource Based Taxes". The clear intention in each case was to bring about an increase in the price of gas and brown coal so as to equate it to their so-called opportunity cost. Similarly, $179 million of the $210 million which the Government will extract from the Gas and Fuel Corporation in 1985–86 is explicitly directed at raising the price of natural gas to end-users. As such, like the energy consumption levy and the brown coal royalty, it is unambiguously and unarguably a tax and must be included as a tax in any analysis of taxation.

The purpose of public authority dividends has never been quite so explicitly stated. The fact is, however, that as a result of the public authority dividend policy, every tap, power point and gas cock has been turned into a branch of the State Taxation Office. The Treasurer continues to assert that pricing decisions of public utilities are guided by the rate of return requirement and that the dividend policy is quite separate. However, table 10.3 on page 183 of Budget Paper No. 2 provides two clear illustrations of the fact that the two are related.

This table shows that in 1984–85 the State Electricity Commission earned a real return on equity of $136·6 million, equivalent to a rate of return on the value of assets in service of 5·2 per cent. This is in excess of the Government's target of 4 per cent, indicating that, notwithstanding the comparatively moderate increase in tariffs last year, electricity charges could have been a lot lower without breaching the Government's rate of return target. But if the State Electricity Commission's real rate of return on assets had been 4 per cent in 1984–85, its return of equity would have been only $48 million. This would have been insufficient to pay the $70 million dividend demanded of it by the Government without dipping into its depreciation provisions. Similarly, if the Gas and Fuel Corporation's rate of return on assets had been 4 per cent in 1984–85, rather than the 5·4 per cent actually obtained, then its real return on equity would have been $32·1 million rather than $48·1 million and only just enough to pay the "public authority dividend" of $27·6 million.

It follows from these examples that the requirement imposed by the Government to pay a "dividend" to the Government does influence the rate of return sought by each of the authorities and, therefore, that prices charged by them would be lower in the absence of the "dividend" requirement.

It is also clear from the discussion in chapter 10 of Budget Paper No. 2 that, for all the verbiage about a "dividend" target of 5 per cent of equity, the amounts actually extracted from the authorities, is determined quite arbitrarily, with the primary consideration being the revenue needs of the Government and the ability of the authorities to pay these taxes coming a poor second.

The continued refusal of the Treasurer to acknowledge that these imposts are, in fact, taxes assumes even greater importance in the context of his "undertaking" that total taxation revenue, on his definition, will not exceed 5·1 per cent of State non-farm gross domestic product over the next four years. While that undertaking represents relief of a sort after the performance of the previous three years, it is still open to the Government to evade the spirit of that commitment by increasing these other forms of taxation—resource taxes and the so-called "dividends". Of course, even that "undertaking" is an attempt to redefine the Government's election commitments on taxation.

As it is, total taxation revenue—defined to include all forms of taxation that can be properly considered as such—now stands at 5·5 per cent of State non-farm product,

compared with 5·1 per cent in 1981–82, the last year of Liberal Government, reflecting the 26·9 per cent real increase in taxation which has occurred under this Government, as against an increase of only 15·8 per cent in real State non-farm gross domestic product. That component of taxation which the Treasurer likes to pretend is something else has more than doubled as a percentage of State non-farm gross domestic product between 1981–82 and 1985–86, from 0·3 per cent to 0·7 per cent.

The record of the Victorian Government in raising State taxation over the past four years is also unsurpassed by any other State, although the South Australian Government, which will be defeated at that State's elections later this year, comes close.

Tables 3 and 4 and graph 7 set out the facts. I direct particular attention to the fact that New South Wales State taxation has risen by 56·3 per cent over the four years to 1985–86 whereas Victorian State taxation has risen by 72·9 per cent. I also direct attention to the fact that the States with the smallest increases in State taxation over the past four years are Queensland and Tasmania, the only States with non-socialist Governments.

The 1985–86 Budget Papers for Western Australia were not available for inclusion in these tables. However, I note that the Western Australian Budget, brought down last Thursday, includes reductions in the rate of pay-roll tax for the second year in succession to as low as 4 per cent, and reductions in the rate of financial institutions duty to 0·02 per cent. These measures are in stark contrast to the trifling concessions offered in the Victorian Budget.

Let me therefore turn to the individual taxation measures contained in this Budget. At the outset, let me say that the Opposition welcomes each of the tax relief measures announced by the Treasurer. However, apart from the abolition of stamp duties on workers compensation premiums—which is a significant measure but which was promised last year—the other concessions are essentially trifling and can hardly be argued to represent a major boost to economic activity, however justified each might be in isolation.

The net effect of the Government's initiatives will be to reduce total taxation by 1·3 per cent of what it would otherwise have been in 1985–86, or by less than 0·05 per cent of State non-farm gross domestic product. The net cost of the Government's initiatives in 1985–86 will be less than the amount it has sitting in the Cash Management Account.

Furthermore, the Government could hardly index, to its benefit, a whole range of departmental fees and charges, the energy consumption levy, the brown coal royalty and, in non-revaluation years, land values for land tax purposes without commensurately indexing the pay-roll and land tax thresholds. As for the other measures, the increase in the exemption level for rental duty in 1985–86 will cost less than the Government will spend on purchasing a habitat for the helmeted honeyeater—however important that might be; the abolition of the stamp duty on residential tenancies will cost less than the Government will spend on the International Year of Peace; the abolition of the *ad valorem* portion of the vigneron's licence fee will cost less than the Ministry of Consumer Affairs will spend on the purchase and operation of motor vehicles; while the changes to stamp duties on various agreements and financial instruments will be less expensive in 1985–86 than keeping the Victorian Football League grand final at the Melbourne Cricket Ground by making grants to the Melbourne Cricket Club.

In sum, the Government has missed the opportunity presented by what it expects will be a year of strong growth in economic activity as a result of the devaluation of the Australian dollar, to embark on a program of substantial tax reductions which would stimulate further growth in private sector activity; for example, real reductions in pay-roll tax or in some of the more burdensome stamp duties such as those on land transfer. Instead, the Government has chosen to cash in on growth by maintaining its "take" from economic activity at a high level, compared with that which obtained before it took office.

The Government needs to be reminded again and again that it has raised total taxation by 72·9 per cent—twice the rate of increase in prices— in its four Budgets so far. How on

earth can a Government which has raised taxation by 72·9 per cent in four years—and which on present trends will have raised taxation by 100 per cent before the expiry of its current term of office—claim with any credibility that it "does not subscribe to a policy of high taxation"? The answer is that it cannot make any such claim.

OUTLAYS

I refer now to outlays. The major reason for the Government's atrocious record of raising State taxation is its profligate approach to public sector spending. While we recognize that the rate of growth in outlays has been reduced from that in the three previous Labor Budgets, I shall show that in a number of areas the Government's profligacy continues unabated.

The Government's priorities as between increasing expenditure and reducing taxation are starkly illustrated by the fact that the "recurrent expenditure policy initiatives" contained in the Budget will cost more than three times as much as the so-called "tax initiatives".

Let us examine the record of this Government in the area of public sector expenditure. Because the Government has moved a number of trust accounts into the Consolidated Fund and has buried a number of recurrent items, such as interest, in the Works and Services Account, the only consistent data on Budget outlays over a period of years is contained in the national accounting presentation of the Budget aggregates in Budget Paper No. 2.

These figures show that between 1981–82 and 1985–86, total outlays, excluding Commonwealth grants for on-passing but including expenditure under the major initiatives program in 1985–86, rose by 68·3 per cent. In real terms this represents an increase of 23·5 per cent, while as a proportion of State non-farm product, it represents an increase from 13·7 per cent to 14·6 per cent. Within that total, current outlays rose by 65·7 per cent in nominal terms, or by 21·6 per cent in real terms, over the four years to 1985–86.

Even in the current financial year, which is supposed to be a year of restraint, current outlays on a national accounting basis will rise by 1·6 per cent in real terms while total outlays will rise by 2·6 per cent in real terms. These trends are depicted in graph 8.

To illustrate that point another way, I present again a comparison of consumer price index movements and increases in State Government outlays on a national accounting statement basis. On the previous occasion I referred to total outlays as stated in the Budget Papers. Of course, some adjustments could be made to more accurately reflect State expenditure as determined by the Victorian Government itself. This can be done by deducting from total net outlays the item "Commonwealth Grants for On-passing" but adding back expenditure under the "Major Initiatives Program"—$64·8 million.

If outlays, on that basis, had increased by no more that the rate of movement in the consumer price index between the June quarter, 1982 and the June quarter, 1986, those outlays would have been $7139 million in 1985–86. In fact, those outlays are budgeted to be $8961 million—an excess of more than $1800 million.

Recurrent outlays on a national accounts basis would have been only $5716 million in 1985–86 if they had increased by no more than the consumer price index. Instead they will be $7115 million—an excess of $1400 million, more than the Government will raise from pay-roll tax this year.

Victorians are entitled to ask how much better off are they as a result of all this massive increase in expenditure. In posing this question I do not dispute that new schools have been built, new trams and trains provided, police stations and hospitals upgraded, and so on, as a result of capital works expenditure. Rather, I seek to focus attention on the recurrent side of the Budget, where the Treasurer claims to have exercised real restraint.

Tables 5 and 6 set out the increase in the recurrent Budget outlays to two key areas.

Table 5 shows that Budget allocations to meet the operating costs of public transport have increased by 66·3 per cent over the four years to 1985–86, an increase in real terms of 22 per cent, while recurrent allocations to the health portfolio—adjusted for administrative changes—have risen by 69 per cent over the four years to 1985–86, or by 24 per cent in real terms.

I simply pose the question to the House and to the people of Victoria: have we made any gain commensurate with those increases in expenditure—or, even, at all? I merely refer back to the various crisis situations to which I referred in opening.

Let us then go to the other end of the expenditure spectrum. Over the four years to 1985–86, the recurrent allocation to the Consumer Affairs Ministry has risen by 261·8 per cent, or by 165·5 per cent in real terms, while that for the Ethnic Affairs Ministry has risen by 163·6 per cent, or 105·5 per cent in real terms. Most of these increases have gone into expanding the bureaucracies of those two Ministries—wages and salaries have risen by 230 per cent in consumer affairs and by 92 per cent in ethnic affairs—into propaganda—or "community awareness" as the Minister calls it; into the hiring of consultants and into handouts to what are for the most part left-leaning "community groups".

The 1985–86 Budget continues this approach. The Budget contribution to the operating expenses of the State Transport Authority and the Metropolitan Transit Authority will rise by 23·7 per cent or by 14·5 per cent in real terms, notwithstanding the increase in fares which is to be announced soon. In addition, MTA and STA financing charges which are funded from the works and services appropriation, will rise by 46·1 per cent, to over $105 million, to cover the cost of leasing back the $390 million of rolling-stock which the authorities have sold off and the other debts which they have incurred.

On the other hand, the provision for wages and salaries in the Consumer Affairs Ministry will rise by 14·5 per cent, twice the forecast increase in average weekly earnings; expenditure on postage and telephones will rise by nearly 50 per cent; expenditure on "consultants and special projects", whatever that means, will rise more than tenfold.

The Government will provide $11 million under its much-vaunted "Youth Guarantee Scheme" for 1250 so-called "Work/study positions" in the public sector. Other than providing short-term incomes for the persons concerned, it is difficult to see what benefit there will be either for the "trainee" or for Victorians generally. It would be interesting, for example, to evaluate the "study" component of the program for railway station attendants, which is one of the occupations covered by the scheme. I hardly need add that, if the Government were prepared to take a more flexible approach to wage determination for young people, expenditures of this sort would not be necessary.

The Budget allocates $225 000 for the so-called International Year of Peace, funded from, of all places, the Department of Industry, Technology and Resources, whose connection with the anti-American and for that matter anti-Australian propaganda that emanates from what is euphemistically described as the peace movement, is anything but clear. I note, however, that, despite the Government's supposed identification of youth as priority one, it will, in this and the next Budget, allocate $50 000 more for the International Year of Peace than it has in this and the previous Budget for International Youth Year. So much for youth as "priority one".

Let me highlight some other items in the Budget which do not sit well with the Treasurer's claim to have reallocated resources from low to high priority areas: a 22 per cent increase in rents for public offices, bringing the increase since 1981–82 to 128 per cent; an increase of over $1·25 million, or 1700 per cent, in the provision for consultants and special projects of the Public Service Board; an increase of more than $200 000, or 600 per cent, in the provision for consultants and special projects in the Department of Conservation, Forests and Lands; and an increase of $140 000, or 80 per cent, in that department's allocation for publicity; provision of $1·85 million for the purchase of the Dalgety wool store site in Geelong for "possible future development" of a transport museum; a 115 per cent increase in incidental expenses in the Local Government Department; and an increase

of $321 000, or 100 per cent, in the provision for the purchase and running of motor vehicles for the Ministry for Planning and Environment, together with a $200 000 or 297 per cent increase in that Ministry's allocation for publicity; a $450 000 or 180 per cent increase in its allocation for incidental expenses and a $620 000 or 140 per cent increase in its provision for consultants and special projects.

Before concluding this discussion of the outlays side of the Budget, I want to refer to the Treasurer's concept of productivity savings. The Treasurer indicates that this means that, in determining the base allocation to each department or agency in the Budget, allowance has been made for an assumed 1 per cent saving in costs as a result of increased productivity. In future years this is to be 1·5 per cent.

The Opposition welcomes the objective of productivity savings. However, an important difference between the Opposition and the Government is that the Opposition would give first priority, in allocating any productivity savings, to reducing taxation. The Government, by contrast, gives first priority to increasing spending.

This in turn gives rise to an important question. What happens if assumed productivity gains, having already been allocated to increased spending, are, in fact, not realized?

In his Budget speech the Treasurer gives as his only example of this new approach the statement that—

> Investment in a new computer system must yield productivity gains for use in the delivery of high priority services.

That is the theory. However, when one turns to the Auditor-General's report one gets a totally different picture of the practice. I refer to the shemozzle surrounding the introduction of the new computerized State Management Accounting and Financial Information System or SMAFIS. The Auditor-General states that SMAFIS requires "substantially more resources" than the $4·55 million originally estimated. No allowance has been made for departmental administration of SMAFIS, even though these additional costs are being incurred. Provision of the central processing service under SMAFIS for departments without their own equipment will, according to the Auditor-General, "cost substantially more than the $25 000 per department allowed". Data interfacing between departments and central agencies is still being done manually. Nearly $500 000 has been spent on consultants to evaluate departmental requirements because the Treasurer's department was unable to provide these services as originally intended.

In the light of this performance, one is entitled to be sceptical as to whether the assumed "productivity savings" will actually be realized in all cases.

In summary, the outlays side of this Budget, as with the revenue side, represents a missed opportunity. This is a year in which, according to the Treasurer's forecasts, the Victorian economy will grow by up to 5 per cent in real terms. It is a year in which, according to the Treasurer, there is no longer a need for the fiscal stimulus he says was his objective hitherto. It is a year following three in which total outlays on a national accounting basis rose at an average annual rate of 6·4 per cent in real terms. Yet in a year which presented such a golden opportunity to wind back and reduce the role of the public sector, this Budget increases total outlays by a further 2·6 per cent in real terms.

THE DEFICIT AND DEBT MANAGEMENT

This Budget continues the inexorable rise in the future financial obligations facing Victorians, our children and grandchildren—something which has been almost as much a feature of the Cain Government's term in office as have the massive increases in Government spending and in State taxation.

The "deficit" of a Government in any year represents the extent to which outlays are not matched by revenues or receipts. That is what Paul Keating means when he claims that the Federal Budget deficit has been reduced from $6·7 billion to $4·9 billion. The

amount of $4·9 billion represents the amount of Federal Budget outlays that is not covered by taxation revenue or by other receipts such as interest, royalties, and the like.

In the Victorian context, the position of the Consolidated Fund or of the Current Account of that fund at the end of the financial year does not represent the "deficit" in this sense. Indeed, by law, the Consolidated Fund cannot be in deficit at the end of a financial year. Furthermore, as the Treasurer has amply demonstrated since he has been in office, the balance in the Current Account can be readily manipulated by transferring funds into or out of the Cash Management Account or other accounts.

The Treasurer himself recognized this when, at page 75 of Budget Document No. 5 accompanying his 1982–83 Budget, he introduced the concept of an "effective deficit", defining it as the sum of two items in the national accounting presentation, "Advances from the Commonwealth" plus "other financing items". Since this Government came into office, however, it has been necessary to add a third category of financing transactions, sale of assets, in order to obtain a measure of the extent to which outlays are financed other than by revenues.

Table 7 sets out the calculation of the effective deficit on this basis for the years 1981–82 to 1985–86.

Table 7 shows that the total deficit on budgetary transactions has increased by 130·6 per cent over the four years to 1985–86; the State deficit has really increased by 69·2 per cent in real terms. As a percentage of non-farm gross domestic product, the deficit has risen from 1·1 per cent to 1·8 per cent.

In the current year alone, the total deficit will increase by 27·6 per cent in real terms, or by 35·6 per cent if the borrowings required to finance the Major Initiatives Program are included. Within this total, sale of assets continues to be fairly low by comparison with the first two Budgets of this Government, but that is only because, as the Auditor-General points out on page 37 of his report, there are hardly any assets left to sell.

The new gold mine for deficit financing is the Capital Works Authority established in May this year in order to circumvent the provisions of the financial agreement prohibiting State Governments borrowing directly from the public. This authority will borrow at least $254 million and possibly $278 million in 1985–86. I shall say more about the Capital Works Authority shortly.

The impact of this huge increase in the deficit on budgetary transactions in 1985–86 is highlighted in the table on page 115 of Budget Paper No. 2. This table shows that the net debt of the Budget sector will increase by over $1 billion in the current financial year, an increase of 14·4 per cent or 6 per cent in real terms. It will even rise as a percentage of State non-farm product. So much for a counter-cyclical Budget policy!

Of even greater importance than the ever-increasing volume of debt is the mounting burden of servicing it. Table 6.4 in Budget Paper No. 2 shows that net Budget debt service costs will rise by 21 per cent or 12 per cent in real terms in 1985–86. This is the largest real increase since this Government came to office and brings the total increase in net Budget debt service charges since 1981–82 to 35·7 per cent in real terms. Net Budget debt servicing charges will take up 7·6 per cent of revenues this year, compared with 6·7 per cent in 1981–82. It is not clear from table 6.4 whether these figures include leasing charges on assets sold and leased back, which for the public transport authorities alone will, according to the Auditor-General's report, total nearly $75 million this year.

Budget sector debt is, of course, not the end of the story. There has been a huge increase in borrowings by public bodies outside the Budget, so much so that the disclosed total net debt of the Victorian public sector has risen by 14·1 per cent, in real terms, whilst this Government has been in office, including a 3·1 per cent increase in the current financial year.

What is of particular concern to the Opposition is the extent to which the exposure of public bodies, and hence the exposure of consumers of those bodies' services, to exchange rate fluctuations has risen since the Government came to office, as a result of the massive overseas borrowing programs which have been undertaken. In this way, Victorian public bodies have added to the enormous external debt problem facing Australia.

It is true that a large proportion of the increase in external debt since 1978 has come about as a result of private sector borrowings, especially for resource projects. However, unlike most of those private sector borrowers, Victorian public bodies are not producing output which will be exported. They do not have, and do not expect to have, foreign currency receivables. They do not, therefore, have a natural hedge against exchange rate fluctuations.

In his public statements and in the Budget Papers, the Treasurer has exaggerated the significance of interest rate differentials in relation to those overseas borrowings.

To the extent that the borrowing authorities purchase a hedge through the forward foreign exchange market, the pricing arrangements which apply in those markets will tend to wipe out the apparent interest rate differential of overseas compared with domestic borrowings. To the extent that forward cover is not obtained, either through the hedge market or through currency swaps, the borrowing authorities are at risk in the event of large exchange rate movements. Ultimately Victorian taxpayers and the consumers of public bodies' services assume those risks.

In 1984–85, Victorian public bodies suffered exchange losses totalling $373 million, according to the Auditor-General, of which $63 million were realized. Some of the unrealized losses may, of course, be reduced if the Australian dollar appreciates in the future.

The Treasurer claims in the Budget Papers that "in most cases" interest savings have still been obtained compared with relevant domestic interest rates. However, no substantiation of this assertion has been provided. We do not know what is the average effective interest rate on foreign currency borrowings.

It is possible that foreign currency losses have increased further since the end of the last financial year. Compared with the exchange rates for 30 June 1985 implicit in table 6.8 on page 120 of Budget Paper No. 2, by last Friday the Australian dollar had appreciated by 5·8 per cent against the $US. However, it had declined by 8·6 per cent against the yen, by 7·9 per cent against the deutschmark, by 10 per cent against the Swiss franc, and by 1·9 per cent against sterling. Those four countries account for a greater proportion of the overseas debt of Victorian public bodies than does the $US, so that without knowing precisely what hedging arrangements have been entered into, it is possible that the position has deteriorated during this financial year.

The Treasurer boldly asserts that foreign borrowings have conferred a net benefit on Victorian taxpayers and consumers. But like so much of his "modern money management" the final accounting will be in the future. What is clear is that, in 1984–85—and probably in 1985–86—substantial foreign exchange losses have been incurred by the Victorian public sector. The Treasurer has gambled with the financial security of Victoria and its statutory authorities. It is highly doubtful whether a Government which, of itself has no capacity to generate export income, should enter upon such a gamble. As the likely next Government in Victoria, the Liberal Party and the people of Victoria can only hope that as his bets fall due the Treasurer wins more often than he loses. His results to date give no cause for comfort.

MISCELLANEOUS MATTERS—MORTGAGING THE FUTURE

I turn now to a number of miscellaneous matters generally raising issues of inadequate financial accountability and potentially significant deferred liabilities.

First, I refer to the Government's failure to fulfil the potential of program budgeting. The previous Liberal Government commenced the introduction of program budgeting

and the present Government has continued that development. The object was to present information in a format which was more readily comprehensible and more directly related to the goals of Government policies. This objective is being frustrated. The Government frequently changes the format from year to year so that comparisons are made hazardous. Moreover, the Budget has ceased to be a control document. Ministers are entitled to divert resources from one program to another and often the actual expenditure pattern has been markedly different from the budgeted pattern.

Second, I refer to the inadequate reporting of the State debt. Again, this year, in his first report for the year ended 30 June 1985, the Auditor-General has stated that the long-term liabilities of the State, both as to the Budget and non-Budget sectors, should be disclosed in the Treasurer's statement. The Auditor-General lists various categories of long-term liabilities totalling $18 484 million but, again, he points out that the statement does not disclose:

(*a*) the total public debt of the State covering both inner and outer Budget sectors;

(*b*) the total annual debt servicing charges of the State comprising both interest and loan redemption; and

(*c*) the extent to which various State revenues are applied to debt servicing.

The Auditor-General is moved to reiterate his view that greater accountability to the Parliament is required. He concludes in these terms:

3.4.5

I must emphasize that the presentation in my report of additional and consolidated information on the long-term liabilities of the State must be viewed as being in the nature of an interim measure. I remain of the view that immediate action must be taken to consolidate the reporting of all long-term liabilities of the inner and outer Budget sectors, to provide Parliament with the means of monitoring the financial viability of the State.

That is quoted from the Auditor-General's first report for the year ended 30 June 1985 at page 57. For four years the Auditor-General has made the same demand and for four years the Treasurer has failed to properly disclose the debt of the State. Why is that? Why, when the Auditor-General is so concerned to establish the level of State debt that he has expressed the same view for four years, has the Treasurer failed to do so? We can only conclude that he has something to hide.

The Auditor-General has also been strongly critical of the inadequate provision for accountability to the Parliament in respect of two other important Government activities. I refer to the investment in the Portland aluminium smelter project and the establishment and operation of the Capital Works Authority. In relation to these matters, the Auditor-General cited the third report of the Public Bodies Review Committee and his own earlier observations about a breakdown of accountability processes. This is highly significant. At page 4 of the Auditor-General's report, the following statements appear:

2.1.5 It is therefore with regret that I find it necessary to make the following comments relating to two recent undertakings by the Government. These are the State's participation as from 31 July 1984 in a joint venture for the development of the Portland aluminium smelter and the formation of the Capital Works Authority by Order in Council on 28 May 1985.

2.1.6 The arrangements for the State's participation in the Portland aluminium joint venture and the Order in Council creating the Capital Works Authority did not meet the criteria agreed by the Public Bodies Review Committee in that the accountability processes were circumvented by not having the operations of these two undertakings subject to the scrutiny of Parliament."

These are matters of grave concern to the Opposition, the Parliament and the people of Victoria. Proper public disclosure of the activities of the Executive is central to the effective operation of the Westminster system of responsible government. Where the Executive employs an excess of secrecy, the Parliament and the people can only conclude that the Government is engaged in activities which, in the full light of day, would not be acceptable to the people.

No doubt there are matters involved in the operation of the Portland aluminium smelter project which might properly be kept confidential to the parties. Matters such as the price

of materials and the technology involved, if publicly exposed, could tend to put the joint venturers at a commercial disadvantage in an intensively competitive world market. But such considerations are not relevant to and, in any case, should not override the right of the Parliament and the people of Victoria to know the extent and the nature of their involvement in this venture. The Victorian Government has provided extensive guarantees of financial liabilities and has otherwise undertaken contingent liabilities for the construction and operation of the smelter. Some of those arrangements have not been disclosed. The Victorian people are entitled to an accurate and comprehensive statement of their potential liabilities.

The circumstances surrounding the establishment of the Capital Works Authority disclose that the Treasurer is engaged in illegal and secret activities inconsistent with the constitutional basis of the relationship between the Executive and Parliament. In his report, the Auditor-General has criticized the total absence of any reporting process to ensure accountability of the authority. Apparently, perhaps by his fiat alone, the Treasurer now proposes to establish reporting and auditing processes for the authority.

It remains to be seen whether they satisfy the Auditor-General. But even more important questions are raised by the establishment of this authority. The authority was not established under any legislation or subject to the scrutiny of Parliament. The Treasurer purported to establish the authority by secret Order in Council—secret because the order was not published in the *Government Gazette* nor was there any other public disclosure of the establishment of the authority. Indeed, the existence of the authority was acknowledged by the Treasurer only when the Opposition raised the matter in another place.

The course followed was not lawful. The Treasurer claims a prerogative to raise moneys by a body established by the Executive without recourse to Parliament. No such prerogative exists. The Treasurer should be warned that one English king lost his head for asserting just such a right. For centuries Parliament has been the supreme authority in financial matters. The Capital Works Authority was nothing more than a device to borrow money without the approval of Parliament. No such approval or warrant existed. The Treasurer purported to establish the authority as a means of improperly transferring to his own control the unused borrowing capacity of State statutory and semi-Government authorities.

In addition, the Treasurer has himself sought to excuse this patent device by arguing that, but for the authority, the State would have been prevented by the financial agreement from borrowing directly from the public. In other words, the authority is admitted to be a fraud on the Commonwealth and the other States, a device to circumvent the State's agreements and the legislation giving effect to those agreements. No tax avoider ever undertook a more heinous transgression. No more lasting proof of the Treasurer's culpability in this impropriety could exist than the very secrecy with which the deed was carried out. The Capital Works Authority was an illegal body, secretly constituted to carry out illegal, improper and fraudulent purposes. It stands as stark evidence of the depths to which this Government will go to get its hands on the money necessary to maintain its high spending policies and practices.

Finally, I refer to four other issues involving substantial future liabilities of the State and its authorities: firstly, recent publicity suggests that public sector superannuation schemes in New South Wales might have total unfunded liabilities as high as $4000 million. There is every reason to suspect that a similar situation exists in Victoria. The recent report of the Economic and Budget Review Committee drew attention to the fact that the State Superannuation Fund and many other important public sector funds operate on a pay-as-you-go or partially funded basis. Others, intended to be funded schemes, have substantial deficits. The committee did not attempt to quantify the unfunded liability but it did draw attention to the expected rapid rate of increase in the cost of the schemes even on an unfunded basis. The Government has indicated its intention to make changes to public sector superannuation schemes. Attention should be directed to the extent of unfunded liabilities and the Government should avoid changes which will aggravate the

problems of liabilities being postponed so that they will fall on future generations of Victorian taxpayers.

Secondly, the Treasurer recently made a public statement that, by the end of the 1984–85 financial year, the State Insurance Office accumulated losses in respect of compulsory third-party insurance will be of the order of $1600 million. That suggests that on the accounting methods favoured by the Auditor-General, the accumulated losses will actually be in excess of $2000 million. Despite the Treasurer's statements to the contrary, these are not "paper losses", they are the best available actuarial assessment of the actual cost of meeting third-party claims which have already been incurred. The Treasurer has flagged the possibility of changing third-party insurance to a pay-as-you-go basis. It should be appreciated that any such change is no more than an accounting change and that if other reforms are not made to reduce the cost of claims the mammoth losses will continue. The Treasurer will have succeeded in no more than further mortgaging the future of our children and their children.

Thirdly, similar chickens will shortly come home to roost in the area of Government workers compensation. Over the past three years the Government has required the State Insurance Office to conduct Government workers compensation insurance on a pay-as-you-go basis. As at 30 June 1984 the office had accumulated unfunded liabilities in this area of at least $341 million. The figure to June 1985 is not yet available but is likely to exceed $500 million. With the establishment of WorkCare those liabilities will have been transferred to the Accident Compensation Commission or run-off by the State Insurance Office. Either way, those liabilities will have to be met progressively by Victorian taxpayers or become a drain on the general workers compensation system.

Fourthly, the establishment of WorkCare has become the shambles the opposition parties feared. The new workers compensation scheme is marked by low registration levels, confusion about liabilities and obligations and maladministration. The financial viability of the scheme depends heavily upon reductions in the cost of claims. In turn, those reductions are predicated upon a new system of rehabilitation of injured workers. There is no sign yet that new rehabilitation facilities will be properly established and still less that they will provide those increases in effective rehabilitation which have been assumed by the Government. The Opposition remains fearful that the new scheme will rapidly accumulate substantial unfunded liabilities.

If the Treasurer's hatchetman in the Accident Compensation Commission spent more time trying to sort out the shambles in WorkCare and less time handing out bogus how-to-vote cards in Nunawading, the State might benefit.

These are further examples of ways in which the Treasurer's "modern money management" techniques have failed the Victorian community.

In conclusion the real increase in Government outlays in the 1985–86 Victorian Budget is the lowest of the four years during which the present Government has been in office. The Opposition welcomes that fact but deplores the failure of the Government to seize the opportunity of providing genuine tax relief this year. The selective presentation of economic indicators cannot hide the fact that in areas like retail sales, motor vehicle registrations and the level of inflation, Victoria is performing poorly relative to other States.

Reliance upon continued domination by public sector inputs is not an option for the Victorian economy. The recent devaluation of the Australia dollar has benefited Victorian trade-exposed industries but in the longer-term Victoria needs to attract new industries and promote new investment. Continued relatively high tax levels—that is relative to other States—are an inhibition on achieving those objectives.

The most important requirement for Victoria is strong growth in the private sector. That much is agreed between the Government and the opposition parties. The Treasurer has challenged the private sector to produce that growth. By maintaining the real burden

of State taxes and charges the Government has failed to provide the breathing room the private sector needs. It is ironic that the Budget strategy is so strongly related to that central failure of Government.

The Budget strategy is highly dependent upon Victoria's growth being faster than that of the rest of Australia. It is to be hoped we achieve the 4·5 per cent to 5 per cent growth assumed. If we do not, Victorians face a surge in the State deficit triggering a new round of tax increases, still higher borrowings or both. If we do achieve the projected growth rate, 1985–86 will go down as the year Victoria missed its opportunity. If we do not achieve that growth rate, Victoria might not have another opportunity for many years to come.

The tables and graphs, for which leave was granted to incorporate in Hansard, are as follows:

TABLE 1: VICTORIAN GOVERNMENT BUDGET OUTLAYS (NATIONAL ACCOUNTING BASIS) IN CONSTANT 1979–80 PRICES

Year	Outlays In Current Prices (*a*)	Outlays In Constant 1979–80 Prices (*b*)	% Change
1981–82	5363·8	4403·1	n.a.
1982–83	6512·6	4817·0	9·4
1983–84	7218·6	498·7	3·6
1984–85	8150·6	5298·0	6·2
1985–86	9026·0(*c*)	5437·3	2·6
Cumulative increases over four years to 1985–86:			23·5
Average annual increase over four years to 1985–86:			5·4

Notes: (*a*) Excludes Commonwealth grants for on-passing to tertiary institutions, non-Government schools and local governments.

(*b*) Deflated by the implicit deflator of State non-farm product, inferred from Table 6.3 on p. 112 of 1985–86 Budget Paper No. 2.

(*c*) Includes expenditure under the Major Initiatives Program.

Source: 1985–86 Budget Paper No. 2, Table 1A:1; p. 30

TABLE 2: TAXATION REVENUE ($ MILLION)

	1981–82	1985–86
State taxation (as defined in Budget Papers)	1945·9	3025·3
Less Tattersalls revenue for on-passing to other States	47·0	19·9
Ex gratia refunds of stamp duties on corporate reconstructions	(*a*)	13·6
Pipelines licence fee (*b*)	30·0	..
Plus Taxation not defined as such by the Government		
Public Authorities (incl. State Bank)	110·2	410·9
Energy consumption levy	..	12·2
Brown Coal royalty	0·9	8·3
Total Taxation Revenue	1980·0	3423·2
Percentage change, 1981–82 to 1985–86		
Total taxation revenue in constant 1979–80 Prices (*c*)	1625·6	2062·2
Percentage change 1981–82 to 1985–86		26·9
Total Taxation Revenue as a percentage of State non-farm product (*d*)	5·1	5·5

Notes: (*a*) Data not available for 1981–82; to the extent that there should be a subtraction for this item in

1981–82, the percentage increase in total taxation revenue between 1981–82 and 1985–86 would be accordingly greater.

(*b*) Subsequently declared unconstitutional.

(*c*) Deflated by the implicit deflator of State non-farm product, inferred from Table 6.3 of 1985–86 Budget Paper No. 2 p. 113.

(*d*) Estimates of State non-farm product derived from the same source as in note (*c*).

TABLE 3: STATE TAXATION REVENUE BY STATE 1981–82 TO 1985–86 ($ MILLION)

	1981–82	1984–85	1985–86 (*e*)
New South Wales			
State taxation (as defined in Budget Papers)	2282·3	3284·9	3560·0
Plus Public authorities contributions	76·5	89·5	110·5
Lotteries revenue	32·5	71·8	66·3
	2391·3	3446·2	3736·8
Queensland			
State taxation (as defined in Budget Papers)	730·3	941·4	1009·2
Plus Lotteries revenue	4·3	32·8	31·0
SGIO tax in lieu of income tax	8·6	9·2	9·5
	743·2	983·4	1049·7
South Australia			
State taxation (including Electricity Trust contribution and tax on State Bank in lieu of income tax)	495·5	813·5	852·2
Pipeline licence fee	..	0·6	0·7
	494·5	814·1	852·9
Tasmania			
State taxation (including Hydro-Electricity Commission levy)	153·5	211·3	233·8

TABLE 4: CHANGES IN STATE TAXATION REVENUE, 1981–82 TO 1985–86

	Percentage increase
Victoria	72·9
South Australia	72·1
New South Wales	56·3
Tasmania	53·3
Queensland	41·2

Source: State Budget Papers of the various States for 1982–83 and 1985–86. Western Australia Budget Papers for 1985–86 were not available in the Parliamentary Library at the time of compilation of these tables.

TABLE 5: TRANSPORT AUTHORITIES OPERATING EXPENDITURE ($ MILLION)

1981–82		
Vic-Rail	Budget appropriation (*a*)	458·2
	less income paid to Consolidated Fund	264·1
		194·1

MMTB	allocation from Budget for tram and bus services	48·0
		242·1
1985–86		
Contributions toward operating expenses (*a*):		
	MTA	224·7
	STA—corporate services	53·2
	passenger services	70·1
	freight services	54·5
		402·5
P.C. Increase, 1981–82 to 1985–86		66·3
P.C. Increase in constant prices		22·0
P.C. Increase, 1985–86 c.f. 1984–85 (current prices)		23·7

Note: (*a*) excludes contributions to MURLA and subsidies in lieu of freight rate increases.

Sources: 1982–83 Budget Document No. 2 pp. 6, 155 and 163; 1985–86 Budget Paper No. 3, pp. 265–269.

TABLE 6: HEALTH: RECURRENT EXPENDITURES ($ MILLION)

1981–82		
	Budget appropriation for health	819·9
	Plus special appropriations to Hospitals and Charities Fund and Mental Hospitals Fund	235·2
	Less expenditures no longer included in health budget:	
	Kindergarten and pre-school subsidies	35·2
	Creche and day care nursery subsidies	2·2
		1017·7
1985–86		
	Budget appropriation for health (recurrent expenditure)	1428·2
	Plus special appropriations as in 1981–82	301·9
	Less expenditure not in 1981–82 from Trust Fund	
	Aids for disabled persons	4·0
	Pharmaceutical benefits—State Nursing homes	1·2
	Drug education campaigns	5·4
		1719·6
P.C. increase, 1981–82 to 1985–86		69·0
P.C. increase in constant prices		24·0

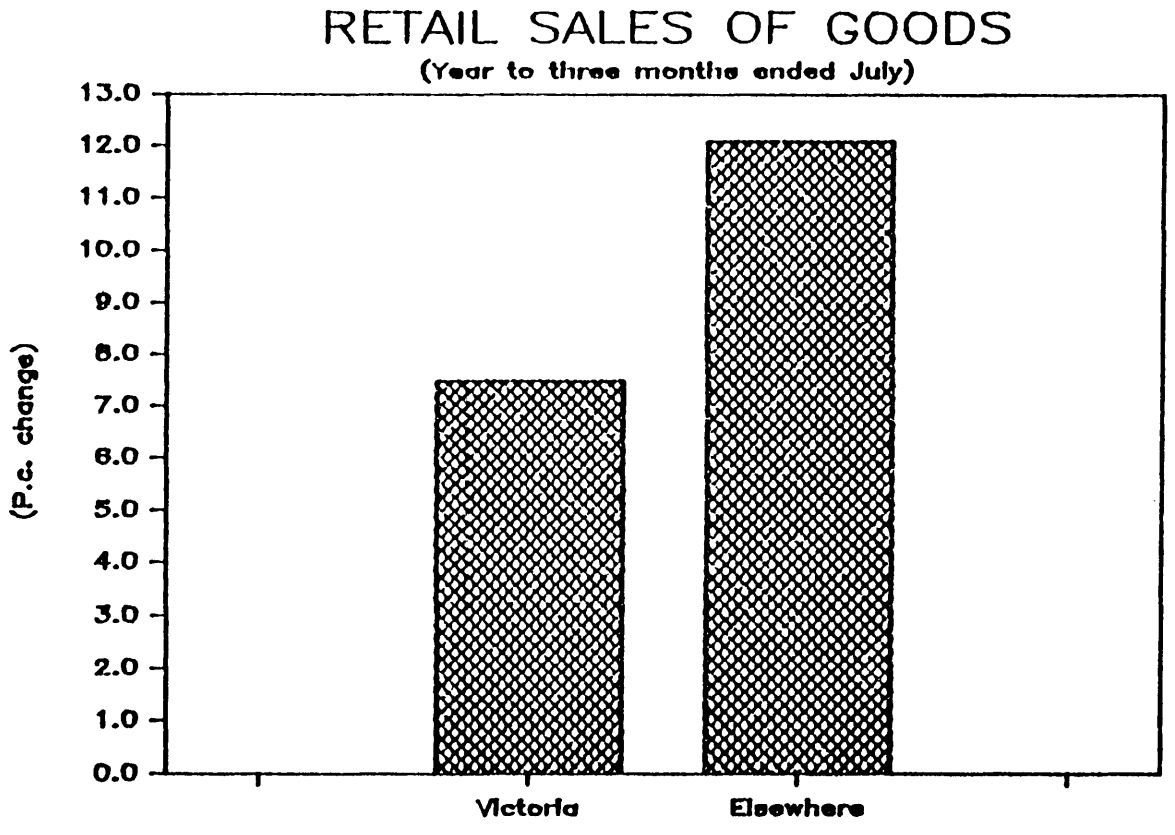
TABLE 7: DEFICIT FINANCING—VICTORIAN BUDGET SECTOR

Item	1981–2	1982–3	1983–4	1984–5	1985–6
Financing Transactions	216·8	292·8	147·3	493·3	763·7
Net Advances from Commonwealth	199·1	236·9	231·0	181·4	179·6
Sale of Assets	29·1	161·2	320·4	69·9	82·7
Deficit	445·0	690·9	698·7	744·6	1026·0
Deficit as % of State Non-Farm Product (*b*)	1·1	1·6	1·4	1·4	1·7
Deficit as % of Total Net Receipts (National Accounting Statement basis) (*a*)	7·4	9·4	8·6	8·2	10·2

Sources (*a*) Items as per 1985–86 Budget Paper No. 2, Table 1A.1

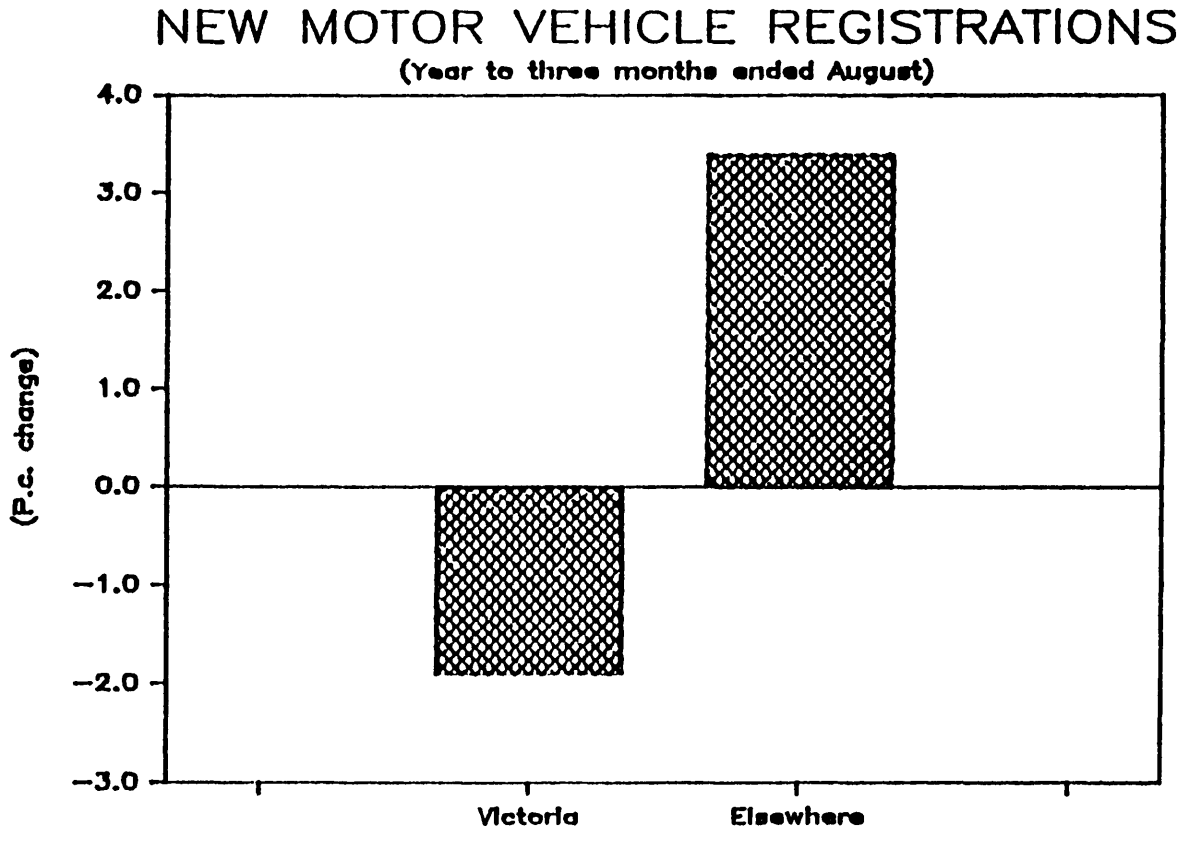
(*b*) State Non-Farm Product inferred from 1985–86 Budget Paper No. 2, Table 6.3

GRAPH 1



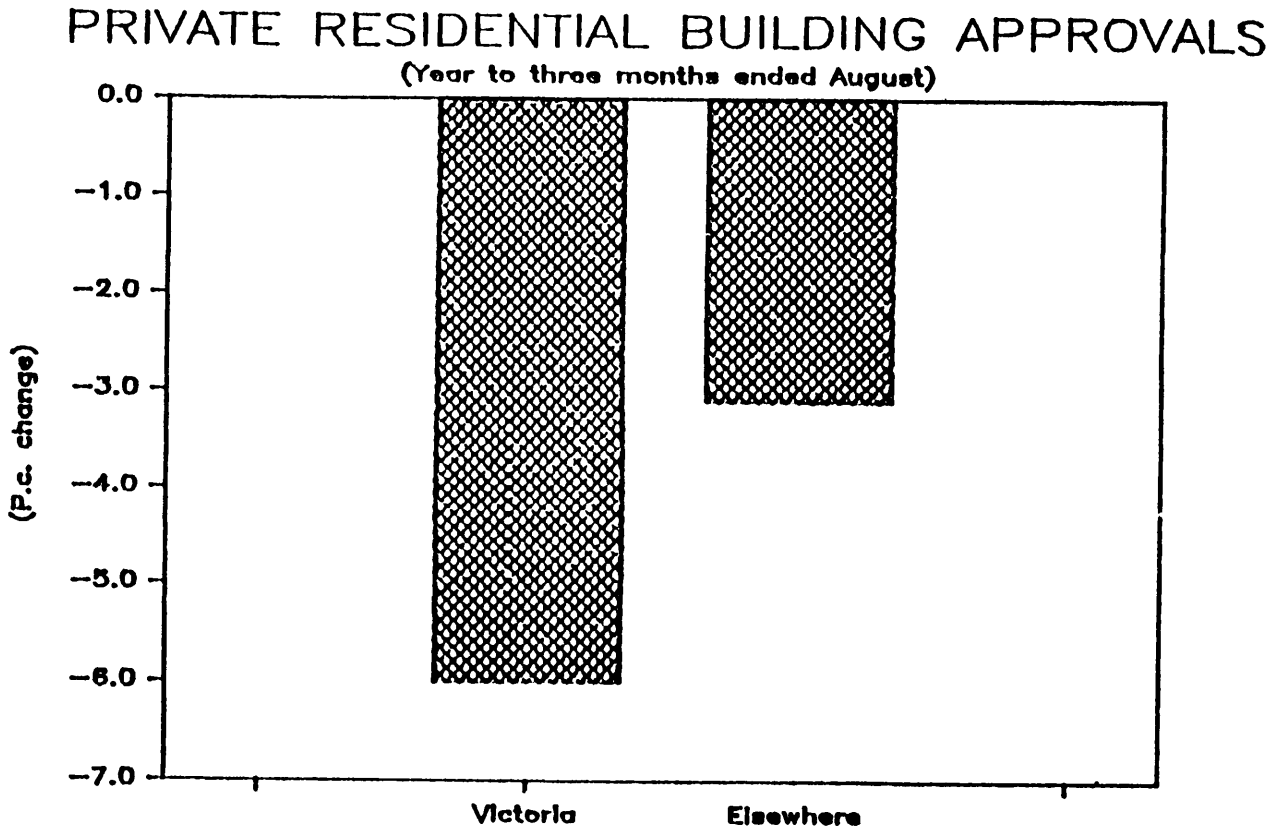
Source: A.B.S., *Retail Sales of Goods, Australia* (No. 8501.0), July 1985.

GRAPH 2



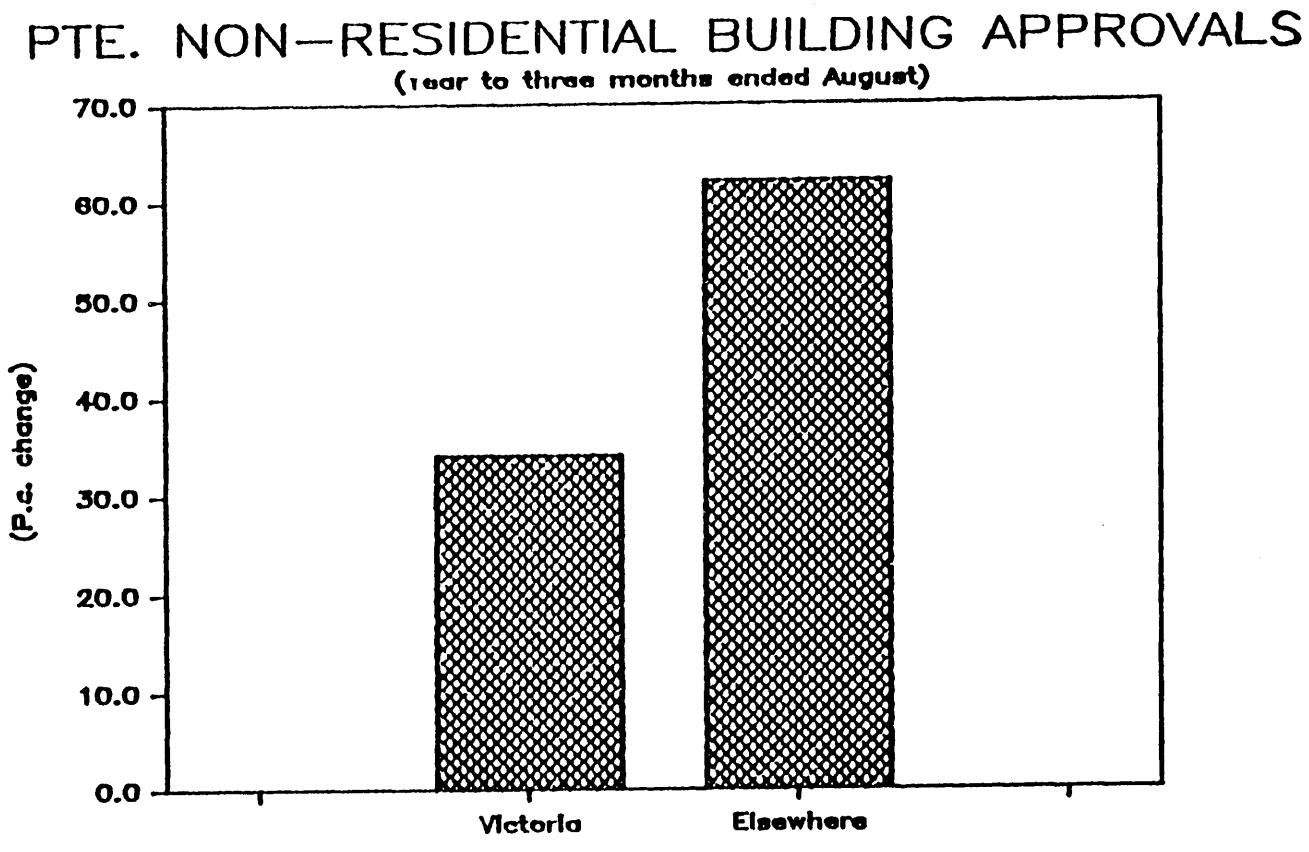
Source: A.B.S., *Motor Vehicle Registrations, Australia* (No.9301.0), August 1985

GRAPH 3



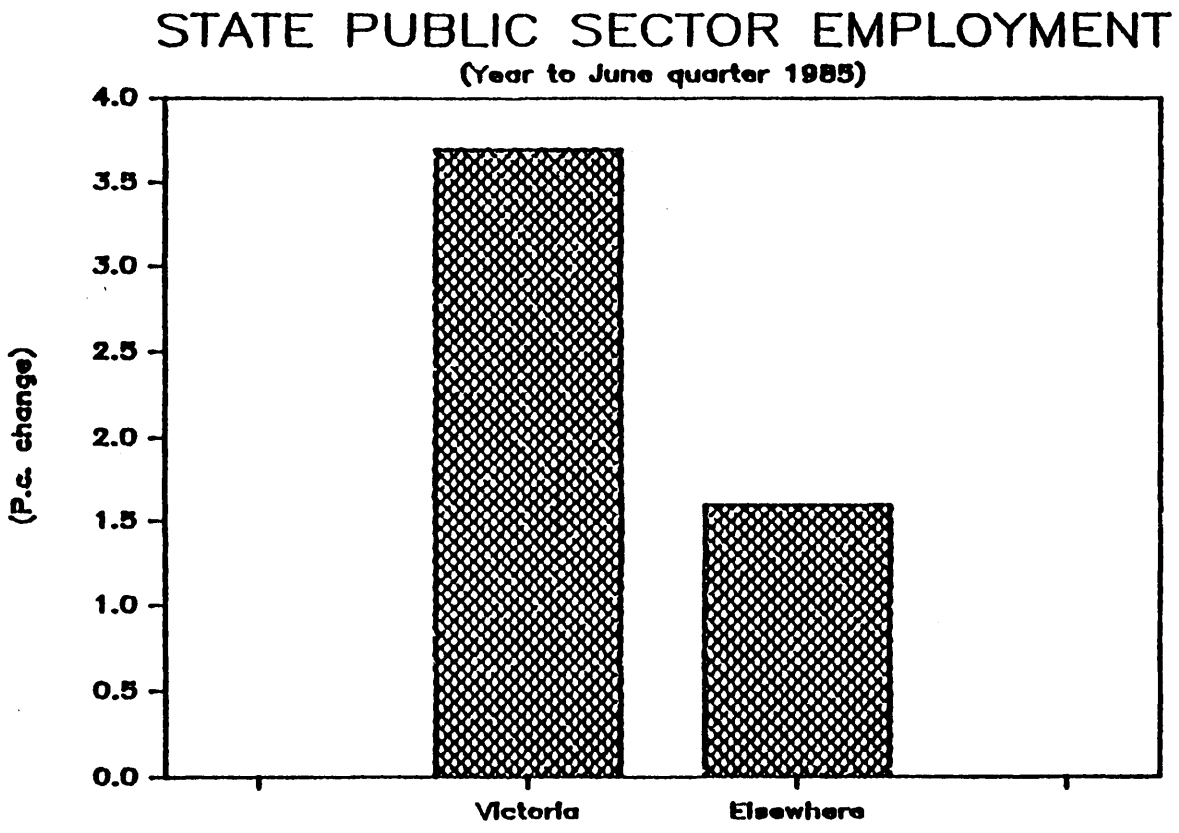
Source: A.B.S., *Building Approvals, Australia*, (No. 8731.0), August 1985

GRAPH 4



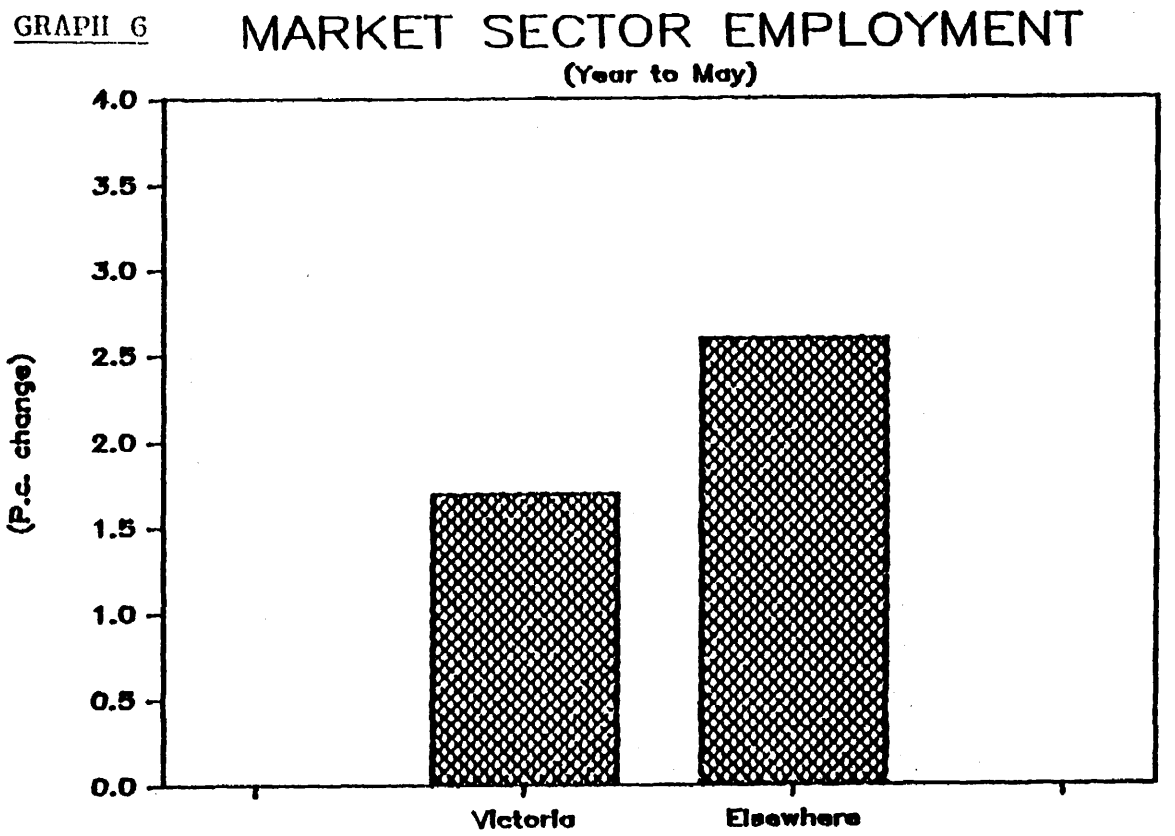
Source: A.B.S., *Building Approvals, Australia* (No. 8731.0), July and August 1985; and *Monthly Summary of Statistics, Victoria* (No. 1303.2), September 1985, p. 16.

GRAPH 5



Source: A.B.S., *Wage and Salary Earner Employment* (No. 6248.0), June quarter 1984 and June quarter 1985

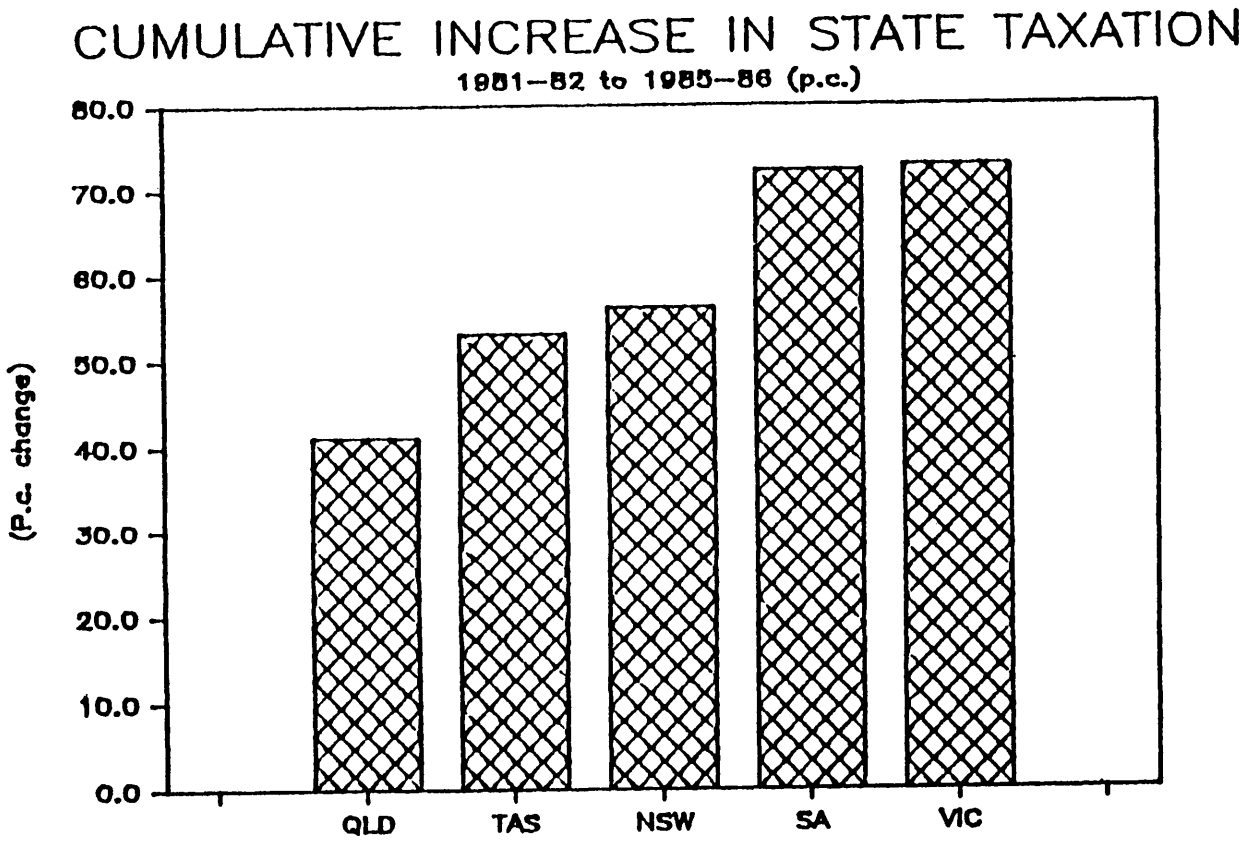
GRAPH 6



Market sector employment is defined as employment in the following sectors: agriculture; forestry, fishing and hunting; mining; manufacturing; construction; wholesale and retail trade; transport and storage; and finance, property and business services.

Source: Commonwealth Treasury, *The Round-Up*, September 1985, p. 31; and A.B.S., *Monthly Summary of Statistics, Victoria* (No. 1303.2), September 1985, p. 9.

GRAPH 7

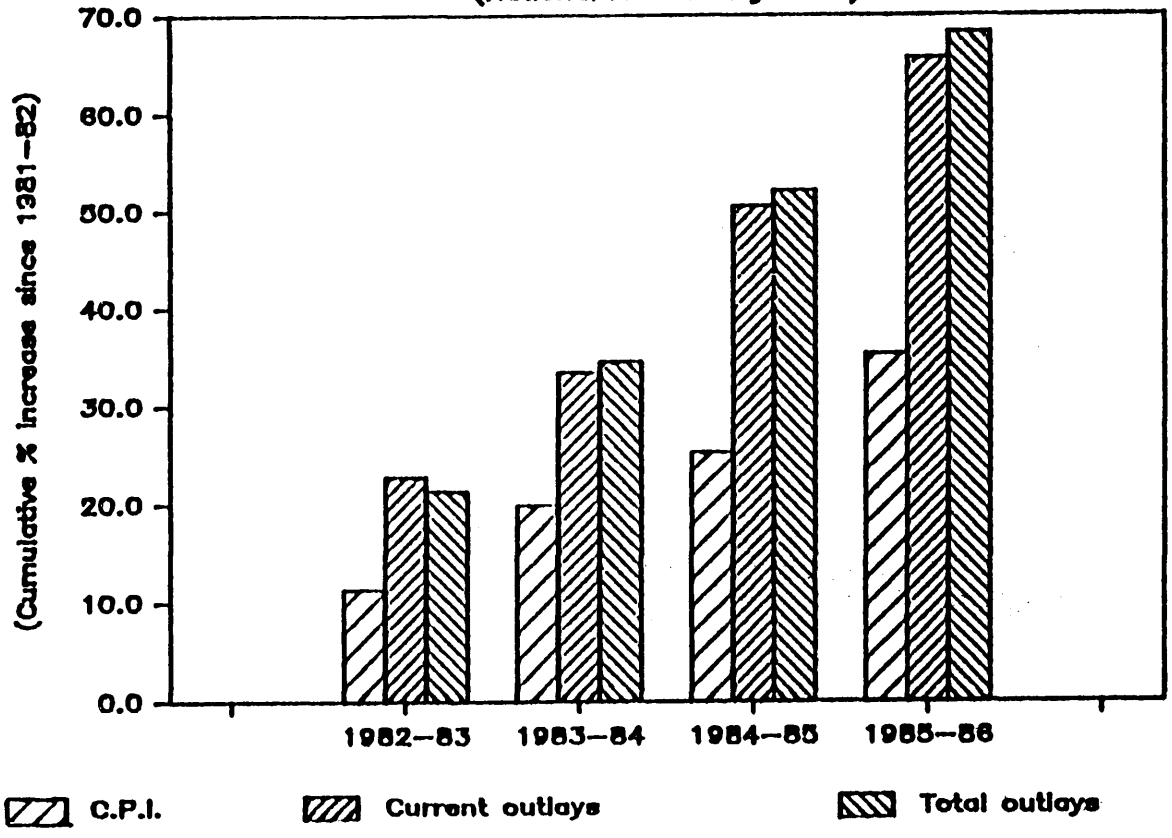


Source: State Budget Papers for the various States (generally the estimates of receipts and expenditure of the Consolidated Fund or its equivalent), 1982-83 and 1985-86

GRAPH 8

CUMULATIVE INCREASE IN OUTLAYS & PRICES

(National Accounting basis)



Note: 'Total outlays' includes expenditure under the Major Initiatives Program in 1985-86 but excludes 'Commonwealth grants for on-passing'.

Source: 1985-86 Budget Paper No. 2, *Budget Strategy and Review 1985-86*, page 30; C.P.I. dats from A.B.S., *Monthly Summary of Statistics, Australia* (No. 1304.0), September 1985, page 9 - Melbourne All Groups Index.

Mr ROSS-EDWARDS (Leader of the National Party)—The 1985–86 Budget, which is the fourth Budget to be introduced by the Cain Labor Government, does nothing substantial to dispel the Labor Party's reputation for being a big spending, big borrowing and big taxing Government. This year the Government, through its own propaganda and fanfare on the economic front, would have led us all to believe it could have done something positive and constructive to tone down its reputation; however, the Budget does nothing to dispel the reputation that Labor Governments have worn, and this Government will be long remembered for introducing a Budget of lost opportunity.

I say "lost opportunity" because the Government has thrown away its chance to provide significant cuts in taxation or to tackle the growing State debt by reining in spending and taking advantage of the 1984–85 Budget surplus and expected increase in revenue of $859 million for 1985–86. In general terms the 1985–86 Budget offers a sprinkling of tax cuts, which, in net terms, represents $34·9 million; an increase in total Government expenditure of 10 per cent or $885 million; an estimated increase in Government revenue of $859 million or 9·7 per cent of the actual figures for 1984–85; an increase in the net debt level of 11·1 per cent and an increase of 3·3 per cent in new borrowing programs by the Victorian public sector.

Comments from the general public and from political commentators suggested that the speech by the Treasurer indicated that the Budget was one of moderation and restraint. Those people must be naively beginning to believe the Treasurer's mutterings and his attempt to paint a picture in the Budget Papers, which he does consistently, that there is moderation and restraint in Government expenditure. For example in Budget Paper No. 2 at page 5 the following appears:

> This recurrent expenditure restraint remains a key feature of the 1985–86 Budget.

I should hardly call a 10 per cent increase in total Government expenditure a restraint or, for that matter, a 9·5 per cent increase in recurrent expenditure anything that resembles real restraint, in the strictest sense of the word. The use of the words "moderation" and "restraint" in describing the Budget may seem naively reasonable on the surface but certainly it does not portray the underlying facts of the matter.

The words "moderation" and "restraint" must be put in their rightful perspective. If this year's figures are compared with those for last year, the outcome may be construed as moderate, but if one compares those figures in an historic sense, that is, if one compares the powers and the methods selectively adopted and scattered through the Budget Papers, one does not see any real moderation.

For example, in the first three years of the Cain Labor Government taxes increased by 55 per cent. In the first year of the Cain Labor Government taxes increased by 17·8 per cent. In the context of these tax increases it may be considered that the tax increase of 7·1 per cent projected in the 1985–86 Budget is moderate, but I do not think so.

Another example is that total Government expenditure is up 10 per cent compared with last year. From 1981–82 total expenditure in Victoria has increased by 79·6 per cent or $4305 million. One could suggest that the Government is restraining expenditure in this Budget, if one compares the estimated increase for 1985–86 with the 13·7 per cent in the previous Budget. However, the massive accumulated blow-out in expenditure and taxation revenue was excessive in the first place.

The base on which one should compare the Budget figures is for the first two years of the Labor Government. The base level on which comparisons should be made, and increases in taxation and expenditure assessed, was exorbitant and unacceptable in the first place. Because the taxation base has grown under the Labor Government and unacceptably high levels of Government expenditure have occurred, the Cain Government will never shake off the tag of being big spending and big taxing.

The Government has told us in the past, and continues to tell us, that the Victorian economy is on the move. We were told that last year in the Budget speech, and we are now

told that Victoria is leading in the economic recovery stakes. The Government stated also that Victoria is now on a solid financial footing.

Page 1 of Budget Paper No. 2 suggests that the 1985–86 Budget is brought down in a context dominated by two factors. The first of which is the restored financial situation of the Victorian Budget sector. On page 2 of the Budget speech the Treasurer stated that the viability of the Budget had been restored.

In view of these claims, why does the Government not bite the bullet and rein in Government spending to provide real, meaningful and widespread tax relief? I suggest that it is because the Government neither wants nor intends ever to do so. So long as that is the attitude of the Cain Government, small business and individual taxpayers will continue to pay for the excesses of the Government. To suggest moderation and restraint in the 1985–86 Budget is to have accepted, or considered reasonable, the excessive and high levels of spending in taxation over the past three Labor Budgets. I, for one, do not accept them.

The economic policies of the Cain Government which underpin the Budget must be challenged. The myth that this Budget restores restraint and illustrates moderation must be exposed, and I intend to do just that.

I refer the House to taxation revenue. Figures from the Consolidated Fund show that revenue from State taxation will increase from $2826·25 million in 1984–85 to $3025 million in 1985–86. This represents an increase in taxation revenue of $199 million or 7 per cent since last year.

To put it in perspective, this year's increase, together with taxation increases since the Cain Government came to office, represents accumulated increases of more than 60 per cent in four years. The Government, conveniently, does not classify imposts such as the public authority dividend tax or the energy consumption levy as taxes and, therefore, it may dispute that claim.

The fact that there is no real increase in estimated tax revenue is welcomed. Another welcome feature is the announcement of no new taxes. That is a pleasant change. One issue on which I take the Government to task is its election commitment not to increase taxes and charges beyond the consumer price index over the life of the present Parliament. In the opening speech of the election campaign on 11 February, 1985 the Premier said:

> The key feature of our tax package announced last week does just that: it gives a firm pledge that the rate of State taxes and charges will not increase in the next four years beyond increases in the Consumer Price Index.

He also said:

> The same applies to gas, electricity, and Board of Works charges: they will not rise in real terms during the next four years.

This seemed at the time, and would still appear to be, a straightforward commitment. Every person of voting age would take the statement for what it is and interpret it to mean that charges for electricity, gas and water and other individual taxes would not rise beyond the inflation rate.

That is a reasonable interpretation, but not according to the Budget Papers. Page 8 of Budget Paper No. 2 expands on this commitment. It states that the central election commitment was that there would be no over-all increase in the real tax burden for Victorians over the four-year life of the present Parliament. That is double talk by the Premier. That statement indicates what the commitment really means. It refers to the over-all increase in the real burden. We are starting to get the picture, but there is still more to the interpretation. The explanation of the commitment also states:

> The appropriate measure of this real tax burden is the level of total taxation revenues in the Consolidated Fund (excluding revenues directly offset by expenditure) expressed as a percentage of Victorian non-farm GDP.

Therefore, it is suggested that on the basis of last year's outcome the appropriate quantitative measure or yardstick to assess the fulfilment of the commitment is a percentage level of

5·1 per cent. The estimated figure in 1985–86 is 4·8 per cent. Therefore, the Government claims it is honouring its commitment.

I do not argue with that claim, but I argue with the means adopted to measure or interpret the commitment. One of the two variables in the equation is the Victorian non-farm gross domestic product. So long as the non-farm gross domestic product continues to increase at a rate that is either equal to or better than the existing rate, the Government can increase over-all taxes at a rate more than the consumer price index in order to maintain the ratio below 5·1 per cent. Therefore, the Government can reap equal benefits—through taxation revenues—from non-farm gross domestic product growth.

Based on the Government's philosophy it has to have its hands in the pocket of all growth. Another interesting point is that, based on the Government's rationale and interpretation of "real tax increases", the Government could have increased tax revenue further to bring the ratio of taxes to Victorian non-farm gross domestic product from 4·8 per cent to 5·1 per cent. Had the Government done so I doubt whether the Victorian public would have accepted and would now accept that far-reaching definition. Page 9 of Budget Paper No. 2 states:

> In spite of the fact that the election commitment is a global one, rather than referring to movements in individual taxes, the Budget also contains no increases in real rates of tax.

The statement seems to suggest that the Government believes it is doing the individual taxpayer a favour. I doubt whether any individual feels that any favours have been forthcoming. I strongly refute any claim that Victorians elected the Government on a commitment on taxes that meant any more than a straightforward pledge referring to inflationary adjusted rises in individual taxes and charges.

This claim would be supported by those ratepayers who were informed earlier this year that they were facing Melbourne and Metropolitan Board of Works rate increases of up to 25 per cent. I am sure those ratepayers do not believe the Government has fulfilled its election commitments. Equally, Victorians have seen this increase in Board of Works rates as a blatant broken election promise.

Current Account expenditure to be met by the Consolidated Fund in 1985–86 is projected to be $7861 million. According to Budget Paper No. 2, at page 5, where this figure was adjusted to a comparable basis with previous years, it represents an increase in expenditure of 9·5 per cent from the previous year—an increase in expenditure beyond the increase in the consumer price index and one that could not be classified as portraying Government restraint. To put that increase in recurrent expenditure into what I classify as its right perspective, the growth in expenditure needs to be looked at over the three and a half years that the Cain Government has been in office. In 1981–82 recurrent expenditure amounted to $5053 million. In four years Victorians have seen this figure blow out to $7861 million—a blow-out that represents a total increase of 55·6 per cent.

The fact that the Government's recurrent expenditure has continued to increase at unreasonable rates does not illustrate restraint—far from it! In fact, in the Labor Government's first Budget it increased recurrent expenditure by approximately 18 per cent. Comparing the present figure with that first increase, it may be possible to suggest restraint, but the fact is that the increase in expenditure was unacceptably high in the first place.

With regard to total Government expenditure, as illustrated in the Consolidated Fund, expenditure has been estimated to increase by 10 per cent or $885·8 million. Victorians should not be fooled. This increase does not reflect restraints on Government expenditure. If one puts this rise in total expenditure into its rightful perspective, it can be seen that since 1981–82 total expenditure has increased from around $5408 million to $9713 million in 1985–86. This represents an increase of 79 per cent. In its first year alone, the Cain Government increased total expenditure by 28 per cent.

I repeat what I said earlier—these rises are unacceptably high and to compare only this year's increase with last year's and then suggest that the increase in expenditure is moderate is very short sighted.

This Labor Government is a big spending Government. All Victorians pay for it in one way or another. The escalation in expenditure must stop. When the Labor Party first came to government, it would excuse its massive increases in spending by referring to the difficult economic conditions at the time. Now, according to the Government, those difficult times have passed, yet the increase in expenditure continues. I suggest that this Labor Government will never—nor does it ever want to—rein in expenditure.

I now turn to the State debt and borrowings. The level of the State debt has grown alarmingly under the Cain Government. Budget Paper No. 2 at page 113, shows that the net debt of Victorian Government and State authorities is estimated to rise to $17 249 million in 1986.

This is an increase of $1727 million over the 1985 figure, or an increase of 11·1 per cent. Since 1982, the net debt has risen from $11 088 million to $17 249 million, an increase in the State's debt over four years of 55·5 per cent. Everyone will have to pay this debt. The Government has no regard for the fact that it is saddling every taxpayer in Victoria with a massive burden.

An important consideration is the impact of levels of borrowing and debt on the Budget sector. Table No. 1.6, Budget Paper No. 2 at page 23 shows recent trends in borrowing and net debt as a proportion of Victorian non-farm gross domestic product. This ratio is expected to be 14 per cent in 1985–86 and compares with a ratio of 13·8 per cent in 1984–85. The simple fact is that in 1985–86 the ratio is estimated to increase. While explaining the trend, it is stated at page 23 of Budget Paper No. 2 that the increase has been modest and that this conclusion has been based—very conveniently—on an historical perspective.

The years used for this historical perspective are 1964 and 1974. In 1964 the ratio was 30 per cent, whereas in 1974 the ratio was 20 per cent; therefore, the conclusion in this context is that the increase has been modest. I take exception to this blatant, simplistic and convenient use of selectively choosing the historical perspective. The explanation gives no regard to the fact that economic conditions and variables were different. Even given the improved economic conditions of today, the net debt is increasing and, as a proportion of the non-farm gross domestic product, it has increased from last year.

I turn to taxation measures. The Government has announced a sprinkling of tax cuts which in total amount to $46·5 million in a full year. Taking into account the 7 per cent increase in motor registration fees, the net effect of the taxation measures amounts to $34·9 million in a full year. While the tax cuts are welcome, they do not go far enough—they are only a drop in the ocean when considering that 1985–86 revenue from State taxation is expected to increase by $199 million. The $46·5 million is only a mere fraction of the estimated increase in all Government receipts of $858 million.

The abolition of stamp duty on workers compensation premiums, which was effected on 1 July 1985, is a welcome and overdue move. On the issue of workers compensation, or what is now known as WorkCare, I shall make a point quite clear. Although the Government claims, firstly, that WorkCare will save employers $600 million in its first year compared to the old system and, secondly, that the system will be fully funded over five years, I point out that there is strong evidence to suggest that the system cannot pay its way in the long term. In the years ahead we will all have to pay one way or another for a potentially massive unfunded liability.

The tax measures in the Budget also provide for an increase of 7 per cent in the exemption level for pay-roll tax from $215 000 to $230 000. This so-called "tax initiative" merely keeps the exemption level in line with inflation. The increase of 7 per cent is no

favour to small business—it is merely expected of the Government. The so-called "cost" of increasing the exemption level is $5·9 million in a full year but it is not a cost to the Government.

The employer's pay-roll is increasing with inflation and the employer will not be receiving any money in his pocket from the supposed tax cut. In a broader context, the Government receipts from pay-roll tax will increase by over $100 million on the previous year. This represents an increase of 9·9 per cent. In this context, the Government is certainly taking more than it is handing back.

In general, the Treasurer and the Government will claim that the Budget provides overall tax relief. They will also attempt—and I emphasize the word "attempt"—to lead us to believe that the "relief" is significant and substantial. We should not be fooled. The "tax cuts" are only a small portion of increase in the revenue grab by the Government. The tax measures are only a token gesture when the Government could have done much more.

The Budget Papers make bold and possibly optimistic forecasts about crucial economic indicators which underpin the Budget. Two of the major economic indicators—which significantly determine the outcome of 1985–86 Budget—are the rate of growth in business investment and the rate of growth in Victoria's non-farm gross domestic product.

The 1985–86 Budget has been based on the assumption that the rate of real growth in Victoria's non-farm gross domestic product will be in the vicinity of 4·5 per cent to 5 per cent. Inherent in this estimate is the forecast that real business investment will increase by 12 per cent—I emphasize this point. This is twice the forecast rate for the rest of Australia. If Victoria, and private industry especially, can achieve these growth rates, then the expected outcome can be achieved. If, however, for a number of reasons the forecast is not realized, there will be some major problems on the revenue side of the Budget.

I turn to one of the most serious problems facing the State and I refer to the pressure on agriculture in Victoria. When the Treasurer introduced the 1985–86 Budget in Parliament on 24 September, my initial and immediate response to the Budget as it relates to agriculture was to say, "The Budget would be remembered as the occasion when Victoria's struggling rural economy was cut adrift and country Victorians were left to fend for themselves by the Cain Labor Government". They are tough words but accurate words and they are becoming more true every day.

I also said, "Country people would never forgive the Cain Government for neglecting their economic crisis in framing the 1985–86 Budget. Since I made those initial comments I have had time to reflect on my assessment and to absorb in more detail what effect the Budget will have on agriculture.

Having done that, I can now say without reservation, that I would not, in any way, change my initial reaction.

The past financial year, 1984–85, has not been a good one for the agricultural sector. In 1984–85 the gross value of Victorian rural production declined by 8 per cent compared with an increase for Australia of 0·7 per cent.

In 1984–85 the Bureau of Agricultural Economics index of prices received by the rural sector rose by only 2·7 per cent in nominal terms. This is in contrast with the bureau's index of prices paid by the rural sector, which increased by 6 per cent.

Despite the fact that the volume of Victorian rural exports increased by 19·5 per cent in 1984–85, farm incomes are estimated to have declined by a massive 47 per cent. The forecasts for 1985–86 are not much brighter. In 1985–86 gross farm product is expected to decrease by approximately 5 per cent. As a consequence of the devaluation of the Australian dollar, prices received by farmers are expected to increase by 7 per cent. However, despite this and other factors, it is stated that cost pressures are likely to remain severe, particularly growth in debt service charges. In total, farm incomes in 1985–86 are expected to decline by a further 12 per cent.

All honourable members should realize from these figures that the rural economy still remains in a state of decline and crisis. The 1985–86 Budget does nothing to attempt to arrest the declining rural economy. In fact, the Department of Agriculture and Rural Affairs has been singled out for excessively harsh treatment.

The department's Budget allocation rises by only 2·7 per cent compared with an increase across all departments of 8 per cent. Is that what the Government thinks of the Department of Agriculture and Rural Affairs? The National Party and the Opposition used to blame the former Minister of Agriculture in another place, who was the most hated Minister in Cabinet. However, the current Minister, the Leader of the Government in another place, is now treated in a worse manner than was the former Minister of Agriculture. I believe the state of agriculture is not the fault of the former Minister but rather is a result of the policy of the Government, which is not interested in agriculture and country people. That is clear from the increase in the Budget allocation for Government departments overall of 8 per cent but an increase of only 2·7 per cent for the Department of Agriculture and Rural Affairs.

The honourable member for Werribee, who formerly earned his bread and butter as an employee of what was known as the Department of Agriculture, should be ashamed of being a member of a Government that has treated country people in such a manner. It is about time the Government spent some money on country people. That would be preferable to wasting money on festivals that never take place.

For the second year in succession the Department of Agriculture and Rural Affairs must suffer such iniquitous treatment. Last year, it was announced in the Budget that the department's staff numbers would be cut by 120.

This year's Budget Papers do not make a similar announcement but it is obvious that staff numbers in the Department of Agriculture and Rural Affairs will be cut even further. More staff members will be thrown out of the department—and it is a pity that that did not occur when the honourable member for Werribee was employed by it. Last year, staff numbers in that department were cut by 120 persons, and they will again be cut in the 1985–86 Budget year.

It is blatantly obvious that the rural sector is being neglected and singled out for harsh treatment by this Labor Government. While most other departments will increase their spending in real terms, the Department of Agriculture and Rural Affairs must cope with a cut in spending in real terms of about 5 per cent—and that is at a time when its role could not be more critical. The Government does not realize that a serious situation exists in the rural sector.

Another example of the Government's iniquitous treatment of the farm community, and grain growers in particular, is the imposition of the public authority dividend tax on the Grain Elevators Board. There is no doubt that that tax on the board is a sectional tax on Victorian grain growers. There is no justification for its imposition, and the Government has failed to remove it. Perhaps the Treasurer does not realize that the capital of the Grain Elevators Board was put there by the grain growers of Victoria, and this Government has seen fit, during a time of very real problems for grain growers, to impose a tax on the board.

The Government has taken some $9 million from grain growers in the past two years through that tax and, through this Budget, it will take a further $4·5 million. That is a reduction of $500 000 from 1984–85. However, that reduction is not a gesture by the Government signalling a degree of relief. It portrays no favours.

The reason that the tax has been reduced by that small amount is as a result of one factor only—and that is that the volume of grain receivals is expected to be down. I assure honourable members that if receivals were forecast to be increased, the tax on the Grain Elevators Board would also have been increased.

This Labor Government must stand condemned for its lack of interest in the problems of the rural sector. Only last week the Government again showed its true colours when it comes to agriculture. The Minister for Transport, Mr Roper, announced that grain rail freight rates would increase by 6 per cent.

Negotiations regarding freight rates have been taking place for a long time. The industry representative, namely, the Grains Group of the Victorian Farmers and Graziers Association, has spent much time, resources and money involving itself in negotiations with the Government. These so-called negotiations were supposed to result in reasoned, warranted and justified movement in grain freight rates.

However, that is not the case. Instead, after months of talks and more talks, the Government makes yet another blatant political decision. The industry must now be wondering why it should become involved in costly and time-consuming negotiations when the Government uses the negotiations only as a charade. The industry must surely believe it has been kicked in the teeth.

As I understand it, V/Line recommended that the rate increase should be 3 per cent at the most. That figure was obviously not acceptable to the Government, which wants to take more money from the grain growers. Therefore, it announced a 6 per cent increase. In my view, such an increase cannot be justified. Let us get this quite straight: this Government's philosophy towards the agricultural sector is, "When it is down, kick it down further."

Those recent examples of the Government's blatant disregard for the farm sector, especially when it is in crisis, makes a complete mockery of the "soft shoe pedalling" of the Minister for Agriculture and Rural Affairs on the steps of Parliament House not many months ago in front of 40 000 angry and frustrated farmers and country people.

The Minister suggested that the Government understands their problems. He said the Government was sympathetic. The rural sector and the community generally must now surely be convinced that Labor Governments will continue consistently to single out farmers and country people for harsh treatment.

In conclusion, I repeat what I said at the outset of my speech in the Budget debate—the Cain Labor Government has failed in the 1985–86 Budget to offer any substantial or widespread tax relief. The Budget does not portray restraint or moderation—far from it! The level of Government expenditure continues to increase at unacceptably high levels and the State's debt also continues to climb alarmingly.

In an historical perspective, the Cain Labor Government continues to illustrate that it is a big spending and big taxing Government. Finally, the Government has graphically shown that it has no regard whatsoever for the rural sector of Victoria.

Dr COGHILL (Werribee)—The Opposition has failed to honour the tradition in this Parliament of using the Budget to present a credible alternative economic strategy. All that honourable members have heard from the honourable member for Brighton, who is the Opposition lead speaker in the Budget debate, is an absolute fizz. After seven months in Parliament, coming here with high hopes held for him by the Liberal Opposition, and I might say by the media, he has shown himself to be a fizzer; already, after only seven months, he is a "yesterday's" man.

The analysis put forward by the honourable member for Brighton has included a lot of broad, wide-ranging assertions and a lot of quite false analyses and analogies. The basic tenet on which he has relied and relied heavily and repeated time and again during his speech is his view that the increase in expenditure by the Government is synonymous with an increase in the rate of tax.

As the Leader of the National Party pointed out, that is simply not true. The Budget Papers show that that is an absolute falsehood; in fact, if one compares the rate of tax increase with the rate of increase in the non-farm gross domestic product, one finds that

the rate of tax increase is falling. Taxes are increasing at a rate lower than the rate at which the economy is expanding.

At least the Leader of the National Party was honest enough to concede that, but the spokesman for the Liberal Party did not. It is a case where either he did not understand the issue—and I do not accept that—or he quite deliberately misrepresented the situation and I believe, on the evidence, that he deliberately misrepresented the situation.

The Leader of the National Party continued at some length about what he saw as the deficiencies of the Budget concerning the rural sector, particularly the agricultural area, but it was fascinating that, with the sole exception of his suggestion about grain freight rates, he did not put forward a single proposition as to what ought to be done to assist the sector of the community to which he and his members pay respect. He also referred to the Grain Elevators Board, but those were the only two items that he mentioned.

Mr Ross-Edwards interjected.

Dr COGHILL—The Leader of the National Party is suggesting that the staffing levels in the Department of Agriculture and Rural Affairs are a prime determination in the welfare of the agricultural community. I am sure the officers of the department would be flattered, but I think the honourable member would find that very few people support that assertion.

One would have thought, by his comments on grain freight rates, that if the National Party were serious in the view put forward by its Leader, that it would have been its stated policy both in the past and today that there be a freeze on such grain freight rates. However, it has not been part of the National Party's stated policy. Perhaps in response to my comments the National Party will suddenly formulate such a policy, but it has not been its policy to date.

If what has been said by the opposition parties today is an indication of the concerted attack which they intend to make over the next three weeks, this Parliament will be asleep at the end of that three weeks. The Opposition does not have material ready, it has no policy and it does not have the capacity to mount that sustained attack. That is obvious from what has happened in the Parliament today.

Bereft as it is of any substantive and credible positive alternative policies, the Liberal Party has had no alternative but to rely on fear mongering, distortion, assertions and economic fantasies based on the dogmas of the "new right" ideologues. Their dogmas appeal to simple minds. They appeal to an Opposition which makes no effort to formulate policies with any depth or any substance. So bereft is the Opposition that it has sold itself to faceless men in order to buy policies, to buy brain power and to start a think-tank of some sort of draft policies because Liberal Party members are unable themselves to prepare and develop policies.

In that context, it is worth remembering the age-old truth: he who pays the piper calls the tune. Perhaps next year these puppets will have some policies to put before Parliament, but they will not be their policies—they will be the policies of their masters, those who are supporting them financially.

The simple formulas on which the Opposition currently depends are not new. They are certainly not the result of any analysis, any economic strategy or indeed any substantive thought. It is only a short time since the Leader of the Liberal Party spoke about putting meat on the bones of the party's policies. What are those bones? The Liberal Party, on the evidence today and previously, has relied on what are the dried-out bones of a moribund economic theory which was thrown out on the rubbish dump of history 50 years ago. It is resorting to a fossilized dogma which it is attempting to polish up in the hope that it will rise from the deal half a century after it was discredited, destroyed and discarded.

The Liberal Party has often spoken of its admiration for Adam Smith and the views which he put forward. The Liberal Party has sought to establish credibility in the twentieth

century from the views that he put forward in the nineteenth century. Adam Smith's theory was discredited at that time. It was discredited in the Georgian and Victorian eras. It is even less relevant to the 1980s. His theory was developed and based on small government, small business, unorganized labour, an undemocratic economy, no freedom of association for workers or others and no universal suffrage. That was the context in which it was developed. We all know that that is no longer true.

If Adam Smith's work is still the standard economic text of the Liberal Party, we can only assume that the Liberal Party is prepared to inflict the consequences of that text on the community. These consequences lead to confrontation and to conflict within the community and are a direct attack on the living standards of Victorians. We can only conclude from it that the Liberal Party wants a Victorian Victoria, and a return to the sweatshop and Dickensian social and economic conditions of that period.

Despite the fact that both past and recent historical evidence shows the opposite, we find that the Opposition is putting forward a view that Governments should not intervene in the economy, that issues of equity and social justice impede economic growth and that the cost of government is the cause of economic decline.

This level of debate is not only an absolute insult to the public of Victoria but particularly to this Chamber where honourable members are expected to debate such issues in a considered manner. The Opposition insults us by the inadequacies of the totally unfounded case that it puts forward.

One need only refer to the views of one of the senior conservative statesmen of Australia to see just how out of touch the Liberal Party in Victoria has become. I refer to Mr Anthony who has been reported on as follows:

> he shook his head in despair when he heard some academics, politicians and farm leaders pontificating on the virtues of macro economics as the cure for the ills of Australia's export industries.

That statement appeared in the *Weekly Times* on 18 September 1985.

In the Opposition's scheme of things, there is no comprehensive analysis of the economy or of anything for that matter that needs to be done. The central idea is of Government failure. Given the performance of the Liberal Party up until 1982, one can understand why the Liberal Party adopts that view, because up to 1982 when the Liberal Party was in government it did fail because of its own incompetence and neglect based upon its own ideology.

The Liberal Party is intent on one thing and one thing only; that is, to regain power for its own sake and not for social benefits but for the sake of exercising power. To achieve that aim, the Liberal Party is prepared to resort to any means to obtain that end, including means which distort reality and which deliberately mislead the public.

The Liberal Party refuses to acknowledge the self-evident truth that market failure is inevitable in the competitive system and it has no perception of difficulties which are inherent in the market-place, factors which occur within both the domestic and international markets. The reason for that is clear to see—the Opposition wants to blame government for whatever problems are occurring in the community and is not interested in presenting any coherent alternatives but is only interested in obtaining political mileage of the worst kind.

It is worth examining the international context to see what has happened over the past two or three decades. I wish to refer to the Organization for Economic Co-operation and Development economic studies publication of 1985 on the role of the public sector. The introduction to that publication states that the last two decades have been characterized by Government involvement in all OECD countries. For example, in 1960 there were only two countries where total general Government expenditure exceeded one-third of the gross domestic product yet by 1982 this level had been surpassed in all countries for which data was available. In support of this I seek leave to have incorporated in *Hansard* two tables which I have already shown to *Hansard.*

The SPEAKER—Order! The tables are suitable for reproduction.

Leave was granted, and the tables were as follows:

GENERAL GOVERNMENT EXPENDITURE

	1980		1982	
	Expenditure	*Revenue*	*Expenditure*	*Revenue*
	%	%	%	%
Australia	22·1	25·4	36·3	34·2
Austria	32·1	31·0	50·3	46·7
Belgium	30·3	27·5	56·6	45·4
Canada	28·9	26·0	45·5	39·0
Denmark	24·8	27·3	60·7	50·7
Finland	28·7	30·0	41·3	39·7
France	34·8	34·9	50·7	48·9
West Germany	32·5	35·1	48·4	45·3
Greece	17·4	21·1	37·0	31·3
Iceland (1960–1980)	28·2	36·4	34·4	38·0
Ireland (1960–1980)	28·0	24·8	57·1	42·3
Italy	30·1	28·8	53·7	41·5
Japan	18·3	20·7	34·2	30·2
Luxembourg	30·5	32·5	54·3	51·5
Netherlands	33·7	33·9	63·7	55·8
Norway	29·9	33·1	48·8	52·8
Portugal	17·0	17·8	42·7	33·2
Spain (1964–1981)	18·8	18·8	34·1	30·6
Sweden	31·1	32·2	67·3	59·7
Switzerland	17·2	23·3	30·0	33·2
Turkey	18·0	19·1	NA	NA
United Kingdom	32·6	30·3	47·4	43·7
United States	27·6	27·3	37·5	32·0
Mean (unweighted)	25·3	27·7	47·0	41·9

Source: OECD publication Tax Role of the Public Sector 1985.

	Social Expenditure as % of GDP			*Growth in real GDP per capita*	
Country	*Tran.* (1)	*Educ.*	*Total* (2)	1982	*Average* 1960–1982
Sweden	18·6	7·6	33·5	0·4	2·5
Netherlands	28·3	7·2	36·1	(2·0)	2·5
Norway	15·0	8·0	27·1	(1·0)	3·4
Luxembourg	22·8	8·6	. .	(1·4)	2·2
Denmark	17·9	6·6	29·0	3·6	2·7
Austria	19·8	5·9	27·9	0·3	3·5
Belgium	22·8	6·1	38·0	1·1	3·4
Germany	17·6	4·7	31·5	(1·0)	2·8
Italy	18·1	5·0	29·1	(0·6)	3·4

	Social Expenditure as % of GDP			*Growth in real GDP per capita*	
Country	*Tran.* (1)	*Educ.*	*Total* (2)	1982	*Average* 1960–1982
France	25·8	3·4	..	1·1	3·4
Ireland	14·3	6·3	27·1	0·1	3·0
U.K.	13·9	5·6	24·9	2·3	1·8
Canada	11·8	7·7	21·7	(5·2)	2·7
Finland	10·1	5·5	..	2·0	3·6
Portugal	..	4·5	..	2·9	4·8
Iceland	11·1	..	..	(2·6)	3·0
New Zealand	..	4·9	19·6	0·6	1·3
Australia	9·2	5·8	18·5	(2·5)	2·3
U.S.A.	12·1	5·8	21·0	(3·3)	2·0
Japan	11·3	5·1	17·5	2·3	6·2
Switzerland	13·0	5·2	14·9	(1·8)	1·8
Greece	11·6	2·2	12·8	(0·6)	4·8
Spain	..	2·6	..	0·5	4·0
OECD Average				(1·0)	3·1

(1) 1981

(2) 1982 or nearest year

Prepared by: Hugh McBride, 24th July 1985.

Source: OECD Statistics

Dr COGHILL—The first table shows levels of general Government expenditure in 1960 and 1982 for each of those countries listed and also the levels of revenue for those years as a percentage of gross domestic product.

The second table has the countries rearranged in order of the level of Government expenditure as percentages of the gross domestic product and shows the level of social expenditure for the transport and education areas in total, and growth in real gross domestic product per capita during that period.

During the 1960s the expansion which occurred in the economy took place within an unusually stable international economic environment and against a background of historically unprecedented rates of economic growth.

In the 1970s economic performance declined relative to the levels which had been previously experienced. The international context had changed because of the collapse of the fixed exchange rate system, the unparallelled peacetime commodity and food prices boom and the first oil shock which occurred in 1973.

In the 1970s the macro-economic performance of all Organization for Economic Co-operation and Development countries deteriorated and remained relatively poor in the following decade. This aspect is relevant to the claim of the Opposition that economic decline is caused by big government.

Between 1960 and 1982, which is a long period, Government spending in Australia was low compared with OECD standards. Despite that, Australia's relative position worsened during that period. If the contention of the Opposition were correct, Australia's position should have been relatively better in 1982, rather than relatively worse.

In 1962, Australia was ranked seventeenth out of 23 countries with a Government spending share of 22 per cent, some five-sixths of the average for all OECD countries. By

1982 the share of Government spending had risen to just more than 36 per cent; only three-quarters of the over-all average, and Australia's ranking had fallen one place.

The rapid growth which had occurred in Government spending since the end of the second world war and the economic decline which has occurred in all countries over the past decade has created a climate for public debate about the size of public sector spending and the role it should play. However, no evidence exists to suggest that countries with high or rapidly increasing Government spending or tax shares have performed any worse during that time in economic growth, inflation or employment. Indeed, evidence now suggests that countries, such as the United Kingdom, which have followed macro-economic theories—which are supported by the Opposition—have not shown an improvement in economic growth rates.

The evidence goes further to suggest that arguments based on the assertion that a choice is to be made by Governments between equity and efficiency are false. Those Western nations, especially Scandinavian countries, which have pursued equity and efficiency together have recorded consistently higher rates of economic growth than Western nations with poorly developed welfare structures and inadequate redistributive social policies.

I shall now refer to Walter Korpi, an eminent Swedish economist, who recently visited Australia. He conducted a comparative study of eighteen Western countries and divided the countries into two groups. The views of the countries in the first group may be seen as akin to the views of the Opposition—they claim that the private market and the family are the natural and central ways to provide for the needs of citizens. The second group comprised countries with the view that social policy is an integrated part of society on a par with markets, and which offer public services and aid on the criterion of need outside the markets.

When one examines the relationship between these divergent approaches and economic growth, one finds that States with significant public sector involvement in the economy and Governments which have a comparable approach to economic policy consistently outperform the so-called free market economies. The higher economic growth rates, lower unemployment rates and lower inflation rates of the interventionist economies are evident in the high-growth period of 1945 to 1973 and in the economic recession which commenced in 1973.

Further evidence can be found in the report of an Organization for Economic Co-operation and Development conference on social policy which was held in 1980. It was found that there was no uniform relationship between the costs of labour and social policy on the one hand and economic performance on the other hand.

At the conference Dr Harold Wilensky of the University of California said:

> By any measure of economic performance, the heavy spending corporatist democracies . . . have done as well as or better than the welfare state laggards.

Statistics from the Organization for Economic Co-operation and Development from 1960 to 1982 demonstrate that there is no relationship between the size of Government expenditure and economic growth, which is in direct contradiction of the unsubstantiated assertions made by the Opposition. I refer again to the two tables that I have had incorporated in *Hansard.*

The Victorian Government bases its economic policies on sound economic theory and factual data such as that to which I have referred. It does not believe in intervention for the sake of intervention but sees it as a necessary tool which can help Governments provide the environment that is necessary for private sector growth as well as the delivery of social goods.

As the Treasurer said in his Budget speech, it has been the policy of the Government to use its economic tools in a counter-cyclical fashion that involves a proper and considered examination of all the relevant variables and a proper examination of the short and long-term strategies that are necessary to improve Victoria's economic prospects.

No such examination was evident in the disappointing contribution of the Opposition today, and previously. The success of the Government's economic strategy is based on its having clear objectives to encourage Victoria's competitive advantages as well as to develop new markets for Victoria's products. This is necessarily linked into employment and industrial relations policies.

The main economic indicators are showing how successful the Government's strategy is. In September this year the unemployment rate for Victoria was 6·6 per cent compared with 8·1 per cent for the remainder of Australia. Employment levels over the year to August 1985 rose by 62 700 or about 3·6 per cent with only 2·55 per cent for the rest of Australia.

Business expectations of new fixed capital expenditure show that over the coming year Victoria expects to perform significantly better than other States. Australian Bureau of Statistics figures have shown that the planned fixed capital spending by Victorian firms in the current financial year will increase by 38 per cent, which is well above the expected national increase of 24 per cent.

That gives the lie to the assertion made by the honourable member for Brighton, who claims that the environment created by this and previous Budgets is discouraging new investment in Victoria. If anything, they are responsible for attracting added investment to Victoria. The Opposition's assertion that Government expenditure is to blame for problems in the economy is simply the reverse of the hard facts. Government intervention in the economy is leading to improvements in the Victorian economy, according to the accepted measures.

The Opposition is deliberately mounting an argument that is misleading the community. It is entering into some form of fantasy land of economic theory that has no concrete or factual basis. The Opposition has no facts to substantiate its assertions.

The Opposition refers to Governments that have implemented policies similar to its policies. However, the Opposition can draw cold comfort from those examples. I refer especially to the United Kingdom where the bedraggled British lion is in decline with no sign of restoration. One has only to read the major feature article in today's *Age* to realize that Britain has been in enormous trouble over the period of the policies of the Thatcher Government and that there is no prospect that its policies will improve the situation for the long queues of the unemployed in Britain.

The British Government espouses rhetoric which is virtually identical to that espoused by members of the Opposition. That Government implemented policies which it claimed would increase the economic growth rate and maximize individual freedom. The same Government came into office determined to cut Government spending.

Certainly public services have been cut in an effort to achieve that end, but the British Government has not made a cut in public sector spending, which under the Thatcher Government has increased by 15 per cent in real terms. Britain's business leaders are saying the Conservative Government is no nearer to curbing the high level of public spending or reducing taxation than it was before its re-election in 1983. Those facts are backed up by recent reviews by the Oxford Economic Forecasting Groups and the British National Institute of Economic and Social Research, both of which are gloomy about the prospects of economic growth and employment growth in the United Kingdom.

It is expected that unemployment in Britain will rise above its present rate of 13·4 per cent to more than 3 million people and will remain at that figure until 1987 before declining slowly. Only a few years ago the horrendous news was that Britain's unemployment rate had reached 1 million, yet now the rate is not expected to fall below 3 million before 1987.

The Reagan Government in the United States of America has run into exactly the same situation. It came into office with grand theories for cutting Government expenditure. It appointed the Grace Commission, which was supposed to identify areas of Government

waste. It was an exercise to reduce the American deficit. Many of the most celebrated cases of so-called Government waste published by the Grace Commission were identified as containing major errors. The Grace Commission was misleading in its capacity and potential to cut the American Budget deficit.

Dr Wells—Nonsense!

Dr COGHILL—I encourage the honourable member for Dromana to examine the evidence, which states these facts very clearly. The Reagan Government came into office promising to reduce the Budget deficit, which has now more than doubled and which has created all sorts of problems for the international economy. More significantly, President Reagan has effectively abandoned his non-interventionist stand which he had adopted before coming into office years ago. Now he is a convert to intervention in the international arena by his actions in working with other major Western economies to reduce the value of the American dollar and to assist in the problems of the Third World.

There was a dramatic turn in the policies adopted by the Reagan Administration; this was in response to the policies originally adopted by President Reagan which were not effective in turning around the economic conditions at the time he was elected.

Government intervention is imperative to ensure that the necessary conditions for economic growth here and elsewhere in the world are achieved. Conversely, it has been demonstrated that the policies advocated by the Federal Opposition, which were implemented by John Howard when he was the Federal Treasurer in the Fraser Government and which are mirrored by the Victorian Opposition, have failed in Australia and internationally. One can only wonder why the Opposition so deliberately persists with policies which, on all of the hard evidence, have been shown to fail in Australia and in other countries.

The Victorian Government has introduced policies that provide the necessary ingredients to get the economy moving. Education, research and social services and various infrastructures have been provided to contribute to the forward development of a nation such as ours. Without these ingredients, it is not possible to have an educated work force where people are truly free and able to participate in the economy.

If the services were not provided and if massive reductions in Government spending occurred, as advocated by the Liberal Party, people would have to pay for those services, and that would cause enormous wage pressures as people tried to obtain more money on a deregulated labour market. Members of the community would have to compete and claw-away to try to attain reasonable health, education and social services.

The Government is committed to a proper, decent and rational approach to economic development and to Budget strategies in Victoria. By contrast, the Liberal Party is out of date in its approach. It has not accepted the lessons learnt in Europe and now being applied successfully in Australia. If the Opposition persists with its policies, the conservative parties will become isolated and irrelevant.

Mr AUSTIN (Ripon)—The sad thing about the comments made by the honourable member for Werribee is not only that he believes in them but also that they are inaccurate. The Treasurer, in his second-reading speech, stated:

> Victoria can look to the second half of the decade with a great deal of optimism.
>
> The 1985–86 Budget is framed to sustain the new wave of growth and prosperity in the State.
>
> The past few years have seen a massive turnaround in the fortunes of this State.
>
> In the early 1980s Victoria lagged behind the rest of the nation.

I advise the Treasurer to stay well and truly entrenched within the confines of the Melbourne metropolitan area. If the Treasurer believes he received a rough time, when he went to

Bendigo to speak to grain growers, he should recognize that their reaction would be chicken feed to what would happen today if he spoke to——

Mr Jolly interjected.

Mr AUSTIN—It was the Treasurer's own perception of what happened in Bendigo that he thought was rough. The Opposition said at that time that it was not rough, and I still believe that is so. However, that reaction would be chicken feed to what would happen if the Treasurer faced grain growers, dairy farmers, sheep producers, particularly lamb producers, and many people involved in the horticultural industry.

It is frightening that the honourable member for Werribee and the Treasurer believe what they have been saying. They believe if they say something often enough, other people will also believe it, irrespective of the facts. The Treasurer and the Premier have often said in the House that the Government inherited a $400 million deficit when it came to office. That statement is untrue, and the first Budget Papers of the Treasurer demonstrated that the Government inherited a $6·1 million surplus. Despite the beneficial effects the appreciation of the Australian dollar has had on Australian export industries—although the opposite is the case with commodities that are imported—why does the Treasurer not say that the real net value of rural production will fall by 24 per cent in 1985–86?

Those figures have been published in the estimates of the Bureau of Agricultural Economics and ought to be well known to the Treasurer. It is an insult to the intelligence of farmers and people throughout rural Victoria to suggest that they are facing a bright economic future. If the Treasurer visited country areas, he would realize that that is not true. Perhaps he should take the Minister for Transport with him. The Minister for Agriculture and Rural Affairs does not visit the country often either. If that occurred, the Premier may have to look for some new Ministers.

To highlight the insult to rural people and the farming community, I indicate that one must study the Budget extremely closely to find any reference to rural matters. There is a small reference to salinity but, other than that, the Budget does not refer to rural matters. That point demonstrates the Government's lack of understanding, care and concern for country Victoria. The Budget indicates a 2·7 per cent increase in money terms to rural areas, but in real terms it is a decrease of 5 per cent.

On top of that, extra responsibilities will be taken on by the Department of Agriculture and Rural Affairs, as announced by the Minister recently. The new Rural Affairs Office will ultimately cost approximately $400 000. Commercial fisheries has been added to the responsibilities of the department. Despite those added responsibilities, in a recent statement the Minister said that, although 2600 people are employed in agriculture at present, there will be cutbacks in the following year of only about 100 people. He went on to say that the establishment of the Rural Affairs Office is only one of 25 new policy areas.

The Opposition welcomes new initiatives, and it welcomes any streamlining within the department. It appreciates that it is necessary to move with the times and that changes are necessary. However, the Opposition will be nervous about the way in which those cutbacks are undertaken. It will be nervous about whether the services that already exist and which are essential to rural and farming communities will be retained. Nothing more clearly demonstrates the Government's lack of concern for the farming community than the 6 per cent increase in the cost of grain movement in Victoria recently announced by the Minister for Transport.

It is well known that, in the past few years, costs have increased by 42 per cent at the same time as returns have increased by only 14 per cent for agriculture generally. Farmers throughout Victoria are desperately trying to hang on to their farms. They are trying to hold the line because they are facing savage increases in costs in most industries, a decline in prices and an approaching season that may have serious consequences.

The 6 per cent increase announced by the Minister for Transport will result in an extra $600 expenditure for each grain grower. Grain growers are already contributing one crop in three to the storage and movement of their products.

The threat is that, if farmers are faced with those sorts of increases, they will seek other means by which they can have their grain moved. There is already talk of the possibility, under section 92 of the Constitution, of Victorian grain growers moving their wheat by road to the South Australian border and having it trucked to the seaboard from there. That would be serious for the Grain Elevators Board and the economy of this country generally. As the situation is so desperate at the moment, the Minister, Cabinet and the Government should have seriously considered not increasing rail freight rates this year.

Much has been said about the fact that banks have announced that they intend to be generous to the farming community. That means little when interest rates are as high as the current rates. Farmers do not need to be able to borrow money from banks, they need a Government that is sympathetic to their problems.

I refer now to a town that was unheard of a few months ago, Mudginberri. If the State and Federal Governments had had their way the community at large would never have heard of it, but it has now become well known to Victorians and to the whole of Australia. Mudginberri is the site of a remote abattoir in the Northern Territory where the owner, Mr Jay Pendarvis, was offered a $2 million contract for buffalo meat. He decided to come to an arrangement with his employees that was suitable both to himself and to those who worked for him. The two parties worked out a contract that was in the interests of both of them. The employees were delighted because they would make more money than they otherwise would have working under the rule of the Australasian Meat Industry Employees Union.

The Full Bench of the Arbitration and Conciliation Commission approved the arrangement between Mr Pendarvis and his employees, but the Australasian Meat Industry Employees Union disputed that decision. Pickets were put in place. Meat inspectors from the Department of Primary Industry would not cross those picket lines, so meat could not be inspected and could not be supplied to its destination. The union was subsequently fined $144 000 in all. Of course, Mr Pendarvis lost his contract and was not able to supply the $2 million worth of buffalo meat.

The Transport Workers Union of Australia put bans into effect which placed millions of dollars worth of chilled meat at risk. At that time an important new contract had been won for the hard-pressed Victorian lamb industry, and that contract was put in jeopardy. One cannot estimate just how serious that could be for the long-term future of the meat industry, but it does have far-reaching and long-term serious effects.

The bans were introduced because the Transport Workers Union of Australia was displeased at the successful action taken by the National Farmers Federation and the employees at the Mudginberri abattoir against the Australasian Meat Industry Employees Union. Those bans were just the first step taken against farmers.

On 18 September a meeting took place between the leaders of the Transport Workers Union of Australia, the Waterside Workers Federation of Australia, the Seamen's Union of Australia, the Federated Storemen and Packers Union of Australia and those white collar unions responsible for the administration of the rural sector. That meeting was co-ordinated by the Australian Council of Trade Unions, which is an important factor. The ACTU supported the meeting and the Government shut up and hoped the situation would go away. Governments abrogated their responsibilities. That meeting was called to warn employers about the action they had been taking under section 45D of the Trade Practices Act and to warn them off taking such action in the future.

The unions I have just mentioned are able to hold up activities in transit, on the waterfront and in warehouses. The last of four lightning strikes cost the processing works on average $30 000 each. The crucial factor is that the ACTU and Simon Crean are

terrified that the action taken at Mudginberri could be successful elsewhere, so that farmers and employers could deregulate the present system and negotiate a contract system.

It is seen by them as a threat to their union power and to the central wage fixing system. It is very noticeable that the Ministers for industrial relations at both State and Federal levels made no attempt to overcome the problems to assist those who were sticking to the law, or to deal with those who were breaking it. Mr Simon Crean is frightened that his ailing prices and income accord is under some sort of threat because he believes that is his most powerful weapon in negotiating with the Government.

This is the first time there has been successful action against union power, so successful that farmers and small businessmen—do not forget that small businessmen regard this issue as extremely important—have made considerable contributions to the fighting fund being organized by Mr Ian McLaughlin, the President of the National Farmers Federation, and his industrial relations officer, Mr Paul Houlihan. Already, there is more than $1 million in the fighting fund.

Mr Wally Curran has said that he intends to disrupt the sale and killing of stock in the spring of this year and that he will aim most of his action against people who are members of the Victorian Farmers and Graziers Association. That is a disgraceful attitude.

Mr Micallef—What do you expect him to do—take it lying down?

Mr AUSTIN—Take what lying down? The honourable member for Springvale is admitting that he supports this action. In Victoria, sheep are being sold in sale-yards at 20 cents a head, whereas it costs more than that simply to round them up, let alone to transport them, yard them, and so on. There certainly would not be much commission on their sale. This situation has resulted from the industrial action of Mr Wally Curran and his union, action that is supported by the honourable member for Springvale. The end result will be that the stock will have to remain on farms to die of old age or lack of feed.

I refer to another vital area where decisions of the Government will prove to be disastrous for the State. It is proposed to hand over to the Commonwealth Government responsibilities for meat inspection services. The previous Minister of Agriculture, Mr Kent, initiated that course which, for some reason or another, he decided was good, and I am disappointed that the present Minister for Agriculture and Rural Affairs is continuing that policy. Either he is badly advised—and I cannot believe that, knowing the department—or he has been too busy to examine, to identify and to understand the repercussions of this policy. The carrot offered originally was the fact that the removal of that responsibility from the State to the Commonwealth would save the State some $2 million in meat inspection services.

The Country Abattoirs and Wholesalers Association of Victoria has already offered to meet half that cost so that the total all-up cost to the State would be only $1 million. A confidence trick has been put in place and we must pay dearly if the transfer occurs.

To give honourable members an idea of the extent to which Victorians are being misled or being tricked, I refer them to a telex press release of 22 August 1985 which referred to the cost-saving which would be brought about by removing the duplication of meat inspection. The truth is that dual inspection was eliminated on 6 December 1984. However, nobody, especially the rural media, picked this up and as a result of this misleading statement the Minister has gained sympathy in handing over an area of State responsibility to the Commonwealth.

This current move has absolutely nothing to do with dual meat inspection but it has much to do with inefficiency, increased costs and undoubtedly it has something to do with putting a smile on Wally Curran's face because he would be delighted. The facts are that 88 per cent of all meat is killed in local sheds and only 12 per cent of all meat is killed in export sheds. State inspectors ought to contract to inspect meat that is killed for export in export licence sheds. There are many unknowns in this complicated area. It is a complicated industry and before it is known what is happening we will have lost control of the

inspection of our industry to the Commonwealth and the cost will be enormous. Victorians will then find that the Federal Department of Primary Industry will withdraw from some of its responsibilities. There will be a more damaging industrial disputation and meat costs for the consumer will rise.

If one considers the recent disputation over the Mudginberri affair, when the meatworkers went out on strike, and if that had occurred after the hand-over to the Commonwealth, then all Australian abattoirs would have been out on strike. However, it was only those inspectors who came under the auspices of the Commonwealth department who were affected.

What is to happen to the agricultural officers who are currently branding in the bigger works, and when they are not there to do that work who will meet the costs? I hope the Treasurer, who is the spokesman for agriculture in this place, will answer that question at a later time.

What will happen about the manning levels; and what is the situation with the excess staff which currently exists within the export inspection service? Because of the small proportion of stock that is exported, there is an overhang of those who have worked in this area who have not been put off or moved sideways. At present there is a ridiculous situation in which they work half an hour on and half an hour off.

What is the situation with the standards in Victorian abattoirs? Victoria was forced to upgrade the facilities and standards in its export works because of the demands put upon it by the United States of America. Unreal standards were placed on the industry because the United States of America wanted to discourage Australia from exporting meat.

Under a Federal export inspection service the number of small abattoirs would diminish. If a Federal inspection system were adopted, what would be the cost of superannuation? It has been estimated that the cost of long service and sick leave would be $600 000. What safeguard would there be for country abattoirs?

It is well known that Wally Curran wants to get rid of the remote country abattoirs, starting with the most remote and gradually working inwards. He does not want his union members scattered across Victoria. Naturally, from his point of view, he wants his union members where he has control over them. It has always annoyed him that he has not had enough control over his union members who are scattered around Victoria.

The worst aspect is the cost of the meat export inspection service. No honourable member could deny that, if the Federal system were adopted, the Victorian taxpayer would face a much more expensive system. At present the Federal Government subsidizes the mammoth cost of the meat export inspection service. What guarantee does Victoria have that such a subsidy would continue?

Judging from the record of the Federal Labor Government, there is little likelihood that that subsidy would continue at its present level. However, it could be used as a lever to close down some country abattoirs. The Voumard report, which was handed down at the time of the meat industry scandal, clearly stated that the Commonwealth Department of Primary Industry's export inspection service was inefficient and expensive. The inspection cost per unit for Victoria is 50 cents. The cost per unit at the Federal level is $1.60. The Federal cost is three times as expensive as the State system. The cost to the Department of Primary Industry in the twelve months to March 1985 was $13·7 million to inspect 8·6 million units in Victoria. The cost to the Department of Agriculture and Rural Affairs was $8·5 million to inspect twice as many units—16·4 million—in the same period.

I refer now to the Federal and State debt level. Both Governments have claimed that they are running the country well, creating new jobs and so on. However, when one examines both the State and Federal debt levels one wonders what will happen to those jobs in the not-too-distant future and what will happen to future generations.

At the Federal level, the Australian currency debt outstanding as at 30 June 1985 was $46 000 million; the foreign currency debt was $9800 million, making a total of $55 889 million in Australian currency, with an estimated interest expense of $6724 million. The interest now accounts for 9·7 per cent of the total Budget outlays as against 6·9 per cent in the last year of the Fraser Government.

The net Victorian Government debt outstanding as at 30 June 1985 was $7565 million, attracting an interest charge of $598·4 million. The total State public sector debt as at 30 June 1985 was $15 522 million.

I refer honourable members to those figures because they illustrate the disastrous situation of both the State and Federal economies. They also "blow up" any claims that have been made by either the Victorian Treasurer or the Federal Treasurer, Mr Keating. It was interesting to hear the Federal Treasurer say, when asked about how the proposed tax changes would affect the farming community, that they would have no effect on the genuine farmer.

What will occur in future—and it already has occurred to some extent—is that a farmer whose farm is in jeopardy, who has a substantial debt and is struggling to survive, will take the initiative of getting himself a job such as shearing, fencing or even driving a truck—any job at all, because he is desperate—as a means of keeping his farm. However, when he has earned about $15 000, he will find that anything he earns above that amount will be taxed at 46 cents in the $1.

The hop growers of Victoria are in exactly that situation at present; they have been forced out of business. A specific example is that of a hop grower whose capital of some $800 000 decreased to some $200 000 or less. He wants to become involved in an earth moving business, but he finds that he will be taxed at the rate of 46 cents in the $1 on any earnings that exceed $15 000 because of the Keating tax system.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member's time has expired.

The sitting was suspended at 6.22 *p.m. until* 8.7 *p.m.*

Mr SHELL (Geelong)—I am pleased to be able to support the Budget. There is no doubt that the previous Budget proved to be good for Geelong and, as a matter of fact, the Cain Government has been good for Geelong during its first term in office. If this were not the case, Victorians would still be in the run-down situation in which they found themselves in 1982. Everybody knew that in 1982 the economy was in a slump. At the time, the Liberals said that there was a world recession and that there was nothing they could do about it, especially at a State level; but in the 1982 election, under the leadership of John Cain and Rob Jolly, there was a swing towards Labor that gave confidence to the people, who were shifting away from the rejected, dejected and defunct Liberal Government of the day.

The clearest indicator of the state of the economy back in 1982 was the unemployment rate in Geelong, which was 13·5 per cent. After three years of Labor Government, the trend was reversed and the unemployment rate was reduced by 5 per cent to 8·5 per cent.

In 1982, in its dying throes, the Liberal Government could not make a decision. It did not know what to do or how to do it; it did not know where it was going, except into opposition.

In 1982, as in 1973, 1976 and 1979, the Liberal Government promised Geelong that it would build the north wing of the Geelong Hospital. It did not do so, but in its last throes it decided to dig a hole at the site. That hole was not big enough and when the Labor Party came to office in 1982 it had to enlarge the hole before construction could begin.

The Labor Party did not promise the north wing of the Geelong Hospital to the people of Geelong. It did not promise anything to Geelong in the 1982 election except that, as

Victoria progressed with the economic revival that the Labor Government would provide, Geelong would progress with it and that has been the case. Geelong has risen along with Victoria.

The previous Liberal Administration promised improvements to the Geelong railway service. It added a few tangerine cars, but when it did that it did not consider that the cars had to be maintained. The Liberal Party forgot that it would be necessary to build a maintenance depot for the new tangerine cars. The Cain Government has now undertaken to build the depot so that the cars can be maintained. The Liberal Government promised the duplication of the rail track. It had been promising that since 1956. It promised electrification of the Geelong line from 1956 onwards.

When the electric locomotives were introduced to Victoria, the electrification system at Geelong had not been completed and the locomotives were transferred to the Gippsland line. It took from 1956 to the early 1980s to complete the final 10 kilometres of the duplication of the rail track.

The public transport service in the centre of Geelong was in tatters. The Government of the day was providing subsidies to private bus companies in an attempt to provide a bus service in Geelong. Time-tables were irregular and few people travelled on the buses because they were unattractive.

The Cain Government, with Mr Jolly as Treasurer, introduced a new bus service to Geelong known as the Geelong Transit System. The buses were repainted blue and white—the colours of the football team—and a single base fare system was introduced as well as the 2 hour travel limit. A regular half-hour bus service was provided. That brought to the bus companies in Geelong a 30 per cent increase in commuter travel.

Because of the efforts of the Cain Government, the Geelong–Melbourne line has all tangerine cars and a patronage increase of 10 per cent. So many people are using the trains from Geelong to Melbourne that car parking facilities in Geelong and north Geelong are overcrowded and cars are overflowing on to the nature strips. The Cain Government has revolutionized the transport system, not only in Geelong but in the State.

The provision of the discount disabled taxi service has been another win for the Government. In Geelong, pensioners who previously were confined to their homes because they could not afford buses are able to get a taxi at half cost to take them shopping or to a doctor's appointment.

There have been many achievements in Geelong through the Budgets of previous years. To remind the House of the development of Geelong and the necessity of the Budget being framed as it is, I list some occurrences in the city's history. In 1802 Matthew Flinders climbed the You Yangs just outside Geelong. That was about the time that William Buckley escaped with five other convicts, travelled around Port Phillip Bay and eventually settled in Geelong.

In 1838 Geelong was declared a town; in 1840 the first shipment of wool was sent to London from Point Henry; in 1857 Australia's first country rail line was established in Geelong; in 1868 the first woollen cloth in Victoria was spun at Geelong; in 1890 the Cheetham saltworks was established in Geelong; in 1912 the Geelong telephone exchange was established; in 1916 the first sewerage connection was made; in 1919 the Phosphate Co-operative Co. of Australia Ltd was founded; in 1925 the Ford Motor Co. of Australia Ltd was established in Geelong and in 1930 radio station 3GL came on the air.

In 1937 the Pilkington glass company opened and in 1939 International Harvester Aust. Ltd began operations in Geelong; in 1940 the grain terminal was completed; in 1946 the CSIRO wool research complex was established; in 1954 the Shell refinery in Geelong was established, and in 1962 the Marcus Oldham Agricultural College opened.

In 1963 Alcoa of Australia Ltd commenced operations at Point Henry; in 1977 Deakin University was opened and the Geelong Regional Commission was established. In 1980

the Marine Science Laboratories at Queenscliff were established and in 1983 construction of the Elders IXL complex at Lara was commenced.

In 1984 the world four-cylinder engine commenced manufacture at Ford Motor Co. of Australia Ltd, Geelong.

Geelong has long been established as a manufacturing centre but it is necessary for Geelong to diversify its structure so that when unemployment or bad times hit the effects will not be felt so deeply. The usual state of affairs is that the unemployment level in Geelong is higher than anywhere else in the State or the Commonwealth. The current unemployment rate is 8·5 per cent, which is approximately 2 per cent higher than for the rest of the State. The Government has taken steps to make Geelong an educational centre, which is helping to diversify the infrastructure of the city.

Australian Portland Cement Ltd which had to retire some of its employees early is now enjoying an increase in demand to the extent that the company cannot meet the demand. The plant is operating at such capacity that it has to import both clinker and cement to meet the needs of its customers and it expects to do so for the next eighteen months. This will maintain the viability of the Geelong cement works which are anxious to make the cement rather than to import it and thus assist the economic well-being of the city. Two major expenses in the production of cement are the cost of labour and the cost of power. I ask the Government to ensure that the cost of power is not so excessive that this company is forced out of business.

In the early Budgets of this Government it was necessary to take action to overcome the deficiencies of the past. The emphasis was on capital expenditure and on the restriction of current expenditure. Because the economy is now flowing well, the 1985–86 Budget was designed to reduce capital expenditure to restrain current expenditure.

When the Cain Government came to power, everyone realized that the State was in economic recession and that the Government had to do something about it. Victoria suffered an economic downturn which meant that less revenue was coming into the State coffers and more expenditure was needed for social support schemes. In addition to the economic downturn, Victoria experienced disastrous bush fires. This also decreased the amount of revenue to the State and increased the payments that had to be made to farmers to assist them during difficult times. Victoria also experienced a severe drought which reduced the income to the State and increased expenditure. Through the Treasurer's good budgetary measures the State has been able to recover from that drought and Victoria is now leading the Commonwealth in its recovery.

The Government's major thrust for Geelong is to have the contract for the building of submarines awarded to Victoria. Not only would Geelong benefit from that contract but also Bendigo and the rest of the State. If the submarines are to be nuclear submarines, they will not be built in Victoria, but will be imported. Australia will not then benefit from the manufacture. It is not necessary to build nuclear submarines.

The north wing of the Geelong Hospital is now nearing completion and nurses, staff and patients are ready to move into the new wing. The opening should take place either later this year or early next year.

Through its Budget strategy, the Cain Government has been extremely good for both Victoria and Geelong. Geelong is returning to the prosperous position which it once enjoyed. When travelling around Geelong, one can see cranes being used, which indicates that building and construction work is proceeding. The Bellarine shire has issued more building permits than any other municipality in Victoria. Geelong is prospering under the administration of the Labor Government, and it will continue to do so under the economic strategy put forward by the Treasurer.

Mr LIEBERMAN (Benambra)—As Opposition spokesman in this House on education, I must speak about the largest spending department of the State's Budget expenditure—almost $2500 million, which is an enormous amount of money. Regardless of what

political party one belongs to, all honourable members would expect that money to be spent in a way that would benefit young Victorians and those participating in retraining at TAFE colleges and other institutions to help develop the State and the nation. No one would argue with those objectives.

When examining the Budget outlays, one is entitled to ask whether this massive expenditure on education is likely to achieve the objectives for which we all strive. Regrettably, we are witnessing unprecedented industrial strife in all levels of education except in the technical and further education area and in the universities. One wonders how long it will be before strife occurs in those areas.

Honourable members should take time to reflect on the present situation. One of the reasons a Budget is produced each year is so a stocktake can be undertaken; the Budget represents in part a stocktake of the results of the past year. The Budget should provide a stocktake whereby people can measure performance and look ahead to ascertain how the objectives that are mapped out are likely to be achieved.

I would like to speak about the deficiencies the Opposition believes exist in the mode of presentation of the Budget expenditure for the Education Department, if time permits. In doing so, I hope to make a positive contribution to improve the presentation of the Budget documents for future Parliaments. I acknowledge that, in the past the presentation of the Budget under the Liberal Government was also deficient. I am not advancing the theory that the Budget was presented in a better manner in the past and that it is worse now; I am simply indicating that there is a better way to present the Budget. The Opposition believes education is vital to the future of the State, especially to young Victorians and, therefore, it is absolutely essential that ways are found to improve the performance of the Education Department, the Minister for Education and the Government when the expenditure of this massive amount of money is proposed.

My concern and that of my colleagues is about the direction in which education is heading. That concern can be more vividly illustrated by producing copies of current newspaper articles containing releases from teacher unions rather than through any words I can utter. I have the newspaper articles available for honourable members to examine, and I intend to read from parts of them. I ask honourable members to reflect on the words that are used and the strength of opposition advanced by the three teacher unions to the present policies of the Government.

I am glad that the Minister for Education is at the table and I thank him for being in the Chamber. The Minister asked, by way of interjection, whether the Opposition supports the teacher unions.

I have found the answers given by the Minister for Education and the statements he has made in recent days, and today, on the industrial strife and the lack of responsibility by certain Victorian teachers to be correct and sound, and I commend the Minister for that.

The Opposition will support the Minister in every way possible to try to achieve harmony in the education system so that the students do not suffer, as honourable members know they are suffering at present and will suffer in the future, through continued strife, especially in the last term of the school year. I do not excuse for one moment the fact that teachers have gone on strike and that they are threatening further industrial action.

However, it is important that in the Budget debate honourable members ask themselves questions about why the teachers are so alienated from the Government, the causes of the industrial problems and the way in which we are heading.

Vol. 4 of *The Tech Teacher* of 7 October is headed "More stop-works to come". As honourable members would know, today 50 per cent of technical teachers were at work and 50 per cent of them were on strike.

I remind honourable members that the Education Department absorbs more money than any other department in the State. The nearest department in expenditure terms is

the Department of Health, which spends $1000 million less than the Education Department. Let me put it straight; I am speaking about the largest spending department in the State, which, for some reason, is unable to achieve industrial harmony and continuity of teaching in the final school term. The Minister should not laugh because I shall produce some "ghosts that walk". Under the heading "More stop-works to some", *The Tech Teacher* states:

Members endorse call for action on Secondary Log of Claims

The Secondary Council plan to hold half day stoppages followed by a one-day Statewide Stopwork on 23 October was overwhelmingly endorsed by the 2 October, Dallas Brooks' Hall Stopwork meeting.

About 1500 members were in attendance. The plan was also overwhelmingly endorsed at a meeting of Irymple TS and Mildura TS members at Mildura.

Each ½ day stoppage will involve at least half the branches in the State.

Organization of the stoppages is in the hands of Executive and Secondary Council.

On the same page under the heading "Horrendous Budget—Government slashes Education" it states:

As a result of the recent State Budget, the existing activities of the Education Department face a cut of $16 million in 1985–86. Further cuts are promised for future years.

The outlook for TAFE is brighter, with some real resource improvements. Higher education has, somewhat surprisingly, also received a boost from the State Budget.

These increases are presented as part of the priority being given to post-compulsory education and the Youth Guarantee.

The Budget provides a clear message that, post-compulsory education aside, school education is very low on the Government's agenda.

This is the view of the spokespeople for technical teachers. The article continues:

The Budget Overall

According to the Treasurer in his Budget speech, the 1985–86 State Budget is designed 'to facilitate economic growth and to support the Economic Strategy, whilst also addressing the major social needs of the Victorian community.'

The basic framework for the Government's budget strategy is provided by the continuing high priority given to private sector growth.

As a result, the major shift to budgeting direction is in capital works.

The article speaks about productivity savings. This is an Orwellian expression that the Treasurer has introduced. I understand it is "Jollyspeak". Perhaps the Treasurer is longing for earlier days.

The Tech Teacher states:

The Government has made a magnificent contribution to "New Speak" with the introduction of 'productivity savings'.

All Departments face a 1% cut to their recurrent basic costs in 1985–6 (i.e. to the estimated cost of providing ongoing commitments in the budget year).

The cut is not one-off. In future years, there will be further cuts of 1·5% each year.

No time limit is mentioned in the budget so, theoretically, the process of annual cuts could continue until the public sector disappears up its own productivity saving.

I shall leave it to honourable members to work out what the technical teachers were trying to convey in that sentence. The article continues:

The actual intention is, apparently, a four per cent cut over three years.

That provides honourable members with an idea of what the technical teachers are saying. *The VTU Journal* of 9 October 1985 has an article headlined, "Budget axes jobs—stop work likely—". That is a very prophetic headline. The article states:

The Education Department has told the VTU that the State Budget has cut teacher jobs. The Budget has provided insufficient funds for more support services and for improvements in VTU members' working conditions

as outlined in the VTU's Log of Claims. A special meeting of State Council has been called for this Friday (11 October 1985) to consider stopwork action.

President Jim Young told *The Journal* that the Government had ignored the need for more resources to support integration, discipline changes, collaborative decision making and other time consuming Government initiatives.

'The Government, through budget cuts, has failed to take responsibility for increased teacher stress and workloads,' he said.

The article continues under the sub-heading, "$16 million cut":

The $16 million cut means a loss of some 425 teaching positions in primary schools and a halt to any improvements in class sizes, special education, study leave or integration support.

Department officials have indicated that 40 English as a Second Language teachers will also be lost.

Mr Cathie—They are funded by the Commonwealth Government.

Mr LIEBERMAN—The Participation and Equity Program and placement in universities are also controlled by the Commonwealth Government. Therefore, the Minister for Education, who is interjecting that it is not a Victorian Government responsibility, should——

The ACTING SPEAKER (Miss Callister)—Order! I have already informed the honourable member that interjections are disorderly. I ask the Minister for Education to cease interjecting and ask the honourable member for Benambra to ignore interjections.

Mr LIEBERMAN—Thank you, Madam Acting Speaker. Through the Budget the Government has agreed to provide 1500 tertiary placements because the Commonwealth Government has not provided adequate funds for tertiary positions in Victorian universities. The Victorian Government cannot have it both ways. It is saying that the Participation and Equity Program and a reduction in the number of additional English teachers are matters of responsibility for the Commonwealth Government. The Minister does not want the Opposition to raise these matters or to criticize the State Government about these areas of education because these problems should be dealt with by the Prime Minister and the Federal Minister for Education, Senator Susan Ryan, yet the State Government will provide funds for 1500 tertiary placements. That is also a responsibility for the Federal Minister for Education and the Prime Minister. Where is the consistency?

Obviously the State Government is in disarray and its colleagues in Canberra have let it down. Its track record in negotiations with the Prime Minister at the Premiers conferences has proven the Victorian Government to be inept. The Government has failed to obtain a better deal for Victorians in the Medicare scheme and has committed Victoria to horrendous programs that are now impacting on its public hospitals. The same is happening in the field of education.

The State Government is saying that, if the heat is on and cuts in education expenditure must be made, it is the fault of the Commonwealth and not of the State Government. However, the State Government then in an unprecedented move miraculously finds money in the bin to provide for 1500 tertiary places. This allows the Commonwealth Government off the hook and it can laugh all the way to the bank. The inept Victorian Government has put the Commonwealth Government in the position of saying to the other Australian States, "You know we cannot provide all the tertiary places for students who will graduate this year, but you should do what Victoria has done and find the money yourselves". The Victorian Government has made a mockery of the Federal–State education system, and the Commonwealth Government is the winner.

The Commonwealth Government has also reduced the Participation and Equity Program by 50 per cent. Is that good leadership? The result of the State Government spending money in these areas—important though they are—is that it must find this additional money from somewhere else. It has led the unions to believe those funds must be found from the primary, secondary and technical education areas. Why else would a 4 per cent cut in education expenditure be in the pipeline for Victorian primary, secondary and

technical schools? The reason is that the Government is unable to manage the financial situation. It is unable to get its Federal colleagues to do the right thing, so it is now seeking high-flying headlines to finance important educational areas by taking funds from other priority areas. It is obvious why the teacher unions are concerned about what the Government is doing.

The *VTU Journal* of 9 September, contains an article under the heading "Budget axes jobs". The *VSTA News* of 27 September carried an article headed "Budget: Government fails education", which stated:

For the first time in decades education's share of the Victorian Budget has fallen below thirty per cent.

Significant cuts in capital works for schools (7 per cent), and likely cuts in overall school staffing in 1986 indicate a weakening commitment to education from the Victorian Labor Government.

Important areas such as integration and occupational health and safety have received quite inadequate additional funding (less than half a million additional dollars for integration; only $120 000 for a new Health Welfare and Safety Unit, and no indication that the other crucial areas of welfare, health and safety will be funded).

1986—$24 million slash

In 1986 education will have roughly $24 million slashed as part of the Treasurer's so-called 'productivity' cut of one per cent across the public sector.

While increases in productivity in some areas of the public sector are possible (and certainly desirable) with the introduction of new technology and better management, in education such a notion is largely inappropriate. Cutting classroom teachers can only be detrimental to quality education; cutting other areas means drastic reductions in needed services.

One quarter of the slashed $24 million would meet the barely minimal recommendations for funding integration in 1985–86 made by the Report of the Ministerial Review, for recurrent costs (capital requirements would need an additional amount). Other obviously needy areas could well do with some of the lost $24 million.

In future years further cuts of an *additional* 1·5 per cent will be disruptive and make it even more impossible to fund essential services.

The lunacy . . .

Those are the words of the VSTA—

. . . of these 'productivity' cuts in education (and other areas) must be exposed. They are simply crude, indiscriminate cuts, with a label of 'productivity' to make them more politically saleable.

Budget summary

The total Budget allocations are $8 337 686 030, up 12 per cent on 1984–85. Education is allocated $2 470 209 882 which is 29·5 per cent of the total (compared with 36 per cent in 1980–81) and an increase of 5·7 per cent.

The Treasurer indicated in the Budget speech that the Government anticipated that the consumer price index would increase by 8 per cent in the current financial year. The allocation to education was increased by 5·7 per cent, but the total cost of education in Victoria is expected to be affected by an 8 per cent inflation rate. An article in the *VSTA News* of 7 October 1985 was headed, "Strike 1 We're out! More than 5000 teachers meet. Strike 2 Thursday, October 10 Festival Hall, 10.30 a.m. Be there, Stopwork October 10, 1985".

That publication referred to the outcome of the meeting. It indicated that the Budget is worse on examination than was indicated in the journal's first response, of which I gave some details. It also dealt with future industrial action.

Mr Cathie—Are you supporting that?

The ACTING SPEAKER (Miss Callister)—Order! The Minister should cease interjecting. I advise the honourable member for Benambra not to answer interjections.

Mr LIEBERMAN—This Budget can fairly be described as an enormous omen for education in this State. It reaps the harvest of the administration of the Cain Government since 1982. The results that are briefly described in the union journals and the disputation and strikes that have occurred throughout the State indicate tragically, in my view, that the Government has raised the expectations of people who work in class-rooms, but that

it cannot control the situation. The Government's manpower planning and management of industrial relations indicate its dismal failure. I do not direct that as an attack on the current Minister. I made that clear when I started to speak.

It is appropriate to go back in time. A saying in the Westminster system is that ghosts walk when one reads old editions of *Hansard*. I refer to a question answered by the former Minister of Education, who is now the Minister for Industry, Technology and Resources, on 12 October 1983. The honourable member for Warrandyte, Mr Hill, asked the Minister what progress had been made in negotiating agreement with the three teacher unions on their log of claims. I remember that request clearly because the former Minister was obviously excited about what he had done in negotiating industrial agreements with the teacher unions. I wondered whether the rhetoric of the former Minister would be fulfilled. Unfortunately, it has not been.

At page 934 of *Hansard* of 12 October 1983, the then Minister of Education said:

> I am delighted to be able to inform members of the House that significant progress has been made in negotiating that log of claims.

He said that an agreed statement would be issued and available to all honourable members. He also said that, under the existing arrangements inherited from the previous Government, teachers could return from maternity leave at any time. He referred to some aspects of the log of claims included in the historical agreement and continued:

> These are but three of a dozen or so issues that have been long outstanding in Victoria. Under our predecessors, accord could not be reached. We have now reached accord. It is an historic breakthrough in the interests not just of the Education Department and the Teaching Service but, more importantly, in the interests of our schools and the children in them.

I began my contribution to the Budget debate by reminding honourable members that education ought to be for the welfare and advancement of young Victorians so that they can contribute to their own well-being and that of the State and the nation. Yet they are being deprived of continuous teaching in the last term of the school year, the most crucial term.

The then Minister of Education, the Deputy Premier, went on to say:

> I cannot stress too highly the goodwill that has been demonstrated on the part of all parties—

Meaning the unions—

> ... and the assistance of the Industrial Relations Task Force in yet again bringing agreement between the Government and another group of public sector employees in the interests of the community at large. This Government stands for industrial peace: for a fair deal for all concerned. We believe we have been able to achieve that in education.

Two years later I am entitled to ask on behalf of the people of Victoria, as the Opposition's spokesman on this matter, do the newspapers reveal that? They do not. If this Government, which was re-elected partly on its performance in industrial relations, particularly in the education system, was telling the truth, why is it, in the first year since the Cain Government's re-election, that the education system—primary, secondary and technical—is almost paralysed in the last term of the school year when the children need their teachers most? Why is it that those streams of education are almost paralysed? Even now the community has been told that there will be ongoing rolling disruption and strikes until the Government backs off. I find those words rather strange and in stark contrast to what the former Minister of Education, the Deputy Premier, constantly told the House and the people of Victoria right through the last election period.

Let me now finish what the former Minister of Education said in that answer to the honourable member for Warrandyte on 12 October 1983. He paid tribute to the task force in bringing about agreement between the Government and another group of public sector employees in the interests of the community at large. He then went on to say:

> Our record on this matter is outstanding. Under our predecessors, our schools were bedevilled by industrial disputes and we have been able to turn that around to great effect.

As they say in the Westminster system, "The ghost does walk". It is evident that two different languages have been spoken by the unions and the Cain Government on education. As an honourable member said today when the Minister for Education was replying to an interjection whilst answering a question, "Are they lying?" What he meant was were the unions lying about the log of claims and negotiations or was the Minister lying. The Minister responded, "That is a construction you will have to put on yourself."

The Opposition accepts the challenge from the Minister regarding individuals putting their own construction on the position. My conclusion is that the Government's industrial relations system on education is in disarray and that when the Deputy Premier told the House in 1983 of the progress of negotiations and during the 1985 election went on to indicate that the Government had achieved permanent industrial peace and harmony in the education system, was not telling the truth. It was a grave error of judgment. It was a misrepresentation of the facts and now Victorian schoolchildren are suffering as a result of it—this is in the biggest spending area of the State Budget.

I have more examples of why the manpower planning of the Government is wrong. There are schools in Victoria that have an excess of teachers and schools that have a shortage of teachers but the Government has committed itself to an agreement that paralyses the Government and does not allow to transfer teachers to where they are needed.

There are excesses in some areas and shortages in others and, as a result, the children are suffering. There are shortages in the western suburbs and excesses in the eastern suburbs of Melbourne. Really, this is a crisis. I also refer to the emergency teacher agreement that the Government is negotiating. Under this Government's administration there are now thousands of emergency teachers. They are paid $104 for turning up to teach four 50-minute periods in a day. The agreement says that they cannot teach any more than that.

The ACTING SPEAKER (Miss Callister)—Order! The honourable member's time has expired.

Mr I. W. SMITH (Polwarth)—I have, as have most honourable members, carefully examined the Budget documents presented by the Treasurer. The Budget could easily be described as a very smooth and clever public relations exercise. The Treasurer spoke of this Budget reducing the impact of taxation upon people but has failed to explain the huge increases that he has enshrined in the forms of indexation with which all honourable members are now familiar and which this Budget confirms. It enshrines 73 per cent increases in taxes and charges made since the Labor Party came to office—increases across the board—and assumes, and has sold to the media and to many of the public who do not understand these matters, that this is very prudent management. Of course, the impact is not obvious immediately.

The honourable member for Melbourne may well interject and question my logic. Outside his political salary, the honourable member for Melbourne would be bankrupt; therefore, his expertise in financial matters can be discounted completely.

Indexation of high taxation simply ensures that the stealth of socialism more rapidly overtakes this State and in no figures is that more patently obvious than in the shift during the past three and a half years in the gross domestic product consumed by Government from approximately 36 per cent to 46 per cent. This Budget gives no glimmer of hope that that trend will not continue; it will continue to accelerate with the enshrining of indexed taxation in the Budget.

One of the problems of the Budget is that it accepts that the Government is a pace setter in salaries, superannuation, working hours and, particularly, in administrative costs and the number of staff put on at the top end of administration. It appears to any reasonable person examining the Budget documents—although some are still not easy to follow—that the trend and the stage is set for even greater increases in the public sector further down the track.

The Budget also illustrates some of the extent of public borrowings. Apparently it has a table that indicates that the State and its immediate authorities—it is qualified by an estimate—have borrowed to the extent of about $17·5 billion on behalf of the citizens of this State.

But then, much of the borrowing incurred by the Government is in an unguaranteed form, which is not accounted for in the Budget. For example, much of the borrowing of water authorities is not guaranteed and, certainly, municipal borrowings are not guaranteed, although, historically, bankrupted municipalities have entered into negotiations with the Government to bail them out.

In my view the liability of borrowings is grossly understated in the $17·5 billion; it is probably about $25 billion or equating to the order of $6000 per man, woman and child in Victoria. That may not sound much to some but the alarming fact is that it has increased by approximately 50 per cent since the Labor Party came to office. It is easy to make a good fellow of oneself and go out into the market-place to borrow but the problem occurs when one must refinance that money at high interest—which is the case at present—or when one must repay the loan. That is when the problem becomes obvious. I shall say more later on about the matter when I discuss the transport area.

The Labor Government has deliberately gone out and borrowed to make a good fellow of itself and to set a pace in the state which it constantly crows about, despite being besieged by crisis on practically every front. I do not expect the Government to recognize the crisis in the agricultural area about which the honourable member for Ripon spoke of earlier or the crisis in the health field, which will be obvious to many because of the long waiting lists mentioned by the honourable member for Brighton, who led the debate for the Opposition.

Housing waiting lists have increased and if ever a tremendous opportunity was lost it is in the area of education. There must be some recognition in the eyes of the socialists that we still live in a capitalist society, and its fundamentals are not being taught in schools. Children are cast out on to the labour market who are unemployable—not worth a week's wage demanded for them by a system of arbitration and awards which fails to recognize that they lack the skills they ought to have acquired whilst they were at school.

Mr Jolly interjected.

Mr I. W. SMITH—No, quite the contrary. I much prefer a scheme which trains young people, equipping them with a commercial capacity so that when they leave school they can make a profit for employers; it is only by doing that that they will be employable in the long term.

An area of pace setting which causes me some alarm is outside the accord which is trumpeted from Canberra and heralded here in Melbourne, and that is the area in which State instrumentalities are saying to potential contractors that either they will allow an additional $11 a week for superannuation—the Road Construction Authority is saying that as is the State Electricity Commission and probably many other authorities—in their prices or they will not receive the contracts. It is a form of blackmail used by the instrumentalities under the control of the Government, and no doubt at the Government's behest, which ensures a new pace setting in the wages and cost spiral that ultimately will lead to further pressure on interest rates and overseas exchange rates for our currency and it will certainly mean a decline in productivity.

The Government should examine ways and means of utilizing the money and manpower resources at its disposal. It is ludicrous that, at a time of supposed stringency, capital equipment is not used on more than one shift. Rather than pay people unemployment benefits, such persons should be used on road building programs. No one could claim that Victoria's roads are not deteriorating rapidly.

Reforestation is an aggravated problem, due to the lack of public and private tree plantings. Australia is now importing approximately $1 billion worth of timber each year.

That timber could and should be grown in Australia. The import cost is increasing at twice the rate of inflation, and the problem is becoming worse rather than better.

Some of the resources of the State should go into those sorts of productive areas rather than into non-productive areas, such as enforced superannuation arrangements negotiated outside the wages accord, and handouts by way of social security benefits, when work is available for able-bodied people.

Another area of major expenditure is transport. This financial year the total operating expenditure of public transport authorities is estimated to increase by 9 per cent.

At page 185 of Budget Paper No. 4 it is stated that:

> The net result is an estimated 18·8 per cent rise in the call on the Budget for recurrent purposes.

That is a large increase brought about mainly by additional administrative costs, and certainly not by the addition of extra services at the point of delivery. At page 184 of Budget Paper No. 4, under Program No. 682, "Central Corporate Services", expenditure is increased by 18·7 per cent. That is an increase upon increases in the previous three years of approximately 360 per cent in the area of administration.

One should have thought that, with that sort of increase, all of the systems in the area of public transport would be pretty well spot-on by now. However, that is not the case. The former Minister of Transport, the great financial guru, nutted out things such as the early retirement package for railway workers, which cost the Victorian taxpayer close to $80 million. That honourable gentleman had to re-employ 2000 people who took advantage of that program. There was a simple waste of $80 million, but, worse than that, some of the guards from the three-man train crews were lost and the Government did not have the wit to realize that this would cause the other two members of the three-man crews to lie idle due to the three-man crewing policy. That sort of fundamental issue was not foreseen and, rather than single out people for special treatment in special areas, the Government provided a blanket provision with no proper regard to its effect.

The effect has been a costly disaster, causing train cancellations, disruptions, passengers disenchantment. It has also been a double disaster.

However, I turn now to compare some figures on what is happening with the city and the country services.

When one examines Program No. 684, one finds that country, provincial and interstate corporate services obtained an increase of only 4·5 per cent, compared with central corporate services and metropolitan passenger services, which each obtained a 10·4 per cent increase. Those are just a couple of figures that are typical of the emphasis that the Government places in its priorities: city people versus country people, thereby creating two distinct classes of people in this State.

That emphasis is further exaggerated when one examines instrumentalities such as the Grain Elevators Board. That board has never had a single cent of Government money put into it. All moneys borrowed on account of the board have been paid for in interest and amortization by the grain growers themselves. To add to that cost the public authority dividend payment of $5 million simply adds approximately $1.30 per tonne or 0·75 per cent, to the gross price of a tonne of wheat, thus helping to price growers out of what is now becoming an increasingly competitive market. What absolute financial madness for the future!

One would have thought that a Government that would not want to subsidize something as commercial as the grain growing industry would at least keep out of its way so that that industry could be legitimately competitive on the world market.

However, that is not where the injury stops. Once the grain grower takes his grain out of the paddock, he has no choice but to deliver his grain, compulsorily, to the nearest rail receival centre from where his grain is transported by rail. He does not have freedom to

use his own transport or a hired contractor to cart his grain by road, unless he effectively gets around the law by going interstate, thereby coming under the protection of section 92 of the Constitution. Most growers would not want to do anything like that. However, faced with an incredible cost price squeeze, they are forced to consider mechanisms to reduce their costs.

If the 6 per cent increase in grain freight rates is correct—which the Minister has just announced, and I admit that the increase is less than the consumer price index—but the freight increase is more than the increase received in grain prices, which have fallen rather than increased, and bears no relativity to the grain growers' capacity to pay. One of the telling factors is that when these cost price pressures force the grain grower to examine his operation, he will choose, in many instances, to seek to avoid paying the Grain Elevators Board double charges for the receival of the grain at the grain receival centre as well as rail transport and deliver his grain direct to the port grain terminal himself.

In the areas of transport that it considers to be important, the Opposition believes, philosophically, that, when returned to government, it would head down the track of providing a far better road system than is now available for the community. It would want to encourage, within the public sector, the maximum amount of contractural work that could be made available to private enterprise.

That is quite the opposite to what is currently occurring, where the Government is deliberately setting out to shackle private business companies in order to reduce their profitability and soften them up for a selling and purchasing operation, which the Government is undertaking. That is nationalization by stealth and by the most sinister means.

Mr Shell—Tell the House what you did about the railways.

Mr I. W. SMITH—I should like the honourable member for Geelong, who ought to be very concerned——

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member for Polwarth should ignore the interjections of the honourable member for Geelong, who is out of order; he knows quite well he is out of order.

Mr I. W. SMITH—Yes, Mr Acting Speaker. The problems in the area of Geelong that the honourable member has to overcome will soon be obvious to this House. Creeping socialism within the Ministry of Transport will divest the citizens of Geelong of the independence and control of their port, but that is foreshadowing other proposed legislation and I do not want to involve myself in that debate at this stage, except to say that I will be interested to see how the honourable member for Geelong, who has expressed himself to cabinet colleagues as being concerned about this problem, tries to escape the political difficulties with which he will be confronted.

As I said earlier, this Budget has appeared as a smooth and clever public relations document, which has been sold on the basis of no increases in taxes and charges; but it enshrines indexation, which might suit the majority of the community whose wages and salaries are indexed, but the productive sector, especially those dependent on the export market-place, simply find that indexation will shift more and more of the capacity within the economy from the private sector, necessarily, to the public sector and I gave figures to indicate that already, since the Labor Government came into office we have seen a shift in the gross domestic product from 36 per cent to 46 per cent, now being a figure contained in the public sector.

The charges levied by instrumentalities such as the Melbourne and Metropolitan Board of Works and the State Electricity Commission, which have to pay the State institutional duties tax and levy, are passed on to the productive sector when they too index their charges. This has the multiplier effect of aggravating this pricing out of the market factor. While I have no doubt that the Government will, on this occasion, have the Budget passed and that it has sold the concept to the public reasonably well, I am sure that the public will

ultimately see that indexation is a con trick for which they have fallen and for which they will ultimately resent this Government.

Mr BROWN (Gippsland West)—The thinking that the Government can continually fool some of the people all of the time and all of the people some of the time is about at a halt because the community is waking up to the rotten things being imposed on the community by this high taxing, high scheming, high flying Government. The fools who are advising the Government—the people whom they call their advisers, their minders—are indeed leading them down the path to self destruction and whereas that suits me and the party I represent, the fact is that Victoria can no longer afford a continuing onslaught of increased taxes and charges such as it has suffered in the past three and a half years.

Mr Cain—Who paid for the last increase?

Mr BROWN—I would not have a clue. The situation is that it is about time the Premier looked at changing the name of Victoria from the Garden State to the State not only with the highest taxes and charges, but the "Continuous strike State".

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member will address the Chair.

Mr BROWN—I shall certainly do that, Mr Acting Speaker. The situation is that Victoria at this very moment is in turmoil. One needs only to examine the Government Ministries. In the health area, nurses are on the brink of a major strike which is unprecedented in the history of this State. The Government has always claimed to have a special, ongoing, close working relationship with teachers. The Minister for Industry, Technology and Resources, the former Minister of Education, saw fit to buy teachers off over a three-year period. However, teachers are now embarking on major strikes to an extent unprecedented in the history of the State.

Honourable members interjecting.

The ACTING SPEAKER (Mr Stirling)—Order! I call on the honourable member for Gippsland West, who is addressing the Premier most of the time, to address the Chair.

Mr BROWN—Certainly, Mr Acting Speaker. Transport, one of the major areas of expenditure in the Budget, is also in turmoil. When one realizes that the present Minister for Transport was the former Minister of Health, one does not have to look far to understand why there are continuing problems in the transport area.

The State Electricity Commission, as a result of unrest in the Latrobe Valley, is on the brink of strike action.

Mr Fordham—Rubbish!

Mr BROWN—We will find out this week if it is rubbish.

The ACTING SPEAKER (Mr Stirling)—Order! I ask the honourable member for Gippsland West, without the assistance of the Minister for Industry, Technology and Resources or any other members on the Government side of the House, to address the Chair.

Mr BROWN—Mr Acting Speaker, I certainly hope it is rubbish because this State can no longer afford to be in turmoil—and it is a public fact that Victoria is in turmoil.

The two major issues I wish to address tonight are housing and resources. In the financial allocations to housing, not just in the Budget being debated this evening but over the past four years, there has been a significant increase of taxpayers' funds being spent in this area. In the Budget, a sum of $324 million has been provided for housing, which is an increase of 13·2 per cent over the figure for the last financial year. The obvious comment is that the Government is fixing up the housing problem. However, as you, Mr Acting Speaker, and the community are well aware, there is a housing crisis in the State which is daily getting worse. The waiting list for public housing has increased by 7000. Because

each of those applicants for housing has a wife or husband and family, the actual number of people seeking housing is much more than 7000. The waiting list of applicants for public housing currently stands at 23 000. That is 23 000 families who have been waiting for up to six years to obtain accommodation in a State where houses owned by the Government regularly stand empty for twelve months. If that is wise and sensible economic management of resources, I have yet to understand it.

During the term of office of this Government, the waiting list for home loan applications has increased in a twelve month period from 19 000 to 28 500. That is a 50 per cent increase in the number of people waiting for home loans. The wise financial gurus in the Government have bought, on average, 3000 houses a year since the Labor Government has been in office. The prices of those houses in that time have jumped from $50 000 three years ago to $75 000 today. Houses of the same standard, for instance, three-bedroom brick veneers and in the same suburb have jumped in price from $50 000 to $75 000.

That is far above the inflationary rate for that same period. The fact is the Government is not getting value for money because of its own policy decisions. If one considers the options available to the Government, undoubtedly home ownership is the No. 1 priority that the Government should be aiming its activities and policies towards.

The Opposition notes from the Budget Papers that the cost of managing the 47 000 units of public rental stock in this State is $126 million for this financial year. I repeat; it will cost $126 million of the taxpayers' money just to manage 47 000 units of public rental stock. If the Government were to divert some of the hundreds of millions of dollars it is pouring into public rental stock——

The ACTING SPEAKER (Mr Stirling)—Order! I ask the honourable member to address the Chair. He should not direct his remarks to the honourable member for Bendigo West who is out of his place.

Mr BROWN—Mr Acting Speaker, I would be obliged if you would kick him out.

The ACTING SPEAKER—Order! I ask the honourable member to address the Chair.

Mr BROWN—The Government should wake up to reality and undertake some programs which would save the Crown large amounts of money, would help more people and would be in the interests of all Victorians.

I refer to the Budget submission to the Government by the Federation of Housing Societies of Victoria, which is known to most Victorians as the organization that manages co-operative housing societies throughout Victoria. That federation submitted to the Government well researched proposals that would transform the large number of people waiting for accommodation to a much lesser figure. The federation put forward policies that would influence the investment criteria of large investment bodies that have traditionally been prepared to lend money for housing in this State.

For example, the federation suggested the creation of a special housing bond issue to increase the pool of available finance and suggested that something ought to be done to reduce the high cost of running the Ministry of Housing. That Ministry lends more money to people than does the co-operative housing societies. In other words, the State Government uses its own instrumentality to lend money when a private enterprise structure is fully capable of doing the job throughout Victoria.

What is the cost to the Crown of administering such schemes? The costs of administration of public housing by having public servants distribute tens of millions of dollars to people to buy a home is twice that of what it costs the co-operative movement. Of course, it does not worry these economic geniuses, these fools who are running the State, that a number of income earners and families are being deprived of a roof over their heads. It does not worry the Government that thousands more families could be helped simply by the Government changing some of its policy directions. Indeed, the Government has forced up the cost of housing in Victoria through its very large purchasing program. In the time

that the Government has been in office, available statistics show that the medium price of a house in the electorate of Syndal has risen from $46 609 to $75 571.

Honourable members interjecting.

Mr BROWN—I hope I will get an extension of time in this debate. Honourable members opposite do not like to hear the facts about housing.

The ACTING SPEAKER—Order! I ask the honourable member to address the Chair and to ignore interjections.

The Ministry of Housing has been without a permanent administrative head for nine months. The Government got rid of the former Director of Housing, Dr Roy Gilbert, because he did not suit the party hacks. Dr Gilbert was well versed in housing but espoused policies that did not suit the philosophies of some of the party hacks of the Government. He was prepared to see policies such as I am espousing implemented, therefore, the Government got rid of him and has not replaced him. For the past nine months there has been no permanent Director of Housing in Victoria.

The position was advertised with a salary package totalling $80 000 a year and the Government received some excellent applications, two of which were from impeccably qualified people. However, because they did not carry membership cards of the Australian Labor Party, they were not given the job, and the position has not been filled. It is a disgrace and should be rectified forthwith.

An historic terrace, known as Glass Terrace, exists in Melbourne. The Government, together with its Federal counterpart, is spending almost $3 million on that property and the five adjoining properties.

The ACTING SPEAKER (Mr Stirling)—Order! I ask the honourable member for Gippsland West to address the Chair as he is taking too much time in answering interjections.

Mr BROWN—I am not replying to interjections.

The ACTING SPEAKER—Order! The honourable member for Gippsland West is not looking at me.

Mr BROWN—I cannot look at you, Mr Acting Speaker, and at my notes.

The ACTING SPEAKER—Order! I ask the honourable member to address the Chair and to ignore interjections.

Mr BROWN—The Government is squandering almost $3 million of taxpayers' funds to house a handful of tenants in an historic property known as Glass Terrace. There are other terraces in Melbourne that are also well suited to be upgraded. In some cases, incentives were given to private individuals to start developments, and they have done that.

The Minister for Industry, Technology and Resources has asked me, by interjection, to refer to resources.

The ACTING SPEAKER (Mr Stirling)—Order! The Minister for Industry, Technology and Resources is out of order; I have indicated that on many occasions and I ask him to cease interjecting. I ask the honourable member for Gippsland West to address the Chair.

Mr BROWN—Before I refer to resources, I shall quote some further debacles that have occurred in housing in the State. Recently I was contacted by the honourable member for Bennettswood who asked me whether it was right and proper for three houses in one block in the electorate he represents to remain empty for nine months. I indicated that not only was it not right and proper but also that it was not possible as the Government would not let that happen. He asked me to visit his electorate, which I did last week, and I indicate to the House that it is a fact that, only seven days ago, three houses had been sitting empty

for nine months. Today, two of them still remain empty. That shows a scandalous lack of competence by the Administration of this State. The Government is grossly incompetent and inefficient.

One can ask what should be done to help people who urgently and desperately require housing. It may come as a surprise to some Victorians to learn that the Ministry of Housing owns 142 shops, 70 vacant shop sites, 70 shops with dwellings attached, 22 vacant industrial sites, 90 offices, 3 storage yards, service stations, a police station, a car yard, a child care centre, a car park and an hotel. If the Government wishes to help people who are desperate to obtain accommodation, it should sell off those assets. The Ministry of Housing should not own those properties and it should use the tens of millions of dollars that would be generated by their sale to provide housing for families who need accommodation.

It is interesting to note that the Minister for Industry, Technology and Resources—who was so keen to have the Opposition debate one of the areas of his responsibility, namely, resources—left the Chamber when I indicated that I was about to comment on his Ministerial responsibilities. I hope he returns forthwith.

The Government is gloating and walking tall around Victoria saying, "We have only put up energy charges by the amount of inflation: we have not put them up in real terms".

Mr Fordham interjected.

Mr BROWN—The way members of the Government operate, the inflation rate will be increased before they are finished.

Had the Liberal Party become the Government, it would have ensured that there were no increases for energy utilities. That was the Liberal Party commitment, and it would have been honoured. The recent increases in charges by both the State Electricity Commission and the Gas and Fuel Corporation were needless. They were introduced because of gross incompetence and widescale financial mismanagement, primarily in the State Electricity Commission.

In the week prior to the Nunawading by-election I made public the fact that the Liberal Party had obtained statistical information via an internal document of the commission pointing out serious financial difficulties within that entity. Massive losses had been sustained in the past twelve months. The Deputy Premier went public and obtained good headlines by saying that the information was a scare tactic by the Opposition in the week prior to the by-election. The Deputy Premier received better publicity on the issue by denying that it was true.

Straight after the Nunawading by-election, which the Opposition won well, the Auditor-General proved conclusively that my claim was valid. I had been wrong in one aspect only. My figure was out by $3 million. I claimed that for the first time in the history of Victoria the amount forecast in the Budget documents to be paid by the commission to the Government had been underpaid by $53 million. The Auditor-General reported that the commission had paid $56 million less than it was committed to pay.

I also pointed out publicly that the commission had lost $81·7 million in the past twelve months in one area of operation only, namely, overseas borrowings. If members of the Government call that management of the taxpayers' money on a reasonable scale, the taxpayers would laugh in their faces. The figure is spot-on. The Auditor-General revealed that the figures were correct, that $81·7 million had been lost on foreign exchange transactions and that there was gross financial mismanagement and incompetence evident in the State Electricity Commission. There is no doubt that if the incompetence had not existed there would have been no need to increase electricity charges to consumers.

I note that the Deputy Premier has returned to the Chamber. I shall read the figures to him.

Mr Fordham interjected.

Mr BROWN—The Deputy Premier dismisses it and says, "It is only $81 million".

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member will ignore interjections.

Mr BROWN—I shall not refer to any interjections but some time ago the Deputy Premier publicly said, "Don't worry—they are only paper losses and they can be offset". Some $80 million of the taxpayers' money has been lost.

Mr Fordham—You are wrong.

Mr BROWN—I shall quote some more figures.

In 1982 the current liabilities of the commission were $606 million. Two years later, under the brilliant policies of the Australian Labor Party, the current liabilities of the commission were $911 million.

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member for Gippsland West will address the Chair and will not answer interjections from the Government benches.

Mr BROWN—Thank you, Mr Acting Speaker. The non-current liabilities of the State Electricity Commission for 1982—when the Cain Government came into office—were $3019 million; two years later the figure was $4518 million. The debt equity ratio for the commission rose during that two-year period from 881 per cent to 1361 per cent. The Government claims it is a good financial manager but what happened to the revenue of the commission in that same period? It jumped from $1088 million in 1982 to $1482 million. Let us hear from the Government now; it is in control of that revenue. The Government can put a ceiling on that revenue or let it blow out. In 1984 the Government made a purposeful and conscious decision to rip off $100 million in public authority dividend from the State Electricity Commission. The Government is ripping the guts out of the commission and other State instrumentalities. The chickens will come home to roost.

In 1982, the last year of the Liberal Government in this State, the interest charges that had accrued in the State Electricity Commission amounted to $265 million. That is not an insignificant amount. Two years later the interest charges payable per annum had jumped to $343 million. The action of the Government is absolutely indefensible and it knows that. Victorians are starting to appreciate that the Government has increased State taxes and charges by nearly 70 per cent in just over three years. By the next State election State taxes and charges will have doubled. At that time the voters will make their decisions on a range of issues but there is no better issue or one that is more definitive than that which touches the hip-pocket nerve.

The Government still claims a special affinity, a special working relationship, with the unions. Recently the State Electricity Commission meter readers went on strike for seven months. During that time the consumers had their electricity bills estimated. That was disgraceful! The Liberal Party would not have allowed that strike to continue for seven months if it were in office. Within seven days I would have called in the union; I would not have waited seven months. All disputes must be resolved. A reasonable arrangement between the Government and the unions can be made without selling the State. The Government should come to an arrangement with the unions or tell them where the buck stops.

In the past three years the Government has controlled the unions—"controlled" is the operative word—because it has bought off the unions. There is no question about that. I do not advocate buying off the unions but a reasonable agreement should be found with people like the meter readers who stopped work for seven months and deprived the State of revenue that was urgently needed.

What is the Government considering at present? This team of economic and financial gurus has a brilliant proposal. In approximately twelve months' time it will change the

method of calculating State Electricity Commission charges for Victorian households. It will introduce a "time-of-use" tariff. The proposal is simple: electricity used during the peak period in Victoria will be more expensive than off-peak electricity.

Mr Jolly—It is now.

Mr BROWN—No, consumers now pay an average tariff for the general household in peak periods. However, the Government will introduce a two-tier tariff system so that electricity consumed during the peak load time, will be much more expensive than electricity consumed during the off-peak period. Off peak is defined as between 11 p.m. and 7 a.m. Who will cook meals in the middle of the night? Who will use power in that period to vacuum the floors and for other normal chores carried out by householders?

Honourable members interjecting.

The ACTING SPEAKER (Mr Stirling)—Order! I ask the honourable member to address the Chair and to ignore interjections.

Mr BROWN—I shall quote the current SEC charges: 18·97 cents a kilowatt hour for the first 120 kilowatt hours; 7·63 cents a kilowatt hour for the next 900 kilowatt hours; and 8·41 cents a kilowatt hour for the balance.

The proposed scheme is that for the first 150 kilowatt hours consumers will pay 22 cents a kilowatt hour, and 9 cents a kilowatt hour for the balance, an increase of more than 15 per cent.

The Deputy Premier has a habit of saying, "You are wrong, you are wrong". However, with hindsight and the passage of time, he often has to eat humble pie because it is he who has misled the community. I repeat: in twelve months' time the Government will introduce a new method of charging for electricity called a "time-of-use" tariff. I place on record, on 15 October 1985, that the Government will introduce this scheme and that it will substantially increase the cost of electricity to Victorian consumers.

Not only members of the Opposition and consumers of electricity but also Victorian voters will wake up, in large numbers, and after the next election the present Opposition will be sitting on the Government benches because of the lunatic proposals the Government has implemented.

Mr WALLACE (Gippsland South)—In the 1985–86 Budget the Government has taken a punt on the economy, and it may have serious consequences for Victoria if the economy does not prove to be a winner over the next twelve months.

The Budget strategy depends on sustained economic recovery, the continuation of the Federal prices and incomes accord, the success of the WorkCare scheme, a continuing low value for the Australian dollar and increases in exports. These are all high hopes, but they are far from being certainties.

In the current national wage case and the dispute arising from the State Government's offer to nurses, one can see that the accord is under considerable stress. A blow-out of wages in specific areas and flow-on claims in other areas would threaten the basis of the Budget.

The Treasurer has introduced some fantastic ideas, but the opposition parties will attempt to prove that he is wrong in many areas. Potential wage rises are also a threat to the continuing recovery of Australia's economy. Conditions look good at present, but there are too many clouds on the horizon for businesses to make any large expansion of employment, or to invest more money in capital projects. Companies are wary of taking on extra costs, and interest rates are too high for them to raise money for large developments.

The Australian balance of payments on exports and imports is anything but healthy. I believe the Treasurer has not faced the facts on that situation. We would have expected it

to be better because, with the current low value of the Australian dollar, we should be gaining more export markets, but this is not happening. Increased exports are a key condition of this Budget, and we are not succeeding in this area because of our high cost of production. There is nothing to indicate that the situation will improve over the next year.

Manufacturing industry has not succeeded in making up the gap between exports and imports and that has resulted in a huge overseas deficit for Australia. We look to the rural industry to earn the bulk of our export income. It is in this area that the Budget and Government policy generally are most sadly lacking. This Government, like the Labor Government in Canberra, has agreed to the demands of the trade unions and encouraged costly growth in Government employment, but it is not answering the farmers' claim for a fair deal.

The economic policy announced for Victoria in this year's Budget Papers refers to a special effort to develop new agricultural products for export markets. The Government has a vision of producing specialist fruits and vegetables for export. Those products have limited markets, and a small increase in output could leave the State with an oversupply. They are the types of agriculture often promoted by get-rich quick merchants to encourage people to put money into farming schemes that nearly always end up going broke. In the meantime, little regard is given to traditional forms of agriculture—which are the backbone of this country and the economy—and these areas are suffering a severe financial crisis while the Treasurer is talking about a substantial economic recovery. There is no sustained recovery in the lamb or dairy industries. The incomes of beef and grain producers are also declining.

The Budget Papers paint an extremely dismal picture for Victoria. I shall quote from the Budget Papers so that honourable members will be familiar with the situation. At page 63 of Budget Paper No. 2, under "Farm Product", the Treasurer said:

> In 1985–86 gross farm product is expected to decline by about 5 per cent. Reflecting the assumption of a return to more normal seasonal conditions, the Bureau of Agricultural Economics expects wheat production to decline by about 15 per cent. Production in the livestock sector is expected to increase slightly, following the rebuilding of herds depleted by the drought. Increases are expected in the production of beef, veal, mutton and poultry meat, whilst a 10 per cent decline in lamb slaughterings is in prospect. Wool production is expected to increase slightly, reflecting a decline in wool cut per head and an offsetting increase in numbers shown. Total milk production is expected to remain at 1984–85 levels. An increase in cheese and market milk production is expected to be offset by a reduction in the use of milk for skim milk powder.
>
> As a consequence of the devaluation of the $A and some improvement in beef prices, farmers' prices are expected to increase by about 7 per cent in 1985–86. However, despite increased assistance measures, cost pressures are likely to remain severe, particularly the growth in debt service charges. In total, farm incomes are expected to decline by a further 12 per cent in 1985–86.

In view of this picture one would have expected that farmers would have received a better deal in the 1985–86 Budget. The farmers expected it. They were promised a better deal when they marched on Parliament several months ago. This Government has dithered and fiddled around. It makes promises it never keeps. It hopes that problems will go away, but, of course, they do not go away of their own accord.

Dairy farmers took direct action this year because of the severe problems they faced. Several thousand of them faced the prospect of leaving the industry, but this Government set the police on them. Since then petrol supplies have been withdrawn because of industrial action; the building industry has been in chaos over the Norm Gallagher case; hospital patients and State school children have been held to ransom by trade unions. There has never been a suggestion that the Government will act against any of those groups, but it was determined to crush the farming community.

The scallop fishing industry in Gippsland is going to the wall because of lack of support and access to additional fishing grounds. It is unfortunate that many Ministers are not aware of what is happening; it may be too late when they eventually wake up.

The situation facing such groups as dairy farmers and fishermen is no better now than it was when these issues were first raised. They have good reason to doubt whether the Government really supports and encourages these types of industries.

What did the Budget provide for these groups? It provided more reductions in the services of the Department of Agriculture and Rural Affairs, higher land taxes and a 13 per cent increase in charges for Crown land leases and licences.

The funds of the Department of Agriculture and Rural Affairs have been cut by a further 5 per cent in real terms, but the Minister for Agriculture and Rural Affairs has been travelling around the State saying that it does not mean any downgrading of his department. Considerable reductions have taken place in the services provided by the department and there will be a serious effect on farm support services over the next few years. Six of the nineteen senior administrative positions will be axed from the department's livestock services division. The cutback of these positions is the first stage of a reduction of 120 positions in the department's divisions of livestock and corporate services. The department's dairying division had been disbanded in 1983–84, when its operations were transferred to the livestock services division. The Government has been pursuing a deliberate plan to downgrade the department by reducing the support services for meat, dairy and other livestock industries that make up 60 per cent of the State's economy. The Government should wake up to what is happening before it is too late.

The continuing growth in employment and increased activity in private industry is a cornerstone of this Budget, but there is little to suggest that the Government is doing any more than hoping that industry will continue to expand in its own right. Industry will not do that without the support of Government.

Pay-roll tax remains the largest revenue earner for the State, producing $1·2 billion. The increase in exemption levels only keeps pace with inflation and pay-roll tax collection will still rise by almost $200 000 over last year's figures. The level at which pay-roll tax is payable makes it an unjust penalty on reasonably sized enterprises in this State.

Pay-roll tax continues to be a major disincentive to employment. Country industries are most important to the economy but they seem to run a bad last in the Government's economic policy and in this Budget. Broadly, country enterprises deal in specialized manufacturing, engage in service areas and in the processing of farm products. As a whole, they form a significant part of the economy in country Victoria. While they may not have much impact on Melbourne and metropolitan areas, they have a large impact on economies of country towns.

Country towns depend on these businesses for their survival. If these businesses fail, so will country towns, and that will be disastrous. Mostly, country industries depend heavily on the healthy financial conditions of the agricultural industry. If the agricultural industry declines, so do country industries; if country industries decline so do country towns.

The Government is now nearly half way through its program of phasing out decentralization assistance. The Government is discouraging firms from setting up establishments in country areas. Existing businesses will suffer further hardships. The decentralization programs set up in the 1970s were a major success. Lack of assistance makes it harder to retain existing industries in country areas and to attract new industries. Decentralization programs have not been unwarranted. They have been an important means of encouraging diversity in the economy and they have assured the sharing of country areas in the State's growth.

Decentralization assistance has been replaced by the Government's Statewide industry policy which recognizes a number of already well-developed provincial areas in growth centres. The Latrobe Valley is one recognized industry centre in Gippsland. However, there is no evidence in the Budget that country firms will gain any benefits from these new economic measures. The first stage of phasing out decentralization programs is complete and now much less support is available to country industries. Small businesses are

experiencing the same difficulties as primary industries. Many of these businesses are located in non-metropolitan areas. They need a fair go from the Government just as much as farming industries.

The Government is providing administrative support for regional tourism. Over the past few weeks I have been travelling round Victoria studying the tourist industry. There is great potential in this industry for employment opportunities. It is important for the Government to direct moneys towards the development of tourism to create those opportunities. The Minister for Industry, Technology and Resources has organized a marketing project that was announced last year to promote the State's key resource centres. The Gippsland Lakes is a resource zone and it will benefit from this program. However, a financial commitment has not yet been made towards implementing the program.

There should also be support, which was promised in the economic strategy, for marketing campaigns to develop country tourist areas. Tourism was highlighted in the economic strategy and there is big potential for it in Victoria. Tourism will assist small business and is the provider of thousands of jobs. The Minister must realize this and make his comments about it.

When the 1983–84 report was handed out—it was six months late—no mention was made of even one country tourism area. The Government is only mouthing these policies and it is not fulfilling the necessary requirements.

I am pleased to report that the South Coast Tourism Authority is now operating successfully. It ran into early difficulties when the regions were reduced from twelve to seven, but these problems have now been overcome to a large extent. The regional group has recognized the diversity of the Gippsland area with its tourist market and it has set up sub-committees throughout the area.

There are three special areas—east Gippsland, south Gippsland and the Latrobe Valley–Warragul area. The eastern zone will receive some additional support in whatever marketing proposals are recommended in the study, but thought should be given to providing additional backup to these important tourist areas. South Gippsland includes the former coal mining areas around Korumburra and Wonthaggi. There are some magnificent stretches of beach in that area and around Wilson's Promontory.

Mr Richardson interjected.

Mr WALLACE—It is unfortunate that the honourable member for Forest Hill does not visit the Gippsland area frequently to see what a magnificent area it is. He should come and sunbake on the beaches; it is unfortunate that he does not visit it very often.

Roads are another critical State problem. They are badly in need of early funding for maintenance. Unfortunately, in the Budget there does not appear to be support for councils in this area. The municipalities are drastically short of money for road construction projects. In some areas country roads have been reduced to gravel surfaces because of lack of funds, which is unfortunate as they will never be returned to their former surfaces.

In my area there are roads with special requirements, such as those in mountainous areas, which often have wet surfaces, and they require more costly maintenance. Special funding should be made available for those areas. The municipal committee in the Traralgon region of the Road Construction Authority has over a number of years made representations to the State Government. It has made special representations to the Commonwealth Government but its pleas have always fallen on deaf ears as the Governments do not appear to understand that road building in some country areas is more difficult than in others.

The State Electricity Commission, the Gas and Fuel Corporation, the Melbourne and Metropolitan Board of Works and the State Bank will be required to pay higher public authority dividends. The reduction in the public authority dividend payable by the Grain

Elevators Board is only $500 000, which is much less than the reduction that was sought. The public authority dividend is an underhanded means of revenue raising. The dividend tax on the Grain Elevators Board, together with the recent increase in the grain freight rates, will compound the difficulties faced by many grain growers this year.

Another area of real concern is that of regional and municipal library grants. Regional and municipal libraries are slowly but surely deteriorating. These libraries have traditionally been a major resource for the community. The funding of these libraries is shared between local municipalities and the Government. However, the Government has failed miserably to live up to the promise it made some years ago to increase its contribution to a 50-50 level.

The Budget allocation for the library subsidy has been increased by only 25 cents to $4.25 a head of population. Regional libraries have budgeted on an expectation of a grant of at least $4.30, in the hope that that may be increased to $4.50. Those municipalities are bitterly disappointed.

In the past few years many regional and municipal libraries have reduced their opening hours and the purchase of new books to keep within limited budgets. This financial year municipalities will have to meet the increased cost either through rate revenue or a cut in library services. That would be unfortunate because libraries are an important resource for the community, especially for country people.

School students and participants in adult education programs will feel the effects of cutbacks in reading material. The regional and municipal libraries are unable to fulfil their proper role on the present level of funding.

It is pleasing to note that the Budget includes the provision of $500 000 to commence a rebuilding program for the Gippsland Base Hospital at Sale. Although the program is not detailed in the Budget Papers, I expect that money will be available to allow the preparatory work to commence. It is an important project because the hospital serves a major residential community in Gippsland. The project should not have been delayed for as long as it has been. The kitchen facilities and children's ward are in a disastrous state. The rebuilding program will take approximately two or three years, and it is my hope that funds will be made available on a continuous basis so that the project can proceed without delays being experienced.

I refer to one Budget allocation that has caused some confusion and amusement in the area I represent. The allocation for the Department of Conservation, Forests and Lands includes $200 000 to employ six rangers to commence public access work for the proposed Alpine National Park. However, the Government could get a shock with regard to this allocation when the National Parks (Alpine National Park) Bill is debated in another place.

This Budget has not been as productive as honourable members would have hoped. One must provide incentives to employers and to employees, but I do not see where this Budget has provided those incentives.

Mr COOPER (Mornington)—I was surprised to find, upon examining the Budget, that a document that I expected to be a lot better—and which was touted to be a very good document—had not turned out to be as good as it should have been. In fact, as the shadow Treasurer—my colleague, the honourable member for Brighton—has said, this is a Budget of lost opportunities.

It is important, when examining a Budget document, to look back in time. Sometimes this helps people establish a relationship with how things are and how they should be. The other day, I was glancing through copies of *Hansard* of past years when I came across some words that were uttered during debate on a motion of want of confidence in the Government, which took place on 1 November 1984. Those words were:

> Honourable members should reflect on what it was like before the Labor Government.

. . . .

Do honourable members remember getting out of the trains and walking across the yards at Jolimont? The Minister of Transport remembers it!

I am sure the present Minister for Transport would well remember it because industrial action was also occurring earlier this year. The *Hansard* report also contained the following:

Mr Fordham—What about industrial action in schools?

Mr CAIN— . . . Children were sent home day after day, week after week, because of industrial action.

Those words were uttered by the Premier last year. He was telling honourable members about all the improvements in administration that had occurred under a Labor Government and that everything was all right in the transport industry, in education and so on. He then went on to give a great pat on the back to the Treasurer and spoke about program budgeting, which, in the Premier's words:

. . . lets the people of Victoria know where their money is being spent.

Those words were uttered on 1 November by the Premier of this State. It is interesting to look back and obtain a feeling of *deja vu* from the words of the Premier at that time. He referred to program budgeting, which "lets the people of Victoria know where their money is being spent".

It is well worth examining what does happen in the budgeting and reporting systems of the Government in regard to letting the people of Victoria know where their money is being spent. It is fair to say that the financial reporting systems used by the Government do not disclose whether any department is operated at a surplus or deficit for the year, or whether any actual results are in accordance with the Budget. The reporting systems do not disclose total assets and liabilities of departments; they do not disclose the source and application of funds during the year; they do not disclose the nature of any significant changes in the financial positions and policies of departments; and they do not disclose any performance criteria, such as dollar expenditure on particular items. In other words, what exists is a very limited amount of financial reporting and information that goes to the people of this State.

Trying to dig that information or any decent financial reporting information out of the Government is, in fact, an exercise in frustration and futility—as honourable members on the Opposition side of the House would know, from asking questions in this House and seeking information direct from departments or through the Ministers. It is rare, in fact, for Ministers and departments to be willing to provide information that they should rightly be giving to the people of this State through their elected representatives, and particularly if those elected representatives are on the Opposition benches.

Where is the money being spent? I notice with some interest in a recent publication of the *Labor Star* of July 1985 that the honourable member for Werribee is reported as saying that the policies of the Government are promoting a positive democratic socialist alternative. I suppose if one analyses and simplifies "positive socialist alternative" what one ends up with is a bigger bureaucracy and poorer service to the taxpayer. There are no better examples of that than in the transport and health areas. They would be two prize examples of bigger and costlier bureaucracy and poorer service to the taxpayers.

The Government boasts of strong growth. What has happened in the past and why is the Treasurer able to make statements about strong growth? In the financial year 1983–84 significant growth occurred in the private housing sector due to some prime pumping with public money. There was less dependence on a resource based industry and there was a marked recovery from drought in the rural sector.

In the financial year 1984–85 the Government sector was booming and the housing sector was healthy. Private investment had certainly improved. However, private consumption had weakened as had the rural sector.

The present Budget will depend very markedly on that priming of the pump with public money. Housing approvals are beginning to slide and the weakening of the rural sector has continued from the previous financial year and shows no sign of recovering.

It is worth while bearing in mind that the trade position in this country is severely in deficit. Our terms of trading are sinking. Our dollar is propped up only by a massive hike in interest charges, our national debt is sky rocketing and our economy is crumbling.

It is worth while bearing those words in mind because when one examines what has propped up this Budget and the predications upon which this Budget has been made, it will be seen that it will sink or swim on two items alone. Those two items are the predicted growth rate of 4·5 per cent to 5 per cent and the predicted inflation rate of 7·8 per cent.

The years of 1986 and 1987 will not be boom years. They will be quite the reverse. It would be wise for the Government to take precautions against the predicted slumps in 1986 and 1987. If one or other of the Treasurer's predictions, of a 4·5 per cent to 5 per cent growth rate or an inflation rate of 8 per cent, is wrong, the Treasurer will be exposed for what we know he is, a blunderer of the highest order.

The Treasurer is a gambler and he is gambling with the future of this State. It will be a sad day if he is wrong in his predictions because he will lose and it will cost this State its future. I sincerely hope there are no losses or bad mistakes in the predictions of this Treasurer.

I speak now about the area of local government. Some of the figures contained in the Estimates for the Local Government Department are remarkable and need to be highlighted. The total expenditure for 1984–85 was $128·773 million. The estimate for 1985–86 for the Local Government Department shows that there will be an expenditure of $141·749 million; therefore, deducting one from the other there will be an over-all increase in expenditure this financial year of $12·976 million. That is an increase of 10·1 per cent on the actual expenditure of last year. One must bear in mind that the Government is hanging its hat on a predicted inflation rate of 7·8 per cent.

If one examines the activities of the Local Government Department, one learns that there has been a significant change and that various programs have been transferred to other departments. I quote from the document submitted to the House by the Treasurer:

> Machinery of government changes have affected the department significantly in the transfer of the Land Valuations Program and Land Valuations Boards of Review to the Department of Property and Services; Weights and Measures Administration and House Builders Liability to the Ministry of Consumer Affairs; and the Division of Building Control and the Building Qualifications Board to the Ministry of Planning and Environment.

Those changes altered the staffing of the department by a massive amount. I am informed that prior to those changes the department had a staffing level of 280 and after those changes had been made the staffing level had been reduced by 200 to 80 staff. Therefore, a department that employed 280 staff now employs 80 and yet there is an increase in expenditure in that department of 10·1 per cent or nearly $13 million. Where has the money gone and where are the changes?

The documents, such as they are, reveal that under program 520, corporate services, which is really the administration of the department, recurrent expenditure has increased by 21·5 per cent. That is, administration costs in the Local Government Department have increased by 21·5 per cent but the works and services appropriation under the same program has increased by 64·3 per cent. Here we have a Government that is restraining expenditure but in one program alone we have recurrent expenditure increasing by 21·5 per cent and works and services by 64·3 per cent.

In program 505, advisory and regulatory services, expenditure has increased by 16 per cent, yet the supporting information of program 505 refers to programs that have been transferred from the department to the other departments to which I referred earlier.

Where is the money being spent? Where is the money going? The answer is that the money is being wasted. Only by delving into the figures and the bare bone information with which we are provided can we arrive at this scenario. It would be revealing if we had a Government that was open and honest with its figures and told us what was behind them. As my colleagues said, the Government would not be game to do that because then we would be able to see the truth for the first time.

The manning of the department has gone from a staff of 280 to a staff of 80, yet departmental expenditure has increased by 10 per cent. How on earth can the Government let that happen and claim that the department is well run. One is able to dig out specific areas which reveal that in just three areas, expenditure has increased by 21·5 per cent, 64 per cent and 16 per cent.

The Government has a responsibility to produce decent information to enable honourable members to make an assessment about what is going on and, more importantly, so that the people of Victoria can assess what is happening to their hard earned tax dollars, which appear to be being wasted by the Government which says one thing and does another.

When one examines the individual programs in which local government is involved, one realizes that the effect of the Budget is quite dramatic. Nothing could involve local government more than the library services that are provided to the community. The previous speaker mentioned this subject, however, the House should recall that prior to the 1982 election, the Labor Party promised that it would fund library services on a 50–50 basis with local government. However, since that time, the Government has slid away from the promise; the promise has been broken year after year, as the Minister for the Arts well knows.

On numerous occasions, the Minister for the Arts has written to libraries throughout the State indicating that the Government will do as much as it possibly can and that he will urge the Government to turn the tide and head towards the promise it made. To give him credit, the Minister has maintained the policy—he has not backed away from it. He has indicated that he will do everything within his power to ensure that library funding will head back in the right direction towards a 50–50 basis. However, the reality is that last year the allocation for library services went down like a sinking ship and this year the Treasurer had the audacity to boast about the amount of money allocated in the Budget to local government for library services. What a cheek!

Given that the predicted increase in the Budget for the consumer price index is 7·8 per cent, the Government has allocated local government 25 cents increase as a subsidy for libraries. That works out at 6·25 per cent, which is below the predicted rate of inflation. Therefore, library subsidies are going down the gurgler. It is another broken promise and one should ask what the Minister for the Arts is doing about it.

This year, libraries throughout the community will probably receive another letter asking them not to worry and that the Government will try again in its next Budget. Perhaps the Minister goes to sleep during discussions on the Budget because libraries are not receiving the subsidy that was promised to them. Perhaps the Minister gets rolled in Cabinet! If a promise is made, it should be kept. The promise of 50–50 funding was made in 1982 and was made again prior to the last State election. That promise was made to the more than 60 per cent of the people in the State who use public libraries, and those people have been let down.

In this State, on average councils contribute $7.90 to library services and the Government contributes $4.25. What a grand 50–50 arrangement! Councils are contributing 65 per cent of money to library services and the Government is contributing 35 per cent. Library users in this State have been let down each year and it appears that they will be continually let down.

The SPEAKER—Order! The time appointed by Sessional Orders for me to interrupt business has now arrived.

On the motion of Mr FORDHAM (Minister for Industry, Technology and Resources), the sitting was continued.

Mr COOPER (Mornington)—I thank the Leader of the House for the courtesy. I wish to direct to the attention of the Minister for Police and Emergency Services the promises he has made in the past. Honourable members will recall that the last Budget speech contained a promise that this year a police station would be built at Rosebud. That was good news and I know the honourable member for Dromana, who had devoted considerable work to pushing the Government in that direction, was delighted to hear the news. We have heard of the commitment to start building the police station, but there is no commitment that it will be finished.

It is rather interesting to go back through my files and discover that at a meeting in 1983 the Minister for Police and Emergency Services promised the Shire of Flinders that the building of the police station would begin in March 1985 and would be concluded by Christmas 1985. Once again the Minister has shown that his words mean nothing. His words are precisely the same as the words of the Government. The Government floats out promises and then walks away from them as quickly as it likes when it suits it.

An important promise was made to the people of the Mornington Peninsula. I hesitate to remind the Minister about police stations in other parts of the peninsula because I am frightened he will feel obliged to make more promises, so that in twelve months' or two years' time there will be more broken promises. I do not want to provoke the Minister into that situation.

I draw attention to the fact that the Minister has been found wanting on two counts so far as this State and the Mornington Peninsula are concerned. If the Minister is provoked into some action, he may be found wanting again. It is a pity the promises are made so lightly and broken so easily. It is no wonder that the people of the Mornington Peninsula, in particular, do not believe anything that is said by the Labor Government or the people who represent it.

I shall now deal with an area of significance for the Mornington Peninsula and the State, namely, public transport, which is a scandal and a disgrace. I object—and I know most other people object—to the posturing of the Minister for Transport and the words he utters when he knows they are not true. He makes statements as an escape hatch through which to crawl from the criticism that comes his way.

The track record of the Minister for Transport is nothing short of abominable. He seems determined to turn this portfolio, which is already disastrous, into a major catastrophe which will blight the State for coming generations.

On maintaining road funding the Minister decided to tip the proverbial bucket over the head of his Federal colleague. He did so in a four or five-page letter which was circulated to local governments throughout the State. He then said in the House that he would not let local government down and that he would continue to maintain road funding in real terms. I am disappointed to report that nothing could be further from the truth. The Minister has either displayed an alarming grasp of the transport portfolio or, alternatively, he has misled the House. The promise by the Minister to maintain funding for the construction of main and unclassified roads is a farce and is untrue. He has outraged councils from one end of the State to the other.

I have many examples of the falsity of the promise made by the Minister but I shall deal with only four municipalities with significant populations and high traffic flow. The funds for road maintenance for the City of Brighton have been increased this year by 4·5 per cent. This does not match the inflation rate of 7·8 per cent that was predicted by the Treasurer. It is a reduction in real terms. The allocation to the City of Sandringham has been reduced by 7·5 per cent. The road maintenance funds for the Shire of Mornington have been reduced by 16 per cent and the allocation to the City of Moorabbin has been increased by 2·9 per cent. Again when that figure is compared with the predicted inflation

rate, one realizes that the Minister has not told the truth. It is another con job, another snow job. Once again local government will prop up the State Government by providing funds for road maintenance as it is now doing with the funding of libraries and providing subsidies for the cleaning of beaches in municipalities that have a beach front; that includes places like Mildura. Those allocations have remained static for a decade and should have increased by a reasonable amount in the Budget.

The Minister for Local Government made a promise which was outlined in a letter sent to all bayside city councils. He promised to do his level best to increase the subsidies for beach cleaning. Those allocations have remained the same. The Minister was not impressed with the Budget; he went to sleep when it was presented and was probably asleep while it was being discussed in the Cabinet room. This is a small example but it epitomizes the approach of the Government to the Budget and to Victorian taxpayers.

The Budget is a Budget of snow jobs: it does not report the true position to the Victorian community. It is a Budget of missed opportunities on a grand scale. It is a Budget of which the Treasurer should be ashamed because he had an opportunity of doing something for Victoria, but he dropped the ball. The Treasurer should be ashamed of himself, as should members of the Labor Party sitting behind him.

On the motion of Mr HARROWFIELD (Mitcham), the debate was adjourned.

It was ordered that the debate be adjourned until next day.

CONSTITUTION (GOVERNOR'S SALARY AND PENSION) BILL

The SPEAKER announced the presentation of a message from His Excellency the Lieutenant-Governor recommending that an appropriation be made from the Consolidated Fund for the purposes of the Constitution (Governor's Salary and Pension) Bill.

Mr CAIN (Premier), pursuant to Standing Order No. 169, moved for leave to bring in a Bill to amend Part I of the Constitution Act 1975 and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

ADJOURNMENT

Premier's undertaking to investigate bribery allegation—Teachers' strike—Mountain District Cattlemen's Association of Victoria—Supply of vehicle to former Governor—Tree trimming in the Dandenong Ranges—Australian Centre for Contemporary Art—Audio services at railway stations

Mr JOLLY (Treasurer)—I move:

That the House do now adjourn.

Mr LEIGH (Malvern)—I raise a matter for the attention of the Premier and, in his absence, ask the Treasurer to refer the matter to him. In the debate on the motion for the adjournment of the sitting on 1 November 1984, I raised a matter with the then Minister of Housing, Mr Cathie, concerning information provided to me by the then Liberal candidate for Frankston South, now the honourable member for Frankston South.

The matter involves the payment of $1000 to a person who was electoral assistant and the ALP candidate for the Federal seat of Dunkley until his preselection was overturned at the instigation of the Prime Minister. I am informed that that gentleman, Mr Albert Knowles, is now the Mayor of the City of Frankston. On 1 November I referred to a sewerage contractor who owed $6000 to the Frankston Sewerage Authority.

I raise this matter tonight because I have had no answer from the Minister or the Premier since that date, which preceded this Parliament. I asked the Minister on that

occasion to request the Premier to investigate the matter. An amount of $1000 was paid to Mr Albert Knowles and was subsequently returned by the ALP State secretary, Mr Peter Batchelor. I refer to an article in the *Frankston Standard* of 24 October 1984 which states that Mr Batchelor returned the supposed donation of $1000 to the contractor.

It is unusual that a political party would supposedly accept a donation and then return it. What strings were attached to that payment? Apparently that money was paid to Mr Knowles and the secretary of the Australian Labor Party then covered for Mr Knowles.

The Minister of Housing at the time made light of the matter and said he would pass it on to the Premier. I should like to know whether he ever did so. If he did not, I should like to know why not. He said:

> The honourable member for Malvern raised a matter for the attention of the Premier concerning donations to a Frankston councillor, but he did not indicate that the newspaper articles from which he quoted stated that the donation was returned to the person who gave it. The honourable member requested that the matter be investigated and I shall refer that matter to the Premier.

I find it extraordinary that the Minister can excuse a person for taking money—as I have been led to believe occurred in this instance—and pass it off as a donation that one ought not to worry about. I refer to an article in the *Frankston Standard* which indicated that the sewerage authority chairperson, Mrs Dianne Fuller, said she heard rumours that payments had been made. She said, "I knew about the allegations before the authority's decision on September 10 to recover half the damages".

The chairperson of the authority was concerned about the issue and yet the Premier takes the matter lightly. Honourable members direct matters to his attention and never receive replies from him. As I said, if Mr Knowles were to stand down as councillor from that city until it could be clearly indicated that he did not accept the money, the matter could be cleared up. If he did not accept the money, why was the cheque returned? It was returned because it was believed there was some involvement. There is no doubt that the councillor has questions to answer. I ask the Treasurer to obtain an undertaking from the Premier tonight that he will reply to the issue I raised on 1 November 1984. This matter demonstrates the inefficiency of the Government. When issues are raised with the Premier, he never bothers to reply.

Mr JASPER (Murray Valley)—I direct a matter to the attention of the Minister for Education. At the outset I congratulate the Minister on the stand he has taken with the teacher unions in respect of their log of claims concerning the education of students at Victorian schools. The National Party is totally opposed to the militant actions taken by teachers in striking and closing schools, particularly, as the Minister indicated this morning, when many students will be sitting for examinations in the next two weeks.

The issue I raise concerns the log of claims served by the Victorian Teachers Union and discussions I had with a number of teachers and school council representatives at schools in Springhurst in the Murray Valley electorate. Concern is expressed about the effect the claims and the proposals may have on some small country schools. The proposition put to me follows a response to a news sheet issued by the Victorian Teachers Union headed, "The Log. A worsening of conditions. Department's response". It outlines the claims that have been made by the Victorian Teachers Union and the negotiations over the 1986 conditions and staffing agreement. It states:

> The Education Department tabled a written response to the VTU's Log on July 25, 1985 . . .

It criticizes the fact that there had been a delay in responding. It sets out the union's claim as follows:

> Clause 15: Staffing
>
> * Extra teacher for schools of 82–270 enrolment.
> * Improved staffing ratios for special and special developmental schools.
> * 200 extra integration teachers.

* More shared specialists.

* More study leave.

The news sheet also included the response of the Education Department. The point raised in discussions with me yesterday, which I now raise with the Minister, is the effect this may have on small schools. It may be that honourable members do not have the full facts and that is why I am bringing this matter to the attention of the House.

The staffing ratio in primary schools will be determined, according to the Education Department, as follows: 1 teacher to 18 students; 1·5 teachers to 29 students; 2 teachers to 39 students; 2·5 teachers to 50 students; and 3 teachers to 60 students. The total special needs allocation will be 1500. The note goes on to say that further discussion is required on remaining sections of this clause.

The comment of the Victorian Teachers Union is that the fractional staffing proposal will reduce staffing in primary schools. The union gives an example of a school having 25 pupils; it would now have 2 teachers but under the formula, it would have 1·5 teachers. A school with 45 pupils that now has 3 teachers would, by the use of the formula, be reduced to 2·5 teachers. The Education Department has said that these schools will not be disadvantaged by the new arrangement and will maintain the present staffing ratio.

The other area of concern that ties in with this problem is the number of shared teachers provided to country schools. The suggestion is made that if a shared teacher leaves an area where there is a group of small schools, such as those based at Springhurst, that shared teacher would not be replaced.

I ask the Minister to respond to these concerns, which have been raised by teachers, parents and school councils involved with the small schools in my electorate.

Mrs HIRSH (Wantirna)—I raise a matter for the attention of the Minister for Police and Emergency Services concerning a complaint that I recently lodged with the Chief Electoral Officer regarding the so-called mountain cattlemen and their behaviour on the day of the Nunawading by-election on 17 August.

I am extremely concerned at the attempts made to deceive voters by local people dressing up in clothing like that worn in the film *The Man from Snowy River*. On that day people dressed up in Drizabone coats, wide brimmed hats and dark blue jumpers with the mountain cattlemen's insignia on them.

These local people were handing out advertising material supporting the Liberal Party candidate; they were handing out the Liberal Party how-to-vote card, or handing out both. Since this matter first became public, I have daily received numerous phone calls and letters from people describing to me incidents involving persons who, on that day, August 17, were dressed up as mountain cattlemen but who were involved with the Liberal Party. A number of honourable members opposite are now looking rather uncomfortable. What were they doing on that day?

It has been said by the President of the Mountain District Cattlemen's Association of Victoria, Mr Jim Cummins, that my complaint is a smokescreen and that the association had a roster of people who handed out its cards, all of whom were members or associates. Is the *Ringwood-Croydon Post* newspaper journalist, Mr Phil McGuire, a member or an associate member of the Mountain District Cattlemen's Association of Victoria? What is his status? In this photograph taken on polling day he looks like a mountain cattleman. He is wearing a Drizabone coat, wide brimmed hat and saddle bag over his shoulder. On 7 August the *Ringwood-Croydon Post*, which is owned and run by the Liberal Party, ran a story written by Mr McGuire about mountain cattlemen.

In this article Mr McGuire talked of the mountain cattlemen and wrote about:

These laconic, bearded mountain riders who are arguably the best horse riders in the world . . .

Is Mr McGuire one of these mountain cattlemen or is he a journalist? He may be neither, as I believe he may have lost his job since the by-election. This is only one of many events concerning the mountain cattlemen and their Liberal associates which requires serious investigation.

The Leader of the Opposition has denied that the Liberal Party gave money to the mountain cattlemen and has stated that no Liberal Party member was involved in handing out that association's card at the by-election. I challenge that statement. I seek an assurance from the Minister for Police and Emergency Services that the police investigation into the mountain cattlemen's association will be conducted with an equivalent amount of resources that are currently being used in the investigation of the anti-nuclear how-to-vote card. This is a most urgent matter.

Mr KENNETT (Leader of the Opposition)—Having listened to that diatribe, I wish to raise a matter with the Premier. I notice that he is absent, which is not unexpected. I ask the Deputy Premier to bring this matter to the attention of the Premier. It relates to Government administration and today's article in the *Herald* about the agreement the Premier obviously entered into with the former Governor of Victoria over the supply of a vehicle.

I believe the Premier has misled both Parliament and the people of Victoria by not being honest and frank about the agreement that he entered into with the Governor when he gave his Ministerial statement last Thursday week on the resignation of His Excellency the Governor of Victoria. I make a further point: it is my belief this story in today's *Herald* came directly from the Premier's office through the media unit that is run by the Premier.

Today, the Opposition deliberately did not raise the issue of the resignation of the Governor of Victoria as a mark of respect for the visit to Victoria by His Royal Highness the Duke of Edinburgh. The Opposition acceded to the request of the former Governor and of the Premier to do nothing to embarrass this member of the Royal Family during his visit to this State. The disclosure in the *Herald* tonight has been a very deliberate attempt by the Government and by the Premier to again raise this issue.

The point I wish to make is that the public has every right to know the full details of the settlement which was arrived at between the Premier and the former Governor. The Ministerial statement made by the Premier last Thursday week was incomplete; it was not frank; it was not honest. These events disclose another double standard practised by the Premier. On the one hand he has tried to hide information from the public; on the other hand he had arranged to spend money on this particular settlement.

The Opposition does not argue about the supply of the vehicle. It is both understandable and acceptable that the former Governor be given the same entitlements that are given to every former Governor of the State, but the Opposition does not agree with and does not condone the Premier withholding this information from Parliament and from the public. The Premier is trying desperately to justify his dismissal of the Governor. It is very easy for the Premier to now issue the confidential information that he was not prepared to release to Parliament. If what the Premier did was correct and it was above reproach there is absolutely nothing wrong with taking Parliament and the people of Victoria into his confidence.

The Premier has seen fit not to do so but it will be the Premier's responsibility tomorrow to explain fully in this House by way of personal explanation, which takes into account the total settlement, why he continued to cover up this secret information and so, finally, to put the matter to rest. When I say the total settlement, I include the confidential agreement that the Premier had the former Governor sign. The people of this State deserve the truth. The Premier, who is prepared to spend our money, has the responsibility, as the highest elected official in the State, to tell the truth.

Honourable members interjecting.

Mr KENNETT—The Premier should tell the people the truth. If the Premier is ashamed of his actions that will explain the cover-up.

Mr POPE (Monbulk)—I raise with the Minister for Industry, Technology and Resources the code of practice for the State Electricity Commission in trimming trees in the Dandenong area. In recent months there has been an excess of cutting to code by the commission's contract workers. Contractors employed by the commission are cutting trees in the Dandenongs in a way that I and indeed, the Save the Dandenongs League—of which I am a member—believe is excessive. The commission's Belgrave district manager, Mr Saffin, has endeavoured to organize a consultative mechanism which follows the line of notifying the shires within the Belgrave district. Both the Shire of Sherbrooke and the Upper Yarra Valley and Dandenong Ranges Authority know prior to work being carried out exactly what is to be done in the area. He also notifies all customers by letter of the kind of tree felling that will occur.

The problem is that, although notification is received by those authorities and although there are some discussions as to what is appropriate in the area, the work is not always carried out in the way negotiated by the parties. The system is not working. Basically, the difficulty is that the contractor is given directions by the district manager but on many occasions these instructions are not adhered to. The Save the Dandenongs League—of which, as I have said, I am a member and on behalf of which I led a deputation to the Minister—is extremely concerned about the direction in which this area is headed in the future.

The consultative process has not worked. In the Dandenongs there is a problem with continuity of electricity supply due to falling branches and trees on power lines. However, in recent years the problem has been alleviated by an increased use of spreaders and an additional sub-station. Prior to twelve months ago local residents were satisfied with tree trimming around power lines, but in the past twelve months that exercise has become far too excessive.

Mr Ross-Edwards—Dreadful!

Mr POPE—The Leader of the National Party might not find the situation dreadful because he does not have a good record in the area of conservation. That has been illustrated on many occasions, as it has been with other members of the National Party. However, residents in the Dandenongs are concerned about the environment. I call upon the Minister for Industry, Technology and Resources to respond to the situation so that the environment is preserved through a proper and balanced approach to the tree trimming program.

Mr HEFFERNAN (Ivanhoe)—I direct the attention of the Minister for the Arts to the construction of an extension to the Australian Centre for Contemporary Art. I ask the Minister to indicate whether the Government is preparing a Bill that will alienate public parkland from the Domain for an extension to the Centre for Contemporary Art immediately behind the Shrine of Remembrance.

The land is located in Dallas Brooks Drive in an existing open space reservation. The Corporation of the City of Melbourne has no delegated authority to determine the application pursuant to the Melbourne Metropolitan Planning Scheme, and the application has therefore been referred to the Ministry for Planning and Environment.

It is proposed to erect an extension to the building of approximately 337 square metres. The existing building area is approximately 216 square metres. The proposal, therefore, is to more than double the size of the existing building.

I should like the Minister to indicate whether the normal advertising procedures will be followed.

The site history is that in 1983 the actual area of the existing building was excised from the public parks and gardens reservation and reserved as a contemporary art centre. A further similar excision would be necessary to permit this development to proceed.

In light of the recent Government announcement that it will proceed with the proposed National Tennis Centre, I am concerned that the Government will use public parkland for the construction of pet projects put forward by various Ministers.

The Minister for the Arts has an obligation to ensure that the public is made fully aware of the intentions of the Government.

I accept the necessity for a Centre for Contemporary Art, but should the extension to that centre be at the expense of public parkland?

The Historic Royal Botanic Gardens study makes general comments regarding park architecture, most significantly that buildings should be architecturally unpretentious and that they should be screened by substantial planting.

It appears that the scheme has not really addressed the issue of blending the building into the immediate environment, either in relation to the existing building or in relation to landscaping.

The existing building is of Victorian vintage and it is proposed to construct a modern extension to it.

I believe the modern extension will not blend in with the existing building, and that no car parking facilities will be provided. I also believe Governments ought to keep out of public parkland with their pet projects.

Mr HARROWFIELD (Mitcham)—In raising a matter for the attention of the Minister for Transport, I point out the significance to my electorate of the services serving both the Belgrave and Lilydale railway lines. I refer to the vast improvements that have been made to those services during the past three and a half years of the Cain Government, improvements which have emphasized the importance the Government places on encouraging people to come back to using the public transport system. That encouragement has involved ensuring greater security on trains and at railway stations not only during peak periods but also during off-peak periods.

I also direct the attention of honourable members to the continuing efforts of the Government to improve the reliability of train services to those two major commuter rail links. Those efforts are evidenced by the fact that, at some considerable expense, the Government is undertaking replacement of the overhead wiring systems of both the Belgrave and Lilydale services.

I direct a specific matter to the attention of the Minister on behalf of some constituents who are either blind or partially sighted, and who are concerned about the need for regular announcements to be made at railway stations, particularly the major stations, such as Museum, Parliament, Flinders Street and Box Hill, advising travellers of changes to train services and general running information. With the increasing use of video equipment on those stations, there is a need to provide audio facilities as well.

The SPEAKER—Order! The honourable member's time has expired. The time for raising matters on the motion for the adjournment of the sitting has also expired.

Mr CAIN (Premier)—The honourable member for Malvern raised a matter relating to some donation. I did not hear all of what he had to say, and I am not sure what it has to do with Government administration, but I will make some inquiries.

I also did not hear all the remarks made by the Leader of the Opposition in regard to the matter which he seems determined to raise both in this place and outside.

Mr Kennett—You raised it.

Honourable members interjecting.

Mr CAIN—I regret the intemperate language that the Leader of the Opposition seems determined to use on this issue. He has been urged both directly and indirectly not to proceed in the way in which he is proceeding. It can inevitably lead only to damage to the office of Governor. The Leader of the Opposition seems determined to do that.

Honourable members interjecting.

Mr CAIN—What we have leading the Opposition bench is a political loudmouth who seems to have no shred of decency left.

Whether the Leader of the Opposition is making suggestive comments at some Italian community function or whether he is putting at risk the integrity of the office of Governor for his own basic political ends, it is utterly consistent with his flagrant disregard of what I consider the common accepted standard of decency. He has gone so far that his own colleagues are squirming.

Mr WEIDEMAN (Frankston South)—On a point of order, Mr Speaker, the Premier is reading from a document in a folder. The procedure of the House is that if one reads from a document one must be prepared to table it.

The SPEAKER—Order! Would honourable members cease interjecting! I ask the honourable member for Frankston South to commence his point of order again.

Mr WEIDEMAN—Mr Speaker, it is quite obvious from my observation of the Premier that he is reading from a document in a folder in front of him. As is the normal procedure of this House, I ask the Premier to table the document when he has finished his reply.

Mr SPEAKER—Order! There is no point of order. If the Premier is reading from a document, the usual practice is to call for the document to be made available to the House. I ask the Premier whether that is the case.

Mr CAIN (Premier)—I am reading from notes, Sir. For the past three years, the Leader of the Opposition has left this State speechless because of the way in which he has behaved.

Mr KENNETT (Leader of the Opposition)—On a point of order, Mr Speaker, the matter raised concerned the lack of information provided by the Premier to Parliament two weeks ago. If the Premier wants to indulge in personal abuse, so be it, but it is incumbent upon the Premier to answer the matter that was raised relating to Government administration and, more importantly, relating to the Premier's administration.

Mr FORDHAM (Minister for Industry, Technology and Resources)—On the point of order, Mr Speaker. The Leader of the Opposition does not seem to realize that it is not question time; it is the debate on the motion for the adjournment of the sitting.

A general issue has been raised and, in accordance with past practice, it can be answered by a Minister in whatever way that Minister sees fit.

Mr SPEAKER—Order! I do not uphold the point of order. It is a question of relevance. I believe the Premier is being as relevant as is possible under the circumstances.

Honourable members interjecting.

The SPEAKER—Order! If the Leader of the Opposition wishes to take more action, he may do so. The Premier has been as relevant as is possible under the barrage of interjections.

Mr Kennett—From that side!

The SPEAKER—Order! I ask the Premier to continue his response.

Mr CAIN (Premier)—I was saying that there seems to be a determination on the part of the Leader of the Opposition to open up this matter. That was not my wish but he seems determined to do it.

Mr Kennett interjected.

Mr CAIN—The matters to which the Leader of the Opposition refer were the subject of discussion last Thursday week. If he believes that he is embarrassing me or any member of the Government by his behaviour, he is totally wrong. He is embarrassing other people but he is not embarrassing me.

Honourable members interjecting.

Mr CAIN—It was my determination that I should seek to observe what has been requested and I will continue to so observe so far as is possible. I do not expect the Leader of the Opposition or his colleagues behind him to listen to my comments but they should listen to the comments of others as to what was the wish in respect of this matter.

It was not my wish that the matters referred to in the newspaper tonight should have been revealed; it was my intention they should not be revealed.

The Government decided that Sir Brian Murray should not suffer as a result of his decision to resign.

The Leader of the Opposition will not listen. Last week he abused people—he accused not just me, but other people, all of last week. The Leader of the Opposition went on accusing a whole range of people of a whole range of things. I am talking of a number of people. The Leader of the Opposition is accusing all of those people who were present at those meetings with Sir Brian and Lady Murray of anything that comes into his head.

The SPEAKER—Order! Would the Premier resume his seat. I advise the Leader of the Opposition that I will not caution him again. I will take the action that is within my authority to ensure that there are some good workings of the House during the motion for the adjournment of the sitting.

Mr CAIN—Charles Curwen and Warwick Teasdale who were there to assist the Governor are being ridiculed and abused by the Leader of the Opposition. They were present, as was I, Mr Brouwer and Sir Brian and Lady Murray when a package of entitlements was agreed to. Those entitlements are set out in my Ministerial statement of 3 October so honourable members know what they included.

At Sir Brian's request, there was also an agreement that he would not be financially disadvantaged from any income tax point of view for any of the payments to which reference was made. He further advised, after the package had been decided on, that he had taken action some weeks ago to exercise the normal entitlement of what he said was a Governor's entitlement under Commonwealth law to purchase a new motor vehicle on a concession basis. He said this transaction could not be completed before he vacated his office and, at his request, the Government agreed that if retrospective approval could not be obtained under Commonwealth law, then the Government would meet the customs duty of the sales tax that he would incur and thus he would not be disadvantaged.

I have subsequently been advised that retrospective approval cannot be given. In this event, a further $25 018 and some cents payment was made. Agreement on these matters was not notified earlier as they were part of the undertakings that were sought.

The Leader of the Opposition seems to have a peculiar attitude to matters of importance: He sits and giggles and at the same time goes out day after day seeking to ridicule the office of Governor and then professes his concern about it in the next breath. He is the greatest hypocrite this Parliament has ever seen.

The SPEAKER—Order! The Premier has used an unparliamentary expression and I ask him to withdraw it.

Mr CAIN—I withdraw that remark. The Leader of the National Party and the Leader of the Opposition may wish to laugh about this matter but I do not regard it as a matter of that kind. Agreement on these aspects, as I said before, was not notified earlier as they

were part of undertakings sought by Sir Brian and agreed to, and they were contingent upon clarification of the customs duty issue.

The understandings reached, including the understanding that no comment would be made by Sir Brian or Lady Murray, were made in order to protect the integrity of the office of Governor. They were noted by the Governor's aide at Sir Brian's request.

Mr Ross-Edwards—Who told the story?

Mr CAIN—I did not tell the story; I have done my best to protect the office of Governor at all times. Despite the provocation of irresponsible persons who have been so identified by those who have no axe to grind—Charles Curwen has no axe to grind—agreement on all these matters was reached without any pre-conditions.

Apparently the Leader of the Opposition finds this amusing—he cannot stop giggling. That sums up the type of person he is.

An Honourable Member—He is tired and emotional!

Mr CAIN—He is much more than tired and emotional; it is far more serious than that. The Leader of the Opposition is a man who knows he is finished and will say or do anything—it does not matter what it is—to try to hang on. The way I hear it is that the honourable member for Polwarth has the numbers, but he does not want the job because he is too lazy to take it, and the honourable member for Hawthorn does not have the numbers but wants the job.

I repeat that agreement on all of these arrangements was reached without any pre-conditions. The amounts referred to have already been paid to Sir Brian Murray. I say without any reservation that I regret that the matter has reached this stage because of one person.

Honourable members interjecting.

The SPEAKER—Order! I will not warn the honourable member for Malvern again.

Mr CAIN—I regret that this stage has been reached because of one person who is determined to use any weapon, device, issue or matter if he believes it will help him—there is no other qualification or no other requirement. It had been agreed that these matters were of a private and personal nature; it was not my wish that they should be revealed.

I make no apologies for having carefully prepared an account of a serious and important matter. I am not prepared to treat this matter lightly; I have not treated it lightly at any time. However, I am not prepared to stand by and see the office of Governor ridiculed and debased by people who have no other motive than to try to gain some political capital. I regret that the matter has reached this stage, but it has. Those were remarks that I had hoped would not need to be made.

Mr FORDHAM (Minister for Industry, Technology and Resources)—I shall respond to the honourable member for Monbulk, and I wish the Leader of the Opposition farewell for ever as he leaves the Chamber. The honourable member for Monbulk raised the matter of tree clearance within the Dandenongs. This is a matter of continuing concern to him. Recently he led a deputation to me of members of the Save the Dandenongs League in order to seek a reassessment on the part of the Government of the present tree clearing operations.

The State Electricity Commission acted in this way obviously following the disastrous bush fires that occurred not long ago and the desire from all corners of Parliament to ensure that we minimize the damage that could occur if there was a recurrence of bush fires in any quarter of Victoria, especially in an area as sensitive and as important as the Dandenongs.

The commission has employed a number of contractors to undertake this work. The honourable member for Monbulk referred to some of those contractors. I undertook at the meeting to reassess the adequacy of the code of clearance that was then adhered to by those private contractors.

In conjunction with the Tree Clearance Consultative Committee, the commission has now undertaken to assess whether the code is the most appropriate to meet the obviously sensitive environmental needs of this important area of our State.

I commend the honourable member for his continuing concern and assure him that I shall keep him involved in the matter. Due regard will be taken of the unique significance of this area to all people in the State.

Mr CATHIE (Minister for Education)—The honourable member for Murray Valley referred to the log of claims served on the Government by the Victorian Teachers Union. If one totals up the log of claims made by the three teacher unions, one realizes it would have cost the taxpayer an additional $270 million. We are speaking about an enormous amount of money which the teacher unions are insisting that the taxpayer has to find. It is true that, having been served with such a log of claims, the Education Department prepared what is called a counter log. That went the other way from the status quo.

I have made it clear to the unions over the past three or four weeks that the counter claims prepared by the department have been removed. We are examining retaining the current conditions that exist under the present agreements.

If one examines the improvements that the Labor Government has made since coming to office, one realizes that primary teachers have a lot for which to thank it. The Labor Government has improved the staffing formula from one teacher for the first 36 pupils to one teacher for the first 18 pupils.

On the need to retain additional teachers at a time of declining enrolments, we have already retained an additional 1800 teachers in the primary service, despite the declining enrolments.

Mr Ross-Edwards interjected.

Mr CATHIE—The Leader of the National Party may like to say that he is not interested in the details of these agreements. We have also provided 150 shared specialist teachers to small country schools. I assure the honourable member for Murray Valley that the Government has no intention of removing those additional 1800 teachers or the 150 specialist teachers who can provide important musical and physical education to a cluster of schools.

Additionally, we have appointed another 400 relieving teachers. We have achieved a great deal for primary teachers in improving the quality of their conditions of work and in improving primary education. We shall continue to do so. I assure the honourable member for Murray Valley that there is no attempt by the Government to worsen the existing conditions of work for primary teachers.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Wantirna raised with me what she believes to be a serious attempt to mislead electors at the Nunawading Province by-election. She drew to my attention a specific instance and provided the name of a person who she believes has impersonated a member of the Mountain District Cattlemen's Association of Victoria and who was not a member of that association.

She indicated that specific photographic evidence of that impersonation is available. She asked me whether I could provide a guarantee that this matter, which has been referred to the police by the Chief Electoral Officer, will be investigated by the police with the same thoroughness which they bring to other investigations.

I should like to make several points in reply to the honourable member for Wantirna: first, I believe that she should draw to the attention of the police the specific identification of the person concerned, which she has tonight drawn to the attention of the House. Second, she should also draw to the attention of the police the photographic evidence of this impersonation which she has indicated is in her possession. Third, I can give the honourable member the assurance that she seeks: that the matter will be pursued by the police pursuant to the request of the Chief Electoral Officer with the utmost thoroughness. As in other matters the police will pursue their investigations through to a conclusion, and when a conclusion to the investigation has been reached the evidence that has been obtained will be referred to the Director of Public Prosecutions for his advice on whether charges should be pressed. If the advice of the director is that charges should be raised against the people concerned, that will be done without fear or favour.

My experience with the Victoria Police is that this is the approach that they adopt across the board. I give the honourable member a further assurance that there will be no further interference in the process of the investigation by the police either by me or any other Minister of this Government. That has been the procedure that the Government has followed consistently from the time of its election to office and it will be the procedure followed in all future similar instances.

The honourable member for Ivanhoe asked me whether I had plans to introduce proposed legislation for the Australian Centre for Contemporary Art, which is located in the gardens not far from Domain Road. I have no such legislation in contemplation. The honourable member should take an early opportunity of inspecting the site of the centre so that he can see for himself how well the alterations, which have been carried out on the caretaker's residence on which the centre is housed, have been harmonized with the original architecture. He should also look at the grounds adjacent to the caretaker's cottage to observe for himself that their relevance to the parkland is small. At present they are largely asphalted areas and I should imagine that any development carried out would be an improvement on what currently exists.

Mr ROPER (Minister for Transport)—The honourable member for Mitcham raised the problems faced by blind and partially sighted persons using the transport network, particularly the train system. It has been the policy of my predecessor and me to provide assistance to blind and partially sighted persons whenever that can be done, particularly in relation to new railway developments.

Flinders Street railway station has a massive redevelopment occurring which will provide an appropriate central station for the Melbourne suburban network well into the next century. A whole range of measures have been adopted to improve the situation for people suffering sight defects. The laying of special strips of tiles for tactile recognition enables partially sighted persons to have easier access to the station. Special tiles have been designed for tactile recognition and maximum colour contrast on ramps and platforms. Special double handrails have been constructed on ramps to assist people using wheelchairs. Toilet facilities for the disabled have been installed.

More than ten separate measures have been developed at Flinders Street station to assist partially sighted and blind passengers. I assure the honourable member that the steps that have been taken at Flinders Street are being worked on so that, for the first time in more than a generation, other station developments can occur. Significant developments are already under way in the outer Melbourne suburbs and in country Victoria. The Government will ensure that those arrangements will benefit not only people with no physical disabilities but all Victorians.

The motion was agreed to.

The House adjourned at 11.43 *p.m.*

Wednesday, 16 October 1985

The SPEAKER (the Hon. C. T. Edmunds) took the chair at 11.4 a.m. and read the prayer.

ABSENCE OF MINISTER

The SPEAKER—Order! I advise the House that the Minister for Sport and Recreation will be absent from the House this week.

BROADCASTING OF PROCEEDINGS

The SPEAKER—Order! I also advise the House that I have given approval for the broadcasting of question time by television and radio.

PERSONAL EXPLANATION

Mr KENNETT (Leader of the Opposition)—I seek leave to make a personal explanation in reference to an article published in today's issue of the *Bulletin* magazine.

The SPEAKER—Order! Leave is not required.

Mr KENNETT—I wish to repeat what I have said many times before, that the Liberal Party, under my leadership, will not block Supply. My definition of Supply includes the Appropriation Bills.

I make it clear to the House and to the public that there was not and never has been a scheme with the former Governor to oust the current Government. That is a fiction of which Jeffrey Archer would be proud.

QUESTIONS WITHOUT NOTICE

TRAVEL AND ACCOMMODATION CONCESSIONS

Mr KENNETT (Leader of the Opposition)—Now that the Premier has confessed that he took a perk on Pan American World Airways Inc. five months ago, and having been found out in this double standard, and is belatedly prepared to pay up, when will the accommodation costs for himself and his wife for the two free nights at the five-star William Penn Hotel in Pittsburgh be repaid? Further, will the Premier confirm that the Pan Am flight and the accommodation at the William Penn Hotel are the only perks he accepted on his overseas visit in May?

Mr CAIN (Premier)—It should be understood what the trip was about so far as my visit was concerned. It was a completely upfront public visit to a range of places which was apparent to everybody. The press releases made it perfectly clear what the trip was about.

If the Opposition is not satisified with the standards the Government has set in regard to travel and other things, let it say what its standards are.

Honourable members interjecting.

Mr CAIN—We do not know what they are. If the Opposition wants to make an issue about my requirements for standards, I shall dig out all the files on all trips that all Liberal Ministers had three years ago and let the public make a judgment as to whether it is desirable to have standards and require their observation or to behave as did the previous Government. That is the test.

It is all very well for the Leader of the Opposition to make a personal explanation about these matters but he should listen to what people are saying and what they have said about what he told them on the question of Supply as well. We have certain standards and we are pleased and proud to observe those standards and we will go on doing that.

If the Opposition likes, I shall get out all the files for all previous Liberal Ministers and show them how they behaved on previous trips so that the people can make a comparison. My visit was a public visit on behalf of the State; it was not a private visit. It was open; it was not covert.

Mr ROSS-EDWARDS (Leader of the National Party)—I intend to ask a question of the Premier and I hope I can get an answer and not a Ministerial statement.

The SPEAKER—Will the honourable member ask the question?

Mr ROSS-EDWARDS—I refer to the Premier's statement that he will repay the cost of the upgrading from business class to first class on his trip to America for him and his wife and that he intends to repay the difference between the two fares. Can the Premier give a definite assurance that he will be paying this out of his own pocket and not out of Government expenditure?

Mr CAIN (Premier)—This is rich coming from the Leader of the National Party.

Honourable members interjecting.

I cannot think of what the Leader of the National Party has contributed to this place in the past twenty years. He is the greatest non-event this place has seen.

Mr ROSS-EDWARDS (Leader of the National Party)—I regret that I have to revert to raising a point of order every day, but I ask you, Mr Speaker—and you invariably take note of what I ask—to direct the Premier to answer the question. He tries out the same thing every day; he is asked a question and he talks about something else.

The Premier has been asked a simple question, and he refuses to answer it. I ask you, Sir, to put him back on the track again.

The SPEAKER—Order! I do not uphold the point of order. I advise the House that the procedure of the House during questions without notice has not changed during the period that I have been in this place.

If a Minister wishes to reply to a question without notice in any way that he sees fit, or not to reply, that is his responsibility. If the Premier is intending to debate the question, I shall prevent him from doing so.

Mr CAIN (Premier)—What I suggest I should do—after I obtain all the files regarding former Ministers of the Liberal Government—is to obtain the file on the Leader of the National Party to see who is at the trough all the while, who is concerned about one thing only; the perks and lurks.

I explained the circumstances of the visit and the trip; I explained the circumstances of what occurred when the suggestion was made to me—when I was late leaving this place because of the milk strike and had a 16-hour flight ahead of me—that I should travel first class. I left the arrangements to the officer of my department who was with me; I left the matter for him to determine. He is the person who made the decision and the arrangements; and I have left with the department the payment of the fare in accordance with those arrangements, and that is what will be done.

PRIVATE BUSINESS INVESTMENT

Mr MICALLEF (Springvale)—Can the Premier provide the House with details of the private business investment forecasts for the year and their effect on employment?

Mr CAIN (Premier)—I am pleased to be able to report to the House that private business investment has made a significant contribution to the improved economic

situation in the last financial year, 1984–85, and that has occurred against a background that shows steady improvement. An increase of about 12 per cent in real terms, or 20 per cent in actual terms, is expected.

Manufacturing investment in plant and machinery is particularly strong, and most of it is being resourced from within the State, which is very gratifying.

Another matter that should be mentioned is that, in addition, a recent Australian Chamber of Manufactures Pulse Survey of September has confirmed that the benefits of the devaluation are flowing through to Victorian industry. The firms surveyed pointed to an increase in investment in the current quarter of 28 per cent from 22 per cent in the last quarter. Private business investment in Victoria is expected to double that of the rest of Australia. Those are figures of which all honourable members can be very proud. The economy is looking well; it is progressing best in this State, and this Government is determined to do all it can and take all the initiatives that are necessary and desirable to ensure that improvement continues.

As the Treasurer has said, the Government has tabled the Budget to meet this mood. This increased confidence in the withdrawal, holding back and steadying of injection of funds in the public sector is consequent upon improved investment confidence in the private sector, and augers well for this State's economic future.

TRAVEL AND ACCOMMODATION CONCESSIONS

Mr KENNETT (Leader of the Opposition)—I refer the Premier to his belated repayment of the perk on Pan American airlines and ask him whether he gave Sir Brian Murray the same opportunity of paying retrospectively for his overseas flight at the time the Premier demanded the Governor's dismissal.

Mr CAIN (Premier)—I, with some feeling, last night expressed my concern at the determination of the Leader of the Opposition to continue to use the issue of the resignation of the Governor for political purposes. I cannot recall any member of this House being prepared to denigrate the office in the way that the Leader of the Opposition seems determined to do. That determination is despite the repeated requests that have been made to the Leader of the Opposition, both publicly and otherwise, but he seems utterly determined to do all he can to try to ensure that this matter remains one of controversy. I can only presume he is trying to make a hero of himself in some way that he thinks will shore up the flagging support in his own party. It is a desperation exercise. Every member on the Opposition benches knows it is a desperation exercise. His days are numbered and that is what it is all about.

I have tried to keep this matter in perspective and to ensure that the office of Governor is not damaged. The Leader of the Opposition is determined to do otherwise.

Last night during the debate on the motion for the adjournment of the sitting I made very clear what the position was so far as the Leader of the Opposition is concerned. I do not want to repeat that again but if the Leader of the Opposition insists on continuing to endeavour to introduce this matter into public debate day after day I can only say to him that he will continue to denigrate the office of Governor. The Leader of the Opposition knows that every one of those six persons who were present at those discussions last Thursday week desired that that should not be the case.

My Ministerial statement made clear the circumstances. I have also made clear, under pressure that I regret having to bow to certain other matters that were the subject of understandings that were dependent upon certain contingencies. I do not know where the Leader of the Opposition intends this matter to finish. If he wants to go on harming the office of Governor, so be it. I believe my Ministerial statement indicated what the position was. The Leader of the Opposition knows what the position is and I believe the House knows what the position is. I shall be making a second-reading speech in respect of the Constitution (Governor's Salary and Pension) Bill later today.

FARMERS FACING BANKRUPTCY

Mr HANN (Rodney)—I direct a question to the Minister representing the Minister for Agriculture and Rural Affairs and ask: Is the Minister aware that thousands of Victorian farmers are currently facing bankruptcy because of exorbitant interest rates, rising costs and low commodity prices?

If the Minister is aware of this situation and the fact that it is nearly as serious as the depression in the late 1920s and early 1930s, can he advise the House what action the Government proposes to take to alleviate this very serious situation?

Mr JOLLY (Treasurer)—I am certainly aware that 1984–85 was a very difficult year for the agricultural industry in this State, as it was across the nation. The evidence that is available suggests that in 1984–85 Victoria fared worse than the rest of the nation in production. The expectation is that although there is likely to be some slight improvement during 1985–86, of course the situation will still be relatively difficult. The Government has endeavoured to keep charges to a minimum in this area and that is why freight rate increases are less than the inflation rate and why increases have not taken place for a relatively long time.

The Minister for Agriculture and Rural Affairs has been developing policies that especially assist farmers. For example, in the dairy industry he had done so in co-operation with the Commonwealth Government and he will continue to do so. However, if the honourable member requires information on Government policies in this area, I shall certainly take up the matter with the Minister for Agriculture and Rural Affairs.

YOUTH EMPLOYMENT

Mrs TONER (Greensborough)—Will the Minister for Employment and Industrial Affairs advise the House of youth employment in Victoria and the continuing effects of the Government's programs and policies in this area?

Mr CRABB (Minister for Employment and Industrial Affairs)—I thank the honourable member for her question and for her continuing interest in the young unemployed of this State. I am pleased to inform honourable members that the employment statistics released last week show that Victoria again has the lowest unemployment rate of any Australian State. Additionally, the rate of improvement in the employment picture in this State is far better than any other State, especially among teenagers where over the past twelve months full-time employment has risen by 4 per cent, which is more than twice the increase in the rest of Australia.

The number of unemployed teenagers—those looking for full-time work—has dropped markedly over the past two months from 30 000 to 24 000. Again, this represents a significant change in the position.

A special element of those figures is that there was a record intake of apprentices last year; it was the highest intake ever in the history of the State. On the figures for the first few months of this financial year, it will be a bigger record again this year.

I am pleased to say the 1400 work study positions have been advertised and applicants are now applying for those jobs at the rate of two applicants for each of the jobs. I am pleased to note that again Victoria has led the way in introducing a new concept of traineeship which will soon be applying in all other States under the Commonwealth Government's traineeship scheme.

It is interesting that young women are applying for traineeships in some cases in higher numbers than young men. There is a ratio of 60 to 40. The jobs are spread through all regions of Victoria and through a range of occupations in the public sector.

When the Labor Government came to office, its predecessors had left Victoria in the depths of depression. Indeed, Victoria had dragged the rest of Australia into recession.

Under three years of the John Cain Labor Government, we have led Australia into recovery.

CONSULTANTS' REPORTS ON PUBLIC OPINION

Mr RICHARDSON (Forest Hill)—Why has the Premier refused to release publicly the five consultants' reports on public opinion about the Government that he commissioned prior to the State election at a cost to the taxpayer of approximately $280 000? Is it because their release would reveal that they should have been paid for by the Australian Labor Party?

Mr CAIN (Premier)—If the honourable member is referring to matters raised in a publication today, I can tell him that those matters relate to a Cabinet approved program in respect of an attitude monitoring survey as to public perceptions of services delivered by Government agencies. Mr Irving Saulwick is a consultant to advise on the appropriate persons and bodies to be engaged on a public attitude survey to ensure that the best delivery of services to the public is obtained and that the public is aware of Government services.

I do not find anything wrong with a Government that seeks to improve customer-client relationships. I should have thought that was something the Opposition would understand.

Honourable members interjecting.

Mr CAIN—The Government is concerned about saving resources and ensuring that the public is aware of what Government services are available. The Government must know about the response of the public to the provision of those services.

A wide range of firms have been used, including Reark Research and Australian Sales Research Bureau, a subsidiary of the Roy Morgan Research Centre Pty Ltd, together with Australian National Opinion Polls—ANOP—to which reference was made. Mr Saulwick advised the Government on the most appropriate firm to determine what information the Government desired. This may seem strange to the Opposition, which was prepared to continue delivering services that the public did not want, need or understand.

I should have thought it was well understood that Governments and large and small commercial organizations frequently undertake surveys to obtain information on the reception, the suitability and the appropriateness of their programs. The Government has that responsibility because it is spending public money.

TRAVEL AND ACCOMMODATION CONCESSIONS

Dr COGHILL (Werribee)—Can the Premier inform the House whether other travel offers were made by the Alcoa company in relation to his visit to the United States of America earlier this year?

Mr CAIN (Premier)—There appears to have been a selective leaking or offer of information on the actual position. I visited Pittsburgh as the official guest of Alcoa and I was accommodated at an hotel owned by Alcoa. Other offers of hospitality which were not directly connected with my business in Pittsburgh were also made by Alcoa, including an offer of a flight to the company's plant in New York and accommodation at a New York hotel also owned by the company.

I accepted the hospitality in Pittsburgh and rejected the other offers, acting on what I regard as the proper advice given to me. My action in accepting the hospitality in Pittsburgh was in accordance with what I believe, and was informed, are accepted international and commercial practices. There is nothing unusual about those practices.

An important point should again be made: the Opposition is concerned about the standards of the Government when it has no standards of its own. An attempt has been made to suggest, impliedly or implicitly, that there is some relation between what I

undertook on behalf of the State and what the former Governor undertook on a private trip. I was not in a situation where it could be suggested by anybody, even the Leader of the Opposition, venal as he is, that there was any personal gain on my part. If the Alcoa company had not paid for or provided the hospitality, the State would have paid for it. That was not the case so far as the former Governor was concerned.

Mr STOCKDALE (Brighton)—I refer the Premier to the admission in published records that the Honourable J. L. Dixon and the Honourable M. J. Arnold from another place and the Minister for Employment and Industrial Affairs received significant contributions, in cash or kind, when making overseas trips. In light of the Premier's precedent for the repayment of perks, I ask the Premier whether he has instructed all three to repay.

Mr CAIN (Premier)—I thought I made it clear yesterday.

Mr Ross-Edwards—You said you didn't know!

Mr CAIN—I do not have anything to say about what private members do. The honourable members have put on the record, as they are required to do—and that is the extent of your research—exactly what they did, as have others. I think it is about time the Opposition got out of the gutter and understood what is acceptable.

I reiterate that if they wish all the files to be put on the table so that we can see just who has been into the perks business—and who grabs every dollar every time there is an opportunity—let us do it. Let us see it all and let the public make its own judgment. This Government has higher standards of propriety than any other Government in Australia. We will not be ashamed to put on the table the files that show what we do and what you do! Let the public make its judgment about what it prefers. Does it prefer a Government that lays down standards and is concerned about propriety or does it want a Government that is into sleaze and everything else that goes with it? Tell us what you did! I shall get the files out, if you want them. You make the choice!

Mr WHITING (Mildura)—Mr Speaker, I raise a point or order. No doubt, Sir, you are aware of the provisions of Standing Order No. 127, which concerns the debating of questions. However, you may have overlooked a ruling you made on 2 October 1984, which is recorded at page 682 of *Hansard.*

In that ruling you cited part of an opinion from *May* to the effect that, when answering questions, Ministers should confine themselves to the points contained in the questions. You then went on to quote the wording of Standing Order No. 127. I suggest to you, Sir, that the Premier is now debating the question and is out of order.

Mr CAIN (Premier)—On the point of order, Sir, I am not debating the issue. I was asked a question about standards of propriety and the conduct of members on the Government benches. My response is to say, "If you want to examine standards on this side, I shall examine standards on the other side." I intend to put to you that I have every right to answer the question in that way and I intend to do so.

The SPEAKER—Order! I uphold the point of order and call on the Premier to respond to the question.

Mr CAIN (Premier)—My response is to say that I am prepared to examine the standards of conduct of members of the Government party if the opposition parties will examine theirs as well. Let them say what they are alleging; let them say what trips they have had; we will examine them and apply the same standards to all their trips, if that is what they want.

HOUSE BUILDERS' LIABILITY

Mr JASPER (Murray Valley)—I refer the Minister for Consumer Affairs to the difficulties being experienced by some people in having defects in home building corrected through the house builders' liability provisions and the commitment of the Government,

prior to coming into office more than three years ago, to take action in this matter. Will the Minister indicate what action he and the Government have taken to assist in the correction of faults in defective homes that are built throughout this State?

Mr SPYKER (Minister for Consumer Affairs)—I advise the honourable member for Murray Valley that the whole area of house builders' liability is under review. That work was commenced by my predecessor, the former Minister for Local Government, Mr Wilkes, who is now Minister for Housing. As the honourable member is aware, the function of house builders' liability was transferred from local government to consumer affairs.

I hope to introduce proposed legislation in the autumn sessional period to deal with the problems outlined. Serious problems are being experienced with restumping, recladding, renovation and repairs, and many consumers have had their fingers burnt. I am sure the honourable member will agree that the House Builders' Liability Fund has been an outstanding success in dealing with the problems that have existed in the new home industry and the renovation industry. The renovation industry is a multi-million dollar industry itself. The Government wants to ensure that the problems that have arisen will be resolved. A discussion paper will be issued shortly. If the honourable member for Murray Valley wishes to have any input into the proposed legislation, I shall be happy to talk to him about it.

ADMINISTRATIVE ARRANGEMENTS ORDERS

Mr CAIN (Premier)—By leave, I move:

That there be presented to this House a copy of Administrative Arrangements Orders Nos 35, 36 and 37 of 1985.

The motion was agreed to.

Mr CAIN (Premier) presented the orders in compliance with the foregoing order.

It was ordered that the orders be laid on the table.

PAPER

The following paper, pursuant to the direction of an Act of Parliament, was laid on the table by the Clerk:

Management and Budget—Report of the department for the year 1984–85.

POLICE REGULATION (AMENDMENT) BILL

Mr MATHEWS (Minister for Police and Emergency Services)—I move:

That I have leave to bring in a Bill to amend the Police Regulation Act 1958, the Magistrates' Courts Act 1971 and the Ombudsman Act 1973, and for other purposes.

Mr McNAMARA (Benalla)—I ask the Minister whether he can give the House a brief explanation of the proposed legislation.

Mr MATHEWS (Minister for Police and Emergency Services) *(By leave)*—The proposed legislation has two principal purposes: firstly, to give effect to the Government's response to the internal disciplinary recommendations of the special report issued by the committee of inquiry of the Victoria Police; secondly, the establishment of a police public complaints authority.

The motion was agreed to.

The Bill was brought in and read a first time.

GROUNDWATER (BORDER AGREEMENT) BILL

Mr McCUTCHEON (Minister for Water Resources) moved for leave to bring in a Bill to approve and provide for carrying out an agreement for the management of groundwater adjacent to the border of South Australia and Victoria, to amend the Groundwater Act 1969, to repeal the Groundwater (Reserves) Act 1984 and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

MOTOR CAR (FURTHER AMENDMENT) BILL

Mr ROPER (Minister for Transport) moved for leave to bring in a Bill to amend the Motor Car Act 1958 with respect to speed trials, breath analysis, registration fees and fines, and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

SALE OF LAND (ALLOTMENTS) BILL

Mr SIMMONDS (Minister for Local Government) moved for leave to bring in a Bill to amend the Sale of Land Act 1962 with respect to the preselling of allotments of land and to amend the Strata Titles Act 1967, the Transfer of Land Act 1958, the Local Government Act 1958, and the Building Control Act 1981 and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

INDUSTRIAL RELATIONS (COMPLEMENTARY INDUSTRIAL RELATIONS SYSTEM) BILL

The debate (adjourned from October 2) on the motion of Mr Crabb (Minister for Employment and Industrial Affairs) for the second reading of this Bill was resumed.

Mr GUDE (Hawthorn)—The Bill seeks to develop a more effective liaison between Victorian and Commonwealth industrial relations jurisdictions. This concept was first raised in 1979, when the honourable member for Balwyn was Minister responsible for industrial relations, at a conference of Commonwealth and State Ministers of labour. The merging of the Federal and State systems has long been a standing commitment and goal of the Liberal Party.

Given the present level of industrial turmoil in Victoria it is appropriate that Parliament should now be debating this legislative measure. Further, I add that it is also trade union rights week—no doubt, that adds a further dimension to the importance of the Bill. The number of disputes occurring at present should lend themselves to the use of some of the powers contained in this measure. Proposed section 46C provides for joint proceedings to be held by the Industrial Relations Commission of Victoria or by the Conciliation and Arbitration Board and the Australian Conciliation and Arbitration Commission if the president of the Victorian commission considers it appropriate. Two other proposed sections are relevant to the disputes that are currently prevalent in Victoria.

Proposed section 46D provides that a member of the Industrial Relations Commission of Victoria may exercise powers under the Federal Act or any other Commonwealth Act as may be prescribed. A number of industrial disputes that are prevalent in Victoria at present are matters that fall within the Federal jurisdiction.

Proposed section 46E provides for an industrial matter which is before the Victorian commission or a conciliation and arbitration board to be referred to a member of the Conciliation and Arbitration Commission if, in the opinion of the president of the Victorian commission, it is appropriate provided that the dispute is before a conciliation and arbitration board, which consents to the matter being so referred.

That is a reasonable provision because it takes account of people who have an active interest and involvement in the conciliation boards in Victoria. In this respect, any award, decision, order or determination made by a member of the Federal commission shall be deemed to be made under the State Act.

I now refer to some recent industrial disputes that may be affected by the proposed legislation. A great deal of concern has been expressed both in Parliament and in the community with respect to the industrial action taken by the Royal Australian Nursing Federation in Victorian hospitals. The $21 million offer made by the Government has incurred the interest of the Full Bench of the Conciliation and Arbitration Commission because of the flow-on implications. The dispute has brought Victoria's once great health care system to its knees. Morale amongst the medical and nursing profession is at an all time low.

I do not intend to either debate or canvass the merits of that dispute or the Government's offer, other than to use it as an example. However, I would be derelict in my duty to the community were I not to express grave concern at the Government's handling of the dispute to date.

I refer also to the industrial action taken by the teaching profession, which has now flowed to primary, secondary and technical schools. Teacher strikes are planned for Tuesday and Wednesday of next week. It was only yesterday in the House when the Minister for Education highlighted the advantageous position teachers enjoy compared with other teachers in other States of the Commonwealth. The Bill, when passed, will allow for a comparative study to be made between various States of the Commonwealth in so far as wages and conditions are concerned.

One need look no further than the Latrobe Valley for an example of yet another dispute in another Government instrumentality. The dispute involves the standing down of two recalcitrant workers. The Opposition would support the decision taken by the State Electricity Commission in that situation. The opportunity for Federal and State award interplay, which could have been applied to this issue, is referred to in the Bill.

Another issue of concern in the community at present is the Caltex oil industry dispute. The passing of the Bill could bring about an avenue for resolution of that dispute. The dispute was caused by the dismissal of a driver for alleged wilful misconduct. One wonders how a decision will be taken by a Federal commissioner presiding over a State dispute, especially one that involves the oil industry.

I believe similar legislation in New South Wales specifically excludes the oil industry.

Another dispute which has national implications and which will have an effect in the State but will provide the opportunity for the State and Commonwealth commissions to work together to bring about a resolution involves the Australasian Meat Industry Employees Union. That union is preparing to take action in the killing season as a direct retaliation to fines imposed in the Federal jurisdiction as a consequence of its activities in the Mudginberri contract wages dispute.

It seems appropriate that this Bill is being discussed just prior to the arrival of members of the Royal Family and at the time of a dispute, which is causing grave concern, involving theatrical unions and the cancellation of the "Next Wave" concert. Blind workers are also claiming past national wage rises.

For people in this State who are affected by Federal awards, the Bill gives an opportunity for greater interplay between the State and Federal systems and this can only be of assistance.

I wish to examine other matters which are a little closer to home. The Builders Labourers Federation is involved in an ongoing dispute with the Public Works Department over work at Pentridge Prison, "J" division, as well as other areas of State projects.

In the past 24 hours the Builders Labourers Federation has successfully negotiated a 35-hour week for workers on the Jack Chia project in the Prahran area. That is a matter of concern. I was not a member of Parliament last year when legislation was enacted in this Parliament to enable the development of that project. It included the necessary planning and approvals and covered the total cost of the project. One can only query what impact the 35-hour week decision will have, be it a sweetheart deal or otherwise, on that project. Added to that is the turmoil that has been created as a direct result of the Norm Gallagher threats since his release from gaol.

The Bill places a great deal of authority and responsibility on the President of the Industrial Relations Commission of Victoria. He will need to exercise his power with enormous care and diplomacy. Victoria is fortunate to have a man in that position who is so well versed in both State and Federal jurisdictions. Prior to his appointment, Mr K. D. Marshall was Industrial Registrar of the Commonwealth Conciliation and Arbitration Commission.

Mr Marshall gave me helpful advice in the late 1960s when I commenced my career as an employer advocate in the Federal jurisdiction. Some twenty years later, in my capacity as Director of the Melbourne Chamber of Commerce, I sought recognition for that organization under the State Industrial Relations Act and it was the same gentleman who was able to provide assistance and advice.

As Parliament is in the process of pursuing legislation that will bring about improved interaction between the State and Commonwealth, we are indeed fortunate to have a man with experience at a high level in both jurisdictions.

The present Minister for Employment and Industrial Affairs needs to exercise much restraint. We know he has excellent good humour. We hope he exercises that in association with restraint because it is important that the independence of the system is maintained. The significance of that independence will have real relevance and meaning when the two jurisdictions are brought closer together.

I raise this point because there is growing concern, especially on the enterprise side of politics and in the market-place, about the influence of Governments in the industrial relations tribunal area. We need look no further than the attempt by the Federal Government to manipulate the current national wage decision by a so-called accord deal with the Australian Council of Trade Unions. The accord is an agreement between the two arms of the one body, the Australian Labor Party and its industrial arm, the Australian Council of Trade Unions. The Opposition calls for the responsible use of Ministerial and presidential powers under the Bill.

Finally, I shall refer to the eminent role played by Victoria in the lead-up to the introduction of the proposed legislation. I have already acknowledged the honourable member for Balwyn as the Minister responsible in 1979 and I acknowledge the role of successive Labor Party Ministers, including the present embattled Minister for Employment and Industrial Affairs. However, it is curious that Victoria, as the industrial relations headquarters of Australia, has located in the State the headquarters of the Australian Conciliation and Arbitration Commission, the Australian Council of Trade Unions, the Confederation of Australian Industry and most of Australia's major employer groups such as the Australian Chamber of Manufactures, the Employers' Federation and the Master Builders' Association, to name but three, but is the last of all States to introduce complementary legislation.

The Opposition does not oppose the Bill, but it will watch its progress with interest and care. The impact of a good and effective system of industrial relations cannot be stressed too highly. The Bill is a small step in the right direction and the Opposition wishes it well and will watch its development closely as time passes.

Mr McNAMARA (Benalla)—The Bill attempts to improve liaison and co-operation in the industrial relations area. The honourable member for Hawthorn mentioned that this week is trade union rights week—I presume that is a 52-week celebration! That appears to be the situation since the Labor Party took office a little more than three and a half years ago. The State Government is in a similar situation to that of the Federal Government where the trade union movement is running roughshod over the rights of the general community. Too often the rights of individuals are completely overrun by the Government's wish to ensure that unions have their way. Dollar Sweets Co. Pty Ltd and many other companies are prime examples of that.

This issue was first raised in 1979 at a meeting of labour Ministers from all States and the Commonwealth. As the honourable member for Hawthorn mentioned, the honourable member for Balwyn was the Victorian Minister, and he had some part in bringing this matter to a head. It is interesting to note that that meeting was followed in 1982 by a Premiers Conference where the issue was discussed. There appears to be general agreement among all States and the Commonwealth Government that the proposed legislation is long overdue.

It is also interesting to note that the first State to proclaim the legislation was Queensland. In April 1984 the Queensland Government led all the States and the Commonwealth Government in proclaiming the legislation. That reinforces the widely held belief about the firm and thorough manner in which the Queensland Government handles industrial relations. It has a real and genuine concern for the wishes of the community it represents, which is not always the case in many areas of State and Commonwealth jurisdictions. I pay tribute to Sir Joh Bjelke-Petersen on his innovative move in leading the proclamation of this legislation in Australia.

The Bill covers four main issues: firstly, it enables the conduct of joint proceedings of the Industrial Relations Commission of Victoria and the Australian Conciliation and Arbitration Commission; secondly, it facilitates the operation of section 44B of the Commonwealth Act dealing with the reference of industrial disputes within the jurisdiction of "Local Industrial Boards"—when constituted by a State industrial authority—by permitting them to exercise Federal conciliation and arbitration jurisdiction; thirdly, it enables members of the Commonwealth commission to exercise, by agreement, State jurisdiction where requested by the president of the Victorian commission; and, fourthly, it provides for conference between State and Federal tribunals to ensure co-ordination between awards.

The Bill attempts to remove some of the problems and inflexibilities that existed in industrial disputes which have involved both State and Commonwealth jurisdictions. It will try to ensure that the tribunals in the various jurisdictions bring together the parties involved in the disputes in an attempt to resolve them. I am a little concerned that some tribunals in both State and Federal spheres may take a more sycophantic line towards the grasping, avaricious motives of some of the unions. I stress the word "some" because, on the whole, most unions are aware of the present economic climate, but there are still the rebels and the outcasts—for example, members of the Builders Labourers Federation who will not stand back when trying to ensure that they receive more than their fair share.

If such a sycophantic tribunal exists, it is hoped that it does not take advantage of the ability to exercise both State and Federal jurisdictions. The Minister should monitor this aspect of the proposed legislation. That is the only problem I envisage in the measure. The National Party supports the proposed legislation because it will streamline the resolution of industrial disputes, so long as there is consistency between State and Federal jurisdictions.

Dr WELLS (Dromana)—I support this Bill. It is overdue. Victoria is the last State in Australia to introduce this type of measure. One must be opposed to anything that might lead to unilateral or compulsory action; there does not appear to be any room for that in this Bill. In reality, where we have both State and Federal jurisdictions, there should be co-operation between the two.

It is appropriate that a law should be introduced into the State to provide for one side voluntarily to seek support and co-operation from the other level of jurisdiction. There is no doubt that, on occasions in the past, the industrial, commercial and social scene in this country—and in Victoria particularly—has been retarded and damaged by an incapacity to move quickly to bring about negotiations at the two levels or to introduce comparable decisions.

As the previous speaker stated, on occasion a union will try to move from the State jurisdiction to the Federal jurisdiction to obtain what it wishes, regardless of what is fair and realistic.

Therefore, I welcome the proposed legislation as a means of introducing machinery which may develop as we gain experience and which will make possible rational and expeditious settlement of disputes which often should not have arisen in the first place.

Today illustrations of possible situations have been quoted where this machinery measure may be useful. I shall mention only two. The first situation has been given much publicity in recent times and is a classic illustration of where the proposed legislation might have brought an earlier solution to the problem. I refer honourable members to the question of the deregistration of the Builders Labourers Federation. At present we are awaiting a decision from the Conciliation and Arbitration Commission as to whether the federation contravened agreed conditions.

The State has set in motion legislation that is dependent upon the Federal Parliament introducing legislation which in turn, is dependent upon the decision of the Conciliation and Arbitration Commission. The cost to the community of the unreasonable and selfish actions of this union has been high. If this Bill had been introduced earlier it might have expedited this issue, and that would have been of tremendous service to the State and the nation. The sooner the issue is resolved and the sooner a supportive decision is handed down by the commission to enable the Federal Government to proceed with deregistration of the Builders Labourers Federation—and in due course, therefore, for the Victorian Government to proceed with that matter—the better it will be for the community.

It seems inconceivable that the leader of the federation in Victoria can say that the State will pay for what happened to him by being sent to gaol. He threatened that the State would pay commercially and at the level of the union. He has thumbed his nose at our State before, and seemingly he has got away with it. It is hoped that that attitude will cease and that, in future, the machinery proposed in the Bill will make it more difficult for such selfish and unreasonable situations to develop.

The second illustration of where the proposed machinery may be useful is of prime importance. It is the current dispute involving the Royal Australian Nursing Federation, in particular the Victorian branch. It has already been said that the industry is national and that the profession is national. What happens in Victoria must have some influence on what will happen elsewhere in the nation.

In the past Victoria has been disturbed by what has happened in other States because of the flow-on potential. Where historical precedents have been established elsewhere, and unreasonably so, other States are naturally concerned and are observing what is happening in the so-called nurses dispute in Victoria. The dispute is of such importance that I shall briefly canvass its magnitude and point out how urgent it is that something be done and that in future, we have machinery with which to deal with the problem.

I have not heard anyone in our community say that the claims by the nurses nor their stance over the past decade has been unreasonable. It is clear that the nursing profession,

together with several other professions in our community, has stood above the simple rule of personal gain. For years nurses have been long suffering about their conditions and have not prosecuted their entitlements as vigorously as they might have done; they have always considered that they had a higher responsibility to the community to the care of those who were ill or injured. The first strike undertaken by nurses in this State occurred not long ago. The nurses agreed not to seek any further review of their work value conditions or services for five years. For a long time they were subject only to the occasional consumer price index increase in their salaries.

For those historic reasons the current situation faced by nurses is difficult for them, for Victoria and for the whole of Australia. Nurses' conditions have fallen behind. The prices and incomes accord of the Federal Government may prevent adequate changes. That may well be a good illustration of the ineffectuality of the accord.

The health care situation in this State can simply be summed up by saying that it is in tatters. On 1 September the Minister for Health provided figures which showed that 26 500 people were awaiting elective surgery in Victorian public hospitals. With the industrial disputation in the public hospital system since that date, undoubtedly that figure will be higher and will escalate at an increasingly rapid rate.

It is abundantly clear that for a long period now, certainly right throughout the tenure of the current Government's term of office, nurses have been voting in the most effective way possible—with their feet. They have been leaving their profession and one could not question the commitment of the average nurse to her or his profession and higher calling, as they see it.

Sad though it may be, the most effective way for a person to vote against a system is to leave it and that is what nurses have been doing in very large numbers and it is for that reason that our hospital system is now in tatters.

Admittedly, better management by the Government, could have averted some of this strife. There is certainly no question that this Government is not greatly blessed with managerial skills when it comes to personal relationships. At the broad level of conditions within their profession nurses have said, "Enough is enough", and they have gone elsewhere.

It is interesting that they have done this because they have shown the validity of their claims by successfully moving into all sorts of other areas. They have moved into managerial positions, they have started up businesses, they have undertaken all sorts of creative and technical jobs out in the community. Nurses' training, their skills, the nature of their work, and its technical, and at times heavy manual, requirements are not appreciated. The responsibility that they have carried for the lives of patients in our hospitals has not been recognized.

If honourable members are not familiar with the extent of the skills to which I have referred, I would urge them to spend some time in hospitals, familiarizing themselves with the medical scene. It is a basic part of our society. It is really not possible to ignore their claims when one knows what goes on in health care. Nursing is certainly one of the most challenging, difficult and demanding jobs in our society and, I think, it is one of the most unsung.

If one simply examines the question of injury to nurses, male or female, brought about by their having to lift patients, one finds that the level of injuries is excessively high compared with the level involved in other activities in our community.

It is a practical problem to know what should be done in a situation that deserves such major attention, yet something must be done—as has been demonstrated by the extreme conditions in which we find ourselves today, with our health care system breaking down. Anything that can be done through industrial negotiations and discussions at a State or Federal level to assist with this matter is long overdue.

I shall turn briefly to what the Government has proposed because I believe that deserves attention at all levels, especially this week, in trying to avert the strike. If any past experiences of this type of situation could be found elsewhere within our Federal system that could help in this situation, it would be welcome at this time.

It is to be regretted that the Minister for Health has now proposed a system that aims to and certainly will divide nurses. The higher levels of nursing in Victoria are rewarded financially, based upon the extent of responsibility of the individual nurse. This responsibility is basically measured by the number of beds for which the supervisory nurse is responsible. Historically, increases in salary for nurses during the first five years after graduation have been paid on the basis of the number of years since graduation, regardless of the public hospital in Victoria in which they have worked.

The current proposal is that nurses will be divided into three categories, and one might almost call them first-class, second-class and third-class nurses because in the largest hospitals—and on the figures that the Minister has largely advertised there are only five of them in this State—nurses will be paid a certain level of income for every year in the first five years after graduation. In the second grade they will be paid less, and that will apply in many major hospitals in Melbourne. In the third grade they will be paid less again, and the last two grades include all hospitals in country areas.

Let this Government not come back to this House and say, in future times, that it was not warned of what would happen. If it manages to force through the three levels of salaries for nurses who are doing the same job across the State, it will see country hospitals in Victoria denuded of staff. It will see them closed for lack of staff.

Mr POPE (Monbulk)—On a point of order, Mr Deputy Speaker, the Bill before the House is the Industrial Relations (Complementary Industrial Relations System) Bill. The honourable member is straying somewhat from the Bill.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The honourable member for Dromana has strayed a little in the last few minutes. Having been informed of that fact, he will now return to the Bill.

Dr WELLS (Dromana)—Thank you, Mr Deputy Speaker. I certainly accept your comments. I am trying to stay on the topic all the way through my speech, and the Bill refers to industrial relations and to negotiations between parties. It refers to the removing of obstructions that may occur between the two major levels of the jurisdiction and the point I was making is that what happens to the nursing federation in Victoria will certainly be of national importance. I was attempting to establish that fact. It is a matter of major importance and I was not glossing over it, for that reason.

Mr Maclellan—The Federal Bench of the Conciliation and Arbitration Commission said that.

Dr WELLS—Indeed, as the honourable member for Berwick has just mentioned, the Federal Bench said that very thing just recently. Splitting the nurses into three classes of citizens is totally unacceptable and the Minister must think again before adopting that course.

I shall comment briefly on two other aspects. In terms of the proposal to say nothing definitive, to give no commitment about staffing levels in hospitals and the nurses' real concerns about the level of health care and the adequacy of funds for health care in hospitals, the current protests of the nurses are justified.

It all comes down to industrial relations at the Federal level. Finally, there is the question of the amount of money being offered to the nurses. Some will say it is too little, and there is certainly a valid case for the Minister to re-examine the proposal to phase in these increases over three years. That is a little bit like saying, "Have it now and keep it later". The other point about the amount of money is that what happens to nurses in Victoria will undoubtedly be of national importance; and the Bill, when it is passed and

becomes an Act of Victoria, will make it possible to move more expeditiously on any claim for Federal or State consideration of flow-on or other conditions.

I am not suggesting that the conditions in other States do not also need upgrading. I know they do. I am talking about machinery that will make it possible for hospitals in other States to avoid suffering what we have had to put up with in Victoria because of inefficient industrial relations.

One can see from what occurred in the metal trades industries a few years ago, the effects of flow-on across the nation, and we must recognize with this problem that what happens at the State level can have major repercussions at the Federal level. It should not be necessary for the Opposition to make great play about the inefficiency of the Government in industrial relations *vis-à-vis* the nursing situation in Victoria.

The Opposition, of course, must do that, because it is its responsibility, but the people of Victoria can make their own judgment. The nurses are voting with their feet; it is one of the most committed and critical professions, and they are leaving in droves. If the Government does not act quickly it will, indeed, be its Achilles heel, because what happens in Victoria affects nurses and people throughout the country. The community has had to stomach the actions of the Builders Labourers Federation over the years and other matters to which the shadow Minister for Industrial Relations referred.

I welcome the Bill and support its wise and careful use to bring about more efficient, more sensitive, more democratic and more effective industrial relations in the State.

Mr MACLELLAN (Berwick)—The Opposition support for the Bill should not cloud the fact that Victoria has for years been at the forefront of States in agreeing that there ought to be a national approach to industrial relations.

Sir John Moore initiated these questions and we should pay tribute to him for his attitude and the work that he carried out in initiating discussions regarding the complementary working of State and Federal jurisdictions in industrial relations. Victoria, under Sir Rupert Hamer, was the first State to indicate its willingness to move in the direction of co-ordination and of a joint approach to industrial relations. It is ironic, of course, that Victoria, having led the way under a Liberal Government in supporting the view that State jurisdiction should be made complementary with the Commonwealth, is now the last State to be dealing with proposed legislation to achieve that result.

The proposed legislation is welcome, as is the co-operation and co-ordination between State and Federal jurisdiction. Of course, it has to be said that Federal awards cover a far larger section of the workforce in Victoria than in any other State. That results from a number of factors. It is a result, primarily, of the push by industrial organizations in Victoria to achieve Federal awards and to make Victoria, over many years, the battleground in which to initiate new claims and, having established those new claims, seek to have them entrenched in a Federal award which will cover the whole of Australia for the various areas of work. However, the political parties across the nation have to make some fundamental decisions and, indeed, Governments across the nation have to make fundamental decisions.

It is a matter of controversy between the Federal Liberal Party and the Labor Party as to whether the role of these industrial tribunals is to set minimum standards and to leave employers and employer groups free to negotiate beyond those minimum standards. The Government's view and the view of the accord is that there should be no dealing outside the national accord. In other words, there should be a prohibition on an employer making an additional payment to any worker over and above cost of living rises unless it meets a very strict and narrow guideline. That is the situation under the accord.

Surely it should be common ground between Governments and Oppositions across Australia, on the need to deal with the post-accord situation. The work force will not tolerate having only cost-of-living increases for ever after as if some medieval system has been fixed with everybody in his place in society and no particular group making a claim.

Indeed, the experience under the accord is that there has been a drift in various directions, whether it is superannuation claims, shorter working hour claims, school allowance claims or the sorts of claims mentioned by the honourable member for Dromana with the nursing claims, and whether Governments, industrial organizations and employers have sought to move outside the narrow restictions of the accord to solve industrial disputation.

Despite the commitment of the Australian Council of Trade Unions on behalf of the whole of the trade union movement to honour the accord, to make no other claims and that no claims outside the award will be granted by the jurisdiction, the Minister owes it to the Parliament to explain what is going to be the post-accord situation. Does the Labor Party accept that industrial tribunals fix the minimum standards that must be met and that it is open to employees and employers to go beyond those minimum standards or not? That is a critical question in this nation for the next twenty years. It has been illustrated brilliantly by Mr Jack Chia, in the development in South Yarra, where an agreement has been made on a 35-hour week for the builders labourers.

Norm Gallagher, no sooner wins his appeal before the Full Supreme Court, than he faces the media, Bill Hartley, all the other adoring people, as well as the very dedicated members of the Builders Labourers Federation, and announces that his workers will have a 35-hour week. That is what he said and he said it to the whole world. He has already achieved it on the first site. Inevitably that claim will move from site to site, from job to job and then it will spread to other sections of the community.

Governments can talk about the accord, about signed documentation stating no other claims, it can talk about a whole range of things, but the reality is that the Government and employers and price payers, whether they are the people who buy the goods in the shops, people who pay the price of taxis or trams, people who pay their taxes—it does not matter—will pay the price of shorter working weeks. It is the ordinary working person who pays the price for these things and the community has to know from the Minister and the Government what is going to be the situation when the accord is finally concluded.

We are in the post-accord situation. How will this Bill operate when we get to the post-accord situation? The Minister has not addresed that question, certainly not in his second-reading speech. If Victoria is to be in the forefront of leading Australia to a sensible industrial relations policy and a sensible industrial relations administration, it had better get its thinking straight about how it is going to deal with that situation.

The community cannot trade on the fact that for ever the most law-abiding, the most decent, responsible unions will honour the accord while the rogues will challenge it and while the outlaws—if I can put it that way in view of recent legislation passed by this Government—will achieve reduced working weeks, increased pay, whether the accord allows it or not. That is the situation we face today. If it starts with one project in South Yarra it will not be long before it is at the Museum station or the Flagstaff station; it will not be long before it is on the hospital project. It will not be long before it is down in the Latrobe Valley, the electorate of the honourable member for Morwell.

The claim for a 35-hour week, instead of being the surprise, will be the common claim as it flows from job to job and from site to site. Either the Government is serious about the accord and about no other claims and is going to quash that 35-hour week agreement in relation to that site, and that is what the accord needs—it needs that sort of discipline, back-up—or it is going to step back and say: "well everybody knows the builders labourers wave the Eureka flag and are different and we have all got to be understanding. Sure, they may get the 35-hour week, but we will make sure it does not flow to clerks, shop assistants or anyone else."

The Government has already been distinguished by its willingness to negotiate behind the scenes without public knowledge on the issue of reduced working hours. This was done in the transport area and promptly thereafter there was a transport crisis because of a shortage of guards and drivers causing train cancellations.

The Government has reduced the working hours for nurses and there is now this marvellous hospital crisis. Because of reduced working hours there is now a situation in which there is a need for more nurses and therefore the waiting lists for elective surgery are lengthening. There has been a reduction in working hours on the site of the South Yarra project of Jack Chia. The Parliament deserves to be informed by the Minister whether the Government will do anything about this situation or whether it will simply go on sitting, hoping and praying that it does not flow-on to anywhere else.

Mr POPE (Monbulk)—On a point of order, the Bill is quite specific. It is the Industrial Relations (Complementary Industrial Relations System) Bill. We have heard rhetoric from various speakers on the Opposition benches about the industrial relations scene in Victoria and we are now hearing that from the honourable member for Berwick who is certainly not speaking on the Bill and I draw the attention of the House to that fact.

Mr PERRIN (Bulleen)—On the point of order, it is the second time that the honourable member for Monbulk has raised the issue. On the health dispute in this State, all speeches from this side of the House have been relevant to the debate on the Bill on the basis that there are two types of awards for nursing; one is a Federal award and the other is a State award. The Federal award covers nurses in repatriation hospitals and the State awards cover the present nursing dispute. The Bill will impact on both of those awards. I again point out that honourable members on this side of the House especially have spoken on matters that are relevant to the Bill.

The ACTING SPEAKER (Mr Kirkwood)—Order! I do not uphold the point of order raised by the honourable member for Monbulk. I accept that the Bill can provide the basis for a debate on industrial relations and the industrial scene, but in canvassing the issue honourable members should not be too wide in their remarks; they must come back to the Bill.

Mr MACLELLAN (Berwick)—I welcome your advice, Mr Acting Speaker, and the interjection of the Minister for Employment and Industrial Affairs that suggested that I might be allowed to make a passing reference. I assure that House that the 35-hour week claim on one site will not be a passing thing except in the sense that it will pass from one site to another and from one job to another. Once the Builders Labourers Federation achieves a 35-hour week on one site it will set a new bench-mark, and under the proposed legislation it is likely to flow-on to every State and Federal award situation. That is the reality that honourable members should accept.

Admittedly, it has traditionally been the oil industry that has caused the difficulty with the storemen and packers' union and the transport workers who have said that they would shut off petrol unless they were given a 35-hour week, superannuation, more money and so forth. They were the catalysts for setting new claims, which used quickly to flow on to the Latrobe Valley in which the State Electricity Commission was the battleground.

We have all known the Builders Labourers Federation has managed to get these extraordinary situations in shopping centres and major building projects where there was not a great risk of flow-on, but we are now in the accord in which the unions have entered into a written undertaking to make no further claims. The Minister should inform the House whether under the accord it is right for a 35-hour week to be provided by employers on various sites around the State and whether he is inviting Mr Herscu and Mr Grollo and all the other major developers including Mr Jennings and the project builders to provide a 35-hour week and whether that is acceptable to the Government under the accord.

Does the Bill suggest that we should hop into a 35-hour week together or whether under the accord there is a standard fixed that allows for no other claims whether they be for superannuation, cash payments, tool allowances, and so forth, in whatever disguise. The Government is in the awkward position; it cannot say too much about Mr Norm Gallagher's claim for a 35-hour week because it has given shorter working hours in many places such as the Public Service.

"Ask and thou shalt receive" has been the industrial relations policy of the Government for three and a half years. It is difficult to wean the workers away from merely having to claim and then getting money for better working conditions, more overtime and so forth under the Government. It is difficult to explain to workers that under the Bill we are inviting the State and Federal jurisdictions to prevent this happening in the future. The Minister owes the Parliament an explanation of what is to be the situation with a 35-hour week and other claims that might flow-on from that and that might be made under the proposed legislation.

What will be the operation of the proposed legislation in the post-accord situation when we are no longer working under the accord and when the trade union movement is released from its undertakings presently given to the Arbitration Commission that there will be no claims other than for cost-of-living rises? The Government must answer that in an explanation of the Bill.

The Bill is no less welcome as a positive step towards a co-ordinated and integrated industrial relations problem-solving system in Australia. Personally I could think of suggestions that would take it even further in which Victoria merely became a good employer and the Conciliation and Arbitration Commission of the Federal system was invited to take over the whole range of industrial operations in Victoria rather than maintaining the present structure. That is the direction in which it will go and I see that as inevitable and, in the circumstances of Australia in the 1980s, it is not only inevitable but also it is probably desirable. I would have to examine the details but in the broad approach that would be desirable and, apart from the classical Public Service role of the State, industrial relations dispute settling procedures should all be under the aegis of the Federal Government.

However, we still must deal with the basic problem of what we are to do about the Norm Gallaghers and the 35-hour week claim in Victoria. What are we to do about the Jack Chia project which says, "You can have what you ask for", and it builds without disruption until the next one, the next one and the next one is knocked off—and that is under the accord? How will Victorians live with the Bill in the post-accord situation?

The House deserves an answer to those questions and I hope the Minister, who is a competent Minister and one who I know would be willing to share with the House the information he has, will willingly stand up at the conclusion of the debate to give full and frank advice on his thinking as to the direction in which Victoria and Australia will be heading in industrial relations terms over the next few years, both as to the immediate aims and those in the post-accord situation.

Mr STOCKDALE (Brighton)—This is an important Bill because it impacts upon the state of industrial relations which is a major issue of public policy. It is especially important that we are debating the matter in the Victorian Parliament because Victoria has perhaps the greatest interest of any of the States in a closer integration between the Federal system and the State system of industrial regulation. Victoria has by far the highest incidence of workers covered by Federal awards. There is a higher proportion of workers in Victoria covered by Federal awards than in any other State.

Unfortunately, the situation frequently occurs in a workplace where some of the workers employed by a particular employer are covered by Federal awards whilst others are covered by State awards. It is important that honourable members realize that that is the situation where this Bill is most relevant.

Victoria also has a number of State awards that apply in industries where there is no significant intrusion of Federal awards, and it is important that the principles that underlie the Bill militate against there being an intrusion of the Federal system directly into the award-making and dispute-settling processes in those industries.

The object is to minimize the number of competing interests in an industrial relations situation, among unions, employers and also tribunals. However, one must recognize the

need for greater flexibility to deal with the institutional aggravation of the underlying causes of industrial conflict by removing the possibility of what I will call "jurisdiction hopping", where one side or the other—and it is not confined to only one side in the industrial relations equation—will seek to take advantage of difficulties in processing industrial disputes that arise from an intermingling of jurisdictions.

I do not oppose the proposed legislation. I look forward to seeing how it operates in practice. I also look forward to a further development in the already close relationship that has developed between industrial tribunals in Victoria and at the national level.

It is particularly significant that honourable members are debating this matter at this time, because Victoria is headed towards a serious industrial relations situation, and that arises for two main reasons: firstly, the failure of the industrial relations policies of the Labor Party based on the prices and wages accord; and, secondly, the "fix-it" wheeling and dealing style of industrial relations practice that the present Minister for Employment and Industrial Affairs has developed in this State. There is every indication, to the great detriment of the Victorian economy, that that process is beginning to break down and that, following the debacle of the past four years, the chickens are coming home to roost.

I refer to an article that appeared in the *Age* newspaper yesterday which listed the names and included photographs of some of the staff of the Minister for Employment and Industrial Affairs.

Mr Crabb interjected.

Mr STOCKDALE—I am not attacking anyone. The backgrounds of the Minister's staff are included, and those backgrounds, as stated, are entirely representative of the edifice created by the Minister under the auspices of the industrial relations task force of Victoria. It is interesting that, with only one exception, each of the people who are mentioned in that article—and some seven persons were mentioned—have a background in the union movement. The simple reality is that the industrial relations area in Victoria, in so far as the interests of Victorians are concerned, has been handed over to the trade union movement.

The situation exists where, unofficially, the Bills that are brought into Parliament are drafted in concert with the Victorian Trades Hall Council and union officials, as was the case with the Occupational Health and Safety Bill and the Accident Compensation Bill. Both Bills were drafted in a situation where the trade union movement was given a power of veto even over the fine detail of the terms of those measures. Not only is that operating, informally, through the power of veto of unions over the terms of the legislation, but also the actual day-to-day conduct of industrial relations in this State, on behalf of the people of this State, is being put into the hands of union officials.

Indeed, in the course of recruitment of staff, not only for the department itself, but also for statutory authorities, unspoken criteria of union affiliation have been used in the selection of people to represent the employer interests in Victoria. That, in itself, is cause for concern.

At both the anecdotal evidence level and the level of statistical indicators, Victoria's industrial relations situation is headed for bad times. Other honourable members have dealt with a number of recent disputes that have occurred in the public sector, and I will simply list a number of disputes that have arisen in the public sector where this Government has not been able to demonstrate that any benefit exists for the Victorian community in the so-called special relationship between the Labor Party Government and the union movement.

There have been a series of disputes in the public transport network; that occurred before the Nunawading by-election, at a time when I am sure the Minister would not have liked the occurrence of industrial disputes that stopped public transport in this State. Strikes by transport unions led to the cessation of public transport. There were also

disputes about the duties of guards; bans on the underground rail loop; and a serious dispute arising over the two-man crewing issue.

The hospitals are in a crisis situation, as other honourable members have already said. Reference has been made to the nurses' dispute, but honourable members should not forget the over-all context. It should also be remarked that even resident medical officers have been driven to taking industrial action over disputes between themselves and the hospital administration, which was acting on behalf of the Government. There have also been recent disputes involving the Hospital Employees Federation where, again, the Government's special relationship with the union did not confer any benefit on the Victorian community.

The response of the Government, as it always has been in these sorts of situations, is to throw money at the problem and hope that simply spending the taxpayers' money will solve it. There is no attempt to manage industrial relations; there is nothing other than a fix-it deal between union officials, representing the Government on the one hand and representing the workers involved on the other.

There has also been the debacle of the teacher strikes, and there are currently disputes between the Government and the unions in the education system, which are to the detriment of the students in Victorian schools. It is particularly harmful to students at the higher level of education who are approaching end-of-year assessments, the results of which could affect their futures. This situation is not acceptable to the Australian and Victorian communities.

It is not just a matter of the cataclysmic series of disputes that have taken place in the public sector; as other speakers have indicated, the private sector is also affected by industrial conflict, the incompetence of this Government in dealing with that conflict and the Government's lack of preparedness to even tackle issues, like the Dollar Sweets dispute. It is not enough to just regulate the infrastructure under which disputes are dealt with.

It is interesting that honourable members have heard nothing from the Minister for Employment and Industrial Affairs about the recent statistics on the number of working days lost as a result of industrial disputation. I remember some months ago, when there seemed to be a trend towards the reduction of industrial disputation in Victoria and Australia, and the Minister had Dorothy Dix questions asked of him. He raced straight up to the table and began telling honourable members about the successful record in Victoria and what the statistics showed.

It is interesting that honourable members have not heard from the Minister on that matter since the statistics for June were released. Could the explanation be that not only is there an adverse trend, not only is the incidence of industrial disputes increasing, but also, Victoria is doing substantially worse than the other States? Could that possibly explain the Minister's reticence in coming forward and explaining the situation to the people of Victoria?

I have before me the figures on the number of working days lost, expressed in thousands, for the twelve months ended June. One can compare the statistics for the twelve months ended June 1984 with those for the twelve months ended June 1985. For the twelve months ended June 1984, the figure for Australia was 1 279 600 working days lost as a result of industrial disputation. In the twelve months ended June 1985, working days lost for Australia as a whole as a result of industrial disputes increased to 1 304 200, an increase of 1·9 per cent.

In Victoria, for the twelve months ended June 1984, 213 300 working days were lost and in the twelve months to the end of June 1985, 225 000 working days were lost, an increase of 5·5 per cent. Therefore, in the same period there was a national increase of 1·9 per cent in working days lost due to industrial disputes and in Victoria an increase of 5·5

per cent—nearly three times as high a rate of increase in Victoria as for the whole of Australia.

Perhaps that explains why the Minister for Employment and Industrial Affairs sits dumb struck at the moment and does not rush to the table to explain to honourable members the glorious record of the Labor Government in this area of responsibility.

The reforms encompassed in this measure are desperately needed in Victoria to increase the accountability of the Government in the Federal jurisdiction, to reduce its ability, to shelter within the task force and the "fix it" method of industrial relations that has prevailed over the past four years.

I was grateful for the ruling given by the Acting Speaker with respect to the industrial relations environment in Victoria because it relates particularly to the Builders Labourers Federation and the shonky legislation that was introduced as a device to help the Government in the Nunawading Province by-election. That issue clearly demonstrates a need for a closer relationship between the Federal and State jurisdictions and illustrates the lack of preparedness of the Victorian Government to take advantage of the resources it already has available.

The Victorian Government has had the opportunity of acting in both jurisdictions. Why does it decline to do so? The Government introduced a phoney Bill, which provided that the Government could not act to deregister the BLF until the Federal Government deregistered that union in the Federal jurisdiction. Victoria is legally bound by Federal awards by which the BLF is bound and is a party to disputes in which that federation is involved. Victoria has been an applicant under the Federal Act for the deregistration of the Builders Labourers Federation.

When the most recent application for deregistration was introduced in 1981 the sovereign State of Victoria was an applicant for deregistration. One of the first actions of this Government when it came to office was to withdraw from those proceedings, thereby abandoning its responsibilities to control the Builders Labourers Federation. The precondition to effective action against the BLF was the removal of its privileged position under Federal law, so that it could be dealt with in the Federal jurisdiction and the State jurisdiction. The Government withdrew from the action that was to bring about that precondition.

When the Bill was introduced, the Government said nothing about plans to act in the Federal jurisdiction to institute proceedings to deregister the BLF, just as another Government had done in 1981. There is a real question about the extent to which this Government is committed to a closer dovetailing of relationships between the Federal and State industrial systems. The glowing illustration that this measure does not represent a proper commitment to the establishment of an appropriate legal framework or to industrial relations management in the interests of the Victorian community is the track record of the Government in its relationship with the BLF.

If we could rely upon the Government to establish a proper industrial relations framework and to manage industrial relations in the interests of the Victorian community, the Government would not simply be introducing this Bill; it would have begun proceedings to deregister the BLF at Federal level. I welcome the proposed legislation but there is a question mark about the Government's preparedness to act in the interests of all Victorians.

Mr PERRIN (Bulleen)—I join in this debate as a practitioner in the industrial relations field for many years. I place on record the appreciation of honourable members on this side of the House for the initial work done on the proposed legislation in the late 1970s by the honourable member for Balwyn, which has led to the introduction of this proposed legislation.

It is with deep regret that I note Victoria is the last State to enact this type of legislation; that every State in the Commonwealth, including Queensland, enacted similar legislation eighteen months before Victoria. Obviously Queensland has a much higher respect for

industrial relations because in April last year that State, as a matter or urgency and principle, introduced legislation complementary to the proposed legislation.

I remind honourable members of one salient point, that is, under the Australian Constitution industrial relations is a State matter. The Australian Constitution makes it very clear that only where disputes transgress borders of various States can a dispute be heard by the Australian Conciliation and Arbitration Commission. That point appears to have been missed in this debate because industrial relations is a very important part of the operation of any State and constitutionally a State is legally bound to provide a proper industrial relations environment.

When one examines how the Federal system and the State system has grown up, it is apparent that the State system has responsibility for industrial relations. Many bogus disputes have arisen because of a supposed crossing of boundaries and these disputes have been heard in the Federal jurisdiction rather than in the State jurisdiction. There would not be many enterprises in this State that would not operate under both State and Federal awards. That should be considered during the course of this debate because this measure allows for interaction between those two systems.

I have not yet given my support to the Bill. It is the type of Bill that this Parliament should debate. The dual system that operates in this country operates very much to the detriment of the business community and even the unions, because businesses have to cope with two industrial relations systems—one under the Federal jurisdiction and one under the State jurisdiction. Demarcation disputes that arise from State and Federal awards usually result in some type of industrial action—probably a strike. Those disputes may be able to be handled in a more expeditious manner under the proposed legislation. That must be seen as an improvement on the present system. The Opposition welcomes the proposed legislation.

It is of enormous concern to me that a high level of industrial disputes relate to demarcation, where one union is registered under a Federal award and another union is registered under a State award and a dispute arises about who does what. The Bill will enable the President of the Australian Conciliation and Arbitration Commission to hear submissions on industrial relations.

The sitting was suspended at 1 *p.m. until* 2.3 *p.m.*

Mr PERRIN—Before the suspension of the sitting I made clear the point that, under the Australian Constitution, industrial relations is a State issue. The Bill regulates the two industrial relations systems that have grown up in this country. We have a Federal and State industrial system and the Bill will enable an interchange of senior office bearers—the Chairman of the Australian Conciliation and Arbitration Commission and the Chairman of the Victorian Industrial Relations Commission—to hear joint submissions on industrial relations.

The most valuable function of the Bill for the people of Victoria and Australia concerns demarcation disputes. If one examines the demarcation disputes that have cropped up already throughout the country, one clearly sees that where a conflict arises with employees employed under Federal and State awards, the two commissions need to be able to establish a joint relationship. The Bill will enable that to take place.

Nothing could be a greater illustration of the difficulties with demarcation disputes than the recent strikes in the health field. One has only to examine the history of the nurses' dispute and the happenings earlier this year, when the Heidelberg Repatriation Hospital nurses, who are covered by a Federal award, went on strike on the basis that their conditions under that award were not as good as the State award conditions, to realize that, the Bill will help to overcome such difficulties.

In the nursing field two groups of workers who are covered by two different awards are performing exactly the same job. Nurses at the Repatriation Hospital in Heidelberg work under a Federal award while at the Austin Hospital, just down the road, a different set of

award conditions applies to State registered nurses. Therefore, within a mile of each other, two institutions provide identical care and two groups of nurses operate under two different awards. If one remembers what occurred in the initial dispute in the Federal scene, one realizes that a joint meeting of the commmissions would be of some benefit.

I believe, in time, conditions in the nursing field will come closer together. Since that dispute, further disputes have occurred in the health field. I remind honourable members that about a month ago a dispute occurred between the Hospital Employees Federation and the nursing unions. The dispute was entirely a demarcation dispute. The unions sought a delineation between the duties of nurses and the duties of other hospital employees.

The Government supposedly solved that problem by throwing money at it. This gave the impression that the dispute had been resolved. However, honourable members know full well that—and this will be proved on Thursday—the dispute has not been resolved and there are further matters of concern for nurses.

There is a crying need for demarcation disputes to be examined. The public is not interested in whether nurses operate in the Federal or State sphere; it is interested in the provision of services. The public is not interested in whether members of the Hospital Employees Federation are employed under a Federal or a State award or whether nurses are employed under a Federal or a State award; it is interested in nursing services being provided to critically ill patients.

Clearly, the Bill will have an impact on demarcation disputes. It will be interesting to ascertain whether those disputes will be placed before the joint commission. That is the type of approach that should be adopted because the current weakness in the industrial relations system is that the only way in which demarcation disputes seem to be resolved or brought to a head is by one or other of the parties going on strike. If the Bill does nothing else, it should produce solutions that, I hope, will be of benefit to all Victorians.

The Builders Labourers Federation will be affected by the proposed legislation. The builders labourers' award is a State award, yet the Builders Labourers Federation—the union—is registered at both State and Federal levels.

The Builders Labourers Federation has used its industrial muscle to create adverse conditions in the building industry. Work bans have been placed on Government sites, TAFE colleges and other educational facilities throughout Victoria, on building projects in "J" division at Pentridge Prison, at No. 1 Treasury Place and at 369 Flinders Street, Melbourne. Until the Bill is passed, no mechanism will be available for these disputes to be brought to a head quickly and for this rogue union to be brought into line.

If one examines the industrial relations scene over the past few years, one can ascertain a trend whereby more and more awards are being transferred from State to Federal jurisdiction. I am concerned about that trend because I believe many of those awards should remain in the State system.

In the past, oil workers have been more than happy to create a bogus interstate dispute to ensure that the Federal Conciliation and Arbitration Commission had jurisdiction and could provide an award for employees from various States. If the trend continues, many more Victorian workers will be covered by Federal awards.

Another illustration involves discussions occurring between the State teachers' unions. A proposal has been put that the three State registered unions—the Victorian Teachers Union, the Victorian Secondary Teachers Association and the Technical Teachers Union of Victoria—should join together to form the Australian Teachers' Federation. This would be a federally registered organization and would seek Federal awards for its members.

Once a Federal award is implemented, control of teaching unions will be outside the power of the State Government. Victorian teachers will be awarded conditions based on conditions in some other State, and claim after claim will be raised as to which Government has jurisdiction.

More flexibility in the industrial relations scene is required. From time to time I have raised in this place the Federal accord between the Federal Labor Government and the Australian Council of Trade Unions. The accord is a fixed and inflexible document and has an impact on Victoria. It is, unfortunately, one-sided because it allows unions to have rights over other employees and employers in the work force. One has only to consider the "industrial relations club" to recognize that that situation will continue for some time. The accord is a social document and relates to matters far above and beyond wage conditions and associated issues pertaining to the industrial relations sphere. The accord is binding on Victoria.

I believe the offer made to the Victorian branch of the Royal Australian Nursing Federation is outside the wage fixing principles, as set down by the Full Bench of the Arbitration Commission.

The Opposition welcomes the measure. It is a small step in the direction that proposed legislation of this type should take to ensure a co-ordinated industrial relations system between State and Federal Governments. If measures such as this had been introduced in the past, Victoria would not be experiencing the madness that is now apparent whereby State awards are used to provide a flow-on of wages and conditions to employees covered by Federal awards, and Federal awards are used to provide a flow-on of wages and conditions to employees under Victorian awards. Now one has only to establish a case and the benefits will automatically flow on. The principles of a Federal case involving job protection will soon flow on to various State awards.

The State Government has a constitutional obligation to provide good industrial relations. The Federal Government does not have that obligation, so I hope many more industrial relations measures will be introduced in this Parliament. The Cain Government must take a much higher level of responsibility to ensure that it does not always give in to unions to resolve disputes.

Over a long period I have observed how the Industrial Relations Task Force has operated. Whenever it makes a decision, which it does in secret, it always seems to be in favour of unions and not employers.

I congratulate the honourable member for Balwyn for his original proposal of the Bill in 1979. It is a disgrace for Victoria to be the last State in Australia to introduce such a measure; the Queensland Government introduced a similar Bill eighteen months ago. The delay in introducing the proposed legislation is indicative of the industrial relations climate and of the attitude to industrial relations matters by the Minister for Employment and Industrial Affairs and the Government.

Mr TANNER (Caulfield)—The Bill will establish a complementary industrial relations system in Victoria. The measure had its genesis in a meeting held in 1979 between Commonwealth and State Ministers responsible for labour and industrial affairs.

As the honourable member for Bulleen indicated, the Bill is particularly relevant to the Victorian industrial relations scene because of the large number of employees in Victoria covered by Federal industrial awards and Federal jurisdiction. Approximately 66 per cent of Victorian employees covered by industrial awards come under Commonwealth jurisdiction compared with only 16 per cent in Western Australia. The Bill should be of more benefit to Victoria than any other State. It is a pity the Victorian Government has given it such a low priority and that this State is the last in Australia to introduce such a measure.

The Opposition does not oppose the passage of the Bill. Nevertheless, I shall voice some areas of apprehension on behalf of the Victorian community about future actions the Government may take in this area. I remind the Minister about the apprehensions voiced by the Opposition in the previous Parliament, and I ask him to bear in mind the concerns I shall express. The Opposition would be concerned if the Bill were followed by further proposed legislation that would remove the ban on preference for trade unionists that is

contained in current legislation. Such a ban does not exist in Commonwealth legislation but it exists in Victorian legislation.

I am aware that the Government, through the Minister for Employment and Industrial Affairs, has previously attempted to remove those bans. Although the Opposition will not oppose the Bill, it will be concerned if the proposed legislation is seized upon by the Government and the Minister as a step towards achieving the further aim of the Government that has been previously stated. It may be assumed from the Opposition's support of the legislation that the Opposition is in favour of a more centralized industrial relations system in this nation, but that is not the case. The Leader and the Deputy Leader of the Federal Opposition have clearly pointed out that the position of the Liberal Party is to encourage and support decentralized industrial relations, if that is what the parties to such an agreement wish.

Although the proposed legislation is putting in place a complementary or more centralized industrial relations system where that is advantageous, the reality is that it should be used only in circumstances where it will achieve better industrial relations or peace in the workplace. The Victorian Opposition supports the case that has been put at the Federal level by the Liberal Party in which a decentralized system should be supported if parties to an agreement wish to have a more decentralized system.

I shall comment on the actions that have been taken by the Government in recent years, indicating its general philosophy towards industrial relations. In particular I refer to an attempt by the Government in its early days to grant preference to members of the Municipal Officers Association.

The Government would be under a misapprehension if it believed the Opposition would allow it to introduce further measures on industrial relations to build on the proposed legislation to allow favouritism to be granted to trade unionists in an effort to promote trade unionism in Victoria in the future. The Opposition supports the concept of trade unionism and believes trade unions have an important role to play in protecting and enhancing the welfare of Victorian employees. Nevertheless, it cannot accept that trade unions have an inalienable right over the rest of the community through extension of their power over other points of view. As the honourable member for Hawthorn pointed out, equality before the law is the principle followed at all times by the Liberal Party on all legislation, particularly industrial relations legislation.

As honourable members are aware, the Labor Party grew out of the trade union movement; it is a creature of the trade union movement. It is pleasing to note that this Bill did not have its genesis in the trade union movement. It is probably the first industrial relations measure introduced by this Government that did not originate in the Trades Hall Council. On that score the Government and the Minister for Employment and Industrial Affairs deserve belated congratulations—belated because the introduction of the Bill itself to Parliament was belated. Victoria is the last State in Australia in which a measure of this kind has been introduced.

I agree with what the Minister said in his second-reading speech; that it is the hope of all involved that the Bill will resolve some industrial relations disputes. However, it is disappointing that it has taken so long for the Bill to appear in Parliament. Perhaps it is because the Government has given a higher priority to other industrial relations measures. The Minister is aware of the priorities the Government has given to legislation concerning notification to employees of the likelihood of the termination of their employment, measures to control the introduction of technology and, as I have previously pointed out, the attempt by the Government to remove from industrial relations legislation the ban on preference being granted to trade unionists. Therefore, it is pleasing to debate this Bill.

In allowing the proposed legislation an unimpeded passage, the Opposition hopes the measure will resolve some industrial disputes in the economy. Despite the fact that the proposed legislation favours a centralized industrial relations system in Victoria and Australia, the Opposition wholeheartedly supports a decentralized system in which it

would be advantageous for the parties to a dispute to resolve it voluntarily. The Opposition does not want the type of situation that occurred in the Mudginberri dispute to occur. The parties involved in that dispute wanted to have their own local agreement, yet the Australian trade union movement moved against them because the employees involved had the temerity to want to sort out their own agreement between the employers and themselves.

The proposed legislation will benefit the industrial relations scene in Victoria. As I have pointed out, a large number of employees come under the Federal awards, but 34 per cent of employees still come under State awards.

Ms SIBREE (Kew)—I am pleased to contribute to the debate as industrial relations is a matter about which all members of Parliament should be concerned; none of us should be prevented from talking about it. This small Bill will go a long way towards improving industrial relations. As other honourable members have pointed out, it has taken the Government a considerable time to pass legislation that other States have already passed. I direct to the attention of the Minister for Employment and Industrial Affairs a concern that has been expressed to me in the past few days on what appears to be a lack of understanding in dealing with industrial disputes that at present do not seem capable of being solved.

If the Bill is passed here and in another place, it may equip the Minister with more armour to solve some of the disputes. We are not talking purely about strikes. The Minister is extremely keen to refer to the excellent record of the Government in industrial relations disputes and to point out that the number of days lost through industrial disputes has decreased. That is always the case in times of high unemployment.

Some of the huge costs of industrial disputes have not been highlighted. There are hidden costs of disruption, secondary boycotts and delays in the delivery of equipment because of the attitudes of certain unions to a workplace or an employer or because of sympathy for other members of the union or workers in other parts of the workplace. The Minister does not talk about those sorts of disruption to industrial harmony. They represent the dollar figures that eat into the pockets of people in manufacturing and small business.

In considering industrial relations one must not be hoodwinked into believing that all that is involved is days lost as a result of strikes; that is only one significant but small part of the whole industrial relations area, particularly in considering the costs to employers.

In the context of having the Bill passed in this House and the other place so that it is soon in operation in Victoria, I direct the attention of the Minister to many representations I have received in the past few days about the cancellation of the "New Wave" concert.

It is scandalous that hundreds of young people under 25 years of age who specifically put together a special concert to mark International Youth Year—an event which both the Federal and State Labor Party Governments have stated is important—and who have been practising and rehearsing for this event and giving of their time freely, have been hurt by this incident.

The SPEAKER—Order! The debate has stretched itself considerably during the course that it has been running and, although it may amuse the Liberal Party Whip, I do not intend to allow the debate to go any further than what is contained in the Bill. The honourable member for Kew is out of order in proceeding on the course she is taking.

Ms SIBREE—The Bill contains complementary legislation to ensure more rapid hearing, determination and settlement of industrial disputes. I am directing to the attention of the Minister an industrial claim that is disrupting a group of people wishing to put on a performance. I hope the honourable gentleman will inform the House how he considers the Bill will assist that situation and what he may be able to do about it. I speak on behalf of the hundreds of disappointed young people who are hoping that this legislative measure will help them and enable them to proceed with a major and significant concert to note and to give significance to International Youth Year.

No one is saying anything about these hundreds of young people who are being disadvantaged as the result of this current industrial dispute. The present industrial relations system does not cater adequately for the settlement of the dispute to assist the promoters of the concert and the televisors. My remarks are valid. I am sure that the Minister would like the opportunity of saying what he believes he can do to ensure that these young people can show their talents and abilities to the whole State.

The SPEAKER—Order! I advise the honourable member that, although she may believe her remarks to be relevant, I do not and shall not hear her if she continues on that course. The honourable member should confine her remarks to the Bill.

Ms SIBREE—Speaking to the Bill, I think members of the Liberal Party have adequately expressed their concerns about possible repercussions. As someone who takes an interest in leading society to a better way of handling disputes, I conclude by wishing the Bill a speedy passage and I look forward to hearing from the Minister on the matters that I have raised.

Mr CRABB (Minister for Employment and Industrial Affairs)—The intrepid readers of *Hansard* may not be aware that all speakers have supported the Bill. I thank them for their support of the proposed legislation and wish it a speedy passage.

The motion was agreed to.

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

REGISTRATION OF BIRTHS DEATHS AND MARRIAGES (AMENDMENT) BILL

The debate (adjourned from September 19) on the motion of Mr McCutcheon (Minister for Property and Services) for the second reading of this Bill was resumed.

Mr DELZOPPO (Narracan)—The Bill touches all members of the community at some time in their lives. Further, the proposed legislation impinges on several sensitive community conventions and habits. It is the duty of Parliament to ensure that the recording of information necessary for Government records does not intrude too much into the personal habits and the lives of the general community.

The Bill significantly amends the principal Act. It replaces a large proportion of that Act and I am at a loss to understand why the Minister for Property and Services did not initiate legislation to produce a new Act rather than attempt to amend the existing Act. I understand that Cabinet did consider this, but for some reason best known to Cabinet this was rejected.

The Bill introduces a range of new definitions. It defines "change" when that word applies to a change of name, and it defines "child" as a person who is not at least eighteen years of age and is not or has not been married.

I note in the Bill that some of the conventions to which the community is accustomed have been altered. It is usual for various forms to use the word "surname"; in the Bill this has been replaced by "family name". Instead of "Christian name" the words "given name" are used.

I understand that some persons in the community who are not Christians and some who profess other religions might be unhappy at having to fill in a form which shows "Christian name". However, I cannot understand why the deletion of "Christian" was not made so that forms would read "Christian or given name", which would preserve some of the sensitive conventions of the community and still allow persons who do not profess to be Christians or who are members of another faith to use these forms without any offence.

The Bill defines "name" to mean: "(*a*) the given and family name; or (*b*) any name used, adopted or registered instead of the given name or family name or both the given name

and family name." The point is raised that under common law a person has the right to use any family name or any assumed name.

Previously the responsibility for compiling and recording births, deaths and marriages has resided with the Government Statist, but because the statist is concerned mainly with financial matters it has been seen fit by the proposers of the Bill, and I support the motion, to make the Register of Births, Deaths, Marriages and Names the responsible person in the State for compilation, recording and storing of all records of births, deaths and marriages. The Bill introduces a new concept where, in the event of any dispute over the ruling of the registrar, the Administrative Appeals Tribunal may adjudicate.

In the second-reading speech, the Minister referred to the Bill as a significant social reform—whether it is significant will be for others to judge. The Bill clearly sets out in clause 5 the objects of the Act, which are:

(*a*) require the registration of births, deaths and marriages occurring in the State of Victoria; and

(*b*) facilitate the naming of persons born in the State of Victoria; and

(*c*) maintain registers of births, adopted children, still-births, deaths, marriages and changes of names of persons in the State of Victoria; and

(*d*) facilitate and maintain a co-ordinating office for the collection of statistics; and

(*e*) provide services to members of the public by issuing certificates of entries in registers maintained by the Registrar; and

(*f*) provide services to members of the public related to registers and records held by the registry.

There is tremendous public interest in this information which has been stored over the years. More and more persons are showing an interest in the histories of their families and one of the methods that can be used to trace family trees is the records of the Registrar of Births, Deaths and Marriages.

The amending Bill radically alters the principal Act. Schedules 2, 3, 5 and 6 of the present Act will be completely removed by the Bill.

One of the major changes to the Act is contained in clause 6, which deals with the family name of the child. Clause 6 replaces sections 16A and 17 of the principal Act. The family name of a child is set out as being the family name of the father if the father is shown on the original register or, if no person is registered as the father of the child, the child is registered in the family name of the mother.

There is a further option whereby the child can take the name of the mother and that of the person registered as the father of the child or, if no person is registered as the father of the child, the mother and the person who produces evidence to the satisfaction of the registrar that he is the father of the child. I have some doubt about how a person could provide such evidence to the satisfaction of the registrar. I would not like to be in his shoes in certain circumstances.

The family name of a child can be registered as the family name of the father whether or not joined by a hyphen with the family name or maiden family name of the mother; or the family name or maiden family name of the mother whether or not joined by a hyphen with the family name of the father.

Further, the clause allows the child to be named after the family name of the father, the family name of the mother or the maiden family name of the mother.

The registrar must register as the family name of the child the name proposed in an application under proposed new section 16A (3) unless proposed new section 48 applies. The registrar has the power to refuse to register any obnoxious, obscene or frivolous name that may come before him.

Names should not have more than one hyphen. A proposed name should not be composed of more than two words. However, I believe the Minister will foreshadow some amendments that will remove this provision. If that is not done, there could be some

complication in registering a child whose parents both have hyphenated names. If there is disagreement between the parents as to the name of the child, the registrar must use both parents' names with a hyphen unless he is directed to the contrary by a court order.

Clause 6 also inserts a new section 17 of the principal Act which allows for the registration of a given name some time after the original registration is made. This is applicable under certain conditions where the applicant has satisfied the registrar of his or her bona fides which are set out in the Bill.

In section 27 for the words "an extract of the entry" there is substituted the words "a certificate in the prescribed form". So that amended section 27 would state:

> Within one month after a birth or death has been registered by the Government Statist the Government Statist shall notify the person by whom the particulars relating to the birth or death were furnished that the birth or death has been duly registered by posting to him a certificate in the prescribed form of the birth or death.

Delays have been encountered by some people in obtaining birth certificates. Previously an extract of the entry of birth was provided for such things as insurance policies and so on. Not many people bothered to obtain a full birth certificate for such occasions. However, due to alterations to Federal legislation governing the issue of passports, an applicant for a passport needs to provide a full birth certificate. Some delays have occurred in the registry in meeting this demand.

The certificate in the prescribed form will be dealt with by regulation. It is proposed that the certificate be composed of the full birth certificate with a perforated line at the bottom and an extract of entry attached.

For example, a person registering the birth of an illegitimate child could conceal the illegitimacy from the child until he or she was an adult. The certificate part of the form could be removed and the extract provided in lieu. Confidential information could be separated from non-confidential information. The full birth certificate contains all of the relevant information, whereas only the date of birth is shown on the extract of entry.

Clause 8 replaces parts V and VI of the principal Act. Proposed new Part V provides a more appropriate method for persons to change their names. At present names can be changed by deed poll under section 15 of the Property Law Act. Approximately 5000 people a year change their names in Victoria by this method. The original provision was designed to provide notification of change of name in the case of land dealings. However, in the absence of more general legislative provisions, it has become widely used as a mechanism for indicating a change of name. Not only is it an inappropriate mechanism for indicating a change of name but it is also an inadequate means of recording a change of name. However, under the Bill, a change of name will fall within the jurisdiction of the registrar, who will have responsibility for recording such changes.

At present there is no provision for a change of name by deed poll or any other means to be noted in the register of births. I also note that the rights of the person who changes his name, with respect to voting at elections, is protected inasmuch as the electoral officer has to be notified of any change of name.

I was dealing with the inappropriateness of the present deed poll method. The Titles Office is not the appropriate department for such name changes to be recorded. The common law rights of a person to assume or use a family name are protected under proposed new section 33 and it is the responsibility of the registrar to keep a record of name changes.

A person over eighteen years of age or under eighteen years, if married, may apply to the registrar to change his or her name, provided certain evidence is tendered when requested by the registrar—this may be proof of age or marital status.

Parents of children may change a child's name under certain conditions and the welfare and interests of the child are assured by a provision in the Bill.

Part VI deals with the administration of the Act. The duties of the registrar are set out in proposed new section 41 which provides that:

Subject to the general direction and control of the Minister the duties of the Registrar are—

(*a*) to keep and maintain—

(i) registers of births; and

(ii) adopted children registers; and

(iii) registers of still-births; and

(iv) registers of deaths; and

(v) registers of marriages; and

(vi) registers of changes of names; and

(*b*) to obtain information about births, still-births and deaths in the State of Victoria; and

(*c*) as soon as possible after the event, to obtain and register in respect of every birth, still-birth or death which has not been registered the prescribed particulars; and

(*d*) to administer this Act.

The Bill allows for the correction of an entry and the cancellation of false or illegal registrations. Under certain conditions the registrar can refuse an entry if he considers that the application for the proposed name is obscene, offensive, frivolous or contrary to the public interest, or if he has reason to believe that the application has been made to facilitate an unlawful or fraudulent purpose.

Under proposed new section 49 the registrar is to make and keep indexes of the registers under proposed new section 41, which, as I mentioned sets out the duties of the registrar. Proposed new section 49 (2) provides that:

Any person may apply in the prescribed form together with the prescribed fee to have a search made by the Registrar of any index or register.

Under proposed new section 49 (3):

The Registrar may refuse to make a search only if the Registrar is of the opinion that there is not sufficient reason for the search to be made or that it is prohibited by any other Act.

Indexes of registers have a tremendous interest to many people and organizations, particularly historical societies such as the Genealogical Society of Victoria and the Australian Institute of Genealogical Studies. These indexes are the main tools in tracing family histories. Honourable members will be aware of the great upsurge of interest in past generations, which should be encouraged.

In a lettter written to me by a person who is interested in the Genealogical Society of Victoria, the following statement is made:

... Victoria is one of the few Australian States which has not yet published its pre-1900 indexes of births, deaths and marriages. However, I understand that these indexes will be published this year as part of the 150th Anniversary Celebrations.

I would like to think that the Minister would agree and confirm that that is the case, because I can think of no more appropriate time to make these indexes available than during Victoria's 150th year. This has far more meaning so far as history is concerned than some of the other activities and celebrations staged by the Government. The letter continues:

The main stumbling block to the publishing of these indexes is that the Government Statist consolidated his indexes for 1896 through to 1913 and it is time consuming (and expensive) to extract and make a new index for each year.

I suggest that the following amendment be put to the Bill to amend the present Registration of Births, Deaths and Marriages Act 1959 (No. 6564):

That is the principal Act. I ask the Minister to give consideration to this amendment between here and the other place. The suggested amendment reads:

The Registrar must in every year publish in a form approved by the Minister the indexes to each of the registers of births, deaths and marriages in his possession after the lapse of 75 years after the making of the last entry therein."

This would mean that a new set of indexes would automatically be available dating back 75 years, which would make it a lot easier for persons carrying out research into family histories to obtain the information and it would impose a duty on the registrar to compile such indexes every year until, ultimately, there would be indexes going back for more than 75 years.

I ask the Minister to consider this proposal between here and another place. Perhaps the Minister could reply to this suggestion during his second-reading summation.

The Opposition circulated the Bill widely throughout the community and a number of surprising replies were received. Some uncertainties were raised with my colleagues and I, and I wish to mention a few of those now. For instance, it was brought to my attention that proposed new section 51 (1) reads:

Any person may apply in the prescribed form together with the prescribed fee for a copy of any cancelled entry in a register book relating to that person to be given by the Registrar to that person or to a person authorized in the application.

I received a letter from a retired solicitor, who lives in my electorate and who has an interest in these matters, which letter states:

....Section 51 evoked the comment that the copy of the cancelled certificate may be given to a person to whom it relates, but otherwise, can only be furnished on a judge's order. This, of course, would involve much expense. It would preclude a lot of family tree interest.

But more importantly, it could make the administration of intestate estates very difficult and costly. A widower, for instance, with adult children, could change his name after all the children had severed any connection with him—neither side would know where the other is. His death notice would mean nothing to the children, nor would a probate notice. When there has been an alternate name, a probate notice refers to "William Smith, also known as John White".) No one else might know that the widower had changed his name, or that he had children. Someone at hand would supply details for the death certificate and under the column for "issue" would say "unknown". Advertising for relatives of the widower in his changed name would bring no results.

The letter raise the question:

Would the registration of the change of name under the new legislation mean that the birth certificates of the children would be affected? Or the widower's marriage certificate? Would there be any way for anyone to know of the death of the person who changed his name?

Of course, the same position probably applies now under the Property Law Act change of name provisions. One does not search for changes of name (if that is possible) in estates; maybe it would be a good thing to do this now automatically, that is, if such a search would reveal matters identifying claimants with the person searched against.

This is the most significant point the letter makes:

All this seems to mean that the Registrar should have a discretion to supply details—perhaps at the request of the Registrar of Probates—to facilitate identification of beneficiaries without recourse to a judge.

I ask the Minister for Property and Services to consider that point.

Certain groups within the community have taken an intense interest in the proposed legislation to amend the Births Deaths and Marriages Act 1959. One of the groups that has written to me and my colleagues is a group known as SANDS—the Stillbirth and Neonatal Death Support organization. That group is aware of a problem with the issuing of certificates for children who are stillborn and it maintains that because a birth certificate is not presently issued, this adds to the anguish of the parents. The group would like to see the Act amended to take care of some of the points it raises.

In a letter addressed to me, the group states:

1. by the definitions of 'birth' and 'still-born child' in the Act (pages 2-3) parents can give birth only to "a child which breathed or showed any other sign of life after being born". Those whose children are still-born, by definition, give 'still-birth'! This is offensive. Parents are of the understanding and feeling that they have given birth to all children, live born and still-born;

2. the name, if given, and sex of the baby cannot be officially recorded;

3. there is no guarantee of the permanency of the existing brief record as the Act provides for the destruction of any Still-birth Register after ten years.

I must add that, through proposed amendments, the Minister has removed that section of the Act. Where previously the Act required the Registry of Births, Deaths and Marriages to maintain a record of stillbirths for ten years with no guarantee of the records being kept permanently, this is now not the case; therefore, that point raised by the group has already been dealt with.

The group further states:

4. no 'birth' certificate can be provided; and

5. the baby is excluded from the listing of previous children of the marriage in the registration of the birth of any subsequent children.

This situation creates added anguish for many parents, as the anomoly exists where the parents of a full term still-born baby who dies unexpectedly during labour are not entitled to any legal acknowledgement of the "birth" of their fully expected baby, whereas the parents of a 21 week premature baby who dies even hours after 'live birth' are so entitled.

In its letter, the organization makes these proposals:

1. A redefinition of "birth" to include 'live birth' and 'still birth', which would enable parents to give birth to all children, irrespective of whether they are live born or still-born.

The ACTING SPEAKER (Mr Kirkwood)—Order! I ask the honourable member to explain to me who gave that opinion.

Mr DELZOPPO—I am quoting from a letter addressed to me from an organization known as SANDS, which stands for Stillbirth and Neonatal Death Support. The organization gives mutual support to those parents who have had the misfortune of having had a stillborn child.

The second proposal contained in the letter is:

2. An amendment to section 27 of the Act (page 11) so as to provide for the issue of a birth certificate (designated still-born) upon request.

The Minister should give consideration to those matters. I am prepared to speak with him about the suggestions made by the SANDS organization when the Bill is between here and another place. It is a sensitive issue and I respect that sensitivity. I will leave the matter at that and speak with the Minister at a later date.

The letter goes on to state:

Redefinitions of "birth" of this nature were suggested to SANDS by Dr Jocelynne Scutt of the Law Reform Commission of Victoria and Mr Alan Nicoll of the Legal Aid Commission of Victoria.

That adds weight to the request made by SANDS and indicates that it has sought legal advice and has thought through the matter.

The letter goes on to state:

Mr Kevin O'Connor, Director of Policy and Research, Law Department, cannot see any substantial difficulty in legislating effectively so that SANDS' general proposals be incorporated in the Act.

These two simple changes and their consequential application to the Act would remove all aspects of the existing discrimination as outlined and also provide parents with options denied them at present.

The Minister should consider the objections raised by SANDS when the Bill is between here and another place.

In his second-reading speech, the Minister spoke about social reform, and the request made by SANDS should be seen in that light. A redefinition of birth may require an additional amendment to the Bill, and the request for a birth certificate where the birth is recorded as stillborn could be complied with by regulations made in the future.

Earlier I mentioned that genealogical societies have an added interest in the Bill. In case I have created the illusion that all is sweetness and light with the Bill so far as the Opposition and the community is concerned, I shall quote from a letter I received from the Mid-Gippsland Group of the Genealogical Society of Victoria. The letter states:

1. We are very concerned with the mentions throughout the Bill that the original certificate will be cancelled in certain circumstances. We feel it is VITAL that original certificates be retained and issued as the birth certificate of an individual when a copy of a birth certificate is requested.

The society is indicating that if a birth certificate is cancelled, some of the information it would need to trace family histories could be denied to it and its researchers would be brought to a sudden halt.

The letter further states:

2. The proposals appear to facilitate the breaking down of the family unit instead of building it. Traditionally, a child is given the father's name as the "family" or "surname", with this name bonding members of a family together. Do we foresee a family with each child having a different surname? e.g. child 1 . . mother's maiden name, child 2 . . father's surname, child 3 . . hyphenated version of both. What possible purpose can this serve?

2. Inherited medical conditions frequently necessitate the tracing of the history of the illness through family lines. An example of naming, as outlined in point 2 above, followed by varying related family groups, would make this medical history extremely difficult, if not impossible, to compile.

As a genealogical society, we are concerned at the difficulties the proposed system will pose for future genealogists. We feel that the child's parents are "biological fact", and for that reason the child should be registered in the father's name. This does not mean that the child must necessarily be known by that name. A name changed by deed poll should be added to the original certificate, and be recorded there with the correct birth name.

The changed name and the original name would be recorded together on the birth certificate. The letter also states:

Recent legislation (the Freedom of Information Act) has enabled adoptees to now obtain their original birth details. The proposed Bill promises an almost immediate reversal of this recent forward step, by again cancelling an original certificate, and replacing it with a new one. Surely an individual has only one birth certificate which lists his biological parents and relevant details.

That is the real problem to which the Minister should address himself, and it should be rectified before the Bill is finally dealt with in Parliament.

The remainder of the Bill inserts a new Part VII under the heading, "General", and deals with the keeping of records. This part will provide for penalties for certain failures of performance, and failure to forward a document to the registrar will be an offence. I understand that there is some problem in that the courts may demand that the original register be produced, and that is inconvenient. The Bill makes it clear that a certified copy signed by the registrar shall be taken as prima facie evidence in any court where evidence of this sort must be tendered.

I have spent some time talking about the genealogists. They will be interested in proposed section 62, which deals with records relating to the period before 18 January 1853, before the Colony of Victoria was created. The clause provides that:

(1) Every register, book of entries or register book of baptisms, marriages or burials solemnized in the district of Port Phillip of the Colony of Victoria before 18 January 1853 forwarded to the Registrar under section 31 of the *Marriage Act* 1898 is to be kept by the Registrar as a permanent record.

(2) Any copy verified and forwarded to the Registrar under section 31 of the *Marriage Act* 1898 is *prima facie* evidence of all entries contained in the register, book of entries or register book.

(3) Any person who has possession of any register, book of entries or register book which has not been forwarded under section 31 of the *Marriage Act* 1898 must during normal business hours upon payment of the prescribed fee permit any other person to inspect any entry and upon request supply a certified copy of the entry to that person."

That refers to entries that were made in the church records before the office of Registrar of Births, Deaths and Marriages was established. The records of the church are to be kept by the registrar, who has the responsibility to keep them together so that there will be a permanent record rather than relying on church records.

Anyone who has researched a family history will know that, early in the history of the Colony of Victoria, and before that the Colony of New South Wales, many church records were destroyed by fires which were a scourge in rural areas in the early days of settlement. Tragically many records were lost. Until the clause becomes law, it is not the requirement that the registrar should keep all this information.

Under proposed section 64 wide regulation-making powers are conferred on the Governor in Council concerning the management of registration offices, the duties and the performance of the duties of the registrar, and all that is necessary for the good conduct and recording of information under the regulations made pursuant to this proposed legislation. The clause will have limited application and, therefore, will give wide powers to the registrar and to the Minister through the Governor in Council.

The proposed legislation is a step forward. It has some shortcomings to which I have referred and to which I ask the Minister to address himself during his second-reading summation and during the Committee stage. I also referred to a few minor items with which I shall deal in more detail during the Committee stage. The Opposition does not oppose the Bill.

Mr STEGGALL (Swan Hill)—The honourable member for Narracan has gone into considerable detail on the proposed legislation, which has been around for a long time. The Minister is the third, if not the fourth Minister, to attempt to introduce this measure. I congratulate him on eventually succeeding. The former Minister who was responsible for the portfolio for three years no doubt contributed a tremendous amount of work to the proposed legislation.

Many people are worried about certain clauses. The clause of main concern is that which provides for registering on the birth certificate the name of the father of a child born out of wedlock. Without affecting certain standards or changing accepted ways of life in society, the Bill will bring the law into line with the expectations of society. It deals with relationships and family structures in their varied forms. The Bill makes no moral judgments; no Bill should contain such judgments.

Several changes are introduced by the measure. Clause 4 defines the types of persons who may be affected by the proposed legislation. Under clause 10, for the first time a person who changes his or her name will automatically have his or her new name entered on the electoral role. For electoral purposes any change in name will be made by the Registrar of Births, Deaths and Marriages, who will inform the Chief Electoral Officer so that the name will be placed correctly on the electoral role.

Any person over the age of eighteen years can apply to change his or her name. Any changes that are granted will be noted on the register and a new birth certificate will be issued. A person under the age of eighteen years who is, or has been, married may also apply for a change of name.

Any parents wishing to change the name of their child, where the child is over twelve years old, must obtain the consent of the child. The Bill also provides that this can happen only once, except where, in the interest of the welfare of the child, the registrar decides that it is not a disadvantage for the child to have a further change of name.

The registrar, as I mentioned, has no choice and must notify the Chief Electoral Office of any change of name and an amendment must be made to the electoral roll. The registrar has the ability to, and must, make judgments as to which names are acceptable, and any name that is, in the judgment of the registrar, contrary to public interest can be rejected. The registrar may reject names that are obscene, frivolous or offensive or contrary to the public interest or refuse to register a change of name where he has reason to believe that the application had been made to facilitate an unlawful or fraudulent purpose.

Any person who challenges the decision made by the registrar has access to the County Court and may take his or her case there to settle it through legal action. The changing of names and correcting of errors on birth certificates will not be done as it is today, it will be

done through the issue of new certificates. As I understand it—and I should like the Minister to verify this—the original entry will be kept for record purposes. I hope the Minister can guarantee that that will be the case.

The Bill also makes provision for fathers to be registered on birth certificates in circumstances in which that might not now be possible. This is quite an interesting point, especially bearing in mind the provision of the adoption legislation, which, for the first time, gave fathers, the male of the species, rights equal to those of the females. The same sort of provision is being made in this Bill and I am sure that no one could have any objection to that.

The father can be registered on the birth certificate if he can give proof by a declaration of paternity under the Status of Children Act, or where a court order has been given to dispense with the consent of the mother for the name of the father to be put on the register. Therefore, the Bill is in line with other recent measures.

It is true that a lot of the hang-ups, emotions, fears and problems associated over the years with issues such as this are slowly dying and our community is prepared to approach these issues from a far more realistic position than it did not many years ago. In 1959, when the original Act was introduced, there probably would have been an outcry from various sections of the community over proposed legislation such as this. Interestingly enough, little interest in this Bill has been expressed to me or my party. I have been rather surprised, knowing the time and effort that has gone into preparing the Bill over the course of three Governments—it started with the last Liberal Government—that more interest has not developed.

The Bill also provides for the use of the terms "family name" and "given name" instead of the terms "surname" and christian names". The Minister and his bureaucrats are probably happy with that but I think that maybe the suggestion from the honourable member of Narracan, that we should retain the term "christian name", would not hurt anyone; it would not cost any more and would be a vestige of our heritage and the history of this nation and the Christian values on which it was founded.

The Bill also does away with the title "Government Statist". He becomes the Registrar of Births, Deaths and Marriages, which is quite straightforward. Appeals against decisions of the registrar go either to the Administrative Appeals Tribunal or, if settlement is not reached between the parties, to the appropriate legal jurisdiction. I do not think there will be any problems with this.

The organization that was mentioned earlier, the Stillbirths and Neonatal Death Support group, or SANDS wrote to all honourable members—I received my letter yesterday—raising issues connected with the stillborn child. The honourable member for Narracan mentioned these issues and perhaps the Minister has some amendments in mind to remove from the Bill provisions that might be regarded as offensive. I can only read that assumption into the comments made by the shadow Minister, not being privy to any of the amendments, which is a pity because we do not know what the Minister has in mind.

Until yesterday SANDS was unknown to me and I have not met any of the members of that organization, so I do not know the background to the matter mentioned by my colleague, the honourable member for Lowan, who wrote on 4 June to the Attorney-General seekings answers to some questions. If I go through the answers the Minister gave at that time, the honourable gentleman may be able to let us know whether the position on some of the matters has improved. I shall be pleased to hear his responses.

The first question asked was, "Why is there a separate register for stillbirths?" The answer given was that section 4 (1) of the Registration of Births, Deaths and Marriages Act requires it. That is fair enough, but if that is the only reason it would seem that perhaps more consideration should be given to the question.

The next question was, "Why does the Act allow for the destruction of any register ten years after the last entry has been made therein?" It may be that the shadow Minister was

intimating that the Government had an amendment to deal with this matter, but it would seem to me, in this day and age, to be a rather strange situation if stillbirth registrations could be destroyed. I am not saying they will be, but it seems that any public servant would be quite within his rights in deciding to do so in the future.

The answer given by the Minister for Property and Services was:

The rationale for this section of the Act, 4 (2), is not clearly understood as it pre-dates the current Act.

I agree with that—

It is assumed to be a measure to reduce the volume of records being held. In practice, however, there has been no discussion of these records for some years.

I hope the Minister has now clarified that situation.

The next question asked by the honourable member for Lowan was:

Why is there a separate form for the registration of stillbirths?

The Minister replied:

Section 14 of the Act requires a form for the particulars of a birth as a second schedule and allows a prescribed form for the particulars of stillbirths. It is understood this is because they are providing information about similar, but importantly different facts.

It is a "Yes and no" answer. A birth is a birth whether the baby is born alive or dead. That is especially important for a woman who has had a full-term pregnancy. Is that a good enough reason for having a separate register?

The next question the honourable member for Lowan asked was:

Why doesn't the Act allow for the provision of a certificate of stillbirth?

The Minister answered:

Although it is not clearly understood why not, it is assumed that it is necessary to certify what is, to many, a traumatic and disappointing event.

Those answers by the Minister for Property and Services were given in June this year when the Bill was still being formulated. I hope the Bill will answer some of those questions. I am sure that, if the Minister is prepared to have discussions with members of the National Party while the Bill is between here and another place, a successful solution can be achieved on a consensus basis—that being a popular word in the Labor Party.

The National Party supports the proposed legislation but it contains some provisions that should be changed. One of those is that the expression "christian names" should be included with the expression "given names". That is not a large change, but it would mean a lot to many people.

The honourable member for Narracan raised many matters that require answers. I believe the Bill will be accepted by the community; the community has not been forthcoming with views on the proposed legislation, so one must assume that departmental officers and the previous Minister of Health have proposed successful changes to the Act.

I look forward to the response of the Minister for Property and Services to some of the matters that have been raised by the honourable member for Narracan and myself.

The Bill deals with a sensitive subject, a subject that is the cause of a lot of trauma and worry in the community. The Bill will not affect many people but it has some peculiar anomalies. For instance, it could be possible to have three children in the one family who would have different family names.

I raise one other area of concern relating to the proposed introduction of identity cards by the Federal Government. Will that cause problems in the operation of this Bill? Approximately 5000 people will change their names by deed poll in the first year of operation of the Bill, but after the second year that number will probably be reduced to almost half. This opens up a possible area of fraud in relation to identity cards.

Mr WILLIAMS (Doncaster)—I have a genuine affection for the Minister for Property and Services, because like me he has a long Methodist tradition. However, I am taking him to task for saying that this Bill will carry out significant social reforms. Any Bill that takes the community back to the dark ages, to the pre-Christian era, is not a Bill of social reform.

The Bill provides for the use of "family name" and "given names" instead of "surname" and "Christian names". That terminology will not be acceptable to many people in the community. I urge the Minister, whom I am sure is a student of the *Current Affairs Bulletin* to read what Professor Hans Mol said in the September 1985 issue. Professor Mol is Professor in Sociology of Religion at McMaster University, Ontario, Canada. The article is headed "Religion in Australia—Who goes where". Professor Mol makes it quite clear that most Australians are Christians, even if they do not go to church. The article states that there is a lack of hostility towards organized religion whether people go to church or not. It further states:

> The production of Australians who regard the church as important seems to be almost as high as the proportion of those who do not attend. They may be critical of religion, accuse churchgoer's of hypocrisy and characterise church leaders as preoccupied with money, but when push comes to shove they would not want to do without it. Hedonism may for many be the motivating philosophy but they feel vaguely guilty about it. Pleasures of the flesh may have definitely won out over self-denial, but deep down religion is still widely respected.

That is the point I make. In my opinion the Government has no mandate for this amendment of the Act. Australia, primarily, is a Christian society. It is my democratic belief that the majority will prevail. I have no wish to insult my Jewish brethren, Moslems or non-believers, but this Bill is insulting to a large majority of Victorians and I am very disappointed at the Minister and the Premier, who gave a sermon to the House this morning about morality. The Bible states, "Let him who is without sin cast the first stone". I believe this is an immoral Bill.

I have grave reluctance in supporting the Bill. I support social reform but I have great reluctance in bowing to a small minority. I suspect it is not the Moslems and it is not the Jews but it is people who owe their allegiance to another country who are determined to drag down our Christian tradition.

I have another complaint about the registration of births and deaths; if we are to have social reform it should begin at home with the department. I believe Victoria has the most old fashioned and inefficient department for the registration of births and deaths in the whole of Australia. Victorians pay exorbitant prices for inadequate access to that information. Victorians who want information dated after 1909 from the Government Statist must pay $18 for a full certificate if they do not have an extract of birth—which was all that was necessary in the days before a full birth certificate was required for a passport. Recently, I renewed my passport and I did not mind paying $18 because the certificate brought back great memories to see my father's signature and personal particulars that I had never seen before because previously I have needed only the extract of the certificate for employment or a passport and of course for endorsement by my political party. I believed I would be going overseas and I had to pay an additional penalty—at my own expense—of $18 to get it quickly. My trip was cancelled because of the priorities of this place.

In no other State of the Commonwealth does a full birth certificate cost $10 and in some States the cost is as low as $5. In New South Wales one pays only $8 for a full certificate and for quicker service one pays an additional $5. The great Labor State of New South Wales is conscious of the church vote and it is no wonder the good Australian Labor Party remains continually in power there. I hope the brethren in Victoria will learn something from their wiser brothers in New South Wales.

In my opinion like so many things in modern society, from traffic fines to registration of births and deaths, the extract of records is being used as a money spinner for the Government and I protest! I believe births, deaths and genealogy are too sacred to be the subject of the money changers in the temple. There is no reason why Victorians should

pay double the amount required in other States to trace their family history or to obtain a passport.

Another point that is annoying is that we are squandering money on the 150th anniversary celebrations for all sorts of extravagances and I should have thought that tracing one's genealogical history is important. I can trace my history back to the 1850s when my great grandfather came to the Bendigo gold fields. I object, as does the genealogical society, to the extra cost involved in making a genealogy search when, unlike New South Wales, there is no index available of Victorian births, deaths and marriages for public use. Those who are fortunate to have ancestors going back to the convict days or the first fleet can go to the Public Library and look at the New South Wales index for free, so there are some advantages to being born of a convict in that one can have free access to the index of births, deaths and marriages, but if one happens to be like me born of a miner, one must pay to get such information.

I am resentful of these problems in the administration of births, deaths and marriages and although it is my party's decision to pass the Bill, if we had acted in the tradition of the Government, when in opposition we would have made political capital out of this and the Opposition would have forced the Government to a division on the retreat back to pre-Christianity.

Mr PERRIN (Bulleen)—This is an important Bill and I want to make a brief contribution on three major areas. Firstly, like the honourable member for Doncaster, I have serious reservations about changing the term "Christian Names" to "Given Names". In my view Australia is a Christian nation and like the honourable member for Doncaster I am also conscious that there are a number of people in the community who may find the word "Christian" offensive. That subject was mentioned by the Minister in his second-reading speech but the majority of Australians and Victorians do not find the word "Christian" to be offensive.

It is interesting that the honourable member for Doncaster raised the matter of an article putting forward the situation so far as most people in Australia are concerned. They still have a strong recognition of the proper role of the Christian church.

Last year as a member of a statutory authority—I note the Minister for Consumer Affairs has just returned to the Chamber—I received a letter from the Minister who made a request that all Government departments change their forms to remove the term "Christian Name". Applications for employment and other forms that may be used by Government departments have now been changed or are proposed to be changed by the Minister.

He put that forward as a proposition as the Minister for Ethnic Affairs on the basis that a minority in the community found the word "Christian" offensive. I have seen the memo from the Minister and I believe that it was regrettable that that letter should have been circulated. It would be interesting to know what the cost of changing the forms will be without the throwing out of all the old forms containing the words "Christian Name".

Mr Spyker interjected.

Mr PERRIN—The Minister is now admitting he sent the letter. He said that the forms have run out but the fact is that the Minister has written the letter and made the suggestion to all Government departments. I find that offensive as a Christian in the community and I believe the majority of Australians would find that offensive.

The question has been asked by the honourable member for Narracan and members of the National Party as to why there cannot be a choice. If a person finds the word "Christian" to be offensive why can he or she not have a choice? They can have "either" and they have a choice as to what is put on the birth certificate or death certificate. That would appear to be a simple administrative matter.

However, the minority view prevails and the people are not to be given a choice. Subsequently, the majority have to wear a minority view, and that is of tremendous concern. I wanted my views on the matter placed on record. As pointed out by the honourable members for Doncaster and Narracan, the Liberal and National parties do not oppose the Bill.

A second matter that was raised by me with the Minister some months ago relates to the operations of the registrar and the delay in obtaining death certificates. A very distraught constituent of mine approached me about a six-week delay she had experienced in obtaining a death certificate from the Registry of Births, Deaths and Marriages. My constituent was a widow and was dependent upon receiving money under a superannuation scheme for herself and her family. Because she could not obtain a death certificate, the trustees of the superannuation fund would make no contribution to the widow or her family because they had no evidence of death. That is a scandalous situation in which to place a person.

I wish to place on record that the Minister for Property and Services gave me a speedy answer when I raised the matter with him and also speedily settled the matter for my constitutent. I place on record my thanks to the Minister. I trust that delays of that order do not occur again because it will cause hardship to people who are least able to bear it.

The third matter I raise has already been mentioned by honourable members on this side of the House. It relates to a letter from SANDS, which is the Stillbirth and Neonatal Death Support organization. I have had some connection with this organization for some time; I have advised its members and I have an understanding of the case it is presenting.

The background of this organization is that it is composed mainly of women and receives no Government funding. It is a support organization in a sensitive area where a woman has lost her baby either before, during or shortly after birth. Approximately 850 people fall into this category each year. With a total of 60 500 births each year, that does not seem so many. However, the Minister should understand the tremendous emotional problems that people have experienced from stillbirth or neonatal death.

The organization is completely voluntary. It operates in the community but it does not receive a cent of Government funding. It is a mutual support group which has made a request in a sensible way. It requests a redefinition of "birth" to include stillbirths, which would enable parents to register the births of all children whether they are born live or are stillborn. If section 27 of the Act were amended, it would allow a person upon request to obtain a birth certificate designated "stillborn".

The Reverend Michael Elligate of St Peter Julian's Church, Mooroolbark, has written to the honourable member for Narracan. Because of the specific information contained in that letter, I quote, *inter alia*:

> The current interest of SANDS. (Vic.) (Stillbirth and Neonatal Death Support) in regard to current revision of the Births, Deaths and Marriages Act has been brought to my attention.
>
> As one who has been involved quite often in the situation of caring for grieving parents, I wish to strongly endorse the SANDS. submission regarding changes in the Victorian stillbirth registration procedure.
>
> My academic studies and constant community work would lead me to see the sensitive claims SANDS. make as most reliable and authentic. It is important to many parents who have lost a child at birth that this child be fully recognized.
>
> I am delighted to see that a helpful procedure is now in place in the Northern Territory Births, Deaths and Marriages Act 1980.
>
> I hope that the values of human sensitivity are able to be brought to bear on the deliberations of the Victorian Parliament on this important matter.

The final point made by the Reverend Elligate is that legislation is already in place in another part of Australia, in the Northern Territory. The Minister could perhaps consider the Northern Territory model. I know that the honourable member for Narracan has asked the Minister to review this matter when the Bill is between here and another place.

The Minister has been responsive to the requests that I have made about death certificates. I hope he will be equally responsive to the requests from the SANDS organization because that organization plays a vital role in the community in assisting parents who have lost babies in unfortunate circumstances. Although it is a small percentage of births in Victoria, it would be an important service to these people and could be provided by the Government with little change to the Bill.

Ms SIBREE (Kew)—I support the Bill and the objects set out therein. Over a number of years I have received many letters, mainly from women, who have been concerned that they have been unable to register their newborn children in their own names as the family name of the children. These women have found themselves in distressing circumstances. Many of them have not wanted to register the child's birth because of the problems associated with naming the child. As we know, that is not presently allowed.

Many women are keen to see this proposed legislation enacted so that they can benefit from it. I am pleased that the Bill is addressing an imbalance about which I wrote to the Commissioner for Equal Opportunity when representations were first made to me. The commissioner agreed that this was a discriminatory practice in law although, under the ambit of addressing equal opportunity, the commissioner was not able to do anything about it. However, I was aware that the commissioner had made representations to the then Minister to change the law. I am pleased that after what has been four years for me, and I am sure others have been urging this change for a longer period, proposed legislation has been introduced to keep up to date with social change.

I am pleased that the people responsible for drafting the Bill have partly overcome the problem of two parents wishing to use both family names and the problems of hyphenation of names. The Bill is about allowing greater flexibility of choice to parents in the naming of their children, and I do not understand the need for putting restrictions in the Bill regarding how many names one can put together.

I understand that the Registry of Births, Deaths and Marriages uses a computer system which operates on a limited number of characters. If one has a name with more than the permitted number of characters, trouble is caused. Technology should help us and it should not stand in the way of peoples' choices. If people want to use three hyphenated names then that is their problem, not ours. Honourable members should seriously examine removing the restriction in the Bill on the number of names that can be used. The choice is up to the parents. By common practice the parents may be known by a hyphenated name because that suits them.

To their credit, more and more women are using their maiden names. The definition of "maiden name" has not been changed although a few other definitions have been changed in the Bill. "Maiden name" is something which we appear to be hanging on to. More and more women are retaining their maiden names for reasons of their own self-identification, professional reasons and personal reasons. That is a good idea because it complicates matters when one loses the name with which one began life and then one must try to identify oneself with another name when one goes through life.

Honourable members should consider removing the restriction in the Bill which limits the number of names which can be hyphenated. If it is a problem involving a computer, I am certain that the Minister for Property and Services, and the Officer-in-Charge of the Registry of Births, Deaths and Marriages and will find ways around the problem.

I am aware that some investigations have been conducted regarding how many people with hyphenated names are getting married or engaged and the results are that it appears that very few of those people will wish to use the facilities of the Bill with respect to the choice of mixture of names. If honourable members are discussing a Bill to allow maximum choice, I cannot understand why a limitation is placed on hyphenated names.

I am pleased that the Bill allows parents to retrospectively change the names of their children. This will overcome the problem of people who have made representations to

honourable members and who are the reason why the Bill is before the House, previously not being covered by it. It is right and proper that the Bill allows those people to change the names of their children to the names that they would have preferred if the Bill had been in operation at the appropriate time. Those people should expect that the Bill would provide for them.

I hope records have been kept of people who have made inquiries on this matter and who were the trailblazers of the proposed legislation so that they may be contacted and made aware that the proposed legislation has been passed and that they can change their children's names to the names that they may have wanted to have used.

The Bill is an important piece of social legislation which is far too late in coming—it should have been introduced long ago. I agree with my colleagues, the honourable members for Narracan and Bulleen, that the Bill is about allowing choice and versatility and about reflecting changes in society. Honourable members should be reflecting on the fact that some people like to use the term "Christian name", others like to use the term "first name" and some use the term "given name". In a social piece of proposed legislation, which is about diversity, those people should be accommodated. It could be done in the definition clause. If it involves a problem of saying "given" or "Christian" name, perhaps "first name" could be used. That idea should not be precluded.

Many people in the community would be pleased to see "family name" used rather than "surname" which has connotations of the male element of the family rather than both the male and female elements. I am pleased to support the Bill, and I will be contacting constituents who have written to me over the years about this matter to let them know that they have new rights available to them.

I have been a little doubtful about raising this matter, but, because it affects the registration of births, I indicate that I am still concerned that the situation still exists where an adopted child cannot obtain a birth certificate with his or her place of birth on it. It has been a continuing problem for passport purposes as the Commonwealth Government insists that a child's birthplace, for example, Melbourne, Ballarat or Fitzroy, should be on the certificate and not simply the State where a child was born.

I understand that changes to that provision are in train, but because it is the responsibility of the Minister for Property and Services and because the House is considering changes to birth registration, I invite the Minister to comment on what is happening in that area.

All honourable members are concerned about the delays in obtaining information from the Registry of Births, Deaths and Marriages. When listening to the Michael Schildberger radio program earlier this week—which I am sure honourable members listen to as it is an open line to the consumers in society—I heard one caller expressing grave concern about the long delays in obtaining a birth certificate. Only a few weeks earlier a representative of the registry had been on the program indicating how quickly things were moving. Apparently four or five weeks, or however long the caller had been waiting for the certificate, is considered by the office to be quick. However, that is not good enough.

A birth certificate is an important record of one's life and the fact that one exists. Therefore, people are entitled to obtain that type of information as soon as they request it. In this day of technology when one can get money out of a bank by using a plastic card one should not have to wait eight or nine weeks to obtain a copy of one's birth certificate. It is ludicrous!

I invite the Minister to inform the House whether matters will improve in order to overcome delays and the problems they cause with the planning of overseas trips and so on.

Mr WEIDEMAN (Frankston South)—In speaking on the Bill I shall refer to the problem one confronts in obtaining a passport. I understand that 100 problems are faced each week with regard to this matter. I was christened as George Graeme Weideman, and, obviously, the use of my second name causes some confusion. To add to that, my family name is

spelt with a double "n", but some people may have noticed that I spell it with a single "n".

When my family came to Melbourne in 1939, it was more appropriate to have a single "n" at the end of one's name rather than a double "n" as that was associated with Germany. A single "n" was associated with Holland and, being in business, my family may have believed it was smart to use one "n" instead of two "n's" at the end of the family name.

When I was attending secondary school and during my tertiary education, it was pointed out to me that I had been spelling my name with one "n" instead of two, and I had to change my name by deed poll in order to accept my tertiary qualifications. That causes a problem when applying for a passport because on my birth certificate, my family name is spelt with two "n's".

Now I have to execute a deed poll for something that occurred 30 years ago. The records are not particularly good. I am delighted that under the provisions of the Bill one can amend birth certificates, which in my case means that I can have only one "n" at the end of my name.

I ask the Minister to take up with his colleagues in Canberra the subject of passports and the fact that when required to produce a full birth certificate that has been altered, one does not require a deed poll. I see that as adequate in obtaining a passport without one having to obtain other documentation.

Thirty years ago extracts of birth certificates contained the names of the parents. If one reads the form one is required to fill in to obtain a passport, it seems that the fourth schedule makes it necessary to have parents' names listed so that the department is satisfied that the applicant is who he or she purports to be. I ask the Minister to inquire if that is all that is necessary rather than applicants having to obtain a full schedule of their birth certificates. If one has an extract that contains the names of parents, that should be sufficient. I realize the new certificates do not have that information.

I raise the issue because I understand it causes problems when people try to obtain passports. This has happened not only to me but also to other people, some of whom have raised the matter with me.

I support my colleagues in the Stillbirth and Neonatal Death Support group, or SANDS, which represents parents who have had stillborn babies. I have personal experience of this. After conducting some family research, I came across the birth certificate of a great-great-grandfather of mine and found three names registered which I did not know about. I assumed they were stillborn babies. Out of a family of fifteen, twelve members were alive in my father's time. Having no other information, I can only assume they were still-born babies.

It would be of enormous help for people wishing to conduct research to be able to obtain such birth certificates. Future generations will try to find out such information. After all, it is an historic register and people are interested in gaining statistics. I have sympathy for the SANDS (Vic.) organization and I know the trauma its members face. It would have been of great comfort to those people to have the births registered in the way required. It will also be helpful to people trying to discover more about their family history if the information were made available in the form of registration.

We have raised the issue of Christian and given names. It is common practice these days to note in clubs and all other organizations that one is given the opportunity of recording one's given or Christian name in one's application. I have no fixed idea about it, but it would seem that it is an area of registering one's intention and it is information that must be collected, first of all, from the parents. If that opportunity is provided, the Government is serving the public, which it wants the Bill to serve.

It is appropriate that the Bill was introduced. It has taken a long time and the matter is often brought to the attention of members of Parliament in their electorate offices. Recently there were alterations to legislation relating to adoptees, who can now obtain their birth certificates. A 60-year-old lady came to my office and I was able to obtain her birth certificate quickly through the courtesy of the Minister. The woman found that the office sent a birth certificate which reduced her age by some twenty years. She was not delighted at being told she was 40 years of age instead of 60. I would have been! This lady did not appreciate the fact and she did not believe it. Her 30-year-old daughter did not believe it either, which was more to the point.

I found it difficult to help the lady because the officers of the department would not co-operate. However, I hope it is satisfactorily sorted out. I realize that the office has to store and reproduce statistics that have accumulated over 150 years. With the technology available today, it may be possible to use abbreviations and hyphenated names to record what the parents really desire to be recorded.

I ask the Minister to consider an amendment to the Bill while it is between here and another place. My major point was to raise the issue of passport applications. The Federal Government has dramatically changed the issuing of passports. As honourable members know, one visits one's local postmaster after having made an appointment and goes through the necessary procedures. My wife has a passport but it is difficult to say when I shall get one. However, when the Bill is introduced I shall make an application.

Mr JOHN (Bendigo East)—I support the general thrust of the Bill and I think all honourable members agree that most of the key elements have been discussed by members of the Opposition who have spoken before me.

I represent a rural electorate, the electorate of Bendigo East, and I have circulated the Bill to a large number of welfare organizations, legal practitioners, churches and church leaders. I have found that they seem to be happy with what is an enlightened piece of proposed legislation.

There are five deficiencies in this area of the law. Firstly, it was out of step with community feelings and aspirations. Secondly, there were long delays in the system. Thirdly, there were inadequate procedures for the change of names by deed poll. Fourthly, the old laws discriminated against women and mothers and, finally, it discriminated against the family of the stillborn.

To elaborate, I consider the old system was out of step with the direction in which society was heading and did not reflect people's aspirations and the role of women. As a solicitor in practice for many years before coming to this place, other practitioners and I experienced serious difficulties with the office of the Government Statist. There were long delays in the issue of death certificates and sometimes four, five and six months would elapse before the issue of a certificate. One might ask what significance this might have? In the area of probate law and the finalization of the administration of estates it would often mean that the widow of a deceased person would be unable to collect the proceeds of, say, an insurance policy until the company had received the death certificate from the office of the Government Statist.

If one suffered a delay of four or five months in obtaining a death certificate, the widow could well be without means and, in many cases, there were severe financial repercussions for the family of the deceased.

The procedure for changing names under the old law was inadequate in that one executed a deed poll to change a name. This document stated that one had changed one's name but was never, in most cases—except in the property area—registered at any Government office, especially not the office of the Government Statist.

A person can change his or her name by deed poll, but when a birth certificate is sought for schooling, military or passport purposes, it shows the original name and further explanations have to be made by the production of a deed poll to interested authorities. I

am pleased that the Bill will see the end of positive discrimination against women and will ensure a proper reflection of their new role in society.

I do not intend my remarks to be taken as support for the radical minority element of the feminist movement, but the Bill should and does reflect equality before the law and respect for men and women in society.

Members of the Opposition have referred to a document circulated to members of Parliament by SANDS (Vic.) which is the Stillbirth and Neonatal Death Support organization. I support the comment in the organization's letter that the issue of the stillborn child has been a problem under existing legislation. The letter states:

Increasing numbers of parents are making more demands for appropriate recognition of the loss of an expected baby, contrary to the strong, out-moded community messages still prevalent, that tell them "to forget". The loss of a baby cannot be forgotten—neither the memory nor the day-to-day reminders can be obliterated.

Research evidence is accumulating (in line with the evidence in the general area of grief and loss) which supports the conclusion that appropriate recognition of the dead baby is associated with more positive adaptations to the loss and far better long-term psychological outcomes.

. . . . .

Of the 60 500 (approximate figures) births registered in Victoria each year, approximately 500 are stillborn and another 350 of the babies born alive die in the neonatal period (the first 28 days after birth).

The honourable member for Narracan referred in more detail to an existing anomaly. The letter states, *inter alia*:

. . . . 'the anomoly exists where the parents of a full term stillborn baby who dies unexpectedly during labour are not entitled to any legal acknowledgement of the "birth" of their fully expected baby, whereas the parents of a 21 weeks premature baby who dies even hours after "live birth" are so entitled'.

It is a serious anomaly, and I hope the Minister will listen to these matters relating to stillborn babies raised by members of the Opposition and will take them into account while the Bill is between here and the other place.

An important amendment is clause 39, which provides:

The Registrar must not register a change of name if the Registrar considers that the proposed change includes a family name which—

(*a*) is required to be joined or punctuated by more than one hyphen; or

(*b*) consists of more than two separate and distinct words.

In other words, if the Act were not changed, a father and mother with hyphenated names, who wished to register a child with double hyphenated names, would be unable to do so. If our society is to have freedom of choice, clause 39 should be amended so that the registrar, under the provision relating to his discretion on frivolous or obscene names, can examine the problem of hyphenated names.

A further problem includes clause 51, which provides:

(1) Any person may apply in the prescribed form together with the prescribed fee for a copy of any cancelled entry in a register book relating to that person to be given by the Registrar to that person or to a person authorized in the application.

(2) The Registrar must give a copy of a cancelled entry upon an application under sub-section (1).

(3) Except upon the order of a judge of the County Court, the Registrar must not give any other person a copy of a cancelled entry in a register.

Only that person or a person authorized by him can receive the certificate, and anyone else who wants to obtain the information must do so by an order of a judge of the County Court. I foresee a number of problems with that clause. Honourable members have already mentioned two of those problems. The first is: what would an executor in a probate situation have to do? Would he apply to the court for that information? The second concerns a person who wants to trace his family tree. Must people who wish to study genealogical charts or carry out research apply to the County Court for an order?

The third matter I raise concerns criminal investigations. If authorities conducting a criminal investigation want to find the previous name of a person, clause 51 will not assist them. I ask the Minister for Property and Services to consider amending the clause while the Bill is between here and another place.

The final matter concerns the definition of "given name". I agree with members of the Opposition who have said that it would do no harm and give satisfaction to people if they had the choice of having a "given name" or a "Christian name". I am sure many people would classify themselves as Christians and would like to use a "Christian name". However, I am also aware that a substantial number of people do not belong to the Christian religion and would find it offensive to use a "Christian name". Those people should have the choice of using a given name. I ask the Minister to consider the use of alternative names.

Mr MACLELLAN (Berwick)—The Opposition is guided by the desire to ensure that legislation meets the diverse needs within the community. It accepts the diversity of the community and, therefore, the need for existing legislation to be brought up to date.

I support the suggestion that that diversity of approach includes the possibility, which has been urged on the Minister by a number of Opposition speakers, that members of the community should be given the option of using a Christian or a given name. The current law could be found to be offensive to people who have no religious beliefs because they have to choose a Christian name. There is no need to have a totally secular approach and to give offence to people who may wish to choose a Christian name.

I believe Parliament should maximize rather than reduce the choices people have, and that is what the proposed legislation seeks to do. I support the views put forward by the SANDS (Vic.) organization. The heartache and difficulty of that situation must be accommodated, and the Bill offers honourable members an opportunity of doing do.

I thank honourable members who have enunciated that problem for the benefit of the Minister, and I hope he accepts the suggestion. If honourable members are guided by a desire to meet a diversity within the community, they should closely examine the question of deed poll. I do not want to lecture the Minister or the honourable member for Narracan on the subject because it is nearly a quarter of a century since I had to suffer the subject at law school. However, Victoria did not invent or initiate the deed poll system.

Some of the legal forms were inherited from the British system. We should work on the assumption that we did not invent deed polls. They came from medieval Europe, particularly medieval England. A deed poll existed when there was no other party involved. With two parties it was called an indenture, which would be cut with a pair of scissors so that one person received one piece and the other person received the other piece. The two pieces matched together. It worked like a receipt in the days when people could barely read or write. If one wanted to change one's name, one did it by deed poll.

Proposed new sections 36 (2), as contained in clause 8, provides that, after the commencement of the Act, the Registrar-General must not accept for deposit under section 15 of the Property Law Act any document for change of name. People who have been born in Victoria, who may be anywhere in the world, may be unaware of this provision for many years. They may choose with an English solicitor, Scottish proctor or heaven knows who else, depending on where they are—they may be in Hong Kong or hidden in any corner of the world—to change their names by deed poll. The provision means that what has been the rule for perhaps 1000 years will now not be accepted in Victoria. Those people will be sent a copy of the provisions and some forms and told that they must change their name by a different process. They will be told that the rules have been changed after 1000 years.

Perhaps the Minister will consider the prospect of still receiving deed polls after the commencement of the proposed legislation in a parallel system in which a person whose birth was originally registered in Victoria can use the normal legal system of the Western World of adopting the deed poll change of name and sending it back to the jurisdiction of

his birth. Under a parallel system the deed poll would be accepted and implemented. We should have courtesy enough not to reject the deed poll and narrow the opportunities of people to do what is perfectly normal, has worked in the past and can work in the future. Victoria can adopt new rules and new approaches to meet the diversity in the community, but that does not mean it has to deny people other opportunities.

I intended to make these remarks prior to the contribution of the honourable member for Frankston South. I wish to make an exception in his case. He has changed his name by deed poll and I think he should pay, but I do not believe anybody else should pay. I do not want to embarrass or compromise him: I know the Premier's sensitivity about these matters. I suggest to the Minister that no one—other than the honourable member for Frankston South—who has changed his or her name by deed poll in Victoria, who has gone to a solicitor, had a deed poll drafted, chosen a new name and had it registered should face another fee.

Under the proposed legislation the Registrar-General will charge a prescribed fee to change the birth certificates of persons who have had their names changed by deed poll. As those persons have paid once, they should not pay a second time. Surely, everyone other than the honourable member for Frankston South should be given the courtesy of having changes made to their birth certificates with being asked for more money. The Government has a fascination for collecting money and a desire to increase fees and charges.

It seems stupid to change the system without making transitional provisions to allow the old system that has worked well in the past to be used as well. A decent transition period should be allowed. After all, difficulties can arise. For example, a 60-year-old constituent came to me because he was going to New Zealand on his first overseas trip. When he went to the Registrar of Births, Deaths, Marriages and Names to get his birth certificate, lo and behold, he found that his birth had not been registered when he was born! What did the registrar's officers ask for? They asked for witnesses of the birth. As this man is 60 years of age, witnesses would be about 80 years of age.

Fortunately, it was established that a sister was in the house at the time of the birth. He was born at home in a remote part of Victoria and his birth was not entered on the register of births. As it later turned out, I understand that a brother and sister found themselves in a similar pickle. The embarrassment and difficulties involved are ridiculous. I managed to help this man to obtain his travel documents and enter New Zealand, but not as an Australian citizen as he did not have a passport; one does not need a passport to leave Australia to go to New Zealand, but one needs it to re-enter Australia. He returned from New Zealand with a piece of paper that had been issued by the Australian Government which informed the authorities that this man was to be allowed to re-enter Australia. I suppose it assured them that he was not a spaceman or something from the film *Star Wars*. Although he was not officially an Australian citizen because he has not been naturalized and his birth was never registered, he was allowed to re-enter the country because he is a person.

Mr Delzoppo—They take his tax!

Mr MACLELLAN—Yes, my word! There was no quick and easy procedure to adopt in that situation. He has now been invited to go to the County Court. If his mother were alive she may be able to explain the situation. He has a baptismal certificate which helps explain the situation, but it is certainly difficult to establish the birth of a person 60 years of age. One begins to understand the difficulties, embarrassment and expense people face in these matters.

I am suggesting that people who have chosen the old-fashioned method, which is perhaps 1000 years old, of changing their names by deed poll should at least be given the courtesy of having their birth certificates changed on the basis of the deed poll having been drafted and deposited with the Registrar-General. Of course, I except the honourable member for Frankston South in that matter.

The second point I make is that deed polls should be valid for at least a decent period. It is not known how many are in the mail on their way to Victoria from anywhere in the world from Victorians who have chosen to change their names. Why should Parliament legislate so that documents that arrive after the "magic" date will not be accepted? Those people will be told, "You are no longer living in Victoria, but we have changed the law. Deed polls might have been all right for the last 1000 years but from this day onwards they will not be accepted". I suggest the Government adopts a more generous approach towards allowing deed polls to be received within a reasonable time. I do not know whether a parallel system can operate indefinitely, but at least a reasonable transition period should be provided.

Proposed new section 39 provides that the registrar must not change a name if he considers that the proposed change includes a family name which is required to be joined or punctuated by more than one hyphen or which consists of more than two separate and distinct words. I commenced my remarks by talking about diversity. Is it not time, Mr Speaker, that we accepted that Australia is part of the South-East Asian region and that many residents of Asian background have Christian names and surnames that do not happen to fit into that WASP—ish model of one surname or a hyphenated surname such as Baker-Finch, or whatever it may be. Many people may stretch the imagination of the computer by wanting to have twenty or more characters in their surnames. Those people may want to have the traditional names of their families. We should recognize diversity and must accept the idea put forward by the honourable member for Kew that, if people want to have a complicated surname, it is not for us to tell them they cannot have that name because it does not fit the computer's capacity.

It is better to say that a name will be registered if it is reasonable and to have some assessor as to reasonableness, so that the doors are not open to someone to push it beyond the reasonable, and I shall leave it to honourable members to assess what I mean by that. Nevertheless, the Government should make the maximum opportunity of meeting the diversity within the community and the diverse needs of the community.

Honourable members have already said that it is all very well to say: in the first generation, one hyphen and two little bits. But what happens in the second generation when two hyphenated names come together and, as the honourable member for Swan Hill effectively put it, offspring is born out of wedlock? That is what he meant, I think, although he may have suggested some other concept, not in any way disreputable, but he lapsed for a moment to conception rather than the moment of birth.

The Minister for Property and Services is a sensitive Minister. He has the opportunity of grasping an all-party view on the legislative measure. I do not criticize those who drafted it. They have worked long and hard to produce it. However, if the Parliamentary process is to come to its true fruition and purpose, it should pick up the suggestions made within Parliament. I regret there have been no suggestions from the back-bench members of the Government party, although they may have made those contributions behind the scenes and may not wish to state those views publicly.

Where suggestions are made in Parliament, the Bill can be improved, and the challenge to the Minister is to take up the suggestion made by honourable members to improve the Bill to make it better and to make it better to suit the diversity in the community and for future years when, it is hoped, legislation will be passed on this approach. There are good grounds for saying that in keeping that diversity options are not closed off unnecessarily, and that the capacity of the computer to become a dictator of human names and human registration is not allowed. If there is one thing that should frighten all, it is that computers and their capacity will overwhelm the human dimension.

This is the moment to strike a blow for those people who choose to have names, perhaps outside the concept of white Anglo-Saxon Protestants and who for too long have dominated the law and attitudes of society. This diversity should be opened up for them and those old constraints should be challenged. There is an opportunity now of broadening those

matters. Mr Deputy Speaker, as you would know, I can happily criticize the white Anglo-Saxon Protestant views. You and I share a North-British heritage and we are neither Anglo-Saxon nor—I do not know whether you are—Protestant.

Mr J. F. McGRATH (Warrnambool)—I support the Bill with my National Party colleague, the honourable member for Swan Hill. Several constituents have contacted me with their views. An important issue that has been canvassed already and a view that is shared by my constituents and myself is the suggested alternative of "given or Christian name" rather than "given and family name". The suggestion of "given or Christian name" is acceptable. It is an accepted fact that society is changing its needs and that this should be provided for in proposed legislation. I understand that the word "Christian" is unpalatable to some, as "given and family name" would be unacceptable to others. There is good reason for the alternative suggestion.

A further issue was raised by SANDS (Vic.)—Stillbirth and Neo-natal Death Support. This group's submission stated, *inter alia:*

> Increasing numbers of parents are making more demands for appropriate recognition of the loss of an expected baby, contrary to the strong, out-moded community messages still prevalent, that tell them "to forget". The loss of a baby cannot be forgotten—neither the memory nor the day-to-day reminders can be obliterated.

This reinforces my earlier point on the need for options. An option should be available to those who wish to record the full details of a stillborn birth so that they and future generations of their families are able to trace family names and family history. A situation occurred in my family records which came to my knowledge only when tracing the family tree. I learned of the existence of two members of my family, and it is not known even whether they were boys or girls as both parents and their immediate family have died and it is impossible to try to trace that history back any further.

Parents may very well decide not to exercise an option that is available, but it is important that that option should be available to them. It is important also for these records to be kept in perpetuity and not destroyed after ten years, as is the case with stillbirth registration procedures. Options are valuable to people and they should be available. People should be able to decide these issues for themselves. Stillbirth is a traumatic experience. Parents should be able to make decisions of registration according to their needs and to the options available to them.

Mr McCUTCHEON (Minister for Property and Services)—I have been very surprised at the interesting contrast in the contributions of the nine speakers, which have ranged from the ultra conservative to the radical. There has been an interesting mixture with people wanting to preserve forms like Christian names, and the honourable member for Berwick, for instance, who suggested that parents should be able to name their children in any conceivable way they wish to invent. It has been an interesting debate and I thank honourable members for their contributions.

Eight issues have been raised, to which I shall respond briefly. The first is the question of the Christian name and the surname and whether "given name and family name" is appropriate. The honourable member for Doncaster quoted Christian tradition in Australia. In putting forward the proposal the Government is merely saying that Victoria has a multi-ethnic society.

It is a perfectly clear and sane way of defining the names people want to put on forms. It is already in use in many other parts of the community and there have been no wild protests about the change. It is at least a recognition that there are significant groups in the community who do not use Christian names.

Mr Williams—What about the majority?

Mr McCUTCHEON—The Government has acknowledged the fact that Victoria is a multicultural society and it is meeting the needs of that society. The proposal is not offensive to anybody; it is simple and straightforward.

With regard to the use of computers and the constraints placed upon their use, the less information stored on computers and the more information registered by each entry, the more effective will be their use. That provision should not be altered despite the various arguments about it.

Mr Maclellan—The computers win.

Mr McCUTCHEON—The computers will not win. A number of comments were made about delays in obtaining copies of extracts of entries from the Registrar of Births, Deaths and Marriages. As the Minister responsible for the registry, in the past six months I have had to sign a considerable number of letters to people explaining the delays. There have been reasons for delays, such as the change in Commonwealth legislation governing the provision of a full birth certificate by applicants requiring passports. When that change was introduced it created a waiting period of five to six weeks. However, much effort has been put into revising the process in the registry and the delay has been reduced to four days and it will be reduced below that period.

Comment was made on the charge of $9 for an extract of entry. A further charge of $9 is made if the applicant does not know the number of the certificate when a full certificate is requested and there is an additional charge for same day service. Those charges have been in existence for some time, but they will be reviewed next year.

The Stillbirth and Neonatal Death Support organization raised a question on the separate register for stillbirths. That register has been kept for a long time, but under the Registration of Births, Deaths and Marriages Act, the records of stillbirths were destroyed after ten years. The Bill will omit that requirement and a register of stillbirths will be kept along with all the other registers. The records of stillbirths for the past ten or twelve years are intact and will not be destroyed.

The Stillbirth and Neonatal Death Support organization has asked that the registrar make available upon request certificates to parents of a stillbirth. Such a request can be met under the existing regulations, although I will have the matter further examined and, if necessary, ensure that a certificate is issued on request to parents. I do not believe it is necessary to make such a provision in the Bill.

With regard to the removal of the restriction on hyphenated names, I foreshadow that, during the Committee stage, I shall move an amendment to delete the requirement preventing the use of hyphenated names so that parents can register hyphenated names with no restrictions. Not many people would want to do that, but I foreshadow the amendment so that the provision is available to those who want to avail themselves of it.

The honourable member for Narracan referred to section 51 concerning copies of cancelled entries. Those entries will be made available only under the authority of the person concerned or the person to whom authority has been delegated. This will mean that the information is not made readily available to other people. The honourable member for Narracan quoted from a letter which raised the problems that occur after someone has died and his or her family requires information regarding possible other names that appear in the register. The letter posed the question of how those persons can gain access to those names without encountering considerable trouble, effort and cost. The honourable member quoted from the letter that perhaps the registrar should have a discretion to supply details perhaps at the request of the Commissioner of Probates to facilitate identification of beneficiaries without recourse to a judge. I believe that is a sensible suggestion and I should like to consider it while the Bill is between here and another place so that a suitable amendment can be drafted.

Honourable members have referred to genealogical requirements. Last year work started on indexing the older records. My predecessor commenced the work and I should like to report that restoration of indices prior to their microfilming was completed on 10 October this year. Microfilming of indices was actually completed today. The conversion of microfilm to microfiche is in progress and is due to be completed next month and release

of the pre-1896 indices to the public should be possible early in December. I believe those responsible in the Registry of Births, Deaths and Marriages should be congratulated on their hard work and organization. Many persons interested in genealogy and history will be pleased to note that that work has now been completed. Those records will be progressively released and additional indices in the future will not require legislation for their release.

The honourable member for Kew raised the question of whether the place of birth should be included on the full certificate. It is presently omitted but when section 79 of the Act covering adoption is proclaimed in the near future—November—it will be possible to endorse the certificate with the place of birth.

There are some complicated issues involved in change of name by deed poll. The provisions of the Bill will simplify that procedure and, with each change of name, a new certificate will be issued so that the applicant has a certificate with his or her new name on it. That information will be conveyed to the Chief Electoral Officer and other places where that information is required for sensible purposes. I believe the following comments may be helpful to the honourable member for Berwick, who referred to the problems of deed polls.

Overseas, a person will register under the laws of the land in which they change their name by deed poll. In Victoria, a person will be able to register a change of name which will provide the benefit of a proper indexed record of the change and a certificate will be given to the person changing his name.

I believe some of the issues that arose concerning complications involving people born in other countries need to be considered and perhaps amendments made to the Act to ensure that the legislation works efficiently. I believe I have responded to the issues raised by honourable members and I thank them for their contributions.

The motion was agreed to.

The Bill was read a second time and committed.

Clauses 1 to 3 were agreed to.

Clause 4

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 4, line 22, omit "at birth".

The amendment was agreed to, and the clause, as amended, was adopted, as was clause 5.

Clause 6

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 6, page 4, lines 16 to 21, omit all words and expressions on these lines and insert "section (3) unless section 48 applies".

Mr STEGGALL (Swan Hill)—It is rather complicated to follow the amendments when one receives them on the run. I have not had the opportunity of considering the amendments. I wonder whether the Minister might provide an explanation of the amendments because, when going through the documents at the speed at which the Minister is travelling, it is not easy to follow them. Perhaps we could deal with the Committee stage after dinner.

Mr McCUTCHEON (Minister for Property and Services)—This matter was dealt with during the second-reading debate. The amendment will eliminate the restraint on hyphenated names. There was a constraint on names that could be registered but that is now being deleted from the Bill.

The amendment was agreed to.

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 6, page 5, lines 9 to 14, omit all words and expressions on these lines and insert:

"given name upon—

(*a*) the application in writing of a parent or guardian of the child; and

(*b*) payment of the prescribed fee."

This deals with the registration of the given name after registration of birth and simplifies the process in the terms already discussed during the second-reading debate.

The amendment was agreed to.

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 6, page 5, line 21, omit 'word "prescribed" ' and insert 'words "in the prescribed form".'.

The amendment was agreed to.

Mr DELZOPPO (Narracan)—I direct the attention of the Minister to line 9 on page 7 of the Bill, which states:

(*k*) In section 27 for the words "an extract of the entry" there is substituted the words "a certificate in the prescribed form";

During the second-reading debate, I mentioned a proposal, which has not yet crystallized, to provide persons registering a child with a prescribed form, which would be in the form of a certificate attached to an extract by means of a perforation, so that the certificate could be torn off from the extract. The Minister did not mention this in his second-reading summation.

Is it the intention of the Minister to introduce such a certificate combined with an extract under the terms of "prescribed form" in clause 6?

Mr McCUTCHEON (Minister for Property and Services)—I am not sure whether I can provide details of what the form will be, but I shall obtain that information for the honourable member and let him know later.

The clause, as amended, was adopted, as was clause 7.

Clause 8

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 8, page 7, lines 22 to 31, omit all words and expressions on these lines and insert:

"33. This Part does not affect the right of a person to assume or use a name other than a name registered as the name of that person under this Act."

The amendment was agreed to.

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 8, page 9, line 11, omit "kept and maintained under this section".

The amendment was agreed to.

Mr McCUTCHEON (Minister for Property and Services)—I move:

Clause 8, page 9, line 16, omit "39 or".

Clause 8, page 9, lines 26 to 32, omit all words and expressions on these lines.

The amendments were agreed to.

Mr DELZOPPO (Narracan)—During the second-reading debate I mentioned a suggestion that was made to the Opposition by persons interested in genealogical studies. It involved a proposed new section 49 (4) and provided that:

The registrar must in every year publish in a form approved by the Minister the indexes to each of the registers of births, deaths and marriages in his possession after the lapse of 75 years after the making of the last entry therein.

I was not sure from the Minister's remarks whether he was prepared to consider the amendment. This change to the legislation has been eagerly sought for a number of years by people interested in genealogical studies. It would mean that automatically the registrar must bring forward an index dated back 75 years. In this way we would not have a backlog of indices not being published as we have at present. Will the Minister clarify his response and consider the amendment while the Bill is between here and another place?

Mr McCUTCHEON (Minister for Property and Services)—I give that assurance and will speak to the honourable member in the intervening period.

The clause was verbally amended, and, as amended, was adopted, as were the remaining clauses.

The schedule was verbally amended, and, as amended, was adopted.

The Bill was reported to the House with amendments, and passed through its remaining stages.

CONSTITUTION (GOVERNOR'S SALARY AND PENSION) BILL

Mr CAIN (Premier)—I move:

That this Bill be now read a second time.

In recognition of the service Sir Brian and Lady Murray have rendered certain undertakings were given in my Ministerial statement of 3 October. This Bill seeks to incorporate in legislation these undertakings, to provide a more flexible mechanism to increase the Governor's salary and enable a more flexible approach for payment of pensions to future Governors.

Clause 6 provides for a full pension entitlement for Sir Brian Murray of 60 per cent of the salary of the Chief Justice, calculated on the basis of the Governor's pension entitlement set out in the Constitution Act. This clause also provides for a lump sum payment of $30 000 and removal, resettlement and re-establishment costs of $15 000.

In my Ministerial statement to the House on 3 October 1985, I also stated that the Government had agreed to provide certain other entitlements to Sir Brian Murray.

These entitlements are normally available to former Governors at the conclusion of their term of office. I mentioned the availability of a Government car whilst in Victoria on official business, and secretarial services for three months from the date of resignation.

In addition, I inform honourable members that Sir Brian advised he had taken action some weeks ago to exercise the normal entitlement of Governors to purchase a new motor vehicle for his personal use on a concessional basis. Under Commonwealth law, a Governor is entitled to purchase a motor vehicle free of customs duty and sales tax.

Since it was not possible for this transaction to be completed before Sir Brian vacated his office, the Government agreed at his request that if retrospective approval could not be obtained under the taxation system it would meet the relevant customs duty and sales tax amounting to $25 018.96 so that Sir Brian would not be disadvantaged. I am advised that retrospective approval cannot be given as the entitlement lapsed when Sir Brian vacated the office of Governor. Sir Brian also sought an understanding from the

Government that he would not be financially disadvantaged from an income tax point of view in relation to the payments referred to. The Government has acceded to his request.

The understandings reached, including the understanding that no comment would be made by Sir Brian or Lady Murray, in order to protect the integrity of the office of Governor were noted down by the Governor's aide at Sir Brian's request. As these matters have been raised in the House, the Government felt that, before tabling the note of understandings, it should check with Sir Brian whether he wished the note to be tabled. The Secretary, Office of the Governor, Mr Charles Curwen, spoke to Sir Brian this morning. Sir Brian informed Mr Curwen that he never wished to be a part of the politics in this matter, but if Mr Kennett is wishing to pursue it, and if Mr Cain considers it is necessary for him to table it in the House, then insofar as Sir Brian is concerned, it has nothing to do with him and he is out of it now.

The Leader of the Opposition has to face up squarely to the consequences of his actions in this matter. It is he—and he alone—who wants to go on with this issue. It is he and he alone who is doing damage to the office of Governor by his politically motivated attacks, which have one purpose and one purpose only: to enhance the political prospects—as he sees them—of Jeff Kennett.

He has throughout this matter played with the truth in so many ways which can only hurt the people he so self-righteously says he wishes to protect.

There is a further point, and let it be clearly understood by everybody in this place: by his intemperate conduct and irresponsible attacks on this issue, he puts in jeopardy the Royal visit which I and all Victorians want to see proceed at the end of this month, and I shall do all I can to see that the visit proceeds. By his actions—his actions, nobody else's—he wants to create a climate of controversy so that the Royal visit will not be able to take place without the prospect of embarrassment to their Royal Highnesses.

I have so far sought to preserve the wishes of the Governor in respect of the undertakings which were regarded by him and accepted by me as private and personal. But in view of the course which the Opposition has taken, I seek leave to table the note of understandings reached.

The SPEAKER—Order! The Premier does not need leave to have the document incorporated. He should just make the document available to the House.

Mr CAIN—Thank you, Mr Speaker. I make no such application.

The SPEAKER—Order! The document has been made available to the House under the usual arrangements.

Mr CAIN—At the request of Sir Brian, I draw honourable members' attention to sub-section 7A (4) of the Constitution Act.

Under this provision, which will also apply to Sir Brian's pension entitlement, a Governor's pension is reduced by the amount that a person is entitled to receive by way of pension or retirement allowance in respect of service under the Crown in any part of the Commonwealth of Nations, but excluding payments under the Repatriation Act and certain other Acts.

Sir Brian has asked that it be noted that, as he is in receipt of a pension under the Commonwealth Defence Forces Retirement Benefits Act, this will be offset against the amount he will receive under the Victorian legislation. As I have already mentioned, the Bill also seeks to provide greater flexibility in respect of the Governor's salary and pension.

Honourable members will be aware that each time the Governor's salary is increased an amendment to the Constitution Act is required. This was also the case with Supreme Court judges' salaries until 1980 when legislation was passed to enable their salaries to be increased by way of an adjustment certificate issued by the Attorney-General.

Clause 4 would put in place a similar mechanism in respect of the Governor's salary. I point out that this provision will not permit the Governor's salary to be reduced. Adjustments made to the salary of the Governor and the pension paid to a former Governor pursuant to these provisions will be reported to Parliament.

The fact that legislation has been necessary to enable payment of a pension to Sir Brian Murray also highlights the need for greater flexibility for pension entitlements for the Governor. Accordingly, the Bill provides for a proportionate pension entitlement where a person serves for more than one year but less than five years and is not otherwise entitled to a pension through disability retirement.

Clause 5 provides for a Governor to be entitled to a pension determined by reference to length of service. A full pension is equivalent to 60 per cent of the Chief Justice's salary. A retiring Governor would receive 20 per cent of the full pension entitlement for each full year's service up to five years. After five years, there would be an entitlement to the full pension. In addition, there would be flexibility to enable a greater amount to be fixed in any individual case.

The existing provision in section 7A (4) for the pension entitlement to be reduced by the amount of any other pension or retirement entitlement in respect of other Government service will be retained. These changes will implement undertakings given to Sir Brian Murray.

Other changes provide greater flexibility to enable increases to be made to the Governor's salary and for pension entitlements where a person serves for less than five years.

I emphasise that the provisions regarding the salary for the Governor are consistent with the existing provisions of the Constitution Act for adjustments to Supreme Court Judges' salaries. I commend the Bill to the House.

On the motion of Mr KENNETT (Leader of the Opposition), the debate was adjourned.

It was ordered that the debate be adjourned until later this day.

HOUSING (COMMONWEALTH-STATE-NORTHERN TERRITORY AGREEMENT) BILL

The debate (adjourned from September 19) on the motion of Mr Wilkes (Minister for Housing) for the second reading of this Bill was resumed.

Mr BROWN (Gippsland West)—This important Bill will amend the Housing Act 1983 to ratify the execution for and on behalf of the State of Victoria of an agreement between the Commonwealth and other States relating to housing activities. The Bill will establish the basis of an agreement for a period of ten years as from 1 July 1985.

The Bill will lay down the mechanism for all housing activity in Victoria for the next ten years and is particularly relevant to the Liberal Party because, for the bulk of that period, it will be in government in this State and, effectively, will need to be assured that whatever legislative process takes place in the provision of funds for housing is done in the interests of people that the Liberal Government will be serving in the years ahead.

The agreement is an important social document because it sets out every aspect of housing in the State. I welcome the debate as an opportunity of discussing a wide range of issues. Sometimes those issues are complex, but there can be no argument that they are important to hundreds of thousands of people throughout the length and breadth of Victoria. In his second-reading speech the Minister stated that:

> Approximately 95 per cent of the Ministry's new tenants are eligible for rent rebates because of low incomes.

He also stated:

> The agreement provides that tenants who are on low incomes should continue to receive rent rebates.

The Opposition supports that statement. The Minister continued:

> I mention in this context that rent rebates will cost the Ministry of Housing some $50 million in 1985–86, and that one of the Government's disappointments with the new agreement is that it does not provide for the Commonwealth to meet this cost. It is, by its nature, clearly an income security cost and thus, the Government would argue, a Commonwealth responsibility.

The Liberal Party shares the view of the Minister that it is a Commonwealth responsibility and it joins with him in condemning the activities of the Federal Government—his own Labor Party colleagues—who clearly are not prepared to shoulder the responsibility for these activities.

However, it is refreshing to see a Minister of the Crown who represents the Labor Party quite openly condemning, as does the Liberal Party, the activities of the Federal Labor Government. Indeed, I only hope that his plea does not fall on deaf ears. The Liberal Party joins with him in saying that it is time that those in Canberra—who, admittedly, are there for only a limited period, but who have the capacity over that period to implement policies that are beneficial to Victorians—woke up and started to listen even to State Ministers representing their own political persuasion.

The fact of the matter is that Victoria has been kicked in the stomach as a result of the Commonwealth Government's unpreparedness to face its responsibility in this area of income support. I conclude on this point by saying that it is refreshing to hear the present State Minister for Housing publicly stating that he sees it as the Federal Government's responsibility to get on with doing what it was charged with doing when it was elected as the Federal Government.

The Minister also indicated that this agreement provides for the introduction of cost rents. He said:

> In the long term, this should lead to significantly lower rents for public tenants.

The Liberal Party has said publicly, and I say again in this debate, that that is not right. It will not lead to significantly lower rents for public tenants. Indeed, a reintroduction of the former method of calculating rentals for tenants of the Ministry of Housing would better serve those tenants. That formula was tied to market-related influences. Unquestionably, there are thousands of families who have experienced a substantial hike in rental costs since cost rentals have been introduced in Victoria. My office has been inundated by tenants telling me that their rentals have increased by $10 a week. I have been inundated to the degree that there has been a constant stream of mail and telephone calls pointing out to me that before the State elections the Labor Government said it would introduce a scheme that would reduce their rent, but instead they are faced with a hike of $10 a week.

Thousands of Victorian families have received notification from the Ministry of Housing, since the introduction of this scheme, that their rent will increase significantly. How the Labor Party can hold its head high and continue to claim that the introduction of cost rents is helping low income families, when we know and it is the fact that large numbers of people are suffering massive hikes in the amounts that they have to pay, is beyond me. I cannot fathom how the Labor Party can continue to claim what it claims it will do as a consequence of this Bill.

The Bill covers every facet of housing in Victoria, including the provision of finance, the management of estates or even the control of an individual house or unit that is made available by the Ministry of Housing. It states, in part, that its objective is to assist the delivery of housing assistance, so far as possible, and that people should be given an equal choice between the types of housing assistance available.

That is a fairly short statement, but the reality is that the Housing (Commonwealth–State–Northern Territory Agreement) Bill that we are debating here and now says that, so far as possible, an equal choice should be given between the types of housing assistance available. I refer particularly to rental housing co-operatives, which were initiated by a former Liberal Government. It goes back to the day of the Honourable

Brian Dixon, who was the then Minister of Housing. Naturally, the Liberal Party continues to support the concept of rental housing co-operatives. Indeed, the concept is excellent but we do know—and the honourable member for Frankston South has raised this—that problems are now evident within the administration of such an entity in Frankston. The previous Minister of Housing had departmental staff take over the control of a rental housing co-operative at Mornington last year. So the situation is that the administration of rental housing co-operatives has not been all that it should have been in the time of the Labor Government.

I am only making the point that the Administration should give closer attention to the management of rental housing co-operatives. I am certainly not advocating that they be done away with because, as I said, the concept is excellent and we do support it.

I also note that the agreement seeks to remove the stigmatization of the status of public tenants and it clearly states that this should be avoided to the maximum extent practicable, yet the Government continues to embark on a course of developing large estates. It is true that they are not large in the sense that they are high rise but, as I know you are personally aware, Mr Speaker, from a development in your own electorate, they are large in the sense that many units are put on a single area of land. Some of the developments that the Labor Government has carried out in its time in office—some of the estates that have been developed—are very large indeed. Examples are the Graham Road estate at Highett, the major project on the former Angliss meatworks site at Footscray and the proposals for the redevelopment of the Newmarket sale-yards, as well as the development of the Orana estate at Burwood, which has now begun. There are a large number of others, and it is evident that, despite the knowledge of all the problems that have existed in the past with large estates, this Government intends to continue to develop such estates. They are putting several hundred people shoulder to shoulder on single blocks of land in many locations throughout the metropolitan area.

That is very, very bad. The Liberal Party has highlighted the situation a number of times, yet the Government cannot be induced to see sense and introduce policies along the lines required by the Bill. The Bill clearly states that there should be no stigmatization of the status of public tenants. What happens when one gets several hundred people living on one block in any given area in the metropolitan area—or anywhere else in Victoria, for that matter? The community singles them out and says, "You're from the commission area!" and that is a stigmatization that is not reasonable. Policies are available that would remove the necessity for large estates to be developed.

The spot purchase program and other methods of purchase are available to the Ministry of Housing so that tenants of the Ministry can be easily and adequately dispersed throughout the community. There can be no doubt that that is the preferable way to go. It is the way the Liberal Party, when it is returned to government in three years' time, will go. No major housing estates will be developed, and in that regard the Liberal Party will be sticking to the spirit of the agreement that honourable members are debating tonight.

The agreement also provides for assistance to be given to create home ownership opportunities for those who are unable to obtain or maintain affordable finance from the private sector or from other sources outside the agreement.

The Liberal Party fully supports that concept. That is one area where I am prepared to praise the Federal Government when it says to the State Government that home ownership is a desirable method of providing accommodation to people. Undoubtedly, in the assessment of the Liberal Party, it is the preferable way to go for so many families. It is our judgment that at least 80 per cent of Victorian families who desire to have roofs over their heads can be accommodated.

The Liberal Party believes it is possible, with the right policies, for 80 per cent of Victorian families to own or pay off a home of their own rather than be struggling in Ministry of Housing residences all their lives. That is what the Government is doing purposely with its housing policy. It is building a large number of units on large estates. It

is buying approximately 3000 houses a year to add to the stock available, which presently stands at 47 000 units throughout Victoria, and it is the philosophy, primarily produced by the lunatic left of the Labor Party, that none of those properties will ever be available for purchase by the occupants. That is a scandalous situation. The 47 000 families presently in these units is increasing by approximately 3000 families a year and will do so as long as the State Government remains in office. Those tenants will never be able to purchase the house in which they live. That is a deplorable policy. It purposely keeps the poor poor.

Those same people, for less money and at less cost to the taxpayer, can be accommodated in houses that they are paying off and will eventually become their own. What is the corollary of that? One must ask, why is the Labor Party making sure that it keeps the poor poor? I say quite openly that it is for political reasons. The Labor Party does not want people to build a financial base and give their families security in the future because these families would then see the benefits of home ownership and question why the Labor Party for four decades has tried to keep the poor poor with its housing policy.

I shall outline clearly to the House later in this debate that it costs much more in monetary terms to have people housed in rental accommodation rather than to provide them with the opportunity for home ownership.

This Bill will also enable the State to exercise the maximum autonomy and flexibility in developing the administrative arrangements necessary to achieve the principles that I have already outlined. In other words, there is nothing under the terms of this ten-year agreement to stop the Labor Party Government changing its philosophy to help these people become homeowners. That is set out in the Bill clearly and succinctly.

It is also clear that it is up to the Minister for Housing when he goes to Canberra to ensure that he obtains the best housing deal for Victorians. The Bill requires him, as the Minister, to provide the Commonwealth Government in respect of each year with policies that are proposed in Victoria and the Bill sets out that the State and Federal Minister for Housing will consult as appropriate concerning the provision of financial assistance to Victorians, including additional financial assistance.

I place it clearly on the public record because it is stated in the Bill that the Minister for Housing will have the opportunity to go to Canberra annually and discuss all matters pertaining to housing with the Federal Minister for Housing, including additional financial assistance.

With the present waiting list for public rental housing standing at approximately 24 000 applications and growing, and with the policies that the Government has on foot for housing, particularly regarding the Residential Tenancies Act, which will be the subject of another debate at a later time, the Ministry of Housing waiting lists will grow by tens of thousands within the next three years. The Minister for Housing will find it necessary to go to Canberra and not only plead but also insist that this State receives a better deal from the Federal Government than it has been receiving during the period Mr Hawke has been Prime Minister.

The amount of moneys provided at both State and Federal levels for housing has not matched either Labor Party promises or commitments that were given to increase the assistance available for home ownership and the policies affecting public rentals.

Every year large amounts of money flow into State Government coffers to create revolving funds. The Federal Government lends the State Government vast amounts of money every year for housing purposes at a 4·5 per cent interest rate per annum. Indeed, this is repayable over a 53-year period. Well before that 53-year period is up a surplus amount of money accrues to the credit of the State Government that can be used as the Government sees fit for the development of housing policies and housing assistance programs.

As I said earlier, the lunatic left wing fringe and the idealogues within the Labor Party are constantly pushing to ensure that the poor remain poor and that they remain in public rental housing. However, the Liberal Party espouses that home ownership policies are

preferable. I shall push that point continually during the debate. I know that members of the Labor Party who espouse some interest in housing are in the Chamber at the moment and the Opposition will be anxious to hear their contributions to the debate. I shall name them if they do not speak in this debate. Those honourable members have a case to answer.

The honourable member for Ringwood, before the last State election, said that she would ensure that a rental housing co-operative was built at Ringwood. I am on the public record as saying that my first administrative action, as the Minister for Housing, would be to put a rental housing co-operative in place at Ringwood. The Opposition accepts that there is a crying demand for this sort of accommodation at Ringwood and it would make arrangements so that this special accommodation would be in place right now, this month, for those residents at Ringwood. Hundreds of families desperately need this sort of accommodation and the Liberal Party, in government, would redress this situation immediately.

The people of Ringwood have been misled by this State Government, because it is spelt out in its policy documents that there will be no rental housing co-operative established this year, anywhere in Victoria. Is that misleading the people of Ringwood or is it not? It is telling them pre-election a co-operative will be established soon after the election of a Labor Government, but in their own printed document stating that no co-operative will be established this year anywhere in Victoria. It is absolutely disgraceful that the people of Ringwood were misled, as were many other people in Labor-controlled seats.

Promises were made prior to the last election that were blatantly misleading and the chickens have now come home to roost. I am glad that I am not the honourable member for Ringwood or that I represent other electorates where this Government has blatantly misled the community.

I have indicated that the Opposition has a definite bias to ensure that people get a home of their own rather than maintaining them in rental accommodation all their lives. It is a fact that after a home is paid off, in Victoria the average time for the paying off a home is 25 years, that the relative cost of then maintaining that residence is very low.

What happens to the tenants whom the Government is forcing to go on a waiting list all their lives? I will tell you what happens: every year that he or she lives, his or her rental bill increases and it doubles in every ten years cycle.

There will be several members from the Opposition who will follow me in the debate and they will give examples of constituents in their electorates who have been kicked in the teeth when the Government could have invested in a decent reasonable community spirit but it has chosen not to do so. Indeed it is the philosophy of the Opposition that not only should every Ministry of Housing tenant have the opportunity to purchase his house or unit but also that it should be prescribed in legislation that he has that right. That is what the Liberal Party when it is in government will do when operating under the Bill. The Bill allows the Government to sell Ministry of Housing residences to tenants who are renting them. The Commonwealth Government sees the advantage, decency and benefit in allowing the State to sell off its rental stock and, so far as the Opposition is concerned, an important proviso is that as a house is sold to a tenant of the Ministry of Housing it should be replaced. The Opposition says that people in Victoria who cannot afford a house—and it acknowledges that about 20 per cent of families have the right to public housing—clearly and unequivocally should have that right. It says that 80 per cent of families who purchase a home should be given the right to do what they want to do; the majority of people in Victoria, the people the Government is keeping poor for a lifetime, should be given the right to purchase the home if it is their desire.

Under the incoming Liberal Government they will be able to do this because that Government will legislate to ensure—as is done in England—that they have the right at law and not only that but also it will give them a discount of 1 per cent off the purchase price for every year that they have been a tenant of the Ministry of Housing. In other

words, the worse they have been treated by the Labor Government, and the longer they have been kept in public rental property instead of giving them that opportunity, the Liberal Party will give some respite for that scandalous situation by giving a discount of 1 per cent for every year of occupancy.

In other words, if the Labor Government has forced them to stay in public housing for ten years the Liberal Party will give them a 10 per cent discount and that will be in the form of a direct subsidy from the State coffers. It will not impinge upon the agreement.

However, the first time I travel to Canberra as Minister for Housing I will want the agreement changed. There is provision in the Bill for the Minister of the day to negotiate with the Federal Minister for change and I will ensure that it is changed so that the discount is given to help these people get a stake in Victoria which will give them pride and ownership not only for them but also for their kids. The Liberal Party in government will want the Commonwealth to join with it to take a role in ensuring that those families are assisted.

There are a large number of other issues that I propose to canvass because it is rare for the Opposition to have an opportunity to debate any subject, even one as important as this. I am pleased today because the Bill affords me this opportunity. The Bill controls every facet of housing so far as the State Government is concerned. The provisions allow payment to be made or for bridging finance, for the provision of open space, landscaping, community facilities or the costs associated with land development including contributions to water and the reticulated services.

This matter relates also to the Frankston Baptist Retirement Centre which is by far the largest in Victoria and to my knowledge is the largest retirement village in Australia. The day after the Opposition became aware of the financial situation facing the village, it called upon the Government to step in and ensure that it would be underwritten financially if necessary and that it would give a guarantee that there would be no collapse because what has happened there could happen Statewide. People moved into these developments on what has been termed a residential funded village concept. All the people in the residence at Frankston paid the full cash value for the units they are occupying and yet they have no security other than a piece of paper called a life-time tenancy lease that is as worthless as the paper it is written on should the development company collapse.

This is a plea I do not wish to fall on deaf ears because this is an urgent situation that is facing not only the Frankston Baptist Centre but also it is undoubtedly facing other retirement villages in the State, although I am sure they would be small in number as most retirement villages are financially viable. In the example of the Frankston Baptist Retirement Centre and before there is a possibility that others will follow, it is imperative that the Government turns its attention to the problem. It must legislate forthwith and the Opposition will support the legislation. It must be done during this session. The Opposition is aware of evidence that has been placed before it and it does not wish to see any more villages established in Victoria in which people pay the full cost of the development but have no rights at law should that development company fail. They must be given security of tenure and some form of holdover title that can be in the form of a strata title or a lien over the master title.

This is one of the most pressing and serious social problems at this time. There are 600 residents at Frankston and the Opposition is pleased to see that the Government has propped it up financially for 90 days. It commends the Government for doing that. However, what will happen to that development after the 90 days is up? There is no undertaking from the Government. There must be an assurance given to the elderly people at Frankston that they are secure.

I say on behalf of the Opposition and with the full knowledge of my colleagues that it will leave no stone unturned to ensure that the interests of those people are protected and that they will be able to remain in what are rightfully their units for which they have paid in full value. The Opposition commends the Government for stepping in for 90 days but

it asks: what will happen after the 90 days is up? It is an issue that the Government must address and for which legislation must be enacted.

Turning to other issues encompassed by the Bill, it is possible that discounts can be given under the measure if the State decides as a matter of policy to sell a unit or house in which a public tenant lives. The Liberal Party believes that is something it would do as a Government. I ask the Government to turn its attention to that matter and ask whether it can do something to assist these people who are stuck on the treadmill of paying rent for a lifetime.

The Government recently introduced a new method of calculating rentals. As I said before, it has changed from what was known as market-related rentals to a cost rent formula. Under the cost rent formula, as spelt out in the Bill, I should like to give honourable members some insight into what must now be covered by Victoria—under the brilliant new policy that the Government has introduced.

It must recover from low income public rental families in this State the following costs for administration of public housing in this State. The Minister for Housing interjects and says that it covers all States, and he is absolutely correct. However, I make the following remarks for Victoria. I do not know how the Federal and State Governments can have the gall to introduce such a system, and how the Victorian Government can have the gall in Victoria to accept the principle that low income tenants have to cover these costs.

I shall list what low income earners will have to pay for under the cost rent formula. They will have to pay for the administration involved, and, primarily, that is the administration of the Ministry of Housing. The Opposition acknowledges that the Ministry is saving some $60 000 at present because there is no Director of Housing—and there has been no director for some nine months—but apart from that, the Ministry has staff virtually hanging out of the windows who are handling that administration in a grossly inept and incompetent fashion. For more than twelve months I have high lighted the problems that exist within the administration which require urgent attention. I assume, as the Minister for Housing is still fairly fresh in the job, he is just about to act after having recently found out about all the problems.

I could take honourable members through all the problems that exist, and they are not minuscule in number. I could relate to the House the problems of houses remaining empty for six months after being bought by the Ministry and, after all the issues have been raised concerning granny flats, there are still many that stay empty for an average of a year after the Ministry has been notified that they have become vacant.

The Government's solution to that problem was to say that granny flats will no longer stay empty; it decided to store them in a factory in Ringwood. The Ministry is still transferring granny flats to be stored when hundreds of people have been waiting for up to two or three years to move into them. Of course, some of the people have died before having their wishes fulfilled. I could talk about a range of issues to demonstrate the tremendous incompetence within the Ministry. Something needs to be done in that regard.

I make the point that low income earners, the tenants of the Ministry of Housing, will have to foot the bill for administration and the bill for all the rates. This will occur under the cost rent formula that the Government has introduced in the Bill. Low income earners will also be required to foot the bill for insurance costs, specific operation expenses associated with particular types of units, and annual maintenance. The annual maintenance bill of the Ministry of Housing is horrific—there is no other way of describing it.

Some of the programs that the Government has implemented have cost up to $3 million, and money has literally been wasted. The Government has become involved in the Glass Terrace purchase and restoration, which will house only a small number of people but which will cost about $3 million.

Under the cost rent formula set out in the Bill, all the costs of public rental housing in this State will be borne by the low income earners. They will be required to cover the costs

of yearly allowance for rent arrears and debts written off. That effectively means that the good tenants will subsidize the bad tenants. Rent arrears and debts written off will be covered by the pool of money that low income earners pay to the Ministry. So much for helping the low income earners!

They must also pay the cost of the yearly allowances for vacancies; leasing expenses related to land and dwellings; operating expenses of community facilities; and, to cap it all off, any other operating costs agreed between Federal and State Housing Ministers. Therefore, if the Ministry of Housing can whip in any other costs it can think of, it will do that, too.

This new widely acclaimed policy of introducing the cost rent formula is against the interests of public rental tenants in this State, and it is about time the Government publicly acknowledged that that is the case.

I quote directly from a publication of the Ministry of Housing entitled, "The State Housing Budget", No 4. for 1985–86, which states that the achievements of Program One include:

> The management of some 47 000 units of public rental stock. The cost of managing these units was $126 million in 1984–85.

I repeat that the cost of managing those units by the Ministry of Housing in this State was $126 million in the last financial year. What an enormous burden that is on the taxpayers of this State and those who are paying rent themselves, the low income earners!

If they were given the opportunity of owning their own houses instead of being forced to rent accommodation, it would not only save the taxpayers of Victoria hundreds of millions of dollars in the long run, but it would also reduce overnight the cost of managing those units, which, I assume, will be $150 million at the end of this financial year; and yet the Government has persisted with the policy of ensuring that all one can do is to come along and rent a house.

I note that some $43 million is provided from the Ministry's capital budget for the purpose of that same management program in 1985–86, which represents an increase of 22 per cent over the 1984–85 financial year.

Later during the debate, I shall clearly outline to the House the cost to the taxpayers of the home ownership policies with which the Government persists.

The document to which I referred earlier also states, regarding Sub-Program Four—Community Managed Housing:

> It is anticipated that no new rental housing co-operatives will be established in 1985–86. Arrangements for the operations of the 17 existing co-operatives will be maintained.

The statement is on the public record, published in the Government's own document. All I can hope is that the pressure that the Opposition brings to bear will see that policy overturned tonight. The Opposition wants the Minister for Housing to stand up tonight and say that he will do what the Opposition would have done six months ago, that he will now ensure that a rental housing co-operative is established in Ringwood.

The Minister has an allocation of some $320 million for housing from which to obtain the funds to do that. The Opposition not only acknowledges the problem, but also it would have fixed it. It requests the Minister to address the plight of people in Ringwood, and hopes that an undertaking will be given by the Minister during the debate.

As an example of the Government's bias and its onslaught into what was a very traditional source of funds for home loans, I note that, this year, $30·6 million of Ministry funds will be distributed to the co-operative housing society movement. It received some $30 million last year, so that is a reduction in real terms; despite the fact that the housing budget exceeds $300 million this financial year, this is a substantial increase in real terms on the allocation for the last financial year. However, there has been a reduction in the

amount allocated for co-operative housing. The Minister kindly answered a question on notice recently, which I will read to the House. Question No. 223 was put on notice by me.

I asked the Minister for Housing:

What is the number of rental units which could be provided for a given amount of $100 million under the costs as currently incurred by the Ministry of Housing in the rental construction program, including provision for operational costs in one year, as compared to the number of units which could be provided under a home purchase assistance program as currently operated through the Ministry and its agencies.

I asked the Minister for Housing how many houses could be provided for $100 million by the Ministry and how many could be provided by co-operative housing societies.

The answer was:

The number of rental units is 1479.

The number under home purchase assistance is 2353.

For the same $100 million the Ministry could have provided an extra 100 units and given what 80 per cent of the people want—a chance to buy a house of their own and to have the burden of paying rent for ever lifted from their shoulders.

I realize that the lunatic fringe of the Labor Party does not accept this, but the people involved would gain the advantage of obtaining the inflationary profit that is made by owning a property. I know that has been dented recently through the introduction of a capital gains tax, but it is still a preferable situation to having to pay rent all one's life. If one owns a house, one has a good asset that may be passed on to other members of the family.

I am pleased that the Minister answered the question; the normal practice is for Ministers to say that it would take too many resources to answer a question. When the Liberal Party is in government, it will ensure that the Labor Party gets a fair go with respect to the answering of questions on notice. The Government claims to be an open government, but it uses the Freedom of Information Act to block as much information as possible. It obstructs the flow of information to the optimum degree.

The second question I asked the Minister for Housing was:

What is the average purchase price of the rental units obtained under the spot purchase program as compared to the average purchase price of units of accommodation provided under the home purchase assistance program, either directly through the Ministry or through co-operative housing societies.

I asked the Minister how many housing units the Ministry could purchase for a certain amount of money and how many units could be purchased by co-operative housing societies for the same amount.

The answer was:

Average acquisition price—including upgrading—per unit under the spot purchase program during early 1985 was $65 600.

The Ministry is going around the State buying 3000 houses at an average cost of $65 600. It pays $100 000 for a house in Toorak, but the average cost is $65 600.

The answer continues:

For the above outlay, the Ministry acquired a dwelling for use for public rental housing in perpetuity, in an area where public housing is needed.

Average purchase price per unit under home purchase assistance scheme is $45 922—this does not include upgrading costs.

The Ministry of Housing spends $65 600 for houses to put tenants into and people can buy their own houses for $46 000. Its a policy of lunacy to pay so much money to provide rental accommodation when one could use less money to help people purchase a house of their own. If people can buy their own houses, they are no longer a burden on the taxpayer,

they have pride of ownership and their children are not teased about coming from a commission area.

Why the Labor Government sticks with the lunatic ideological philosophy of keeping people in public rental housing all their lives is beyond the comprehension of the Opposition. Heaven help us if the voters of Victoria are stupid enough to return another Labor Government, as there would be a further 10 000 families who would be condemned to be poor all their lives, who would be forced to pay rent and who would never have the opportunity of owning their own houses. I hope the House is taking note of these points.

The third question I asked the Minister was:

What is the administration cost to the taxpayers of providing home purchase assistance through the Ministry?

That is a fairly straightforward question. The answer was:

Administrative cost of providing a home purchase assistance is estimated at $4·3 million for 1984–85.

Obviously, the figure will be more next year. This year approximately $5 million will be used to administer the home purchase assistance scheme. Co-operative housing societies do it for exactly half that price and it does not cost the taxpayer 1 cent.

The Government has public servants literally hanging from the windows of Myer House in Bourke Street—the headquarters of the Ministry of Housing—it employs bureaucrats at twice the cost that it would cost private enterprise to do the same job. It comes down to a matter of philosophy. The Minister for Housing could agree that I am correct—I must be correct because I am using his statistics—and could indicate that the policy would be changed. I would applaud him if he did that.

The next question I asked him was:

How many persons are currently employed by the Ministry in providing home purchase assistance loans and what are the estimated total wages to be paid this financial year?

The answer was:

The number of staff currently employed in processing loans under the home purchase assistance scheme and their total estimated wages are:

81 persons—$1·65 million.

The co-operative housing societies do the job at no cost to the Government. This year the Government will spend almost $2 million to distribute the money that the co-operative housing movement would distribute at no charge to the Government. If that is not a policy of lunacy, I would like to know what is.

I shall now highlight what is probably the most pertinent part of this debate. The Commonwealth-State Housing Agreement enshrines as one of its basic principles the concept of recruitment of subsidies. The Ministry of Housing and the Victorian Government unquestionably have double standards on this issue. The Ministry of Housing is prepared to recoup subsidies by virtue of the capital scheme for the home purchase assistance scheme whereby low income earners are required to pay as much for their housing loans as persons obtaining finance in the private sector. Despite that, the Ministry and the Government are prepared to turn a blind eye to massive subsidy costs incurred by the administration of home purchase assistance schemes and rental programs through the Ministry of Housing. I have quoted, chapter and verse, examples of how that is happening in Victoria with its attendant dramatic costs to the taxpayers, and yet the Government persists with this policy of lunacy.

The spot purchase program is an extravagant waste of taxpayers' money in that the average purchase price for houses is $65 600, which is $14 000 more expensive than the maximum loan approved under the home purchase assistance scheme.

The honourable member for Syndal will follow me in this debate, and he will highlight to the House the fact that, in the electorate he represents, the activities of the Ministry of

Housing have pushed up the costs of an average three-bedroom brick veneer house by $10 000 to $77 000.

Mr Coleman—$77 000!

The SPEAKER—Order! I advise the honourable member for Syndal that he is out of his place, and when he is interjecting he is out of order.

Mr BROWN—In the Syndal electorate the Ministry of Housing is paying an average of $77 000 for the same houses that were sold for less than $50 000 when the Liberal Party was in government a little more than three years ago. The policies of the Labor Government and not the market forces have a put a false bottom in the housing market. Statewide people are being forced to pay tens of thousands of dollars more for accommodation because the Ministry is using megadollars from the bottomless pit of taxpayers' funds. The Ministry cannot buy three thousand-plus houses a year mainly from the metropolitan area of Melbourne without hiking the prices. They have standing orders with the estate agents.

Mr Wilkes—No, they have not!

Mr BROWN—They have so! Those estate agents know that they do not have to advertise that a house is for sale because they approach the Ministry of Housing first, knowing that it will purchase the house. If the house is brick veneer with three bedrooms, the Ministry moves in and the estate agents get the cash; although at present the Minister is more interested in the brick veneer house with four bedrooms and an *en suite* bathroom.

The purchase of houses by the Ministry has been one of the worst influences in the housing market in Melbourne during the past three years, and it has jacked-up the price of housing to an unreasonable level. The high cost of purchases incurred by Ministry officials under the spot purchase program can only be labelled as scandalous in the light of cost efficiencies which I have outlined. These can be achieved in either rental construction or home purchase assistance programs, especially when tenants who pay approximately $27 a week may take possession of a spot purchase rental home of a standard that cannot be afforded by individual families battling under more stringent home purchase assistance conditions.

The Ministry of Housing is moving into electorates such as Syndal and others that will be highlighted by honourable members and paying high prices for houses in those electorates. Tenants who rent those spot purchase homes pay only $27 a week.

The operational loss on the Ministry's rental program has increased from $16 million in 1982–83 to $30·1 million in the past financial year. The estimated operational loss for the current financial year is $57·5 million. How can the Government defend its policies? They are indefensible! This represents an increase in the Ministry's loss on its rental programs of 240 per cent while only approximately 16 000 additional units have been added to the rental stock. This is an increase of approximately 45 per cent.

This massive loss on the rental program is disproportionate to the amount of activity currently undertaken by the Ministry; yet the Ministry has been highly praised by the Labor Government for supposedly assisting in solving Victoria's housing problems. The waiting list for rental housing in Victoria in the time the Labor Government has been in office has grown from 17 000 to approximately 24 000. Is the Government overcoming the problems? It is not. The Government is wasting money and the scarce resources available to taxpayers, and the waiting list is increasing.

The irrefutable conclusion to be drawn is that the State Government's much lauded public housing program is incapable of meeting the rising demand for housing assistance, and the high cost of administration incurred by the Ministry of Housing is crippling that program. I have indicated that the Statewide housing co-operative sector has staff who are ready, willing and able to distribute the money at no cost to the Government.

It is beyond comprehension why the Government continues with its policies, especially in the light of the current economic climate, rising interest rates and the increasing cost of

housing. Only massive Government efforts will save the situation. There is no question of that. However, more efficient means of providing housing assistance can be achieved using the existing Budget allocation which has been allowed for in the Bill. The Bill places no restraints on that expenditure, and there is no further recourse to the taxpayers' pockets.

These policies should be addressed, because that is what the Bill is about. The State Government has publicly made much of the fact that rent rebates will cost the Ministry some $50 million in 1985–86. I suppose the private sector will join with the Ministry of Housing. That is supportable and should have been done a long time ago. The Opposition hopes this long-term program will be upgraded.

The Opposition does not object to such an invasion of the market-place where the private sector institutions are encouraged to place their funds in housing and particularly to make available funds under terms that could be called housing assistance, but it strongly objects to the manner in which this program will be administered, especially when the administration costs of the program will be borne by the Ministry of Housing. The Ministry is not only blatantly inept, but it is also bleeding the public rental housing market through the tens of millions of dollars of administration costs.

Mr Wilkes—You want only home ownership.

Mr BROWN—The Opposition wants home ownership as the No. 1 priority for the 80 per cent of Victorians who desire that and the public rental housing policies should be structured to cater for the remaining 20 per cent who have no option. The Government is all for public rental and could not care less about home ownership.

Mr Wilkes—We are looking for a balance.

Mr BROWN—The Minister says he is looking for a balance. I would be happy if half the $324 million were spent this year on housing policies or home ownership.

The SPEAKER—Order! Would the honourable member for Gippsland West care to observe the document that has just been passed to him.

Mr BROWN—Thank you, Mr Speaker. By leave, I move:

That the debate be now adjourned and that I have leave to continue my speech when the debate is resumed.

The motion for the adjournment of the debate was agreed to, and it was ordered that the debate be adjourned until later this day.

The sitting was suspended at 6.29 *p.m. until* 8.4 *p.m.*

CONSTITUTION (GOVERNOR'S SALARY AND PENSION) BILL

The debate (adjourned from earlier this day) on the motion of Mr Cain (Premier) for the second reading of this Bill was resumed.

The SPEAKER—Order! I should advise the House that the second reading of this Bill will require to be passed by an absolute majority of the whole number of the members of the House.

Mr KENNETT (Leader of the Opposition)—Today the Premier of Victoria, John Cain, has come clean after ten days——

Honourable members interjecting.

The SPEAKER—Order! I should advise the House that I intend to uphold Standing Order No. 108 to the extent of its detail, and I shall take any action necessary to ensure that the Standing Order is maintained.

Mr KENNETT—Today the Premier of Victoria, John Cain, has come clean after ten days of evasion, distortion and cover-ups, but that does not take into account certain personal activities in which the Premier has involved himself.

The Opposition has been correctly pursuing this matter, given that Parliament and the community have a right to know the circumstances surrounding the Premier's dismissal of the former Victorian Governor. Today the actions of the Opposition have been totally vindicated. The credibility, honesty and integrity of the Premier, Mr Cain, now lie in tatters. The Government, the Premier and the Government Media Unit have desperately tried to mislead Parliament, the media and, through the media, the public. This time, thankfully, they have failed.

The Opposition was pressured by some sections of the media, and by the vitriol of the Premier's attacks and threats that much more could be revealed and that the Royal tour was at risk, to leave this issue alone. However, today, truth has conquered deception.

I shall relate some of the circumstances to which the Premier has alluded in his second-reading speech. There has been a history of the Premier's interference with the independence of the office of Governor in Victoria and its most recent incumbent. The first point that should be made tonight is that the Premier could, if he had wished, have stopped the former Governor from proceeding on the overseas trip. However, he elected not to do so.

If the Premier were concerned about the office of Governor, he could and should—he was in receipt of sufficient information about the Governor's trip—have informed the Governor about the police inquiry into discounted airline tickets allegation concerning the Police Force and other public office holders.

Today the Premier has in this House—and it is on public record—stated clearly that he knew about the investigations some time in the first part of August.

Mr Norris—Where is the tape?

The SPEAKER—Order! The honourable member for Dandenong is out of order.

Mr KENNETT—The Governor did not leave Melbourne until well into the third week of August. If the Premier really wanted to protect the office of Governor, if he really wanted to protect the incumbent of that office, out of sheer decency he should have informed the former Governor of this major inquiry, given that he knew the Governor was to take an inaugural flight at no cost to the taxpayer.

However, the Premier elected not to do so. At no stage did the Premier want to ensure that the Governor had protection despite the information that the Premier had.

Mr Remington—He cautioned him!

Mr KENNETT—That would be a change.

The SPEAKER—Order! The Leader of the Opposition will ignore interjections.

Mr KENNETT—I accuse the Premier of failing to perform his duties in protection of the office of Governor by failing to make the Governor aware of those investigations. The next point that is relevant is the fact that the Governor, on his return, was met by the Premier within about three hours when the Premier insisted that he see the Governor, having to some degree tracked his trip, even though he had no information initially, and brought to the Governor's attention the concerns that he as Premier once again had.

At that stage, if the Premier had been genuine about his concern for the office of Governor and any public controversy, he could have done as he has now elected to do in retrospect; that is, he could have said, "This is unacceptable; I invite you to repay the value of the trip". The Premier never made that offer. He had the opportunity of doing so. He has elected today to repay the difference between a business-class and a first-class ticket some five months after the event. Why did he not give the Governor the same opportunity? Why was not the same standard applied? The same standard was not applied because the Premier for three years has wished to see the demise of the previous incumbent of this office. It is also obvious that this conspiracy by the Premier was widespread.

The Premier had already discussed with the Lieutenant-Governor, before moving on the then Governor, Sir Brian Murray, whether the Lieutenant-Governor would be ready, willing and able to step into the position in the circumstances. That, to the Opposition, is quite unacceptable. It is obvious that the Prime Minister knew some time before the event that the Premier was about to move on the Governor of this State. There is no doubt that this was a conspiracy, but it was at that point that the deception really started.

The SPEAKER—Order! I should advise the Leader of the Opposition that the Bill is, in a conventional sense, one dealing with a certain matter. I do not believe it provides the Leader of the Opposition with an ability to canvass major areas of controversy in respect of this matter. The Bill restricts the honourable member to certain issues. I shall be as lenient as possible, but I do not intend to allow either the Leader of the Opposition or the Leader of the National Party to entertain themselves with a wide exposé of the issues surrounding this matter.

Mr KENNETT—Of course, I shall do my best to work within your ruling, Mr Speaker, but I make the point that, in the Premier's second-reading speech today, he canvassed issues that are not even related to the Bill in terms of information.

The SPEAKER—Order! I advise the honourable member that, irrespective of what the Premier may have said in the second-reading speech, the House is dealing with a Bill. If there is any dissent from my attitude in this matter, another avenue is open to the Opposition.

Mr KENNETT—I shall try to work within your ruling, Mr Speaker, but, for clarification, I refer to page 4 of the Premier's statement tonight in which he said:

> It is he . . .

That is me—

> . . . and he alone who is doing damage to the office of Governor by his politically motivated attacks which have one purpose and one purpose only: to enhance the political prospects—as he sees them—of Jeff Kennett.

The SPEAKER—Order! I advise the Leader of the Opposition that he has the opportunity of responding to that particular reference, but that is all.

Mr KENNETT—Thank you, Mr Speaker. That is what I am doing because, over the past ten days, we have made public statements which the Premier has attacked. I shall refer to that later. I hope to put an end to the issue but, in the event that it be the end of the issue, the record must be set straight in terms of the accusations and allegations taken on by the Premier.

On the Wednesday night before the former Governor's retirement, as honourable members all know, the Premier went to Government House and saw the Governor. He was there for approximately 6 minutes. The Premier then came back and informed the media of what was reported in many newspapers including the *Sun* on Thursday, 3 October, which was the next morning. It stated:

> "He also . . . . . .

By that he means the Governor—

> . . . . . indicated to me that he also intended to see the Leader of the Opposition and the Leader of the National Party.
>
> 'I told him in my view that was not the proper course to adopt. He said he intended to do that and I departed.

It has now become a matter of public record that the Premier deliberately left out of his comments to the media half the conversation he had with the Governor. What the Governor said to him was, "I have a request from the Leader of the Opposition which came on the night before, and I intend to see him". The Premier then said, "I advise you against that. That is not a proper course". The Governor said words to the effect of, "I intend to see him". That was extremely relevant in the whole process that has led to the

Bill because that created for the constitutional lawyers the arguments that justified the forcing of the Governor's resignation.

I direct attention to a conversation that occurred at 10 o'clock that night. At about 10 o'clock the Governor summoned the Premier back to Government House and said to him, "Mr Premier, I want you to go back and correct the misinformation and misrepresentation you have created about the conversations we had earlier tonight, and I further want to inform you that I have decided not to see Mr Kennett and Mr Ross-Edwards".

The Premier came back and took no action whatsoever on the Wednesday night or Thursday to correct the misrepresentation that he had perpetrated. It was those misrepresentations that did so much damage in this whole affair. I said earlier that this has been an exercise in deception. I think it can be proved quite clearly that, on that Wednesday night, the Premier deceived the media by misrepresenting the Governor, and the media quite honestly misrepresented the fact to the community at large.

I consider that to be totally unacceptable conduct for a holder of public office and particularly for the Premier of this State. The constitutional lawyers to whom I talked—Professor Colin Howard, who is often aligned with the left, and Professor Blackshield, who is aligned with the right—both said on the Thursday that that was the turning point on which the Governor should resign. Their information was based on misrepresentation not only of what the Governor had said in the first place but, more importantly, of what was said when the Governor summoned the Premier back to Government House to ask him specifically to correct the record and to inform the Premier that he was not going to see me, as Leader of the Opposition. That was a major issue on the Wednesday night and the Thursday. It is unacceptable that the Premier of this State should so misrepresent the Governor and, importantly, not be prepared to be frank and open with Parliament and the community at large.

For the past ten days, the Opposition has been pursuing this matter because it believes the public and Parliament have a right to know how and in what way public money is being spent.

Mr Fordham—That's right—nothing about the integrity of the office of the Governor—it is money that is the issue.

Mr KENNETT—The public individually or collectively may always argue over the merits and demerits of the Premier's decision to get rid of the Governor, but at this stage there started a cover-up and that has been the issue for the past ten days.

Mr Fordham—Rubbish!

Mr KENNETT—If everything the Premier had done was correct, why did he not tell the public and the people of Victoria? I am not arguing about the settlement terms that the Premier has arranged because there is nothing wrong with those terms and I agree with them. The difficulty has been with the Parliament and the people of Victoria being treated like a subhuman group of individuals. The Premier chose to retain this information for his own benefit. Tonight, after ten days, the Premier has finally seen fit to release the document that everyone knows was in place. For ten days, the Premier tried to evade and deceive the people of Victoria by never once saying definitely whether the document existed. There is nothing in the document that could not have been made public ten days ago—nothing at all, except that it is a condition of silence.

Mr Fordham—Rubbish!

Mr KENNETT—How absolutely absurd that the Deputy Premier says, "Rubbish". Paragraph (*a*) of the understanding states:

> That the circumstances of resignation and the surrounding events shall not be the subject of press comment or speculation in the future by His Excellency and Lady Murray.

It was binding only on the Governor and Lady Murray. No conditions were binding on the Government. There is no doubt that was the wedge that was used by the Premier. The Premier interjects,"No pre-conditions at all". Ask Charles Curwen! Look at the document! On the night that they went down to sign this elusive document, the Governor signed, the Premier signed, other signatories signed, and Lady Murray said, "I will not sign this agreement. I will base my commitment on your—Mr Premier's—agreement to meet your understandings on a gentleman's agreement." She refused to sign it because she did not trust the Premier. What happened then was that Sir Brian Murray said, "Jan"—Lady Murray, whatever it is—"Jan, we have no alternative, the Premier has got a gun at our head. He has threatened the Royal visit, and he has threatened our natural entitlement."

Under duress, Lady Murray signed this agreement. She signed it under duress, as did the Governor. Mr Speaker, this exercise has been one of threat and counter threat by the Premier. It was he who threatened the cancellation of the Royal visit. It was he who threatened when Lady Murray refused to sign the document out of sheer dignity. He got out of his chair and said, "That is it, I am walking out. You will lose office and you will get nothing." He started to walk out of the room when the former Governor suggested to his wife that they were being held over a barrel and that they should sign the document. That is what they did. In a court of law any agreement entered into under duress is not worth the paper on which it is written.

Further, over the past two or three days there have been deliberate leaks by the Government—as I have said before—of further information. Yesterday, the media unit leaked the story concerning "Murray secret grant".

Mr Fordham—Not true!

Mr KENNETT—Not many people will believe that. That was done for two reasons: first, to denigrate the Murrays; and, second, to divert attention away from what was happening in this place at 2 p.m. yesterday. No man or woman in this State with any degree of common sense will argue against that.

The Premier himself was responsible for the leaking of this information. As if that is not good enough what is found today? This was not part of the Ministerial statement last Thursday week. The Premier hid this from Parliament and from the people of Victoria. Why? Today the Government wishes to make sure that it can continue to undermine the position of the Murrays. The Government has got out the story that the Premier, Mr Cain, revealed that the State Government had agreed to pay any tax that the settlement package of the former Governor, Sir Brian Murray, may attract. Both those stories were in contradiction with the spirit of the agreement, with one exception—the agreement did not bind the Premier, and the Premier did not stop speaking from the moment that the Governor resigned.

Honourable members interjecting.

The SPEAKER—Order! I advise the honourable member for Mornington that I am warning him for the first time.

Mr KENNETT—Remember the impression that was created in the public arena when the Premier went around claiming that there was much, much more.

Honourable members interjecting.

The SPEAKER—Order! I advise the honourable member for Mornington that I have now warned him for the second time.

Mr KENNETT—The Premier went around the State talking to the media trying to justify his position by saying that there was much, much more. He was finally forced to concede that there was not much, much more; he was referring to details outlined in his Ministerial statement on 3 October and yet he deliberately created the impression and virtually threatened other people that, if they talked, he was in receipt of extra information, which he would drop. If the Premier had had any more information on other matters he

should have been man enough to mention them in his Ministerial statement. He was not prepared to do so then, and he knew the image and impression that he was creating in the community.

Today, as a result of comments made in another place by the Leader of the Government, the Leader of the the Government in the other place had to correct his position. Today, he admitted that what he said yesterday was incorrect and that, yes, there was a document in place, and that he, the Government Leader in the other place, had seen it.

Someone interjects; "What is wrong with that?" The Premier said that this was a secret document to which only a few people were privy, but he showed it sometime yesterday, or before, to the Leader of the Government in the other place. So to how many other people did the Premier show that document? To how many other Ministers; to how many members of his media unit; to how many members of the public?

It is not good enough for the Premier to come into this place and say that he has done everything that he can to preserve the office of the Governor when he has been responsible for the leaking of information and the circulation of a document that he said was confidential. Bear in mind that for ten days he tried to keep it to himself. For ten days the Premier and the Government, the Premier in particular—because he did not consult Cabinet on this issue—have been hoping that the media unit would pull the wool over the eyes of the Opposition. He succeeded with some of the press, who warned the Opposition off, but the Opposition makes no apology for pursuing to the death the truth of any issue that concerns the public of this State.

Let me now specifically talk about the proposed legislation. The Opposition will obviously support the Bill but, again, there are omissions from the measure and from what the Premier said in his statement tonight and in his Ministerial statement made on 3 October.

Although, later on, honourable members will go through these matters, clause by clause, I draw to the attention of the House certain issues which I ask the Premier to consider. In particular, I want him to bear in mind the request of the former Governor to disclose to Parliament and to correct a misrepresentation about the former Governor's salary—that is, his pension—which the Premier agreed to do, but has not been decent enough to do.

The media writings of the past week have all talked about a Governor's retirement pension in the order of $50 000 or $60 000. That is not the cost to the people of Victoria. The Premier knew it. The Governor asked the Premier to disclose it in order to correct the false impressions that were being created, and this Premier did not have the decency to inform the public.

What are the facts? The facts are simply these: the Governor is in receipt of a naval pension, a pension he deserves, having served this country with distinction over many, many years. That pension is in the order of $32 000. What the Government and the people of Victoria will be up for is not $50 000, $60 000 or, as reported in some statements, $100 000; the people of Victoria are up for $28 000. The Premier did not have the decency to inform the people when the Governor himself had asked the Premier to go back and correct this misrepresentation.

We on this side of the House and the public can understand the pettiness and the vindictiveness of the Premier in wanting to get rid of the Governor; but having done it, we would have thought that he would have had some vestige of decency to at least meet the commitment he gave verbally to the Governor, in terms of correcting the statement that he made on the Wednesday night of the dismissal regarding my request to see the Governor and the Governor's information to him when he called the Premier back at 10 p.m. saying he did not intend to see me.

One would have thought the Premier would have had the decency to do what the Governor asked and correct the situation regarding the pension. One should also bear in mind that the Governor was restricted by the agreement, and the Governor honoured that agreement. It was the Premier on whom the agreement was not binding. It was the Premier

who was prepared to misrepresent the Governor and to allow these issues to flow. It is the Premier's credibility, not only as a politician, but as a decent human being, that is now being called into challenge.

I know in this place that we on this side and the Government have differences of opinion on many issues and we argue viciously in the public arena. However, as you know, Mr Speaker, and as the Premier knows, when we go out to functions or elsewhere outside of the Chamber, we are always polite to each other and, basically, we get on well. It is this place that draws us together, because we are all subject to the same pressures.

I never thought, in the Premier's vindictiveness, that he would not have had the decency to honestly represent the views of the Governor and to correct the wrong impressions that he, the Premier, had created, which he knew were running, getting media coverage and influencing the public and the constitutional lawyers, to the Premier's political advantage.

Today is a very sad day, not only for Parliament but also for the person who will hold the office of Governor, when the Premier holds himself up as squeaky clean and as "honest John". This man is not honest. He does not even have a resemblance of any sense of decency in terms of the actions I have just described.

Honourable members interjecting.

The SPEAKER—Order! I should advise the Leader of the Opposition that I again direct his attention to Standing Order No. 108 in respect to imputations, and I intend to ensure that that Standing Order is maintained.

I shall ensure that the Leader of the Opposition is provided with a copy of that Standing Order to make quite sure that his remarks are in order.

Mr KENNETT—In the Premier's statement tonight, he referred to the usual privileges being accorded a former Governor, and the Opposition accepts that. The only trouble is that there is no provision in the Bill in that regard.

I would ask the Premier to take that on board and in his speech tonight he may see fit to accept or introduce an amendment to insert a provision in clause 6 of the Bill which allows the usual privileges that he outlined would be accorded to Sir Brian and Lady Murray. He referred to that provision in the second-reading speech, but it does not appear in the Bill.

Honourable members interjecting.

Mr KENNETT—These are unusual circumstances and I believe, in examining the Bill, that the Opposition has every right to ask the Premier to consider that aspect—again, just out of decency.

Also, although the Premier has referred in his speech tonight to undertakings to pay income tax on Sir Brian Murray's lump sum of $30 000, there is no undertaking in the Bill to do that. Given that it is still subject to negotiations with the Federal Government, I would ask the Premier to consider accepting or inserting an amendment to ensure that that is protected.

I make the point on behalf of members of the Opposition very clearly that we do not argue with the settlement agreement arrived at by the Government with Sir Brian Murray. I go further and say that, because the Opposition does not argue with it, and because it makes common sense, the Premier had absolutely nothing to hide. It is important, as we complete this debate tonight, in terms of the proposed legislation, that we put in place safeguards for the former Governor, given that the Premier has already exhibited examples of where he has not represented the former Governor accurately or fairly.

I just refer to the Premier's address tonight in which he politically attacked me and said that my claims and comments over the past ten days were politically motivated.

Honourable members interjecting.

Mr KENNETT—I would like to place on record a total denial of that charge.

Honourable members interjecting.

The SPEAKER—Order!

Mr KENNETT—The Opposition does not apologize, as a group of men and women, and it does not apologize as a group of citizens, for trying to seek the truth. The public have a right to know the details of the former Governor's dismissal and also about the financial arrangements that the Premier has entered into using our taxes and charges in arriving at that settlement.

The Premier has used words about me to the effect that my desire to make headlines seems to know no bounds.

The Premier has made statements such as:

> The Leader of the Opposition appears to be having difficulty this morning in comprehending what is said.

He also stated, to use his words, that:

> The desire of the Leader of the Opposition to make headlines seems to know no bounds.

It has not been our intention to get headlines.

Honourable members interjecting.

Mr KENNETT—The Premier could have resolved the issue last Thursday week, had he been open and frank with the people of Victoria; had he told us about the car arrangement; had he told us about the taxation arrangements; and had he told us about the requests of Sir Brian Murray to the Premier himself.

The Premier has also made comments along the lines of:

> Its Leader is not even responsible for what comes out of his own mouth.

I do accept responsibility for what comes out of my mouth, and, if I make a mistake, I am prepared to immediately admit it and apologize either for the error or to anyone I have offended. But, Sir, never once can I be accused of deceiving or being dishonest. In terms of representations I have made in this Parliament, or in public life, or in private life, never once can I be accused of doing what the Premier has done over this issue.

If the Premier had been frank and honest, this matter could have been resolved a long time ago. For ten days the Premier of this State has been heaping personal attack and vindictiveness on myself and the Opposition for having the decency and the courage to take this matter to its final conclusion. Tonight, the Premier, in a desperate attempt to restore some credibility to his image, has decided to come clean. We do not want to forget—and there is a comparison—that Watergate was not so much about the issue——

The SPEAKER—Order! The Leader of the Opposition on the Bill.

Mr KENNETT—Thank you, Mr Speaker. The analogy is very simple. The action itself was unacceptable. Where the most senior, popularly elected person in the United States of America got into trouble was when he tried to cover up. In this State, on this issue, there was nothing wrong with the settlement, and where the Premier has got into trouble and his credibility has been called into question is where and when this Premier decided of his own volition to attempt to cover up. If the Premier had been honest and frank this issue could have died ten days ago.

Mr Speaker, the involvement of the Premier in this affair has been one of deception; it has been an affair in which the most senior, popularly elected official in this State has not applied unto himself the same standards that he laid down for the holders of public office. The Premier of this State has been involved in an absolute grubby, unacceptable deal. The Premier, if he believes in the standards that he laid down last Thursday week in his own

bible, has now to take what is remaining of his dignity, his reputation and his credibility and resign.

Honourable members interjecting.

Mr KENNETT—Mr Speaker, the Opposition knows, as the Premier knows, that one day full details of this issue——

Mr Crabb—You said they are all out now.

Mr KENNETT—No, they are not. One day the full details of this issue will be made public and it will form a best seller, because there are records going back over three years of this Premier's involvement in interference with the office of Governor. It is this Premier who has pulled down the office of Governor; it is this Premier who has acted to destroy the reputation and the integrity of the former occupants.

In terms of the Royal visit, Opposition members say again, as we have said before, that we at no stage wanted the Royal visit put at risk. But if it comes to a decision between pursuing the truth, as has been exposed tonight, and being forced by threat and innuendo to shut up, then the Opposition of this State will pursue the truth every time—time after time after time! The Royal visit is not at risk. If the Royal visit has been at risk, it has been because this Premier has conducted a campaign of cover-up.

Mr Speaker, I hope, tonight, a lot of the debate concerning the dismissal of Sir Brian and Lady Murray will be put to rest. The actions of the Premier in terms of his double standards, given the standards that he set last week for dismissing the Governor, will not be put at rest and the Opposition looks forward tomorrow to going on to the next issue where this Government has made the same error in covering up the facts, and that is the Nunawading election scandal; it has the same roots of involvement and filth and grubbiness that were associated with the Premier's cover-up with respect to the resignation of the Governor of this State.

Opposition members again place on record our appreciation for the work that Sir Brian and Lady Murray have done, the goodwill in which they are held by the people of this State as they tirelessly, and with charm, honesty and integrity, performed their duty.

The Opposition condemns the Premier of this State for his role, for his double standards, for his misleading of the media and the public with regard to requests made of him and information given to him by the Governor himself. Anyone who says that that was not deliberate need only look at the facts.

This House calls for, and the Opposition insists, that the Premier now, with whatever dignity is left, resign the office he currently holds.

Mr ROSS-EDWARDS (Leader of the National Party)—Mr Speaker, the National Party supports the proposed legislation. I must say that I have been disappointed with the contents of the Premier's second-reading speech. For the past many days, he has been preaching restraint and moderation in comments regarding this matter. However, the Premier in his second-reading speech made a bitter attack on the Leader of the Opposition and threatened once again that the Royal visit could be in jeopardy. They were his words; they were his threats; they were unnecessary. It was a tactless second-reading speech. A statesman would have poured oil on the troubled water and made a constructive speech, but the Premier, regretably, was too small a man to do that.

In debating the proposed legislation and the circumstances leading up to it, one has to look at the Premier's behaviour and conduct over the past year. I can speak with some authority because I have watched him for over the 30 years during which I have known him. He is a man for whom, for most of that time, I have had a high regard. I was

disappointed last year when he acted quite out of character with his background and made a public attack on Lady Murray. All that Lady Murray did was at——

The SPEAKER—Order! I have already advised the Leader of the Opposition, and I intend to do so with the Leader of the National Party, that the Bill does not provide an opportunity to canvass issues other than those contained within the Bill before the House. If the Leader of the National Party wishes to canvass other matters, then he has another avenue to do so.

Mr ROSS-EDWARDS—Mr Speaker, I shall try very hard to to that. What I am doing, in effect——

The SPEAKER—Order! I advise the Leader of the National Party to not only try hard, but to respect the authority of the Chair and to debate the Bill before the House.

Mr ROSS-EDWARDS—Mr Speaker, I want to make it clear that I have always respected the Chair and I do so tonight.

Honourable members interjecting.

The SPEAKER—Order! The honourable member for Geelong should take his own advice.

Mr ROSS-EDWARDS—What I regard as my right is to have the same breadth in what I can say as the Premier and the Leader of the Opposition had, and they did not stick to the letter of the law.

What I was saying is this: this has been led up to over the past year and this is what forced the Governor to resign. The Governor's resignation is covered in the Bill, as is how he should be treated financially. He did not just resign because of ill-health; he resigned because of the behaviour of the Premier. In those circumstances what I am saying is perfectly relevant. I shall not speak about the Legacy ladies; it is well known. Anyone on the Government back bench could have handled the situation with Lady Murray better than that—even the honourable member for Springvale.

In the past two days in particular, we have had from the Premier evasiveness and double talk which is beyond belief. It has been different from answers to questions of former Premiers I knew, including Bolte, Hamer and Thompson. The questions had a direct relevance to the resignation of His Excellency the Governor. The questions asked were attempts to ascertain the position from the Premier. The Premier was asked questions about his behaviour and conduct which were very similar and parallel to what the Governor was supposed to have done. It took a whole series of questions to get the truth out of the Premier. The Premier is an expert at evasiveness and an expert on double talk, and the people of Victoria are disgusted at the way in which he behaves.

I make it clear that on his recent trip the Premier did nothing wrong legally or morally; it was perfectly correct. The only thing is that he set one standard for himself and another standard for His Excellency the Governor. The Premier accepted a gift of $2000; he accepted it from Pan American World Airways Inc. but he decided to pay it back. I correct that; he did not decide to pay it back, the Government decided to pay it back.

The Premier's actions did not abide by his own guidelines. He did not abide by his own guidelines. The Ministers do not abide by his guidelines. They are upgraded to first-class travel time and again. It is all right for Ministers; it is no good for the Governor. Members of the back bench take trips, and I agree that they are entitled to take them. However, that is not according to the Premier's guidelines. What Ministers do and what the Premier has done is not only legal and proper, it is outside the guidelines of the Premier. What the Governor did was perfectly legal and morally right; but he was forced to resign because of it. The only reason he resigned—let us get this straight—was because of the impending Royal visit. The Governor and Lady Murray were big enough people and they put the office above themselves and went.

I am certain in my own mind that, if it had not been for the impending visit of the Prince and Princess of Wales, Sir Brian and Lady Murray would still be at Government House. I recommend that honourable members read the editorial in today's *Herald.* It was a fine editorial and I congratulate the *Herald* for it. I do not intend to read it, but it sums up the position well.

The Premier had two distinct opportunities of avoiding the political crisis—not a constitutional crisis, I may say—that has occurred in Victoria over the past fourteen days. Firstly, he had the opportunity, before the Governor went overseas, to make the position clear. He knew about investigations into Continental Airlines Inc. but he decided to do nothing. Secondly, after the Governor's return, he could have given him the same opportunity that he had himself to repay the airline. He could have given him the same opportunity of refunding Continental Airlines as the Premier had when he got the Government to refund Pan American Airlines. But, he did not do so.

The SPEAKER—Order! I advise the Leader of the National Party that I have allowed some liberty with respect to the way in which he is headed, but I do not intend to allow the debate to go off on tangents. The Bill before the House deals with the former Governor's entitlements and that is the subject before the House.

Mr ROSS-EDWARDS—Thank you for your assistance, Mr Speaker. The Government made a refund to the airline and the Governor should have had the same opportunity because, if he had had the same opportunity, honourable members would not be debating the Bill. The Premier has admitted that he has transgressed his own guidelines. The Premier can do a lot for Pan American Airlines and Alcoa of Australia Ltd. Sir Brian can do nothing for Continental Airlines.

The public of this State respect honesty in government and good standards. However, the Premier has now got himself into a ridiculous position because of his personal behaviour. He has lost the respect of the public. He has set standards that are observed by himself and his colleagues only when it suits the Premier.

The words I have used in talking to people with whom I have spoken in the past twelve days or so are that this is a sad occasion for Victoria. The word "sad" is the key word. The resignation was unnecessary; it could have been avoided. It was avoidable and the Premier knows that. In forcing the Governor's resignation the Premier has lost the respect of the ordinary people of this State. It is the action of a man with a massive inferiority complex in his attitude to the Governor.

A very relevant point—I am sure honourable members will appreciate it—is the question of the next Governor because his pension rights are referred to in the proposed legislation. The real question is: for how long will the next Governor stay in office?

I shall make a short quotation because it is relevant. It comes from an article by David Broadbent in the *Age* of Friday, 4 October, where he quotes the Premier and states:

"I could have done it . . .

That means dismiss the Governor—

. . . any day in the last three-and-a-half years," Mr Cain said.

"The office of Governor is in my gift. I can choose to make a recommendation to Her Majesty and that recommendation would be acted on. I did not so choose."

That interpretation by the Premier is wrong. There has to be a reason given and, if it is not wrong, what the Premier is saying is that the next Governor might be here for only a fortnight; he might be here for a week.

An Honourable Member—"He" might?

Mr ROSS-EDWARDS—"He" includes "she" in law. The honourable member who seeks to interject would not understand. The point is that if the Premier carries out the threat he or she may last a week, six months or whatever the case may be. We not only

want a Governor with all the traditional values, we want a Governor of independent mind and spirit. How will we find a person of independent mind and spirit when the Premier says that the office of Governor is in his gift?

If ever a man has condemned himself by a stupid statement, it is the Premier. This is a sad occasion for Victoria. I regret the passing of Sir Brian and Lady Murray from the Victorian scene. They should have remained in office for another eighteen months, but they put duty above themselves.

I also pay tribute on behalf of the National Party and all Victorians to the outstanding work Sir Brian and Lady Murray did in Victoria. They gave their best and served the State well, but have been shabbily treated.

Mr FORDHAM (Minister for Industry, Technology and Resources)—Over recent weeks Parliament and Victorians have faced a difficult and testing time. The resignation of any Governor in the circumstances that have unfolded in Victoria places enormous strain upon the individuals and institutions involved.

One measure of human worth is how people cope under such pressure: how they cope when their values are tested; whether they are prepared to put the interest of institutions such as Parliament and the office of Governor above their own perceived short-term interests. By those standards, the Victorian Leader of the Opposition stands condemned. He has behaved in a puerile and pitiful manner—a performance that has tonight been demonstrated again to be full of half truths and innuendo.

I refer honourable members to the way in which the former Governor behaved. When faced with the recognition of the consequence of his earlier action, no matter how inadvertent, he chose to resign. Sir Brian Murray did that rather than put at risk, or in any sense compromise, the high office he held. I commend his statement to honourable members. He said:

> My overriding concern is, and always has been, to preserve the integrity of the Office of Governor which is a vital part of our cherished constitutional processes and heritage.

The Governor acted with honour in deciding to step down. I endorse the words of the Premier when he responded to the actions of the Governor. The Premier expressed his admiration for the position Sir Brian had taken on this matter.

I contrast his concern for the fundamental institutions of this State with the performance of the Leader of the Opposition tonight and every day over the past few weeks. It is a matter of profound regret to members of the Liberal back bench that the Leader of the Opposition has chosen to act in that way. He has brought disgrace not only upon himself but also upon the Opposition. He has put a stain on Parliament that is undoubtedly perceived by the Victorian community. Victorians have come to expect certain standards of behaviour, dignity and worth of members of Parliament, but the Leader of the Opposition has again failed to live up to those standards.

He has undertaken this desperate act at the risk of destroying the foundations of Parliament and the office of Governor. The desperation of the Leader of the Opposition knows no bounds and is beneath contempt. The extent to which he was prepared tonight to speak of what obviously he perceived to be and were given to him as so-called confidences on the part of the former Governor and his wife, is an absolute disgrace.

An Honourable Member—On the Bill!

Mr FORDHAM—With respect to the measure being debated tonight, the two previous speakers spoke about the standing of the Premier in the community. The Premier stands high in the ideals of Parliamentary leadership in this country. He has distinguished himself not only in Victoria but also across Australia by his propriety and the highest possible standards of behaviour. If one were prepared to stand back and reflect on what has occurred over recent weeks, one could conclude only that the Premier had acted with dignity and restraint in the interest of the high office of Governor of Victoria.

The Premier has had many opportunities in Parliament, the media and the community to take a short-term benefit for himself, the Labor Party and the Government, but has chosen not to do so. Time and again he has withdrawn from taking that short-term political benefit, and the Leader of the Opposition knows it.

The king hit of the Leader of the Opposition tonight was some new revelation about a piece of paper tabled today. In his Ministerial statement the Premier stated clearly that His Excellency should not suffer any detriment by virtue of the action that he has taken.

Mr Lieberman—When was that?

Mr FORDHAM—3 October. The Premier outlined the financial benefits that would flow to the former Governor. They included a full pension, a lump sum payment and re-establishment expenses. The key aspect of the settlement was obviously that no financial detriment would result and tonight the Leaders of the Opposition and the National Party have agreed with that principle.

No cover-up has occurred. The Premier explained the circumstances in which those contingencies were covered. They are clearly contingencies so that no financial detriment would result to the Governor. Those matters cover the request concerning the motor vehicle and the resultant Commonwealth customs duty so that Sir Brian should not be required to bear expenses, and stipulate that the Government will cover any incidence of taxation. Those commitments were in keeping with the financial detriment provisions.

The only other aspect alluded to by the Leader of the Opposition was a suggestion that this was a bribe and that silence was bought. I direct the attention of honourable members to the statement of the secretary to the Governor, Mr Charles Curwen—not appointed by this Government—who has served Victorian Governors over a long period. The statement deals with matters contained in the proposed legislation.

Honourable members interjecting.

Mr FORDHAM—The Opposition is trying not to listen to what Charles Curwen said. He is a man who has served successive Governors of Victoria with dignity and has been applauded by members on both sides of the House. I acknowledge the nodding of the Leader of the Opposition.

Charles Curwen signed the understandings document because he was a witness to it and knows about this matter. Mr Curwen states:

> In my view, the continuing allegations that are being made from some quarters have the effect of not only causing embarrassment to Sir Brian but of damaging the standing of the office. The arrangements for Sir Brian's retirement had as their objective the avoidance of politicisation of the office. The continuing debate on this matter is bound to cause long-term damage to the office and it is for this reason this statement is being made.
>
> I can say that there were no preconditions to the arrangements made for Sir Brian's retirement.

That was not a precondition.

Mr Kennett—What about this document?

Mr FORDHAM—He said that that was not a precondition. It was said by a witness to the document. Is the Leader of the Opposition saying that he was a witness to the circumstances? Was he a witness to the document? Does he know the arrangements within which that statement was made? The secretary to the Governor is obviously in a position to know those circumstances.

The House is in the extraordinary situation that, despite the statements made by the Premier, despite the pleas of the Governor for restraint by the Opposition on this matter, despite the comments made by the secretary to the Governor, who was a witness to those circumstances, these repeated attempts are being made as late as tonight to besmirch the office of the Governor and the circumstances that led to Sir Brian Murray's resignation. Attempts have been made to denigrate the events of recent days and weeks and to attack the people and injure the institutions of Victoria.

I have no cause to worry concerning my political colleagues, but I wonder whether the Leader of the Opposition feels so confident each night as he goes home from Parliament. In view of the revelation in the *Bulletin* regarding the conspiracy involving the Leader of the Opposition, it is no wonder that people have been calling all day for the tapes involving the Leader of the Opposition. The Government looks forward to the Leader of the Opposition making available details of his involvement in this matter.

In closing, I make this comment, that I am very proud indeed to have served as Deputy Leader and Deputy Premier to the Premier of this State. The Premier has set standards of behaviour and of Government performance that are ahead of those of any other State in this country. I know from my own travels across the country that so many other States and their Leaders aspire to the same sort of high standing and form of Government that has been demonstrated within Victoria. I know, because of the truth of this matter, that I can stand confident that in the months and years ahead I shall continue to serve this Premier, John Cain.

Mr MACLELLAN (Berwick)—The hot gospel politics of the Labor Party know no bounds. The hot gospelling of the Premier is now spreading to the Deputy Premier. I know that anyone who has the temerity to speak on this matter, whether in the public arena or the Parliament, is likely to be denounced from the pulpit. The Government, over the past few days, with reasonable hysteria, has denounced the Leader of the Opposition, has denounced the Leader of the National Party and has, in fact, denounced anybody who simply disagrees or wants to know more about the matter which is now before the Parliament.

Of course, it is all part of the price of silence; the price that Victoria pays for the silence of the Premier when he ought to have spoken out, when he ought to have made issues clear, when he ought to have confirmed the existence of understandings, of payments for cars, of the fact that the Governor's service pension is to be deducted from the amount of the pension provided for in this Bill.

I want to try and set for you, Mr Speaker, the example I suppose you expect of me, to try occasionally to refer to the Bill.

The SPEAKER—Order! I will insist on it.

Mr MACLELLAN—It is, perhaps, useful. The Deputy Premier was kind enough to put a few positive matters in his sermon. One was that all honourable members have been through difficult and testing times. I cannot agree more with the Deputy Premier because I know what difficult and testing times the Government, and the Premier in particular, have been under in recent weeks.

The Deputy Premier also said that it is good for us to know how we cope under pressure. The House has had an excellent example of how the Deputy Premier copes under pressure. He becomes a sort of John Cain holy-roller.

The Deputy Premier then said that the Governor had acted with honour. That is the common ground between the Government, the Opposition and the National Party, that the Governor and Lady Murray acted with honour throughout this matter. Therefore, I presume that there is not a miserable soul in this House who wants to say that the provisions of this Bill ought not be made. What I am saying is that the price of silence has been the controversy, the criticism, the press rumour and speculation and inaccuracy that not only honourable members—honourable members do not suffer very much from those things because, I suppose, they read the papers with a fair amount of care—but the public have suffered because the public have been told by leak, by non-attributable comment, by every means possible, that His Excellency and Lady Murray were somehow involved in discreditable conduct.

Mr Lieberman—Much, much more.

Mr MACLELLAN—Yes, much, much more. That was the very comment that the Premier made which destroyed the reputation of people who the House now knows were bound to silence; therefore, the discredit goes to the Premier. He used the media, he failed to speak out, he let the matter develop without correcting it. The very people who were the victims of the whole thing, Sir Brian and Lady Murray, were not able to speak. It was not until today that Parliament officially learnt that the Premier had put a price on silence on other people as well. The House has been presented with an understanding.

Ironically, if honourable members look at the piece of paper and see the symbol in the corner, they will find that that symbol is, perhaps the heart and soul of the problem between the Premier and the former Governor. One notices how carefully the top of the paper has been trimmed, and perhaps with good reason. The understanding between the Premier and the Governor and, incidentally, for good measure, Lady Murray—because, as the Leader of the National Party has said, I suppose, having spoken at a luncheon where she might have mentioned that Government House facilities needed some changes, she had to be bound to silence as well, because one knew that as an intelligent and achieving woman in her own right she was perfectly capable of saying what she thought about the situation. So the Premier carefully made sure that not only "HE" as the document says, His Excellency, but also Lady Murray was included.

The Leader of the Opposition has outlined what the Opposition believes to be the circumstances in which that agreement was procured. The Opposition says that it was open to the Premier to kill the controversy every day between the first break of the story in the papers and tonight. The Premier, on any occasion, could have quashed the whole controversy. He could have saved the Governor and Lady Murray from the agony they must have been through—and heaven knows they have been through the mill well and truly in the past few weeks!

Honourable members interjecting.

Mr MACLELLAN—If the little republicans on the other side of the House can keep their mouths shut, we will all be better off. I know the honourable member who is interjecting does not want the office of Governor filled. I know the honourable member does not care about it, but the House is discussing a Bill which is to provide, by agreement on all sides, for the proper recompense of a Governor of this State who was forced out of office. Just ask the public who forced the Governor to resign and the answer is, "The Premier did". The hot gospeller of goodness in the State, who ought never put himself in a position of compromise! Apparently he suffered a temptation in Pittsburgh, but that could happen, I suppose, to anyone.

The whole matter could have been put to rest if the price of silence had not been so high for the Premier. If he had simply said what the truth and the whole truth was at the very beginning, whether he said it in the public arena before the Parliament started; whether he said it in a Ministerial statement of almost a fortnight ago, or whether he said it by way of press statement, television announcement or however else.

But all of us who have any claims to awareness of public events, as the honourable member for Monbulk would know, would know of the activities of the Premier's media unit and the busy way in which it has been serving up the non-attributable comments to the Press Gallery of Parliament. If the honourable member for Monbulk does not know it all he has to do is ask them and they will confirm for him what the media unit of the Premier has been doing, which is to systematically destroy the credibility and reputation of Sir Brian and Lady Murray as a sort of publicity picnic because the Premier was not prepared to stand up and tell the Parliament and the people of Victoria the whole truth.

The truth has been finally extracted from him like pulling teeth and Parliament now gets the document that the public was led to believe did not exist. Talk about credibility! The credibility of the Leader of the Opposition was seriously dinted when a statement was issued to suggest there was no document. When one looks at the close print it talks about

pre-conditions but that is not the way the media dealt with it; it did not stress the pre-conditions; what it produced for the public to read and see was that the Leader of the Opposition was saying there was a document and Government House was saying there was not a document.

Now the truth is out. There was and there always was the opportunity for the Premier to confirm and take the controversy off the front page of the newspapers and put it in Parliament where it belongs by consent and agreement of all parties, all agreeing that a fine Australian with a great record of service, a wife who has supported him and worked with him to represent the Queen in this State, as head of State, and who has done it with dignity, with energy, moving around in difficult circumstances, and who has done the job well is now to be given the proper pension and proper recompense that Parliament owes him on behalf of the people of Victoria.

In a sense this is the price of silence, having a Government that buys silence with a binding agreement on the former Governor and Lady Murray. The Bill we are supporting tonight is just the apology that ought to have been made weeks ago to Sir Brian and Lady Murray on behalf of the people of Victoria. We should all be ashamed if we have allowed this to roll on for one day longer without the truth being revealed. I am glad that the Government has at last brought it out, warts and all. I hope we are not going to hear, "But there is more to come", because from the Government's point of view I hope it has said all that it needs to say to fully justify the payments to the former Governor and to fully justify the clearance of the controversy off the front pages and off the media to allow Sir Brian and Lady Murray the dignified retirement that they so richly deserve after all the hell they have been through.

On behalf of the constituents of my electorate of Berwick, I extend the deep regard they hold for Sir Brian and Lady Murray and I state that in Parliament I have one objective and that is to ensure that the office of Governor is well regarded and that the incumbents of the office are well regarded. The Opposition does not suggest to the media there are sins or things done which might justify the Government in dismissing the former Governor.

It should be realized that it was the Premier's ambition to get rid of the former Governor and he has achieved that ambition. The form and history will show that the former Governor resigned, but the reality is that the Premier pushed him, stood over him, required him to sign undertakings not to say anything and then said that a Bill would be introduced in the Parliament to confirm the offers that had been made. The proposed legislation should be passed; the payments should be made.

The truth about the payments should have come out in the first instance and not have been dribbled out day by day as if they were something else extracted by Sir Brian and Lady Murray, rather than something offered to them by the Government. If there is any criticism of the offers made or payments made, let the Premier and his Government wear it, because they are the ones that made the offers. They are the ones that offered the pension and to pay duty on the car; they are the ones who offered to make it tax free; they are the ones who offered the removal expenses.

I hope I have abided by your ruling, Mr Speaker, in referring to the matters in the Bill. These are matters which, if there is anything wrong, the Government should wear and let the former Governor and Lady Murray not be regarded as anything less than people who have served the country well, served the State well and who have served the office of Governor well.

Mr McNAMARA (Benalla)—Today is a sad day in Victorian politics and this month has been a sad and sorry month in Victorian politics because we have seen the Government get into the gutter with the way it has behaved. The Bill is the culmination of three and a half years of continuing undermining and disrespect for the office of Governor. This is known throughout Victoria. Everyone knows the disrespect and the manner in which the Premier—who is now leaving the Chamber which I believe is a disgrace.

The SPEAKER—Order! The honourable member for Benalla is now following the debate led by his Leader and I do not intend to allow the debate to go off into various areas and tangents; I ask the honourable member to come back to the Bill before the House.

Mr McNAMARA—I should have thought that a piece of proposed legislation that is the culmination of the sacking of the Governor of Victoria, which was engineered and orchestrated by the Premier and the Premier does not have the moral gumption to stay in the Chamber and cop it sweet; he is great at dishing it out. The Minister for Housing knows how good the Premier is at dishing it out.

The SPEAKER—Order! I advise the honourable member for Benalla that I will hear him on the Bill; I do not intend to allow the debate to stray from the Bill.

Mr McNAMARA—As I have said, the Bill is the culmination of three and a half years of disrespect by the Premier and other members of the Government towards the office of Governor. I place on record that the National Party and the constituents of the electorate of Benalla express their great appreciation of the untiring work of Sir Brian and Lady Murray and the gracious manner in which they carried out the duties of their office. There is no doubt that public opinion is on the side of the former Governor and Lady Murray. The Victorian public is appalled at the way in which the former Governor and Lady Murray have been treated, because they have been treated abominably.

What was their crime, if there was any crime? Their only crime was that they were too gracious, too hospitable and too untiring in their work.

The dismissal of the Governor can be traced back to when the Young Presidents held their international conference in Melbourne. On that occasion hundreds of the world's top businessmen visited Melbourne. The Premier showed them no hospitality. The only person who showed them hospitality on behalf of the people of Victoria was the Governor, Sir Brian Murray and his wife, Lady Murray. If this Government is going to be fair dinkum——

The SPEAKER—Order! The honourable member for Benalla is deliberately defying the Chair. I ask the honourable member to return to the Bill before the House. The Bill does not give the honourable member an opportunity to canvass areas other than those contained in the Bill.

Mr McNAMARA—Both the Premier and the Deputy Premier made wide-ranging comments about these events. It is important to discuss the reasons why the Bill is before the House, and I refer to a most disgraceful event in Victoria's history, namely, the sacking of a Governor. It was the first time that I understand it has ever happened in Australia. I wish to discuss the reasons why this pettiness developed between the Premier and the Governor. One of the events that led up to the dismissal of the Governor, which I am sure was premeditated——

The SPEAKER—Order! I advise the honourable member for Benalla that I respect his opinion but the Bill before the House does not give him an opportunity to canvass the matter that he is trying to enter into.

Mr McNAMARA—The Government has tried to link the standards of the Governor with those of colonial governors referred to in the Ministerial statement a little over a week ago when the Premier quoted colonial regulations for colonial governors. It was totally inappropriate to link those regulations with what was required of a modern Governor, but that was the message honourable members heard from the Premier prior to the Bill being introduced. The Governor was not a colonial Governor; he was the Queen's representative in the State of Victoria, which is part of the Commonwealth of Australia. It was totally inappropriate to suggest that the Govenor should be dismissed for accepting gifts such as overseas travel. The only people who can derive benefits from gifts are obviously those in government.

The Premier could have stopped the Governor at any time from going overseas. There was no problem. However, the Premier wanted to lead the Governor into an event that would create a breach of the regulations to give him an opportunity to dismiss the Governor. The Premier could have asked the Governor to repay the air fare, as was suggested by the Leader of the National Party, but he did not give the Governor that opportunity. However, the Premier has taken that opportunity himself to repay PanAm $2000.

Dr VAUGHAN (Clayton)—On a point of order, Mr Speaker, would it be in order for the House to pause for a moment so that the honourable member for Benalla can familiarize himself with the contents of the Bill?

The SPEAKER—Order! There is no point of order.

Mr NcNAMARA (Benalla)—I thank the honourable member for Clayton who, as they say, is the member one has when one is not having a member.

It was suggested that the Governor could have been given the opportunity to repay the air fare. The Premier has certainly taken that opportunity—the $2000 that was owed to PanAm airlines has been paid back not at the Premier's expense but at the Government's expense.

There have been many changes in recent days associated with the Premier's overseas trip. What was a 17-hour trip has now become a 14-hour trip. The Premier said that he advised the Leader of the Opposition and the Leader of the National Party about not speaking to the Governor. How absolutely ridiculous! All honourable members know that when the present Minister for Housing was Leader of the Opposition he made regular and frequent trips to Government House to see the then Governor to advise him of the state of affairs and what was happening in State Parliament.

The Premier spoke about the office of Governor being a gift of his—a gift that he could give as he so chose. That is absolutely ridiculous because the office of Governor is not a gift of the Premier. The Governor is the Queen's representative in Victoria. It was hypocritical and a disgrace to every Victorian for the Premier to suggest that that office is a gift that he could pass around as he pleased. There might have been only 50 per cent of Victorians who voted for the Labor Party at the last State election but 47 to 48 per cent voted for the Opposition and the National Party. The Governor, as the Queen's representative, has the right to speak to whom he pleases. As I said, he is the Queen's representative.

The Governor faced continued intimidation in the various stages leading up to his dismissal. In the events building up to that climax the Premier threatened to cancel the Royal tour. That was probably the threat that had the greatest impact on the Governor because he fully appreciated the enjoyment the Victorian community would have gained from a visit by the Prince and Princess of Wales to this State. He did not want to do anything that would preclude Victorians from enjoying the Royal tour and he did not want to do anything to upset the travel arrangements and plans of the Royal couple.

The next threat was the entitlement of the Governor. Honourable members have seen the different agreements that are now surfacing. When the Premier made the Ministerial statement, he said that all the agreements were being presented, but things have kept trickling out. I remind you, Mr Speaker, that that is exactly what happened with Watergate. It was a little lie, a small matter, but there was deceit and concealment when little bits came out piece by piece.

The Premier also said that the Governor himself could be the subject of a police inquiry and there may have to be a Royal Commission established to look into the police matters.

The SPEAKER—Order! I advise the honourable member for Benalla that he is attempting to lead me into hearing matters that are not related to the Bill before the House. If the honourable member wished to debate the Ministerial statement, he had an

opportunity to do so some days ago. If any honourable member objects to what I am asking the honourable member for Benalla to do, a recourse is open. I ask the honourable member for Benalla to return to the Bill.

Mr NcNAMARA—I thank you, Mr Speaker, and I assume you will give me the same leniency that the Premier and the Deputy Premier had on this matter. In this agreement, as outlined by the Leader of the Opposition and the Leader of the National Party, the Government has got out on the cheap. Approximately $28 000 is all the Government is up for in paying the Governor in his retirement, which is a little under half what the Governor would have been entitled to under normal circumstances; so there is no great cost to the Victorian taxpayer.

There is no doubt that the Governor has been silenced by the Premier, who has continued to play politics. Honourable members witnessed the mad ranting of the Deputy Premier, who is now leaving the Chamber, but all honourable members know that if little Johnny goes down, he will go down too! There are no worries about that!

The Minister for Employment and Industrial Affairs is smiling through his whiskers because he knows he is next cab off the rank and he is rubbing his hands. As the heir apparent, he is enjoying every moment of this debacle, as he sees the Premier and the Deputy Premier's stocks slowly going down the chute.

It will be interesting to hear the contribution that the Minister for Employment and Industrial Affairs makes to the debate. Mention was also made by the Minister for Industry, Technology and Resources of *The Bulletin* article. That is an interesting one. It mentions this so-called grand conspiracy of the National Party, the Liberal Party and the Governor to dispose of this Government. I would like to bring to the attention of the House a photograph in this article.

The ACTING SPEAKER (Miss Callister)—Order! The honourable member for Benalla is digressing substantially from the Bill before the Chair. I ask him to come back to the point at hand.

Mr McNAMARA—Madam Acting Speaker, I am rebutting a matter that was brought forward by the Minister for Industry, Technology and Resources. *The Bulletin* article stated that there would be a coup, a conspiracy between the National Party, the Liberal Party and the Governor. What a ridiculous statement! We know what actually happened. Things were starting to get a bit too hot for the Labor Government so the Prime Minister had to pull out a few favours.

So who did he pull out? He pulled out Richard Farmer to write an article for *The Bulletin. The Bulletin* article contains a photograph of the Leaders of the National and Liberal Parties plotting together.

Honourable members interjecting.

The ACTING SPEAKER (Miss Callister)—Order! I have already directed the honourable member's attention to the fact that he is digressing from the Bill. I ask him to come back to the substance of the Bill.

Mr McNAMARA—It was suggested, Madam Acting Speaker, that the same standards should apply to the Premier as apply to the Governor. In this article in *The Bulletin*, to which I shall not refer, there is a photograph of two leaders plotting in some hideaway. In fact, it is not a hideaway, it is on the steps of Parliament House in front of 40 000 farmers. That was the so-called conspiracy. The article is a drum up. The Prime Minister has pulled a few tricks and given a few favours. We all know Richard Farmer for what he is. We have seen him on the *Sunday* program and the way he is lovey-dovey with "Dear Bob", our Prime Minister. Any conservative member of Parliament gets a fair bucketing any time he is near. We know his background and we know he is a party man. We know the work that he has done with the Australian Labor Party, so we can place very little credence on that article in *The Bulletin.*

It has been suggested that the Premier is absolutely clean. I would like to finish on a few points about that. We have heard about the Premier's airfare scam, his free accommodation at Pittsburgh, and his tennis club holiday at the taxpayers' expense.

It is the Premier who claims to be so far above the standards of everyone else. To be consistent, if he accepts those rules for himself, he must accept those rules for the Governor and for every other office holder in this State.

The National Party supports the Bill, but its members are appalled by the circumstances in which the matter has arisen. I hope Victorians at the next State election will remember the shabby way in which the Premier and his Government have treated the Queen's representative in this State.

Mr CRABB (Minister for Employment and Industrial Affairs)—One would have thought that a measure like this would have been dealt with with dignity, instead of with the bellowing abuse of the Leader of the Opposition, the honourable member for Benalla and the Deputy Leader of the National Party. On reflection, what must come through to honourable members from this debate and from the debacle sponsored by the Leader of the Opposition in recent days is the total lack of morality that has been demonstrated by the Leader of the Opposition and the Leader of the National Party.

Honourable members interjecting.

Mr CRABB—Those of us who have been in this Parliament for some years have become accustomed to the amoral nature of the Leader of the Opposition; we have become accustomed to his capacity for sinking to previously unplumbed depths. We have become accustomed to his exceeding previously unexceeded limits and we have become accustomed to his capacity to impugn any person's reputation in the pursuit of power.

Tonight the Leader of the National Party joined in and even suggested that the Governor had been morally right. Both the Leaders of the Opposition and the National Party are standing for the moral rectitude of all members of this Parliament in either House. If one had to go to someone for moral advice, the last two people one would go to—it would be a dead heat—would be the Leader of the Opposition and the Leader of the National Party.

Honourable members interjecting.

Mr CRABB—I doubt if either of them could spell "morality". Throughout the debate tonight and the preceding debates in this House, we have seen two gutter politicians prepared to do anything to anyone, prepared to smear the very people they purport to be standing up for.

The SPEAKER—Order! I advise the Minister for Employment and Industrial Affairs that I informed the House earlier in this debate of Standing Order No. 108. I ask the Minister to observe that Standing Order.

Mr CRABB—We have become accustomed to the mouth of the Leader of the Opposition over the past ten years that he has been in this place. At the commencement of that time, he said he would stay for only six years. Since then, he has recommended that schools for crippled children should be sited on top of hills because it was good for them. Quite recently he suggested that the voters of this State lock up their daughters.

Honourable members interjecting.

Mr CRABB—The Leader of the Opposition likened the Bill to Watergate. That is a fairly old and tired analogy, but is perhaps apt in some circumstances to the matters we have been considering today, because one of the keys to Watergate was the tapes that Richard Nixon tried to conceal. Today, one of the significant issues is the tapes that the Leader of the Opposition is trying to conceal. In today's newspapers on the matters being discussed that relate to the Bill, what issues are brought forward by the Leader of the Opposition? What did he say? It is reported, "The leader confirmed that he still held the

tapes of an hour long private conversation with *The Bulletin* but he declined to release it on ethical grounds".

What sort of ethical grounds have we seen emanate from the Leader of the Opposition in recent days and weeks? What sort of ethics or morals have we seen come from the gutter politicians of the Opposition?

The SPEAKER—Order! The Minister will speak to the Bill.

Mr Stockdale—The Minister for smear.

Mr CRABB—I have not got to you yet, sport.

Quite apart from the Leader of the Opposition squibbing about the tapes, despite him being maligned and despite journalists calling him a liar publicly, which must be getting pretty close to a breach of privilege—I have not heard him complain about that—all that the Leader of the Opposition has to do to demonstrate that his privilege as a member of this House has been breached is to produce the tapes.

The Leader of the Opposition can demonstrate that he tells the truth and that someone else tells lies. If he does not do that, no doubt honourable members and everyone in the community will come to the appropriate conclusion.

I say to the Leader of the Opposition: put up or shut up! While he is putting up, the Leader of the Opposition might put up about the secret dinner that he had with the former Governor of this State a couple of days before he resigned. On the tapes, he said that there had never been a conspiracy and that he had never contemplated a thing like that. Fancy the Leader of the Opposition conspiring! If one wants to know about conspiracy, one can ask Dick Hamer, or Lindsay Thompson for that matter. The Leader of the Opposition has indicated that the dinner with the former Governor was not a conspiracy.

It may be an idea if the Leader of the Opposition informs the House of who else was at the dinner. It is about time that he came clean about the rest of it. Who else was at the dinner with the former Governor of the State—let him tell us. The Leader of the Opposition was not conspiring; he was just having dinner! He should inform the House about that dinner, just as he should release the tapes indicating that he is a truthful person, if, indeed, he can.

By his silence now—and it is about the only time he has had his mouth shut in the past five days—the Leader of the Opposition demonstrates that he is not able to release the tapes. He should stand up not only for his privileges but also for the privileges of all honourable members. We cannot have people outside this place calling us liars!

Mr Weideman—Will you have the guts to apologize if you are wrong?

Mr CRABB—I do not believe the honourable member for Frankston South should refer to my guts.

The honourable member for Benalla, who seems to have left the Chamber temporarily—he has gone to gargle or something—gave us a spirited rendition of his standard speech in which he tries to overcome lack of wit by turning up the volume. The speech was not a bad effort the first time honourable members heard it, but it is starting to grate on us a bit. For someone who cannot get the numbers in a caucus of twelve, he is not doing too well.

The Leader of the Opposition has continued to treat this place with contempt; he has treated the members of the House with contempt; and he has treated the conventions of the Westminster system with contempt. He has demonstrated his immorality in regard to all of the conventions of this place and the system that governs this State and, indeed, all of the former British Empire. The Leader of the Opposition has demonstrated his contempt of that system. There are no bounds to the lengths to which he is prepared to go to try to maintain his precarious hold on the position of Leader of the Opposition. He and the Leader of the National Party stand condemned by their actions tonight.

Mr LIEBERMAN (Benambra)—I have listened carefully to the contributions made by members of the Government on this extremely important Bill. It is true that almost 100 per cent of the content of their speeches was abuse and vilification of honourable members of this House who have pursued their rights and responsibilities to get the truth for the people of Victoria. It is true what the wise man said many years ago; that a speech that constitutes 100 per cent of abuse has no substance because there is no argument. The Government has not put forward an argument in its desperate attempt to cover up the shoddy way in which it has handled the whole affair involving the former Governor and his wife.

It is important that the Bill is passed because, as the honourable member for Berwick stated, it is a form of apology to those fine people for what they have had to put up with.

I shall put a couple of propositions to the House. In his Ministerial statement, the Premier put forward the reasons why the former Governor was forced to resign and why Victoria was losing the services of Sir Brian and Lady Murray, who are very fine people. Why has it taken thirteen days for the Premier to inform Parliament and the people of Victoria about the terms and conditions relating to the former Governor's resignation? That poses a million questions that should be answered.

I am quite certain that the people of Victoria have made an extremely fine judgment about the Premier and the way in which he has handled this affair. The community owes the Leader of the Opposition and the Leader of the National Party a debt of gratitude because, due to their courage—despite the vilification, smear and attacks from the Government, especially from the Premier—they have stuck to a principle that must be preserved at all costs in our society because otherwise the Westminster system would go. I refer to the principle that the Opposition must be fearless, despite the threats of the Premier that he will get someone who puts a question to him during question time and that he will go through the files and unload people because they have the temerity to ask questions that are relevant to a circumstance that is of vital concern to all Victorians.

The reputation of the Premier has been stained. In his contribution, the Deputy Premier abused the Opposition and indicated that the Opposition was a stain on Parliament. It is quite the contrary. The behaviour of the Government in this matter has constituted a stain on the office of Governor, on Parliament and on the Government itself and is an insult to the people of Victoria.

Why should thirteen days pass after an event as momentous as the resignation of a Governor with the Opposition calling on the Premier day by day to explain matters and provide the facts and circumstances that are relevant to the whole matter but be met with responses from the Premier that are inexcusable and from which the very next day he attempted to bail out?

What did the average Victorian think after learning of the shock resignation of the former Governor, when he heard the Premier say that "There was much much more" and that there may well be a police investigation? No reasonable person could be criticized if they had read into those words the meaning that the Premier was implying that the former Governor's behaviour was reprehensible and that it may have involved criminality. That is the reasonable interpretation that the people of Victoria would put on that statement made by the Premier. The next day, the Premier resiled from that; he stated that he did not mean it, but it is a stain on his reputation.

The Premier holds himself up as the born again Pennsylvanian and he expects all others to toe the line. However, when the Opposition demonstrates to the people of Victoria that the Premier has a double standard in respect of his own behaviour, the Premier vilifies the Opposition. The Opposition simply pointed out that the Premier expects a certain standard of behaviour from the Governor of Victoria and a standard of behaviour from Ministers, and when the Opposition pointed out that the Premier had been involved in accepting hospitality—which was probably hospitality that should have been accepted and would

have been accepted by any other head of State representing the State in important matters—the Premier turned around and arranged for a cheque to be sent after the event.

What went through my mind when the Premier stated today that he would send the cheque was: when was it that the thought process was in the Premier's mind that it was appropriate to send a cheque?

The SPEAKER—Order! I should advise the honourable member for Benambra that there would or could be an opportunity, if he or the Opposition so desired, of debating the matters that he is attempting to debate under this Bill. The Bill clearly contains a number of clauses dealing with the Governor's salary, the Governor's pension and the entitlements of the former Governor. It does not provide an opportunity, in my view, of canvassing the issues that the honourable member for Benambra is attempting to canvass.

Mr LIEBERMAN—Thank you, Mr Speaker. I respect your ruling and I shall not press that point. Neverless, the circumstances of the Premier arranging for a payment for his air-fare and that of his wife will always be given a certain construction and conclusion by most thinking, decent Victorians.

The Bill is not really about the former Governor. It is really about the circumstances and the reasons that led to the Governor's resignation, the results of that, and the Premier's treatment of the former Governor. The Premier has asked honourable members to approve a package of payment and a pension for the Governor, and all honourable members wish to endorse it.

I find it absolutely incredible that the Premier put the Leader of the Opposition in the position of saying to the community that there was an agreement that had not been disclosed in the Ministerial statement made by the Premier thirteen days ago, and allowed the community at large to accept the view—particularly because of the statement made by Mr Charles Curwen—that the Leader of the Opposition had acted irresponsibly by asserting that there was a document which was relevant to the circumstances leading to the resignation of the Governor. Thirteen days have gone by in which the Premier has allowed the people of Victoria to conclude that the assertion of the Leader of the Opposition was inaccurate.

Scathing comments have been made in some parts of Victoria about that assertion by the Leader of the Opposition. It was not until two or three days ago that it started to emerge that the Government was prepared to acknowledge the existence of that document. There had been resounding silence prior to that.

I suppose the Honourable Evan Walker, Leader of the Government in another place, will have some explaining to do to his boss as to why he answered honestly today a further question from the Leader of the Opposition in another place on the matter, which then led to a public statement that the document—which the Leader of the Opposition asserted existed—did in fact exist. Consequently, the document has been tabled.

Again I say the question that the people of Victoria will pose throughout the political career of the Premier and in the aftermath of this situation is: why on earth did we have to go through ten to thirteen days of controversy about the existence of a vital document when it existed all the time and when one of the signatories to that document was the Premier? That is the question the people of Victoria should ask, must ask and will continue to ask. I have no doubt that the debate on this Bill will be the end of the matter of the unfortunate circumstances of Victoria losing a Governor whom we all respect.

Undoubtedly the Premier will close the debate soon. The Premier and I entered Parliament on the same day; he made his maiden speech about 10 seconds after I made my maiden speech. He made a good speech on a matter in which we both had a common interest. Because we have reached this point I ask the Premier, as the Premier of Victoria, as the Leader of the Government that governs my family and all other families in the State, to forbear from now on from personal abuse. The arguments have been put, and it is up to the people of Victoria to make the judgments which undoubtedly they will make.

Personal abuse and vilification will not do Parliament any good. It is time the matter was put to rest.

The Premier has heard comments from all honourable members on the matters of concern. He knows he must justify his actions. He holds a high office, the highest office in the State, and he is also an eminent member of the legal profession.

Mr Cain—Your are squaring off!

Mr LIEBERMAN—I am not squaring off; I am saying something that I mean. The Premier upholds and should uphold high standards. he has taken an oath to which he would like to adhere. He is a member of Parliament and he is the Premier. Therefore, he has sworn to honour those obligations which he must uphold. All honourable members would like this matter to be finished with dignity. From now on there should be no further personal abuse about this matter. There should no longer be any implied threats.

If because I have spoken tonight, there should be some innuendo about my file tomorrow, the file should be brought out. Because members of the Opposition speak up, will it mean that the Premier will say, "If you say something that is critical of my stewardship, I will get you"? Will that be the standard that will be left by this Premier's reign in this State? I suggest the Premier knows that it should not be, and the Opposition hopes he will heed what I am saying.

Mr Jolly—What about your file?

Mr LIEBERMAN—I have said to bring it out, by all means, if that is the consequence of my doing my duty. I swore to uphold my duty without fear or favour as a member of the Opposition, and I shall continue to do so. If the Premier tries to get back at the Opposition, let him do so. That sort of continued abuse, threat and innuendo will do nothing for the Premier as a man and, if he continues in that vein, it will show him to be unworthy of the office that he has held and now holds.

Mr DICKINSON (South Barwon)—As the member for South Barwon and a member of Her Majesty's Opposition, I wish to make a few comments on the Bill. It seems only yesterday that the Governor made an address at the opening of the Fiftieth Parliament. For months, the Government has delayed delivering the Address-in-Reply to the Governor even after members had made their speeches. This sad saga is a studied insult to the position of Governor and our Sovereign, the Queen. This has been perpetrated in Victoria. I am well aware that many honourable members on the Government benches would like to see Australia with something other that a monarchy. Honourable members have heard comments from the Minister for Employment and Industrial Affairs whom we know to be a Eureka flag-waving member of the Labor Party.

The SPEAKER—Order! I advise the honourable member for South Barwon that, although his comments may be relevant to some matters associated with the office of Governor, they are not related to the Bill. I ask the honourable member to debate the Bill that is before the House.

Mr DICKINSON—If the Governor had been in the situation of being caught taking a free gesture offered to his office, I believe the Premier could have saved him and the office from any indiscretion. The Premier was an accessory before the fact, and the people of Victoria must now bear the cost, morally and financially, of this early retirement because the Premier of Victoria let the Governor fall.

The Opposition supports the Bill because it does not want to denigrate the office of Her Majesty's representative in this State. I am sure that, if honourable members on both sides of the House reflect on the wonderful attributes of the Royal Family throughout the British Commonwealth and on how the people of Victoria look forward to the forthcoming visit of the Royal couple, the Prince and Princess of Wales, we will put this matter behind us, but reflect sadly on the actions of the Premier of this State.

Mr HANN (Rodney)—This is the most shabby treatment I have seen meted out in the past four years of Labor Government. The Premier should be absolutely ashamed of himself for the way in which he has demonstrated a total disrespect for the office of Governor of this State. It is common knowledge in this House and throughout the State that the Premier has maintained a hostile and antagonistic attitude towards the former Governor and Lady Murray during the period in which he has been Premier of this State. I believe the Premier has been jealous of the office of Governor. He has obviously carried his jealousy from his childhood when his father was sacked some years ago.

The SPEAKER—Order! The Deputy Leader of the National Party is well aware that he is taxing the patience of the Chair. He is nowhere near the Bill and I ask him to come back to it. I do not intend to allow him to canvass matters other than those which are contained in the Bill.

Mr HANN—It is important to remind the House of the reasons why we are debating the proposed legislation tonight. The reasons are that the Premier of this State forced the former Governor to resign. There is no doubt about that. He went to Government House on the Wednesday night and again on the Thursday when he stayed at Government House virtually all day and forced Sir Brian to accept his terms and conditions and to resign; the Governor's alternative was to go out with nothing. Honourable members are aware from the comments of the Leader of the Opposition that part of that threat was that the Royal tour would be cancelled.

It is a disgusting situation. I place on the record of this Parliament the disgust of the vast majority of the people of my electorate at the way in which the Premier has handled this matter. It disappoints me that only a few weeks ago members from all sides of the House praised Sir Brian and Lady Murray for the excellent manner in which they were serving the people of the State. Ministers of the Crown praised the Governor, yet the Premier has dealt out this shabby treatment to him. The people of Victoria are disgusted at the actions of the Premier. There is no doubt that he set out deliberately to bring down the Governor. That is proven by the fact that he had the opportunity of advising the Governor not to take the trip, but he chose not to do that. He could have given him the opportunity of paying back the amount, as the Premier himself is now doing, but he did not do that.

Honourable members all know that members of the Government party, even former Ministers, were actively touting for the position of Governor on the Wednesday night and the Thursday when the former Governor's resignation was announced. There was joviality on the Government benches about the possibility of the Governor being sacked. I believe it was a total conspiracy, not just by the Premier, but by all Government members. That belief is backed up by the fact that the Deputy Premier, instead of flying straight to Germany, flew to London to be on hand to assist or facilitate the sacking of the Governor.

There is no doubt in my mind that the honourable the Premier—I wonder why we call him honourable—set out to sack the Governor. What was particularly despicable and deceitful was the way in which, firstly, the Premier attempted to withhold details concerning the additional benefits that were being provided to Sir Brian and, secondly, even more dishonest was the way in which the Premier led the people of Victoria to believe that the Governor would be receiving a pension of up to $60 000 a year. He deliberately let that story run in the media to try to build his own case to argue that he had given the Governor a reasonable deal to assist him to get out.

With the introduction of the proposed legislation tonight, for the first time the people of this State have been made aware that the former Governor will receive no more than $28 000 a year because his service pension, as I understand from the Leader of the Opposition, will amount to approximately $32 000 a year and Sir Brian has agreed that he will accept only the balance of the amount after the pension is offset.

That was dishonest of the Premier. As a member of this House I have had considerable respect over the years for the Premier, but my respect has gone out the door completely in

this issue. This man—the Premier—does not deserve the respect of anybody in this State. His regard in the community has taken the same course. If the Premier believes he has support, why does he not put the question before the people of this State? If the electorate of Victoria had the opportunity of voting on this issue, the Premier would be swept from office. Alternatively, having been found out in the fact that he cheated the system himself in taking a first-class airline flight to America and in accepting accommodation from Alcoa——

The SPEAKER—Order! The Deputy Leader of the National Party is taking considerable licence in his comments. He is not addressing himself to the Bill and the clauses relating to the salary and pensions of the Governor. I ask him to come back to the Bill.

Mr HANN—If the Premier were an honourable man, he would resign over the way in which he has dealt with this matter. The whole exercise has been a shabby, disgusting piece of political gutter tactics. Honourable members heard two of the most pathetic supporting speeches I have ever heard from the Government. The Treasurer has not spoken to support his Premier. The Deputy Premier made the worst speech he has made in the most pathetic performance I have ever seen of him. He is usually a scathing and attacking member of this House. His heart was not in it this time.

The Minister for Employment and Industrial Relations is also one of the most articulate debaters in this House, but tonight his heart was not in it. He could not convince anybody on the Opposition side of the House that anything he said had any merit. On the one hand, the Premier suggested to this House a week or so ago that something dishonest may have occurred and that the matter was the subject of police investigations, but, on the other hand this morning——

Mr SHEEHAN (Ballarat South)—On a point of order, I have referred to the Bill and it appears that the Deputy Leader of the National Party is disgressing totally from the contents of the Bill, which deal with the formula of the payments and entitlements of the former Governor. The Bill specifically refers just to formula and amounts of money that are part of the entitlements and financial arrangements dealing with the Governor's resignation.

The SPEAKER—Order! I advise the honourable member for Ballarat South that I do not uphold his point of order. I have endeavoured with some earnestness to direct the attention of the Deputy Leader of the National Party back to the Bill. Some licence has been given during the debate. I now ask the Deputy Leader of the National Party to return to the Bill itself.

Mr HANN (Rodney)—In fact, Mr Speaker, as you are well aware, I was discussing the Bill. I was saying that the National Party supports the measure. It supports the provision of this assistance to the former Governor. In acknowledging the interruption of the honourable member for Ballarat South, I add that I recall that not so long ago the honourable member praised the Governor of Victoria in a speech he made in this House.

The National Party is prepared and happy to support the financial assistance to Sir Brian and Lady Murray. They have handled their roles in a very dedicated, charming and excellent manner. They have served the people of the State very well. The resignation is of grave concern and a matter of deep regret, particularly to the people in the electorate that I represent, who were to have the pleasure of a visit by Sir Brian and Lady Murray this Sunday at Echuca for the opening of the River Murray Festival. No end of trouble was gone to in order to arrange the itinerary for that visit. This Premier—this honourable devious man—has effectively stopped that with this action.

I place on record the support and loyalty of the people in the electorate that I represent not only to the former Governor and Lady Murray but also to the whole office of the Governor of Victoria. I wish both Sir Brian and Lady Murray well in their retirement. When the truth finally comes out in this matter, I have no doubt that the Premier will be looking for somewhere to hide.

Mr JASPER (Murray Valley)—It is a sad day for the State of Victoria when Parliament is debating a legislative measure of this sort. The Bill results from the forced resignation of the Governor of Victoria, Sir Brian Murray. This action and its treatment of the Vice-Regal office will be a blight on the Labor Government in Victoria. It will be a particular blight on the Premier of Victoria. I express my disappointment at the way in which the Premier has handled the whole business of the dismissal of the Governor of Victoria and the retirement benefits that have been provided.

Like the Leader and Deputy Leader of the National Party, I have had the greatest respect for the Premier of Victoria. We both entered Parliament in 1976 and I have found him always to have been an honourable man. However, in the handling of the dismissal of the Governor and this Bill, in the method of accounting and payments to be made to the Governor, the Premier has acted in a despicable manner. I wonder whether it is part of a conspiracy to effectively remove the office of the Governor of Victoria so that the Premier and members of the Labor Party may appoint a puppet in place of the person who has been most highly respected in his position of Governor of Victoria.

On the day prior to the Premier announcing the resignation of the Governor of Victoria I was with Sir Brian and Lady Murray for most of the day, in Cobram, where they were carrying out their official duties. I have nothing but admiration for the manner in which Sir Brian and Lady Murray carried out their duties, for their dignity and their composure, and for the way in which they held the office of the Governor of Victoria under extremely difficult conditions.

All day, they were being intimidated and hounded by the media to make statements. Under those circumstances the former Governor carried out his duties with the highest distinction. Both Sir Brian and Lady Murray had courage. No one could have criticized them. The media even took photographs of the couple in positions which, when published the next day, made them appear as though they were almost running for cover, and that definitely was not the case. As soon as Sir Brian returned to Melbourne late that evening the Premier called on him to discuss the business of the Governor's dismissal.

It is obvious that the Premier wanted to get rid of the Governor. He had wanted to get rid of the Governor for a long time. This seemingly was the appropriate occasion when the Premier believed he could conveniently get rid of the Governor and the people of Victoria would not criticize the dismissal but would see it as a justification in asking for the Governor's resignation.

The Governor was forced into making a statement on the supposed free trip that he had taken with Continental Airlines Inc. on an inaugural flight. As soon as the Governor made the statement, the Premier said that this action caused all the problems and this is why he had to take the Governor to task and ask for his resignation. The Governor had made a statement that he had accepted this free trip as a result of extreme pressure from the media wanting him to make a statement.

What was so bad about what the Governor had done? Many people have taken free trips and have been feted by various people, by organizations and by other Goverments, and have accepted that as part of their office. The Governor had nothing to offer Continental Airlines Inc.

The SPEAKER—Order! I advise the honourable member for Murray Valley that he is going well away from the Bill. He is dealing with other matters that are not related to the Bill being debated. I have called other honourable members back to the Bill and I intend to call the honourable member for Murray Valley back to the Bill. If he examines the Bill he will note that three or four clauses relate to the Governor's entitlement, and that is the extent of the Bill.

Mr JASPER—The resignation of the former Governor has stunned Victoria. The whole actions of the Premier have stunned Victoria. The Premier has in his hands the ability to prevent this action taking place, and I concur with the statement in the *Herald*

yesterday that, if on that morning the Premier had defended the Governor, if he had said yes, perhaps it was a mistake but not the worst mistake that a Governor has ever made, there might have been hope, but the Premier said nothing. This Bill is the result of the inaction of the Premier in defending the office of the Governor of Victoria.

The Premier has set very high standards for the office of Governor of Victoria. He has also set high standards for Ministers of the Government, which have been broken already, as has been indicated on many occasions. Victorians are stunned by the actions of the Government in forcing the resignation of the Governor of Victoria. What could the Governor do? He had to consider the offer that was being made by the Premier.

In accordance with Sessional Orders, the debate was interrupted.

The SPEAKER—Order! The time appointed under Sessional Orders for me to interrupt the business of the House has now arrived.

On the motion of Mr CAIN (Premier), the sitting was continued.

Mr JASPER (Murray Valley)—Prior to the interruption, I was saying that the Governor really had nowhere to go and, of course, the cunning and scheming of the Premier came into play. Realizing that the Governor was in a corner, the Premier went to him and negotiated with him the offer that honourable members are debating today. That occurred at a time when, if he had stood his ground, the Governor stood to be dismissed without any pension whatsoever.

The Premier spent hours at Government House attempting to work out the payment that was to be made to the Governor. I hope the Governor charged the Premier for lunch, if that is what the Premier had when he spent all that time working on the payout for the Governor.

I speak for the people of the electorate of Murray Valley when I say to this House, to you, Mr Speaker, and particularly to the Premier, that I have been contacted by a vast number of people since the forced resignation of the Governor, who have expressed concern for the actions taken, not by the Labor Government, but by the Premier of this State, in forcing the resignation of the Governor, when it was in the hands of the Premier to be able to exonerate the Governor, to view the situation in a different light—but that action was not to be taken by the Premier.

The Premier, supported by many people in the Labor Party—although not by everyone, because I do not believe everyone would support his action—took the action of forcing the resignation of the Governor and negotiating the payment to be made to him. Of course, the Premier also allowed information to be fed out quietly and slowly, so that it appeared that the Government and the Premier, at the request of the former Governor, were holding back information that would make the situation seem even worse so far as the position of Governor was concerned. They continued withholding vital information, which is now contained in the proposed legislation.

The Premier has shown a dishonest action against the former Governor. He has displayed double standards in many things that have come to light. Honourable members now see the Premier in his true colours. The people of the electorate of Murray Valley and I are concerned about the situation. We respect loyalty and the office of Governor, and we believe the people of Victoria respect the dedication and work that was undertaken by Sir Brian and Lady Murray. We are totally disenchanted and dissatisfied with the actions taken by the Premier in forcing the Governor's resignation and then coming forward with suggestions for a payment to be made to him over a period of time, without even giving the full facts of that payment.

It is a sad day for Victoria. I hope the situation will be corrected in future, but I cannot foresee it being corrected during the time of the present Premier and the present Government of Victoria.

Mr STEGGALL (Swan Hill)—The people of the Swan Hill electorate are also very disturbed, disappointed and saddened by the actions that have occurred in the past few weeks. When the Premier responds to the remarks of honourable members during this debate tonight, I just wonder—and a number of people have asked me the question—whether he can explain why this Bill is before the House. If the Governor did something wrong, if he broke some law or seriously broke some conventions, there would be no need for the Bill. If the Governor had done something as serious as has been suggested occurred in this case, but has never been proved, he would not be entitled to any remuneration.

The purpose of the Bill is to make a pension payable to former Governors, and the need for it has arisen as a result of recent actions of the Government. The Premier has taken certain actions and has presented a package to the former Governor, which has proved to everyone in Victoria that the former Governor did no wrong and that the action of the Premier resulted in the resignation of the Governor just a few days ago.

In the Swan Hill electorate, the former Governor, Sir Brian Murray and Lady Murray, are very well loved and highly respected; the work they have done is very much admired. People are wondering, if someone was dismissed or asked to resign for committing a misdemeanor or something of a serious nature, why such a package would be put forward in proposed legislation.

As a result of the actions of the Premier over the past three years and the effort he has consistently made to make the position of Governor very difficult for the Murrays, the Bill is proof that he has bought off the Governor. He has succeeded in one of his vendettas that he seems to have, the other being that of the Upper House, but he has sold that one away to the Democrats' preferences.

The provisions of the Bill are very generous in many ways and rather surprising to many people. I put to the House and to the Premier that this is not the way in which a guilty man would be treated. I suggest that the former Governor and his wife, in the position they have both held in the past few years, have carried out their duties properly and correctly; the Governor himself has done nothing of which to be ashamed. I believe the people of Victoria will have a lot of trouble in coming to grips with the Premier and the actions he has taken on this occasion.

Mr CAIN (Premier)—Many wild things have been said tonight by a large number of honourable members who have spoken from the other side of the House. I am not aware of what are their sources. Perhaps the Leader of the Opposition would choose to reveal his sources and thus give some authority to the charges that he lays.

I suggest the Leader of the Opposition should make some check with those who were present—and six people were present. They had no axe to grind. They were there to assist and advise Sir Brian Murray. Perhaps if he makes that check, the Leader of the Opposition might realize the error of the things he has said. The most reliable source of information is the Ministerial statement that I made.

Mr Hann—That is not true.

Mr Kennett interjected.

Honourable members interjecting.

The SPEAKER—Order! I ask the Premier to resume his seat. I advise the Leader of the Opposition that I attempted to give him all the protection of the Chair during his remarks, and I have attempted to do so for all other speakers. I will not substantiate continuous interjections from him during the Premier's reply, which he has 14 minutes to attempt to complete.

Mr CAIN (Premier)—I repeat that the most reliable source of what occurred is the Ministerial statement. It was carefully prepared. It was referred to Mr Curwen and Mr Teasdale, who were present, and they expressed the view that the statement summed up

what had occurred. I did say to them that it may not be possible to ensure that this matter could be disposed of by the Ministerial statement being made.

I and Mr Curwen and others were aware that the Leader of the Opposition was then running out of control and that view was expressed, and I said then that it would be my endeavour to ensure that what was said—and that was the wish of all present—should be confined to the Ministerial statement but that may not be possible.

What should also be said is that what decision was made on that day was not based upon a reliance by Sir Brian and Lady Murray upon just what I said. At my suggestion, they sought and got advice from other people. Sir John Starke was involved and I for my part, as I have said, did not rely upon my judgment, my assessment, as to what should occur.

I also, as I have said publicly, sought advice from others whom I believe could be said to be objective, detached, not a member of any political party, but people that I believe any thinking person would regard as reliable and detached.

Mr Maclellan—Who did you ask?

Mr CAIN—I will not reveal those matters and I do not intend to. The honourable member should know better than to ask. Endeavours were made to try to control the Leader of the Opposition. I believe he was made aware of the facts by Mr Curwen. Mr Curwen made them clear to the Leader of the Opposition, as I understand it.

Mr Hann interjected.

Mr CAIN—That is an insulting thing to say about Mr Curwen. The Deputy Leader of the National Party says "at my direction". I sit here and I suppose I cop what every politician in this place cops but I do not believe it is reasonable to make those remarks about the office that Mr Curwen occupies or the man who occupies it. I hope the Deputy Leader of the National Party will withdraw those remarks.

Honourable members interjecting.

Mr CAIN—He is not going to withdraw them. He is implying that Mr Curwen is acting on my instructions. That is utterly untrue. He ought to speak to Mr Curwen and say that to him, if he persists with that line. Mr Curwen is concerned about the office and is concerned to try to curb the excesses of the Leader of the Opposition. It got to the stage where he took the unusual course, to which the Deputy Premier has referred, of feeling it was necessary to go public and try to get some order and some restraint back into the matter. He was unsuccessful and I think he regrets, as others do, that the Leader of the Opposition was unprepared to see reason.

The document to which reference is made was sought by Sir Brian Murray, who asked that notes be taken of matters that were not the subject of agreement in the sense that they were matters contingent upon other circumstances—and they have already been explained in great detail. Those contingencies were matters that had to be investigated, and also whether or not additional payment was to be made depended upon those. One matter has been determined and the other has not. I repeat: the request was made by Sir Brian that Mr Teasdale should take some handwritten notes.

All present regarded the matters as being of a personal and private nature and it was agreed that it was desirable to so treat them. I repeat what Mr Curwen said, that there were no preconditions to the undertakings given that there be silence in respect of these matters for the good of the office. There were no preconditions, as Mr Curwen said. The Leader of the Opposition goes on giggling—that is about all he is good for.

There were no preconditions. If any further proof is required of that, then all I can say is that all of the money has been paid and the only matter remaining outstanding is the tax issue, nothing else.

I can only say again, as I have said before, that it was the wish of those present on that Thursday that there should be observance of the matters agreed to in the subject of the undertakings. There was no benefit to me or to the Government in observing the request that that statement of undertakings should be so treated—no benefit at all. It was the wish of those present, which I sought to observe, as did others, and I can only say the fact that we have had the sort of debate we have had tonight and the performance we have had over the past ten days rests very squarely with one person and I make no further observation than that. I indicated last night what I thought of that sort of behaviour.

The Bill is supported by all sides of the House. It is a great pity it was not treated with some dignity and some respect by all sides of the House.

The motion for the second reading of the Bill was agreed to by an absolute majority of the whole number of the members of the House, and the Bill was read a second time and committed.

Clauses 1 to 5 were agreed to.

Clause 6

Mr KENNETT (Leader of the Opposition)—This clause provides for the entitlement to the former Governor. It may be appropriate that at some stage we will be debating it for the Premier. There is no doubt that the explanation just given by the Premier at the end of the second-reading speech was a further indictment of his whole performance in this affair.

Yesterday, in terms of these matters before the Parliament in this clause, the Premier said that it was Mr Curwen who notarized the documents; today he is saying that it was Mr Teasdale. One has to ask, "How can anyone any longer trust anything this Premier says?" It is hopeless. The Premier has given more information today and tonight in both his speeches, which obviously will need to be followed up. Let us not be under any illusion; the Premier has in his comments on the matter of the entitlement and the concern of the Governor hidden behind a public servant in the form of Charles Curwen.

No one questions Charles Curwen's ability and his dedication, but anyone would have thought from the Premier's speech tonight that it was Charles Curwen who fought about the whole event and not the Premier.

It is one of the most gutless performances I have ever seen. I shall raise two specific matters and I ask the Premier for his assurance in this Committee so that the proposed legislation is not delayed by the moving of amendments.

I understand—and the public will understand— that we run some risk, based on the Premier's past performance in terms of undertakings and decency, but it is in the interests of decency that I appeal to him.

In my remarks I mentioned that the Premier had referred to the fact that the former Governor will be afforded privileges usually afforded to a Governor who serves in the office of Governor for a period of five years. That does not appear as a condition in clause 6, which deals with the entitlements of the former Governor.

I ask that the Premier gives an assurance to Parliament, and through Parliament to the people of Victoria, that the privileges usually afforded to a Governor who retires after serving for a period of five years will be provided to Sir Brian Murray. I am speaking about the utilization of a car and office staff; those things that the Premier publicly expressed but has not seen fit to include in the proposed legislation. I am speaking about entitlements and I am asking the Premier to give that assurance.

Another matter on which I also seek an assurance from the Premier so that the passage of the Bill is not delayed by amendments relates to the outstanding matter just referred to, which was agreed between the Premier and the Governor, as I understand it, so that any tax that may be attributed to the lump sum settlement of $30 000 will be paid by the

Government to the Federal Government or the appropriate taxing authority. That is, the Governor will receive a lump sum of $30 000 not encumbered by any taxation provisions.

I ask the Premier to give the assurance to the Committee—and through this place to the people of Victoria—that what he was speaking about a few moments ago will be honoured by him and his Government.

Mr CAIN (Premier)—There has never been any question that what was agreed and understood on the relevant day will be honoured so far as this Government is concerned. I have given that assurance and it will be carried out.

As I said before, the tax is a matter to be determined. If that contingency occurs, the State will pay the tax that is incurred. As I said, we have already paid the customs duty and the sales tax. So far as the motor vehicle is concerned, that was a privilege I introduced so far as Sir Henry Winneke was concerned. Until about two years ago he did not have the use of a car. I became aware of it and made it available to him, for which he was very grateful. It is not a custom that was introduced prior to the Government coming to office.

That was introduced by me for Sir Henry Winneke and, as I have said in the letter that is referred to—the letter in the Ministerial statement—it will be accorded to the retired Governor when he is in Victoria on official duties.

The clause was agreed to.

The Bill was reported to the House without amendment, and the report was adopted.

The motion for the third reading of the Bill was agreed to by an absolute majority of the whole number of the members of the House, and the Bill was read a third time.

CRIMES (AMENDMENT) BILL

This Bill was received from the Council and, on the motion of Mr CAIN (Premier), was read a first time.

ADMINISTRATIVE LAW (UNIVERSITY VISITOR) BILL

This Bill was received from the Council and, on the motion of Mr CAIN (Premier), was read a first time.

ADJOURNMENT

Report of Department of Water Resources—Mountain District Cattlemen's Association of Victoria—Pay-roll Tax Act—Hospital crisis—Fire prevention system—Refund of donation to Labor Party—Wangaratta Freightgate service

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House do now adjourn.

Mr DELZOPPO (Narracan)—I direct a matter to the attention of the Minister for Water Resources, who is not in the Chamber. The Department of Water Resources has compiled a report entitled "Victorian Water Law Principles and Options for Reform 1985". The Director of Water Resources has called for a lunchtime seminar tomorrow to outline the contents of the report. The report has been released to the public and, more importantly, has not been shown to the water industry. This in itself may not be seen as a matter for concern but the report advocates the replacing of the 21 Acts administered by the Minister with a single statute.

I put it to the Minister that those water bodies that will be affected by such proposed legislation have not been consulted. The water industry has just undergone reconstruction after extensive consultation. In fact, the Government has boasted of the extensive consultation during this exercise. I ask the Minister why there has been no consultation in

this case. Why is the seminar being organized tomorrow to explain the report which has not been made public and about which the industry has no knowledge?

I ask the Minister to cancel tomorrow's seminar, make the document available to the public and to speak to representatives of the water industry. If the report is implemented, it will have a drastic effect on that industry. The industry should have some opportunity of responding to the propositions set out in the report.

It is disgraceful administration that a Minister should allow this to occur. Further, the Minister should make a Ministerial statement to the House to explain the nature of the planned reforms so that the House, the public and the water industry have some idea of what is in the mind of the Minister.

Mr NORRIS (Dandenong)—I raise a matter for the attention of the Minister for Police and Emergency Services. Last night the honourable member for Wantirna revealed startling allegations concerning people dressed in boots, Drizabone coats and wide-brimmed hats and masquerading as mountain cattlemen. Today other allegations have been made to me. One incident occurred at a Warrandyte polling booth where a local greengrocer, Bob Powell, dressed up as a mountain cattleman, was handing out how-to-vote cards . He was approached by a local councillor who knew him and said, "What are you doing in that get-up? I bet before today you believed Drizabone was a dog food!"

Tonight, I raise an allegation concerning the honourable member for Malvern and a statutory declaration sworn by a person who was disgusted at the honourable member's actions during the Nunawading by-election. I ask the Minister to investigate the allegations.

Mr RICHARDSON (Forest Hill)—On a point of order, Mr Speaker, it is permissible to raise only one issue in the debate on the motion for the adjournment of the sitting. The honourable member for Dandenong identified the issue he wished to raise, which was something to do with mountain cattlemen, but he has now moved to a second issue relating to a statutory declaration involving the honourable member for Malvern.

I suggest that the honourable member for Dandenong is not entitled to raise two issues. He raised the first issue, which has now been concluded, and he is moving on to a second issue, which is out of order.

Mr ROPER (Minister for Transport)—On the point of order, Mr Speaker, the honourable member for Dandenong is discussing people dressed as mountain cattlemen and has introduced a statutory declaration involving the honorable member for Malvern as part of that matter.

The SPEAKER—The honourable member for Forest Hill is correct in that only one matter may be raised on the motion for the adjournment of the sitting. I do not intend to uphold his point of order, because the honourable member for Dandenong had not reached the substance of his remarks in respect of the honourable member for Malvern. If the honourable member is relating the mountain cattlemen issue in some way to the statutory declaration involving the honourable member for Malvern, he is in order.

Mr NORRIS (Dandenong)—The statutory declaration made by a concerned constituent involves the honourable member for Malvern. The constituent was handing out how-to-vote cards outside the Croydon South Primary School polling booth and observed an alleged mountain cattleman dressed up in the full gear, also handing out cards. Honourable members have heard about "rent a crowd" but this is "rent a cowboy".

The honourable member for Malvern then arrived and had a heated discussion with the mountain cattleman. It appeared that the honourable member was concerned that the mountain cattleman's how-to-vote cards might confuse voters concerning their preferences.

Mr LEIGH (Malvern)—On a point of order, Mr Speaker, I ask the honourable member for Dandenong to make the document available to the House.

The SPEAKER—Order! There is no point of order. Would the honourable member for Dandenong make the document available to the House?

Mr NORRIS (Dandenong)—I shall make it available to the Minister.

The SPEAKER—Order! There is no qualification. The honourable member either makes the document available to the House or refuses to do so.

Mr NORRIS—I refuse to do so.

The SPEAKER—Order! The honourable member is out of order in quoting from the document.

Mr NORRIS—I shall make it available, Mr Speaker. The concerned constituent observed the honourable member for Malvern standing over the mountain cattleman and having a heated discussion. The mountain cattleman then went to his vehicle, returned and began handing out Liberal how-to-vote cards. What influence did the honourable member for Malvern have over the mountain cattleman and what did he say?

The SPEAKER—The honourable member's time has expired.

Mr GUDE (Hawthorn)—I raise a matter for the attention of the Treasurer and ask the Minister for Transport to refer it to him. The matter relates to considerable concern felt by thousands of small business people and owner-operator transport drivers, direct selling agents, insurance agents, house framers and so on.

The SPEAKER—Order! There seems to be some disputation in the House and, if it continues, I shall ask the Serjeant-at-Arms to take action. I ask the honourable member for Dandenong to make the document available to the House.

Mr NORRIS (Dandenong)—Certainly, Mr Speaker, but I seek your guidance.

The SPEAKER—Order! There is no qualification. The honourable member quoted from a statutory declaration which he was asked to make available to the House. I ask him to now make it available.

Mr NORRIS—I was about to do so, but I was being stood over by the honourable member for Forest Hill. Am I to put up with that?

The SPEAKER—Order! The honourable member is in the Legislative Assembly, not in the theatre.

Mr NORRIS—Mr Speaker, I suggest you say that to the honourable member for Forest Hill.

Mr GUDE (Hawthorn)—Mr Speaker, I trust that my time will not be wasted by clowns on the other side of the House. The matter I raise relates to small businessmen and, in particular, to section 3C of the Pay-roll Tax Act, as it applies to some small business operators. Honourable members would realize that that section does not apply to owner-operator transport drivers, direct selling agents or insurance agents.

Their concern is about the Government's reaction to section 9 of the Accident Compensation Act which contains similar provisions. I seek the guidance of the Treasurer on how he proposes to deal with, and interpret, section 9 of that Act.

A number of small business operators have been in touch with WorkCare officers seeking an interpretation, but there appears to be some confusion. Is the Treasurer aware that the Commissioner of Pay-roll Tax, Mr Gary Sebo, takes the view that, on the face of the two pieces of legislation, owner-drivers whose services are ancillary to the use of their motor vehicles would not be subject to the provisions of the two pieces of legislation?

The Opposition asks on behalf of owner-operator transport drivers and would-be workers whether the Government will admit its error in respect of the deeming provision contained in section 10 of the Accident Compensation Act.

I ask the Treasurer to review the practice of deeming referred to in section 10 and to assure small business owner-operators that they will be protected and encouraged to continue operating in Victoria. After all, they are the backbone of this country. In many ways they epitomize the Australian "fair go" ethic or the "have a go" principle.

The Opposition seeks an assurance from the Government that it will not in any way prejudice the role of the small business operators in the community, given the provisions of the Accident Compensation Act and, in particular, sections 9 and 10.

Mr WHITING (Mildura)—In the absence of the Premier, I raise a matter with the Minister for Transport. On 17 September the Leader of the National Party asked the Premier in this House if he would convene a summit of members of the three political parties in order to have a thorough investigation of the serious situation that has developed in hospitals throughout the State, particularly regarding the long waiting lists for elective surgery. The Premier, at that time, indicated that he would not agree to a summit of members of the three political parties because he believed there was no need for it.

The Leader of the National Party said that the situation was getting worse every day. However, the Premier responded, "I do not say that the system is perfect but considerable progress has been made in a number of areas". The Premier went on to say that work was still being done to reduce the hospital waiting lists. He concluded by saying that he was confident that considerable improvement would occur in the health area in the future.

The State is faced with a strike of nurses tomorrow morning because the Minister for Health and the Minister for Employment and Industrial Affairs have not been able to reach agreement with them. Part of the problem has been that the Minister for Health claimed that a wage increase of $150 a week would be given to nurses. What the Minister failed to say was that the payment would be made to only a few nurses who were in their fifth year after registration and that they would have to be promoted or reclassified to a grade 3 level under the proposed new career structure. This is a terrible deception of the public of Victoria as well as the nursing profession.

Every member of the House would be aware that the nursing profession is made up of the most dedicated group of people in the community. In a letter to the *Sun* newspaper of 15 October, several nursing representatives of the Royal Australian Nursing Federation at the Ballarat Base Hospital pointed out that a registered nurse on $378.10 a week would receive less than a Government cash register operator on $378.60 a week, a physiotherapist on $429.10 a week, a radiographer on $468.30 a week or a school teacher on $516.80 a week. That points out the shabby situation that has developed with the Minister for Health and the Minister for Employment and Industrial Affairs.

I was urged to give credit to the nursing profession where it is due, and they should be rewarded because they are the most dedicated group of people in the community that any honourable member could have the privilege of knowing.

An Honourable Member—Do you support the strike?

Mr WHITING—Yes, under those circumstances. Members of the Government are hypocritical because they support strikes by almost every other organization and union in the State except the nursing profession. Their motives must be questioned. The Government is introducing a proposal for levels 1, 2 and 3 hospitals which will discriminate against country hospitals, because a nurse in a level 1 country hospital will be paid at a rate of $5 a week less than a nurse in a metropolitan hospital who is doing the same work. If that is justice for the nursing profession, I do not agree with it. The Premier ought to appoint a sub-committee straight away.

Mrs SETCHES (Ringwood)—I raise for the attention of the Minister for Public Works a matter concerning Pinex Pty Ltd, which has developed a new technological process for impregnating timber, known as Fire-X. The former Minister for Economic Development approved a loan from the Ministry of Economic Development of $300 000 for this firm to enable it to expand its market and to expand its range of products.

When the former Minister for Economic Development handed over that amount of money he had an on-site demonstration of the product, which showed that timber impregnated with this chemical does not burn or catch alight. Recently another on-site demonstration was held at the factory in Canterbury Road, Bayswater, where the Minister for Industry, Technology and Resources had an on-site demonstration of the substance and saw how it retarded fire in timber.

I have directed this matter to the attention of the Minister for Public Works because I believe it would be beneficial for him to have an on-site demonstration because of his responsibilities and the fact that a number of public buildings are devastated by fire, vandals or other causes. The development of this product could result in a large amount of money being saved by the State because it would not be necessary to rebuild these buildings, especially schools.

The firm has advised me that the cost of treatment of the timber for an ordinary weatherboard home is approximately $1000 and for a three-bedroom brick veneer home it is approximately $500, so the cost of impregnating the timber is not large. The Minister for Public Works should have a demonstration of this product because he would see that even with the application of intense heat the timber does not catch fire. The product would be of great benefit to the department and the Minister for Public Works could act as an agent.

The chemical has been created and developed through the initiative of a local businessman, Mr Derek Maude. He is a very innovative inventor. He is taking this product into the export markets of South-East Asia, so not only is it a good product for Victoria and the public buildings in Victoria but it is also capable of earning export dollars for the State.

I ask that the Minister for Public Works have an on-site demonstration so that he can see the benefits of the treatment.

Mr WEIDEMAN (Frankston South)—I raise a matter for the attention of the Minister for Police and Emergency Services. In November last year and last evening, the honourable member for Malvern raised an issue that was reported in the 24 October issue of the *Standard* newspaper relating to Mr Peter Batchelor, the Secretary of the Victorian Branch of the Australian Labor Party, who returned to a contractor a $1000 cheque which he had received as a donation to the Labor Party.

The article does not explain why Mr Batchelor returned that money, but I imagine it was in light of the evidence that the contractor had had charges laid against him alleging that he owed the Frankston Sewerage Authority $6000, and that his firm was in liquidation. He proposed to the Frankston Sewerage Authority, through his lawyers, that $3000 be paid, but the allegation was that $1000 was presented to the Labor Party.

Dr VAUGHAN (Clayton)—Mr Speaker, on a point of order, the honourable member for Frankston South appears to be reading from a document and I ask him to table it.

The SPEAKER—Order! Would the honourable member make the document available to the House?

Mr WEIDEMAN—Yes, I shall make the document available to the Minister. I ask the Minister to provide the same assistance that he provided to the honourable member for Wantirna relating to the Nunawading by-election. It is a serious matter and it involves a Mr Albert Knowles, who is the Mayor of Frankston and at one stage was the secretary to the honourable member for Frankston North. At one time he was the candidate to represent the Labor Party in the Federal seat of Dunkley.

He was subsequently removed and this caused much factional fighting. It would seem likely that Mr Batchelor took the action that he took in relation to the $1000 because it was inappropriate to accept that donation. Unfortunately, the course Mr Batchelor took

has left the mayor in the position of it having been alleged that he was in some way implicated.

There have been some other allegations in my district in relation to permits and getting different matters through the council. I ask that the Minister have the matter investigated to clear the people involved and leave the council without any taint of corruption or any suggestion of accepting bribes or giving special consideration to the Labor Party.

Last night the Premier indicated to the honourable member for Malvern that he was not prepared to enter into any investigation of Mr Batchelor's activities. He said that Mr Batchelor's action in the Nunawading issue was an indiscretion and that he should not be penalized for that indiscretion. I hope this is not the second indiscretion of Mr Batchelor in the past twelve months. I raise this matter because last night the Premier was careful about what he said on the Nunawading issue. I hope an investigation will clarify the matter.

Mr JASPER (Murray Valley)—I raise with the Minister for Transport a matter which relates to Freightgate and freight delivered to various areas in country Victoria. I especially refer to the operation of Freightgate at Wangaratta. Over a number of years V/Line has been endeavouring to improve its operations so that it can provide an efficient parcel delivery service to country areas of Victoria. It was found with the development of the freight centres, and subsequently Freightgate, that parcels and goods are delivered to those centres and then subsequently to Freightgate—and I refer especially to the one at Wangaratta, where the goods are delivered to Freightgate and then are delivered by road transport to various areas in northern Victoria.

I have received a complaint from a carrier who operates the parcel delivery around the city of Wangaratta. There are problems with the delivery of freight to the outlying areas but the main concern I raise with the Minister is the late arrival of the goods trains from Melbourne. The trains have been and are usually loaded during the late evening and the trains travel through the country centres, arriving at Wangaratta in the early hours of the morning so that the parcels are sorted, processed and ready for delivery by the road transport operator in Wangaratta around 8 a.m.

The service is so bad at present that the goods trains are not arriving until late afternoon and many of the parcels are not being delivered until during the afternoon. While V/Line is endeavouring to improve delivery of freight throughout country areas and to attract new customers and retain the customers they already have, services such as this will continue to reduce for the people who utilize them, especially people who rely on early morning deliveries of freight from Melbourne such as the Wangaratta Base Hospital, veterinary surgeons operating in Wangaratta and the engine reconditioners.

I ask the Minister to investigate the operation of the goods trains operating to Freightgate at Wangaratta to ensure that they arrive early in the morning so that the road transport operator can collect the goods and deliver them early and provide the service which V/Line says it will continue to provide not only to retain the customers it already has but also to attract customers back to V/Line. If the service is not improved, Freightgate will lose customers and obviously, with the upgrading of the Hume Highway, more and more people will transfer to road transport in place of the service provided by V/Line to the Wangaratta freight centre.

The SPEAKER—Order! In view of the incident that occurred during the debate on the motion for the adjournment of the sitting, with respect to the honourable member for Dandenong, I wish to make it clear to the House that in making a document available to the House the document is provided to the Clerk. It does not mean that an honourable member can cross the floor and appear to intimidate another honourable member in demanding the document. The document should be provided to the Clerk to ensure that all honourable members are provided with a copy of the document in question.

Mr ROPER (Minister for Transport)—A number of matters were raised concerning various Ministers and directed to me. First the honourable member for Hawthorn raised

the matter of small business and the Accident Compensation Act. I shall take up that matter with the Treasurer and request that he reply direct.

The honourable member for Mildura referred to the difficulties that will face the hospitals tomorrow as a result of the strike by the Royal Australian Nursing Federation. That matter is before the arbitral commissions of the State. The Government has been concerned for a considerable time and, indeed, the federation and I entered into an agreement that we would examine the arrangements for special payments for those involved in clinical nursing because we recognized that a problem existed in this area.

After discussion with a variety of people the Government developed a proposition which it put forward as an offer, which had to take into account the various tasks of nurses, the various levels of responsibility and the specific problems of different clinical practices.

As with any wage matter, the proposal must be dealt with by the arbitral tribunal in accordance with the guidelines. The Government has acted appropriately by taking the matter before the commission and seeking to enter discussions under the umbrella of the commission with the federation. It also involves the private hospitals. That matter has been before the commission in direct and private hearing for the past three days. Now one can argue that it could have been useful if additional progress could have been made, but it is a complicated exercise and any decision made by the commission must fall within the guidelines. One cannot have a decision outside the guidelines.

The honourable member for Mildura interjects but he should note that wages are not set by summits but by arbitral commissions and this matter is about wage fixation for clinical nurses.

I am appalled that tonight the honourable member for Mildura has lent the support of the National Party to this strike, despite the fact that the matter is before the Industrial Relations Commission of Victoria. I should have thought that the appropriate response of the National Party would have been to encourage the nurses to have the matter properly resolved.

It is a difficult case that involves matters that are central to wage fixation and it needs careful attention rather than the attention of a summit or a meeting of people who may be interested in nursing. The matter should be heard by those persons who determine wage conditions and arrangements. That is what my colleagues have attempted to do and will continue to attempt to do because, unlike the honourable member for Mildura, the Government believes the wages system cannot be allowed to become a matter of summits.

It would be interesting if one had a summit on the honourable member for Mildura. All honourable members could gather around and suggest what he is worth! I wonder whether anyone would notice if he went on strike! There may be general support for that proposition!

The Government is attempting to address, as it has been for some time, a serious difficulty so far as clinical nurses are concerned. The Government will continue to address that matter in the wage-setting arena, which the Government so strongly supports.

The honourable member for Murray Valley referred to Freightgate at Wangaratta. I shall take up that matter with the State Transport Authority and provide the honourable member with a response.

Mr McCUTCHEON (Minister for Water Resources)—The honourable member for Narracan raised the question of a seminar which is related to water law reform and its necessities. It is widely recognized that the mass of Victoria's water Acts require review and reform. Previous Governments and Ministers have stated that fact but have turned away from the task because of its overwhelming nature.

The present Director-General of the Department of Water Resources has the energy and the capacity to tackle this important review and he has done a lot of important initial work in compiling material that will form the basis of a discussion document.

In the six months in which I have been Minister, I have spent many occasions talking to sectors of the water industry around the State. When I addressed various conferences and seminars on the matter, I said that the Government will examine water law reform and that there will be a wide-ranging opportunity for all sectors of the industry to discuss and to consider the proposals that will come up in the discussion document.

I have confidence in the work that the department has already done. However, the document is not yet complete, but I envisage that towards the end of the year it will be available for circulation.

I assure all the water boards, irrigators and water users throughout the State that there is no rush in this process. It is a planned process which will provide the widest opportunity for people to consider the complex issues involved. That process will continue well into next year and I look forward to the considered replies and the responses to that process when the discussion document has been widely circulated.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Dandenong spoke tonight on behalf of a constituent of his who shares what I understand to be a widespread view in the eastern suburbs that electoral malpractice occurred in connection with the so-called mountain cattlemen's campaign waged in connection with the Nunawading by-election.

The honourable member for Dandenong offered the House a statutory declaration prepared by his constituent which reflects the further concern widely held in the eastern suburbs that there was a connection between this malpractice and the Liberal Party. He offered the House, in the form of this statutory declaration, evidence of a link between a Liberal Party member of this House and one of these so-called mountain cattlemen.

The concern expressed tonight by the honourable member for Dandenong on behalf of his constituent added further to the knowledge of the House on this matter, which was contributed to last night by the honourable member for Wantirna, who also has tangible evidence to offer on the matter—photographic evidence demonstrating that in at least one instance what purported to be a mountain cattleman in full mountain cattleman's gear was in fact a suburban journalist.

I understand that the Chief Electoral Officer passed on this complaint to the police last Friday for their attention and that investigations into it are now proceeding.

I give to the honourable member for Dandenong the same advice that I gave to the honourable member for Wantirna last night. The appropriate course of action for him to take is to pass on the evidence in his possession to the police who are investigating this matter.

The honourable member for Frankston South quoted extensively from a newspaper cutting that he has in his possession regarding some events which I understand occurred in Frankston some considerable time ago.

It was not clear from the remarks made by the honourable member for Frankston South whether he was offering to provide additional evidence for a police investigation already in train into this matter, whether he was advocating that a police investigation should be initiated, or whether he was expressing dissatisfaction to the House at the zeal with which police investigators had themselves already pressed some matter brought to their attention.

If it is the latter and the honourable member is criticizing the Police Force for its conduct in a matter that it has in hand, that is a matter to be properly brought to my attention, and I shall follow it up if the honourable member will clarify the ground for his dissatisfaction with the Police Force.

If, however, the matter is one which he believes should be investigated by the police, but is not being investigated by the police, it is not a matter that he should raise with me but one which he should take up with the police, and I suggest he should do so.

Mr WALSH (Minister for Public Works)—I thank the honourable member for Ringwood for raising the matter of the Fire-X fire retardant timber treatment developed by Pinex Pty Ltd.

I am aware of this product and have heard good reports about it. It is my intention to arrange to attend a demonstration of Fire-X treated timber during the Parliamentary recess.

The motion was agreed to.

The House adjourned at 11.39 *p.m.*

Thursday, 17 October 1985

The SPEAKER (the Hon. C. T. Edmunds) took the chair at 10.34 a.m. and read the prayer.

BROADCASTING OF PROCEEDINGS

The SPEAKER—Order! I advise the House that I have given approval for the broadcasting of question time by television and radio.

QUESTIONS WITHOUT NOTICE

NURSING DISPUTE

Mr KENNETT (Leader of the Opposition)—I address a question without notice to the Premier. I refer to the fact that hospital waiting lists have doubled under the Labor Government, that thousands of disenchanted nurses have been leaving the system and that the Minister for Health recently admitted that Government funding priorities were wrong.

In view of the statement of the Minister for Health today that the industrial problems could result in patients dying, I ask the Premier what immediate solution does the Government have for the crisis in our health system.

Mr CAIN (Premier)—The Government is very concerned about the situation in our hospitals as a result of the action by the nurses. We regret that they have taken the action that they have. We are monitoring the situation at the hospitals on an hourly basis, and that will continue. The Department of Health will do all it can to ensure that there is proper and adequate patient care.

Exemption levels for critical care patients are unclear at the moment. I do appeal to nurses with current practising certificates to contact hospitals in their areas and to assist if they are so able. I ask that families and relatives of patients might in some way assist in the care of patients as well to help overcome the problem in the short term.

There are a number of issues at the heart of the dispute. The first issue is the nurses' workload and the other issue is wages. The Government had reached an agreed position with the nurses yesterday on workload, especially in relation to the admission and discharge of patients. Despite this apparent agreement, the nurses have now taken upon themselves industrial action.

On the wages issue, an offer was put to the Industrial Relations Commission of Victoria last week. We have restructured the offer as a result of concerns that have been expressed by the nurses and we have said that we are prepared to examine paid efforts as a result of this restructuring. The nurses have rejected this.

Honourable members interjecting.

Mr CAIN—Let us not talk about trust. So far as I am aware, on the advice I have, this is the first time that an industrial stoppage of this kind has been called while a matter is before the Full Bench of the Industrial Relations Commission. That is the bottom line—I note that the honourable member for Mildura is nodding in assent—that must be understood. This Government has not undertaken negotiations in that way. They have been the subject of serious consideration and in full recognition that, historically, nurses have not been as well treated as they should have been.

We were mindful of the requirements of the accord and put together a package that was reasonable in all the circumstances. We have already put to the nurses a package that will

cost the Government some $25 million. What they are now seeking is radiographers' rates of pay which would cost some $80 million to implement. That is the additional demand that is now being made. They are refusing to budge on the $80 million claim and are refusing at this stage to compromise.

The Full Bench of the Industrial Relations Commission began the hearing yesterday. The bench told the nurses that, if their claim was within the accord, they would have to proceed through the commission and urged them strongly not to strike; it was outside the guidelines of the accord, it could not succeed anyway. The bench also stressed that their claim could be resolved only by the Industrial Relations Commission of Victoria.

I stress the point again. That is where the matter must be resolved; it cannot be resolved anywhere else. I ask the nurses to heed that advice and to go back to work to look after the patients who are in hospitals.

DISCOUNT AIR TICKETS

Mr ROSS-EDWARDS (Leader of the National Party)—Will the Premier advise the House whether the Government intends to establish a judicial inquiry or Royal Commission to inquire into the discount tickets scandal?

Mr CAIN (Premier)—The Government has asked senior legal counsel to assist members of the Police Force who are continuing their investigations. The legal counsel involved are Messrs Flanagan, Redlich and Strong. The investigations are being conducted by the Bureau of Internal Investigation because, initially, it involved an investigation of members of the Police Force. On the advice I have, I understand that normal investigation procedures are being followed.

The investigation by the police is being conducted with the assistance of legal counsel, and that is the most appropriate way for the matter to be handled. The Government has the matter under consideration and will await further reports from the police.

I have indicated what the current position is and that an investigation is being conducted; the Government will consider the matter as it sees fit.

CAPITAL WORKS PROGRAM

Mrs HIRSH (Wantirna)—Will the Treasurer inform the House what steps the Government is taking to co-operate with private industry in the capital works program?

Mr JOLLY (Treasurer)—As honourable members will be aware, the capital works expenditure of this State is not only important in terms of putting into place the social and economic infrastructure and ensuring that the Government delivers excellent services in Victoria but also it has significant economic benefits for the private sector. The value of projects approved in terms of the total expenditure over a number of years is $10 billion. Obviously, that amount of capital expenditure is extremely important.

The planned expenditure in the capital works area across both the Budget and non-Budget sectors for 1985–86 is $1·9 billion. That is a significant boost in economic activity. It highlights the interdependence between the public sector and the private sector. The majority of capital works projects are carried out by private sector organizations.

As a result of representations from the construction industry, it was decided that there would be an annual presentation of the details of the capital expenditure program. Although at this stage the Government does not have immediate plans to tape recordings of any meetings, if it does so, it will make the tapes available to the public, unlike the Leader of the Opposition who seems to like to have the tapes but does not like to make them available to the public.

The presentation is extremely important not only in terms of the dimension of capital expenditure that is taking place but also because it is across different aspects of the

construction industry. The heavy industry area is especially concerned to obtain detailed information of capital expenditure in this State.

The Government intends to provide information on major tender requirements. That information will be made available to the public, and it will be of great assistance to private firms who are considering tendering for capital works undertaken by the State. That area covers the heavy engineering industry and transport capital expenditure, which are extremely important.

Similarly, the State Electricity Commission is very important to the provision of a much-needed boost to the heavy engineering industry in this State.

There is also to be an outline of important expenditure in such areas as education, water supply, health and law. This detailed presentation will take place tomorrow. I am sure the private sector will once again welcome this important initiative from the State.

HOW-TO-VOTE CARDS IN NUNAWADING BY-ELECTION

Mr BROWN (Gippsland West)—I refer the Premier to the fact that Ministerial staff were interviewed by police in relation to the Nunawading scandal and ask, in his joint capacity as head of the elected Government and political head of the governing party, whether he has been interviewed by the police or volunteered himself for interview.

Mr CAIN (Premier)—I had hoped that a number of things might have enabled the Opposition to put this matter into perspective. I was somewhat heartened by the constructive question asked by the Leader of the Opposition this morning. It showed that he is not concerned only about what does not matter.

So far as Ministerial staff is concerned, it is a matter for the investigative process that is under way. The honourable member knows that a complaint has been made to the Chief Electoral Officer, along with a number of other complaints that concern a wide range of elections and concern members on this side of the House as well as those on the other side of the House. Anyone who took part, who is on a Ministerial staff will, if under the authority of the Minister, be asked to see police and provide what information is required.

All public servants have a right to work for and involve themselves with the political process if they wish. I shall not waste my time answering questions about this matter in this House if the Opposition wants to trot out question after question. If the Opposition wants to play games, it is up to it. I believe the matter has been put in perspective by what I have said about it and again by Tim Colebatch in the *Age* this morning.

If the Opposition wants to go on with all this nonsense, that is up to it. I have said before that members of the Opposition all know what has gone on over the years. There is not one person in this House who does not know about it. I am not condoning it and I am not saying it is not stupid. The test is whether the Opposition is prepared to do anything about it and whether it is prepared to put right what has been going on over the years. That will be the real test; I will not be distracted from running this State by all that nonsense. It has nothing to do with this Government.

That is my position. I am concerned to see the State running properly and I shall not waste time on the rubbish that the Opposition wants to trot up here day after day. If the Opposition wants to do it, it should do so. There is a process for dealing with these matters; it is before the Chief Electoral Officer and that is where it should be. If the Opposition is really interested in this matter, let it examine all the cases now before the Chief Commissioner and what has gone on in the past. Let the Opposition examine the High Court case of *Evans* v. *Crichton-Browne* and determine whether what has been going on for a long time is to be allowed to continue. That is the real test and that is what this Government intends to put right.

VICTORIA POLICE ASSOCIATION

Mr McNAMARA (Benalla)—I refer the Minister for Police and Emergency Services to the annual general meeting of the Victoria Police Association at the St Kilda Town Hall on 15 August this year. There was a gathering of more than 2000 police at the meeting.

Is the Minister aware that the police there voted that there was no effective working relationship with the Minister and no productive contact was subsequently made with the incumbent in his particular post?

The SPEAKER—Order! The honourable member for Benalla appears to have asked his question. Therefore, there is no necessity for any further preamble to the question.

Mr McNAMARA—Has the Minister advised the Premier that 2000 police unanimously passed a motion of no confidence in him? Has the Minister offered the Premier his resignation as Minister for Police and Emergency Services, or has he asked the Premier for a transfer to another portfolio?

Mr MATHEWS (Minister for Police and Emergency Services)—I am delighted to be able to say to the honourable member for Benalla and to the House in general that, on the occasion to which he referred, I joined the ranks of those who have been censured by the Victoria Police Association: the Chief Commissioner of Police, Mr Miller; the Premier of this State, Mr John Cain; and my two predecessors in this portfolio under the former Liberal Government, Mr Pat Dickie and Mr Lindsay Thompson.

Since I have been Minister for Police and Emergency Services, the Victoria Police Force has done better than in any comparable period in this State's history. During the first three years of the Cain Government, this Minister had the capital works allocation for the Victoria Police increased by no less than 139 per cent. That money was spent overwhelmingly on upgrading the standards of accommodation for the Police Force to heights never before attained in the history of the State. The Victoria Police Force is now better housed, better staffed and better equipped than at any other point in time in its history. The police realize that that is a fact. The honourable member for Benalla fails to realize that now.

Honourable members interjecting.

The SPEAKER—Order! The House is particularly noisy. I ask the honourable member for Benalla to cease shouting.

Honourable members interjecting.

The SPEAKER—Order! Above all the other hubbub, I also ask the honourable member for Dandenong to cease shouting.

Mr MATHEWS—I was in the process of telling the honourable member for Benalla how the Victoria Police Force has done better under this Government and under this Minister over the past three years than in any previous comparable period in its history. The effective strength of the Police Force is now 714 greater than it was when the Cain Labor Government took office. We are engaged in implementing yet another massive increase through the Budget.

The Police Force has been provided with one of the most modern and massive electronic data processing information systems available to any police force in the world; $19·3 million worth of computerware will put the Victoria Police in the front rank of the scientific world in its fight against crime.

The Government inherited a disgraceful situation when it came to office because many police stations in Victoria had no vehicle available to them. The previous Liberal Government would not even provide them with a police car. Members of the Police Force who staffed those stations did not even have the benefit of a police radio to keep them in touch with their bases.

The previous Government was prepared to put at risk the lives and well-being of policemen by depriving them of the ability to have basic communication. This Government and this Minister have put right that situation. Every police station in Victoria, even the smallest one-member station, now has an official police vehicle available to it.

The Government is also in the process of carrying out the greatest upgrading of police training accommodation in Victoria's history. I offer the honourable member for Benalla the opportunity of inspecting with me the improvements the Government is making, at a cost of many millions of dollars, to the Police Training Academy at Glen Waverley.

At the same time these developments are occurring, the Government is also constructing the new Forensic Science Laboratory which the previous Government denied the Police Force. This process of improvement and upgrading of police communications is continuing.

The Leader of the National Party shakes his head; he denies that this is occurring. I invite the Leader of the National Party to inspect with me all the new police stations the Government is building in country Victoria.

Honourable members interjecting.

The SPEAKER—Order! The House has worked itself up into considerable excitement. It is fairly obvious that the Minister is not going to resign. I ask the Minister to now round off his remarks.

Mr MATHEWS—In rounding off my reply to the honourable member for Benalla, I shall refer to relationships between the Government and the Victoria Police Association. Within the first month of becoming Minister for Police and Emergency Services, I invited to my office the president, the secretary, the vice-president and the assistant secretary of the Police Association and said to them at the outset, "My door is open to the association at all times. Let us schedule regular meetings at which you can come to this office and lay down on the table your problems and I shall lay down mine so that they can be overcome". I am pleased to inform the House that that system has worked extremely well.

The Government also moved away from the adversary industrial relations climate which the previous Government insisted on imposing on itself and the Police Force. The Government has put industrial relations in the Police Force into the context of a working party which, in turn, has been triumphantly successful over the four years that the Government has been in office.

Mr Maclellan—You have got another 6 minutes!

Mr MATHEWS—I appreciate the interjection of the honourable member for Berwick and I find no fault with his timing of my speech.

We went even further and upgraded the scientific detection capacity of the Victoria Police to the extent that, if there is any necessity for the Kennett tapes to be analysed, at least the Police Force can carry out that task.

ROAD SAFETY

Mrs WILSON (Dandenong North)—Will the Minister for Transport advise the House of the further steps the Government is taking to improve road safety in Victoria?

Mr ROPER (Minister for Transport)—In the past three and a half years the Government has constantly demonstrated considerable concern and vigour in dealing with one of the major problems confronting this State, namely, the carnage that occurs every day on our roads. My colleague, the Minister for Police and Emergency Services, who has just outlined the huge improvements that have occurred in the Police Force, has co-operated with the Road Traffic Authority. We have co-operated with the Education Department and received the support of officers throughout the Public Service in a consistent and constant attack on the problems of road safety in this State.

In the past few years both legislative and administrative changes have resulted in the continuing reduction of road deaths and serious injuries. The Government believes we cannot rest there. The number of deaths so far this year is more than for the same period last year. Yesterday the Minister for Education and I launched a totally new program of road safety aimed at ensuring that children throughout their school years have access to information, advice and understanding of road traffic and road safety. This is the first time that this project has been carried out in Victoria and Australia.

We recently launched a new learner driving system to assist young people in particular to have a better understanding of the road laws before driving on the roads. However, many people still suffer unnecessary injury and death on the roads.

As an initiative to attack the road toll further, next week on 22 October we will auction a number of personalized number plates aimed at raising funds for road safety programs. This follows the initiatives of my colleague, the Minister for Employment and Industrial Affairs, Steve Crabb, last year, and will result in significant sums of money becoming available for road safety programs. Nearly $1 million was made available last year. I know some members of Parliament and members of the community have different views about personalized number plates. Some of us do not understand why people would want to place number plates with strange words on their cars. However, much community interest has been demonstrated.

The auction next week will raise hundreds of thousands of dollars for road safety expenditure. The auction will offer 250 names for number plates; not all names have yet been distributed. We have not yet put out a number plate "mouth 1", which I offer to the Leader of the Opposition. He may be interested in "Load" or "Foot". As no more than six letters can be included, "foot-in-mouth" is not a possible alternative, so "mouth 1" is probably the most appropriate.

Certainly Tandberg could use that to his advantage. The money that is received will be used to provide information for pedestrians and school safety. The Government will fund a program aimed at providing traffic safety arrangements and assistance for the Police Force.

The Leader of the Opposition interjects, as is his wont in these matters, but he totally ignores questions of road safety and totally ignores most of the major issues that occur in this State. As the Premier said, today was the first occasion for a long time on which the honourable member raised a matter of significance to the community as opposed to bits and pieces that he is inclined to put forward. He almost always raises matters on the periphery of community concern and not matters in the centre of community concern, such as nursing, road safety, housing and the police. Those matters are not the periphery but involve real Government administration.

Those funds will also enable the Government to continue its program of random tests on road vehicles. They will enable the Government to continue bicycle programs and will result in significant reductions in the number of young people, in particular, who are killed or injured on our roads.

PERSONAL EXPLANATION

Mr RICHARDSON (Forest Hill) *(By leave)*—Mr Speaker, I wish to make a personal explanation. In the final extra edition of the *Herald* of 16 October 1985 I was named in an article on page 3 in the following terms:

In State Parliament, a Liberal frontbencher, Mr Richardson, named Mr Crabb in a question to Mr Cain.

Mr Richardson asked: "I refer to the omission in public records that the Honourable J. Dixon, MLC, and the Honourable M. Arnold, MLC, and now the Honourable the Minister for Employment and Industrial Affairs have received significant contributions in cash or kind to make overseas trips."

Mr Richardson then asked Mr Cain whether he had instructed "all three to repay".

I inform the House that the *Herald* report is in error. I did not ask the question attributed to me and I wish my objection to the report, which is totally inaccurate, to be placed on the public record.

Mr STOCKDALE (Brighton) *(By leave)*—Mr Speaker, I wish to make a personal explanation. In last night's final extra edition of the Melbourne *Herald*, there appears what purports to be a report of a question by my colleague, the honourable member for Forest Hill, during question time on 16 October. The report is inaccurate in two respects. Firstly, the report clearly refers to a question asked by me and not by the honourable member for Forest Hill. Secondly, the purported report of the question in quotation marks commences with the words, "I refer to the omission in public records". The word "omission" is inaccurate. The *Hansard* report of my question reads as follows:

> I refer the Premier to the admission in published records that the Honourable J. L. Dixon and the Honourable M. J. Arnold from another place and the Minister for Employment and Industrial Affairs received significant contributions, in cash or kind, when making overseas trips. In light of the Premier's precedent for the repayment of perks, I ask the Premier whether he has instructed all three to repay.

Although the confusion of the words "omission" and "admission" is, perhaps, understandable, the report is in error. I make this explanation to ensure that the public record is corrected.

PETITIONS

The Clerk—I have received the following petitions for presentation to Parliament:

Child care and kindergarten programs

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY IN PARLIAMENT ASSEMBLED:

We the undersigned wish to express our concerns regarding the future of child care and kindergarten programs in the State of Victoria.

As parents of young children and citizens of your electorate we seek your assurance that these services, which are essential to the well-being of the community will continue to be provided and funded as in the past by your Government, not only in the coming year but in the years that lie ahead.

We request reassurance that there will be "no cuts" to existing programs and seek consideration for your on-going support of "third groups" at kindergartens in communities where there is an identified need.

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

By **Mr Shell** (28 signatures) and **Mr Hill** (11 signatures)

It was ordered that the petitions be laid on the table.

PAPERS

The following papers, pursuant to the directions of several Acts of Parliament, were laid on the table by the Clerk:

Geelong Regional Commission—Report and statement of accounts for the year 1984–85.

Port of Melbourne Authority—Report for the year 1984–85.

Road Traffic Authority—Report for the year 1984–85—Ordered to be printed.

State Transport Authority—Report for the year 1984–85—Ordered to be printed.

DENTAL TECHNICIANS (LICENCES) BILL

This Bill was received from the Council and, on the motion of Mr ROPER (Minister for Transport), was read a first time.

MELBOURNE AND METROPOLITAN BOARD OF WORKS (RECONSTITUTION) BILL

Mr McCUTCHEON (Minister for Water Resources)—I move:

That I have leave to bring in a Bill to amend the Melbourne and Metropolitan Board of Works Act 1958 and for other purposes.

Mr DELZOPPO (Narracan)—I ask the Minister to outline to the House the effect of the proposed legislation.

Mr McCUTCHEON (Minister for Water Resources) (*By leave*)—The Bill covers the re-structuring of the board following the transfer of planning powers to the Ministry for Planning and Environment.

The motion was agreed to.

The Bill was brought in and read a first time.

PREVENTION OF SECONDARY BOYCOTT BILL

Mr GUDE (Hawthorn) moved for leave to bring in a Bill to promote industry, trade and commerce, to outlaw secondary boycott action, to provide for a right of action for loss or damages should a secondary boycott occur and to amend the Trade Unions Act 1958, the Industrial Relations Act 1979, and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

GRAIN FREIGHT RATES

Mr W. D. McGRATH (Lowan)—I move:

That this House condemns the Minister for Transport for applying a 6 per cent increase in rail grain freight rates for the 1985–86 season thus financially disadvantaging grain growers in Victoria who have faced a 61 per cent increase in freight charges since 1980–81 and further jeopardizing the precarious financial position of Victorian growers.

It is because of my alarm after the recent announcement by the Minister for Transport that grain freight rates in Victoria will increase by 6 per cent for the forthcoming harvest that I have moved this motion today. It is necessary to reflect on what happened after the great drought of 1982 when the wheat harvest came in all over Australia at the end of 1982–83, which got the economy going at that time.

The Governments of the day took much of the credit, suggesting that they had created the initiatives in the economy to get things rolling. If one goes back through history one sees that there was a downturn in the rural economy that subsequently flowed right through the over-all economy. When the rains came the countryside began to prosper and, of course, a magnificent wheat harvest coupled with better returns for wool and meat saw a regeneration of the Australian economy.

The primary sector of this country generates, either directly or indirectly, more that 1 million jobs. It plays a significant role. To deal specifically with the Minister's decision to increase freight rates by 6 per cent, it is necessary to consider why the National Party is critical of the Government being totally unsympathetic to the rural community. This is a time when the rural economy is facing difficulties. It is vital that the Government exercises some sympathy towards that sector. Undoubtedly, if there is trouble in the workplace the Government has much sympathy for the union movement and those people associated with it but this is certainly not the case in its attitude to rural producers.

We are facing increased costs, especially with fuel and the continuation of world parity pricing for fuel. Everybody is experiencing the highest interest rates we have ever had in this country.

The freight rate for superphosphate, which is a vital element in the grain growing process, has risen by 6 per cent. Undoubtedly the Minister for Transport will argue that it is only a minor increase below the consumer price index and he will refer to the large increases in freight rates which occurred in earlier years.

I draw the attention of the House to some of the increases in freight rates that apply to Warracknabeal, which is in the heart of the grain growing area of the Wimmera. It is one of the most significant wheat producing areas in Australia.

In 1980–81 the freight rate was $13.90 for a tonne of wheat. That represented an increase of $1.85 a tonne on the previous year. In 1981–82 it increased to $15.90, which was an increase of $2. In 1982–83, when the Labor Party assumed office, the freight rate increased to $17.80 a tonne, which was an increase of $1.90 a tonne. In 1983–84, it rose to $20.25, which was an increase of $2.25 a tonne, which was the highest single increase. In examining those figures it is important to compare them in dollars rather than percentages.

In 1984–85, the freight rate rose to $21.46 a tonne, which was an increase of $1.20. It is anticipated that this year the freight rate from Warracknabeal will be $22.66 a tonne, which will be an increase of $1.20 a tonne.

Grain growers will be charged $22.66 for the transport of a tonne of grain on a 300 kilometre trip from the country to the seaboard. V/Line trains are filled under the Grain Elevators Board chutes and driven to the port where, once again, the Grain Elevators Board chutes are used and the grain grower is charged $22.66 for the transport of a tonne of grain. V/Line does not incur any handling costs because all of those costs are incurred by the board, which is also paid for by the grain growers.

The Grain Elevators Board, which is composed of grain grower representatives, is now controlled by the Minister for Transport. That board does not appear to be working as well as it did when it was under the control of the Department of Agriculture. It is National Party policy that the board should come under the control of the Department of Agriculture and Rural Affairs.

I draw the attention of the House to the grain freight rates that grain growers in the Mallee face. Approximately 200 kilometres farther north at Yalta, the grain grower faces a cost of $26.85 a tonne to have grain transported to the seaboard.

The stage is being reached where there is no profit margin in grain growing, simply because Government charges in many areas are sending grain growers to the wall.

At present Australian growers are in a different position in the world grain trade from those in the United States of America who are taking on the European Economic Community in a grain trade war. That is having a significant ramification and is affecting the ability of Australian farmers to export to overseas markets.

For example, Egypt, which was a major importer of grain from Australia and last year imported grain to the tune of 2·6 million tonnes, is now obtaining that grain at a lower price from the American growers. Of course, that results in a lower export price for Australian grain. I am certainly not blaming the Victorian Government for that situation, but it shows that the Government must have some understanding of what occurs in the real world.

One of the damning things that has occurred during the time of the current Minister for Transport relates to a consultative process which was set up by the former Minister of Transport, Mr Crabb, for arriving at a grain freight charge for a particular harvest.

The former Minister set up a consultative network. Whenever the Government tried anything new, it talked about consultation that had taken place within the industry and

the community generally; the consultative network was set up involving V/Line and other associated parties, such as the Australian Wheat Board and the Australian Barley Board, which had an input into striking a new freight rate.

Of course, this year V/Line, the State Transport Authority and the Victorian Farmers and Graziers Association began to meet, and rumours were circulating that V/Line believed it could justify only a marginal increase in the freight rate, and that that increase should be somewhere between only 1 per cent and 3 per cent.

The Minister thought this was not good enough; he was afraid that V/Line would listen to the Victorian Farmers and Graziers Association, which was advocating a nil increase, and that V/Line would adopt the view of the association. Therefore, the Minister informed the State Transport Authority that it was not to meet with the association—I suppose that was just in case the authority and the association happened to strike a mutual agreement that might be of some advantage to grain growers in this State.

This all occurred when the Government spoke about consultation within the industry in arriving at what is appropriate and reasonable. Honourable members have heard the Premier say, "I am a reasonable man", and that a consultative process is embarked upon to arrive at reasonable decisions. However, for the first time in some five or six years, the Minister has pulled the plug, thrown that idea out of the window, thinking that he could step in and demand any increase in the grain freight rate that he considered most appropriate.

Although the Minister speaks about a 6 per cent increase in the grain freight rate, it really means an additional $1.20 or $1.40 a tonne, which will mean a total increase in freight costs of approximately $650 to the average farmer. If one extends that analogy further, it means that some $12 000 will come out of that farmer's over-all income during the grain harvest. That is a substantial figure, particularly when one considers what has occurred to grain prices in the past few years.

In 1981–82, wheat farmers received a first advance payment of $141.55 a tonne; at that time they were paying $15.90 a tonne in freight charges. In the 1984–85 season, wheat farmers received a first advance payment of $131.08, at which time similar circumstances existed. There has now been an increase in the freight rate of the order of $20 or $25 a tonne.

Freight rates have increased by almost $5 a tonne and the price of grain in the first advance has increased by less than $4 a tonne, so the return to the farmer on grain has been less than the freight increases from 1981–82 to 1984–85.

Grain Elevators Board handling charges increased from $10.35 in 1981–82 to $13.75 in 1984–85. That is probably as a result of the public authority dividend tax which has cost the grain industry $13.5 million for the past three years. From time to time the Treasurer has suggested that that tax will not cost the grain industry anything. That is a completely different view from that of the industry, which would like to have the use of that $13.5 million. Perhaps the increases in grain-handling charges this year to the Grain Elevators Board will be held at a lower figure. The Minister has yet to announce these new charges.

What is happening in the industry? I refer to the Canac report and its recommendations of September 1984 which at point 8 states:

V/LINE OPERATIONS.

V/Line is already improving its grain-moving capability with route improvements, larger locomotives, and larger wagons, worked in longer trains.

That has all been supported by the industry. The report continues:

The Grain Elevators Board has improved receival arrangements at Geelong and Portland to accommodate them, and plans further improvements. But even the best of V/Line's operations, the block trains presently

running between the Western Region CRPs and Portland, fall well short of the throughput of which they are capable.

The consultants RECOMMEND that, as quickly as possible, V/Line lowers its grain haulage costs by:

Operating standard grain trains of at least 48 bogie wagons to Portland and Geelong, in place of the 33/22 wagon trains operated at present.

Improving the design of its grain hoppers to increase the load : tare ratio. Any new design must have at least a payload of 60 tonnes of ASW wheat on a tare of no more than 20 tonnes.

Increasing the fleet of bogie hoppers to elimiate the use of obsolescent four-wheeled wagons in grain operations in the intensive service to the ports or major domestic users.

The number of grain wagons over the past twelve months has not been substantially increased. According to my understanding, that program has fallen behind what was originally planned before the Government came to office in 1982.

Another aspect of efficiency that should be examined is the use of two man and now three man crews on trains operating in this State. Has the Government addressed this problem of crews, and when is it going to obtain a result?

Consultations take place with the unions but, as I have pointed out previously, when it looks as though the consultative process between the industry and authority may bring about a different result to what the Minister has in mind, that consultative process is called off. It is a one-way street. My understanding is that the Government has not honoured its commitment to provide sufficient facilities for V/Line to deliver the grain to the Grain Elevators Board terminal at Geelong so that it can be shipped out as soon as ships become available at the seaport.

Another problem that has been around for a long time—and I understand that it is costing the State Transport Authority somewhere around $2 million a year in extra costs—is the Echuca Bridge over the River Murray. The plan for improvements has been on the drawing board for I do not know how long. The limitations of the bridge mean that train movements in that area can only provide for the operation of the very smallest of locomotives because the bridge is the same one that was there in the days of the steam engine and the 4-wheel hop wagon. The load limitation is so small it costs the State Transport Authority almost an additional $2 million a year to bring wheat from New South Wales over the bridge into Victoria. The Government will not take the bit between the teeth and build a new bridge over the river at Echuca. The problem has been outstanding for a considerable period and yet this dynamo Minister for Transport cannot get his act together.

It could be said that because the honourable gentleman did not perform too well as Minister of Health, the Government decided to move him into the world of transport where perhaps his blunders would be less likely to show up. Of course, as the honourable member for Benalla says, he is the Jonah of the present Cabinet.

The Victorian transport system is not performing as efficiently as it should, either on the suburban lines or in country passenger and freight services, but I will not enter into that debate as the House is dealing specifically with rail grain freight rates.

In the present economic climate, the industry cannot stand the 61 per cent increase in freight charges that has taken place since 1981. It is just not on.

The volume of grain tonnage through V/Line operations is vital to its operation and its economy. Yet the Minister goes over the head of his own board and says that he will increase the grain freight rate, which will make the charges prohibitive and turn the farmers away. This action will bring about a less efficient system, and will force farmers in the Riverina and in the north west and west of the State to find alternative means of transporting wheat.

The loss of business will push up the cost for other rail users; already in South Australia the Australian National Railways is reaping the benefits.

What will happen next is that the farmers who have the financial capability, financial viability or financial strength will say, "Right; I will buy a better rig, I will store my grain on the farm and I will transport it over a period of time to the seaboard. I will not use the Grain Elevators Board installation in the country, I will not use the V/Line network in the country, I will use my own mode of transport".

Mr McNamara—They're entitled to do it!

Mr W. D. McGRATH—They are entitled to do it and there are cost advantages for them in doing this.

A number of farmers do not have the physical or the financial resources to stay in the industry in that sort of situation. Many farmers will not be able to survive because the Government of the day has placed unfair freight rate increases on them, giving them no incentive or ability to perform a duty in what is a vital Victorian industry. Their work is absolutely vital to the economy of Victoria and also to the social well-being of the State.

It is easy for a Government with a Labor philosophy to pull the rug out from under farmers because it has decided to centralize everything in the metropolitan area or in major regional cities. That makes it easier for the Government to manipulate the industry. The one thing the Government cannot centralize in the country is agriculture. The land is there and it has to be worked. It must be made economically viable for farmers to remain on the land and to maintain a living. It is the responsibility of the Government to assist the farmers wherever possible.

The decision by the Minister of Transport to increase freight rates by a further 6 per cent is another way of kicking the grain grower in the backside and telling him to cop it and to go on his way.

The Minister for Transport, in a letter dated 10 October 1985 to the grains group chairman of the Victorian Farmers and Graziers Association, explained why freight rates should be increased. He explained that the increase in grain rates in real terms from 1979 to 1982 was 38 per cent—I am sure the Minister for Transport will make great play of that point when he comes into the House—and that the increase in real terms during 1982–83 and 1984–85 was 4·7 per cent, and that from 1984–85 to 1985–86 there was a decline of 1·6 per cent in real terms.

However, the Minister has not examined the other side of the ledger to see what the wheat farmers are doing in real terms and that is because he is not really interested. On page 2 of this letter the Minister also states:

> This rate anticipates a continuance of efficiency improvement within the rail system during the present year and it assumes implementation of a number of recommendations of the Canac report which you have endorsed as a member of the Grain Handling Review Group.

I take up that point of the implementation of a number of recommendations of the Canac report. That report states that a central receival point system should be established. Many farmers have criticisms about that. However, in the face of the economic situation and with the increased cost of road transport, the farmers of Victoria, through their organization, have agreed to accept the recommendations of the Canac report for a central receiving point.

Economies in grain freighting were carried out by the farmers. They took the bit between their teeth and attempted to improve their farm rolling-stock. They were prepared to travel further with each load of wheat from the farm to a central outlet. They suffered that inconvenience but they want some return from the Government through the State Transport Authority. The sacrifice made by grain growers of this State cannot continue.

The Minister for Transport has a lot to answer for if he tries to justify a 6 per cent increase. All that will achieve is a transfer of cost to the grower. The Government should

pick the cost up at its end. Not only is the Government transferring the cost to the grower but it is taking a bigger slice of the cake as well.

The letter to Mr Cock continues:

The Government is concerned to improve the performance and to reduce the costs of the rail haulage and general handling of grain as quickly as possible, and to pass these on to growers in terms of improved freight rates and other charges.

What a great statement that is in light of what the House is currently discussing.

The letter continues:

The Government is also concerned to see that the industry is not burdened with costs which may arise from decisions of the Government which, although taken in the over-all community interest, could adversely affect the costs of transporting grain.

This question of the "efficient cost" of grain handling has been the subject of extended discussions between STA and the Ministry of Transport, as has the question of the extent to which, and the rate at which, costs can be reduced.

However, honourable members are currently discussing an increase of 6 per cent.

Farmers in Victoria are asking why in the hell does an industry that provides input into the community under Government direction have to pay 100 per cent of the over-all costs of freight transport when suburban rail passengers only pick up less than 50 per cent of the actual cost. That is the question being asked around the bush. Why is there discrimination between one section of the community and another? In an article in the *Wimmera Mail Times,* Mr Vin Delahunty, Chairman of the Victorian Farmers and Graziers Association Bulk Handling Committee, stated:

There seems little point to freight negotiations which started two years ago. The Government took the decision out of the hands of its own negotiators. The rise is another tax, that's all it is.

That is exactly what it is. Mr Delahunty has been involved in the grain industry and has tried to provide representations for the growers of this State who elected him with a degree of confidence. Any negotiating powers that he may have had on behalf of growers have been stolen from him by the Minister for Transport who allows the State Transport Authority to negotiate with the Victorian Farmers and Graziers Association to achieve a freight rate. It is a disgusting indictment on the Minister that he should impose the freight increase and pull the rug on those authorities.

A number of questions should be asked during the debate regarding the Canac report. I raise with the Minister the vital matter of the maintenance of light rail lines. Recommendations have been put forward by a committee that was established to examine the recommendations of the Canac report. However, those recommendations are not yet fully understood and have not been fully analysed by the wider community, and I ask the Minister whether he will provide the finance to maintain the light rail lines that service the grain industry. I refer to lines such as the one that runs from Jeparit, the one that runs from Hopetoun to Patchewollock and the one that runs from Horsham to Carpoloc.

Will the Minister provide the finance to maintain those light rail lines or will he pull the rug from under them and let the grain industry carry the extra burden of additional costs incurred by using central receival points?

The Minister has a lot to answer for in justifying what he claims are just freight rate increases. It will be interesting to see what happens. The grain growers of the State believe they are being short changed by the Government. I say that from my position as a representative of a large section of the grain growing industry in this State. The honourable member for Swan Hill, who also represents a large number of wheat growers, knows that the industry has been short changed, and so do the honourable members for Benalla and Mildura.

The Minister should reconsider. Not only does the National Party condemn the Minister by moving the motion, but also the grain industry and grain farmers condemn the Minister.

If the Minister wants to wear that condemnation, good luck to him and that is the way it shall be.

The Minister will soon be out of office. He will not have the confidence of people vital to the transport industry. His Government will go under at the next election and I hope the incoming Government will have a more reasonable approach to the grain industry, which is a vital industry in providing opportunities to create a viable economy. It should not be crucified and killed off by Government taxes and charges.

Mr I. W. SMITH (Polwarth)—The Opposition is pleased to support the motion moved by the honourable member for Lowan, which provides:

That this House condemns the Minister for Transport for applying a 6 per cent increase in rail grain freight rates for the 1985–86 season thus financially disadvantaging grain growers in Victoria who have faced a 61 per cent increase in freight charges since 1980–81 and further jeopardizing the precarious financial position of Victorian growers.

Shortly after the State election one could hear the heavy sighs and sinking hearts throughout country areas when people realized that the Minister for Transport, having been transferred from his role as Minister of Health, was to take up the transport portfolio.

Country people very much rely on a containment of transport costs for their basic productive industries' viability, their private lives and the costs associated with that. However, those people, who possess a fair degree of common sense and look at Governments critically, had seen this Minister's exercise in the health portfolio.

The Minister took over a health system that was the best in Australia with no waiting lists and, in three years, accumulated a 24 000 patient waiting list, one third of whom were waiting for pain-relieving surgery.

Country people examined the track record of the Minister and wondered what was going to happen in transport. The current Minister for Transport and his predecessor in that portfolio will turn out to be the most costly and disastrous Ministers in the period in which the Cain Labor Government is in office.

Total chaos has occurred within the Ministry of Transport. Even the trade union movement has been urging the Minister to recombine the metropolitan railway network with the country railway network to at least attain some semblance of the efficiency—such as it was—that existed prior to the division of the system. The Minister has not made himself available to travel around country areas and discover how the system is or is not working. I realize he is besieged by the inherited chaos of his predecessor, who adopted the theory that he should split up the various organs of transport into four—and they are hoping five—separate quasi-Government operations.

Instead of that theory being successful, one has only to look at the Auditor-General's qualifications in the report to glean some insight into how financially out of control the Ministry of Transport is. If one does not want to do that, the appropriations in the Budget at present before Parliament clearly demonstrate that the Ministry had no idea of what its accounts were and what its costs and needs were likely to be.

The figures set out in the Budget do not indicate the extent of the cost and price increases that are now starting to dribble out through debate on the Budget. That matter ought to have been put in train earlier, properly negotiated and announced after it was finalized. All in all, what is occurring in the Ministry of Transport is a continual slip in morale but, at the same time, there is a rapidly escalating increase in expenditure.

At page 185 of Budget Paper No. 4, dealing with the operating expenditure for the public transport authorities, it is stated that "the net result is an estimated 18·8 per cent rise in the call on the Budget for recurrent purposes". That represents a huge escalation in costs in one financial year and clearly indicates that the large expenditure undertaken by the Ministry during the previous three years has not led to efficiencies.

To further illustrate the unfairness of the cost increases imposed on grain growers, I shall quote from Budget Paper No. 2 at page 57. Under the heading, "Transport", it states:

> Activity in the transport sector has been strong in 1984–85. In the year to May 1985 compared with the same period in the previous year, the volume of freight carried by V/Line increased by 20·0 per cent. Much of this increase was due to a large increase in the amount of grain carried.

No doubt grain is the major freight income source on the railways system. The reason is that grain growers do not have a choice because the industry is so regulated.

Mr Remington—You never gave them a choice. Did you give them a choice?

Mr I. W. SMITH—Has the honourable member for Melbourne got his fly done up today? I am sick of his interjections.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The honourable member for Melbourne will cease interjecting; he is out of order. The honourable member for Polwarth is also out of order. I ask him to withdraw that remark.

Mr I. W. SMITH—I withdraw that remark, Mr Deputy Speaker. The grain industry is the major earner for the Victorian railways system because of the compulsion on grain growers who do not have a choice of how to deliver their grain to the seaboard. The grain must go through the elevator system and on to rail transport, so it is easy for the Government to milk the grain industry dry by increasing the freight rates by 6 per cent, as the honourable member for Lowan said. People may say that it makes sense to cart grain by rail because it takes the heavy tonnages off the road system and is cost effective. So it used to be. When increases in grain freights were to occur, grain grower organizations and the Government had discussions and negotiations to arrive at a reasonable increase.

The Minister for Transport, in one of his rare country appearances, addressed a country conference of the Australian Labor Party and stated:

> During the last three years of Liberal Government the grain rate increased by 54·7 per cent, compared to our 35·1 per cent.

The Minister then criticized the high rates of increases imposed by the former Liberal Government. However, after having criticized those high charges, he added a further 6 per cent to them!

The Minister does not realize that those freight increases, heavy though they were in 1982–83, followed a period such as the 1978–79 financial year when there was no increase at all. The reason then was that grain growers were going through a drought and were in difficult financial circumstances.

Mr Roper—1978 was an election year!

Mr I. W. SMITH—It was a drought year for the Labor Party, too. The history of discussions and negotiations between grain grower organizations and the previous Liberal Government led to understandings about the fluctuations necessary to protect the viability of the grain industry. In years when large increases in freight rates occurred, growers also received more money for their grain, which was then spent on upgrading facilities for the grain industry.

Although that working relationship received some criticism from individual growers, overall it was a reasonably satisfactory outcome and a proper way to conduct the grain industry. Victoria now has more proof that a socialist Government does not understand the free enterprise system. It is kicking yet another industry when that industry is down.

Earlier this year the Victorian dairy industry was in trouble. Did it receive assistance from the State Government? The only assistance it received was a small increase in the price of a small component of its product—liquid milk—and, ironically, the return from that increase to the farmer equated with the increased charge for electricity consumed by the average dairy farmer.

The Government has no understanding of rural industries. The addition of a 6 per cent increase to the high freight rate that the Minister criticized at a country conference of the Australian Labor Party is the straw that will break the camel's back.

In an article contained in *Stock and Land* of 12 September, Peter Hemphill writes about deregulation of grain transport and a farmer's suggestion that a $5 a tonne cost savings is available for growers. That article states:

Deregulation of grain transport could save grain-growers as much as $5 a tonne or 24 per cent of rail freight rates, a delegate to the Australian Wheatgrowers Federation said this week.

Don McGauchie, a strong critic of statutory authorities' charges, said V/Line was overcharging grain-growers substantially and the industry was paying heavily for the inefficiency of the railways.

The article further demonstrates how this farmer calculated that his operating costs would be $5 a tonne or 24 per cent cheaper if he could avoid the compulsory system of grain handling forced upon growers.

I have no doubt that other nations might consider their armaments their greatest strength, but the greatest strength of this nation is its efficiency of agriculture. If a country does not have agricultural strength, it needs grains to command strength in the market-place. The wheat growers of this State are as efficient as wheat growers anywhere in the world and more efficient than those in most other places. They will be put out of business only by deliberate Government intervention.

What is occurring on the farm now is not the result of world parity food pricing, but of the tax formula attached to world parity pricing. The huge increase in fuel costs is absorbing about 20 per cent of the costs of growing grain. A tonne of wheat is priced at approximately $140. Out of that $140, $13 goes to the Grain Elevators Board for grain handling charges, and $22 disappears in rail charges; that does not include the further 6 per cent increase in grain freight rates, which will add another $1 . 30 a tonne on average to that cost. All those increases have concertinaed in on the grain grower in about four or five years, during which time prices in the world market-place have increased by only approximately 15 per cent.

The Australian grain grower has suffered a 61 per cent increase in grain freight charges in that period. When one adds insurance increases, increases in municipal rates and all the other general cost increases, one realizes that grain growers are literally on the edge of ruin. They cannot go out, as they did in days past, with an axe and a tonne of guts and carve themselves more land out of the bush to increase their productivity. They are all now landlocked by neighbours who are desperate to acquire more land to improve their economies of scale in order to compete and stay in business.

The Government is aggravating their plight deliberately, without proper consultation and negotiation. As the honourable member for Lowan said, this is a one-sided affair. Grain growers are told what they will be given. The unions, which are responsible for added costs for rail charges, have been pampered like babies.

I shall refer to the agricultural outlook compiled mainly by the Bureau of Agricultural Economics. The overview states:

Despite the beneficial effects of the depreciation of the Austalian dollar on farm export returns, the overall economic performance of the rural sector is likely to decline further this financial year. The real net value of rural production, which is a key indicator of the economic performance of the rural sector, is forecast to fall by 22 per cent between 1984–85 and 1985–86.

A number of industries are in severe financial difficulties. These include the sugar, dairy and some horticultural industries. The incomes of wheat farmers should be down this financial year as returns to growers are likely to be down, and the wheat crop is expected to be nearly 3mt lower than last season. Increased fuel and fertilizer costs will also impact heavily on grain farmers.

The major reasons underlying the weak position of Australian farming at present continue to be weak international commodity prices, particularly for grains, sugar and dairy, and rising farm costs.

It goes on to quote the gross value of farm products. I do not need to remind honourable members of the vital importance of the farming sector to this nation, especially Victoria.

The Minister for Transport cannot find an optimistic outlook for the grain industry that would indicate extra production. Indeed the output for the industry will be cut in half by seasonal conditions in the State.

Mr Roper—Cut in half?

Mr I. W. SMITH—Yes, but the Minister for Transport would not know what the real situation is.

The ACTING SPEAKER (Mr Kirkwood)—Order! The Minister will get his opportunity later on.

Mr I. W. SMITH—The Minister for Transport would not know the factors involved in earning a dollar because he has never had to fight in the private enterprise system to make a dollar. The Minister has come from the world of academia.

Mr Remington interjected.

Mr I. W. SMITH—I shall deal with the honourable member for Melbourne if he continues with that sort of interjection.

The ACTING SPEAKER—Order! I wish the honourable member for Melbourne would resist the temptation to interject.

Mr MACLELLAN (Berwick)—On a point of order, Mr Acting Speaker, you, having heard the honourable member for Melbourne interject and having responded to him, will ensure that if the interjection of the honourable member is recorded in *Hansard* you, Mr Acting Speaker, will have to examine what the honourable member for Melbourne said and then, with Mr Speaker, examine carefully the implications of the remark made by the honourable member for Melbourne, which relates to the privileges of honourable members in this House.

The ACTING SPEAKER—Order! I thank the honourable member for Berwick for raising that point of order and I assure the House that I shall speak to Mr Speaker and have a determination made on the words used.

Mr I. W. SMITH (Polwarth)—The Minister for Transport will not find any arguments to support his conclusion that the grain industry is able to bear additional costs. The quality of grain will be down by half and the price of it, if anything, will be down on the last financial year, certainly down in real terms despite the devaluation, but at the same time all other costs have increased.

Many of these costs are indexed and this is one of the factors I was talking about in the Budget debate. One of the real ills of socialism, with indexation tied into this form of socialism, is that it is totally unrelated to the market-place. In the running of government one requires sufficient flexibility so that the private enterprise sector can be assisted and can have its problems discussed and negotiated, so that it can maintain a competitive edge, particularly when that edge has got to be in the market-place.

The indexing of costs and charges on top of wages, salaries and conditions is a sure recipe for pricing out of the market-place those businesses that have to compete on the international market and are private enterprise oriented.

I have no doubt that the cycles in the agricultural area will recur. Good times for the farming community of this State will come again. They are the times to sit down and negotiate on increases in freight charges, not when an unavoidable reduction in quality and a rapid increase in costs has occurred.

It shows total insensitivity and lack of understanding by the Minister for Transport and the Government. The Minister, before long, will be wondering why the great rural industries

of this State are not employing the people that they now do and not proving to be the motor for the economy that they currently are. The rural community will not have the capacity to compete progressively under these sorts of indexed costs-charges policies, which are quite unrelated to the world market.

As I pointed out earlier, there is no doubt in the mind of the Opposition and in the mind of the unions involved in the transport industry that the Ministry itself is out of control. It has forced on to the community a very expensive system. Management costs have increased over three and a half years by approximately 650 per cent. Services to people in some cases have improved, but the services to the commercial sector, if anything, have degenerated.

The grain industry is expected to meet a 100 per cent recoup of the costs incurred without any say or effective action that the industry can take to reduce the costs of that system. The Government sets the pace. It puts on the staff. It increases costs of administration. It gives the handouts to the unions. It has high crewings on trains. It has short hours. It has huge taxi bills for running people backwards and forwards in order to meet trains. The industry that is forced to accept these charges has absolutely no control over those costs whatsoever.

Even worse, the industry is locked into the system. It cannot say the transport system is out of control, that it is too costly, that the industry has no control over this crummy railway system and, therefore, will transport grain in the industry's own trucks. Rail transport of grain is compulsory. Growers are locked into a system which has set itself on a course of destroying the grain industry with its high costs and lack of capacity to ensure appropriate rates.

No other industry is called upon to recoup 100 per cent of rail costs. The contrast is in the metropolitan area, of course, where passengers enjoy only a small 25 per cent recoup of the costs. How unfair that is! Surely, the people in the metropolitan area must realize that they depend on the basic productive sector which is being called on to meet 100 per cent of the costs over that which the industry has no control.

How many votes would there be for the Labor Party in the metropolitan area if the people of Melbourne had to meet 100 per cent of the costs recouped and if fares had to increase on an average fourfold to meet those increases? No, there are not many votes in that. There are no votes for the Labor Party—nor will there ever be if this procedure continues to afflict the grain industry—in the country. It will only be when the Labor Party sees that it has destroyed the motor of the economy, the basic productive sector, by forcing on it costs that are out of control that the Labor Party will begin to realize its mistakes—and that will be far too late.

How can the Minister for Transport have the hide to criticize a period in the early 1980s when grain prices were rapidly rising, as did freight rates, to praise his own Government's effort in reducing the rate of increases thereafter, then, in addition to that, to add a further 6 per cent? There should have been no increase in this financial year, like it was in 1978. The honourable member for Bendigo West, who is interjecting, should go out amongst his electorate and tell the farmers there that he is happy with 6 per cent, that he is happy with inefficiency in the railways, and that he knows that this Government will not control costs. Let him put views in the local newspaper. The honourable member has no concept of the productive sector. He has never been involved in it.

The ACTING SPEAKER (Mr Kirkwood)—Order! I request the honourable member for Bendigo West to cease his unruly interjections. The honourable member for Springvale has been interjecting persistently. I ask the honourable member to cease—his niggle is a niggle, and that is all.

Mr I. W. Smith—I have conceded that in times when grain prices are buoyant on world markets is the time when negotiations can yield an increase for rail freight rates. It has happened in the past and no doubt it will happen in the future. When there is a set of

circumstances that put the grain growers in jeopardy with low world prices and rapidly escalating costs, that is not the time to hit them when they are down.

Unless the Government becomes more sensitive in dealing with the private sector, especially the basic productive sector on which the economy depends it will not only fail as a Government but it also will take down many of the other enterprises that depend upon the productive sector. The Government is condemned for its insensitivity and for the chaos in the transport system, as well as for the fact that it has no idea about the private sector and its needs.

Mr ROPER (Minister for Transport)—It is significant that in the two speeches made so far in this debate there has been no suggestion about what should occur, apart from the suggestion that there should be no price rise at all. There is no suggestion of an alternative or of on what basis costing should occur, unless one takes the view of the honourable member for Polwarth about how costings should occur, which is that as the grain prices go up the Government should come in and "rip" off all the money producers with increased freight rates.

Certainly, the Hamer Government between 1979 and 1982 did that and it is hardly a sensible policy. It is necessary to have a policy, which the Government has adopted, to make the railways more efficient and to pass on the benefits to the people who provide the freight, in this instance the grain growers.

The motion is somewhat selective. I am not sure why the honourable member for Lowan decided to use 1980–81 as the base for his proposition. The appropriate base would have been 1979–80, because that is when the previous Government decided—and honourable members have heard now from the honourable member for Polwarth why it so decided—to rip off grain growers with huge increases every year. The honourable member for Polwarth was Minister of Agriculture at the time.

He was Minister of Agriculture when the freight rate went up 18 per cent in 1979–80 and he was Minister of Agriculture when the freight rate went up 15 per cent in 1980–81. At about that time, as honourable members will recall, the then Minister and the then Premier had a difference of opinion and, as a result, in the following year when the honourable member for Ripon was Minister of Agriculture, there was the lowest increase for the whole of that period. The rise was a paltry 14 per cent in 1981–82.

The cumulative rate of increase in the last three years of the Liberal Government was 54·7 per cent. Honourable members now understand why that occurred, it was because, as the honourable member for Polwarth said today, "If the prices are going up you rip the money off them". That is not the policy this Government has adopted. In 1982–83 and 1983–84, the rises were less than those of the previous years of Liberal Government, being 12 per cent and 13·8 per cent respectively. Last year, because the Government was able to provide a more effective rail system for farmers and everyone else in the community, the increase was 6 per cent. That was one third of the increase in 1979–80; it was the lowest increase for six years.

That has been repeated this year when there has been the first decrease, in real terms, in freight rates for grain growers. Honourable members should consider what that means.

In 1979–80 there was an increase of 18 per cent in grain freight rates. That increase was well above the consumer price index in that year. This year the increase in grain freight rates is 6 per cent, which is 1·7 per cent below the consumer price index and even lower than the increase in V/Line's costs for the year.

The Government took a deliberate decision to ensure—as I said at Swan Hill earlier this year—that any increase in costs would be below the consumer price index, which would lead to a more efficient rail system for grain growers.

The honourable member for Polwarth referred to the question of train crewing. In 1955 the Victorian Railways moved from using steam to diesel trains. What action did the then

Bolte Government take to remove firemen from trains? The honourable member for Polwarth is regarded as Sir Henry Bolte's disciple and wonder boy. What action did the then Bolte Goverment take in all its years in office? It left the firemen on the trains even though the trains did not use coal. For 27 years the then Liberal Government did absolutely nothing to make the railways more efficient.

It was left to my predecessor, the Honourable Steve Crabb, as Minister of Transport, to commence negotiations which, in November this year, will result in two-man crewing on trains.

Which Government has acted to ensure a more efficient system operates on the railways so that grain growers face reduced costs in real terms? It was not the previous Liberal Government, which left firemen without work on trains for 27 years.

When I visit the electorate of the honourable member for Evelyn and travel on a train, it will need a fireman on board because it is a steam train. However, that train is used for tourism purposes. The Victorian railway system did not need firemen on trains between 1955 and 1982. No action was taken by the previous Liberal Government to remove those firemen.

This Government has taken action. It has had discussions with the union and encountered some industrial difficulties as well. However, the Government has made it clear that it intends to introduce two-man crewing on trains.

The honourable member for Polwarth also referred to taxis, which are a substantial cost to V/Line. Which Government agreed to a log of claims by the Australian Federated Locomotive Union of Enginemen under which the taxi arrangements occur? It was not a Labor Government; it was the previous Liberal Government which agreed to those arrangements. The Government is working with V/Line and the unions in an endeavour to determine what can be done to reduce the cost of taxis. Those are the two particular examples that were raised by the honourable member for Polwarth.

There are many other examples of areas where the Government is acting to make the railways more efficient but where the previous Liberal Government allowed it to deteriorate.

With regard to the number of shunters who are required for V/Line services, after a lengthy process of consultation, the Government is reducing the number of shunters required because there has been a re-examination of the task. The reduction in the number of shunters will benefit the people who use V/Line services.

In the past three and a half years efforts have been made to upgrade the railway system and improve its efficiency. The Government believes those improvements should be passed on.

I shall comment further on the capital works program because that has been one way in which that efficiency has been increased.

This is an important debate because it relates to the largest freight area of V/Line activity. It is also about a crucial matter for a major industry in this State. No one suggests that significant problems do not currently exist in the wheat area. No one needs to suggest that, as a nation, we must think very carefully about what will occur in international wheat markets in the next five or six years. We already know, after the first three months of this year, that a smaller amount of freight is to be carried to the ports by V/Line because of the international grain situation. That means less revenue for V/Line as well as, of course, less revenue for the growers over time.

The Government has an interest, in partnership with the growers, in ensuring that their returns are maximized and that the returns from wheat to Australia are also maximized. For many years I have taken a great interest in non-metropolitan Victoria and I continue to have that interest.

It was suggested by the honourable member for Polwarth that the grain crop will be halved this financial year. He is predicting a 1·75 million tonne crop.

Mr I. W. Smith—That is not half.

Mr ROPER—The average crop is 3·5 million tonnes, and half of that is 1·75 million tonnes.

Mr I. W. Smith—You are using an average figure.

Mr ROPER—If one does not compare it with an average figure, with what does one compare it? The Government is certainly concerned that there are some areas of the State where the wheat crop will be significantly down. As the honourable members for Polwarth and Lowan know, the situation varies from year to year and from area to area.

The Government was extremely concerned earlier this year when it appeared that there would be virtually no grain from the Mallee. On my visit to Swan Hill with officers of the Grain Elevators Board, we spent some considerable time examining the situation in an area of about a 60 mile radius around Swan Hill. I recall discussing the matter with the honourable member for Swan Hill and one of the grower representatives, who is on the wheat board, as we travelled to Swan Hill on the excellent passenger service which did not exist three or four years ago, but which is now operating.

The Government is concerned, and it will continue to be concerned, to ensure that the benefits of the efficiencies that are now occurring are passed on to grain growers and other users of the transport system. It is not only grain, but also the other freights that are carried by V/Line, that this Parliament and all members of Parliament agreed should bear 100 per cent cost recovery.

Mr Maclellan—No; that is not right.

Mr ROPER—That was the target we discussed in this place. The honourable member for Berwick is now saying that that is not his view.

Mr Maclellan—That is right; it certainly is not.

Mr ROPER—In terms of the carriage of freight by the railways, it is certainly the intention of the Government, over time, to ensure that there is not a hidden community subsidy on freight activities.

Rail freight carrying, as by road or by ship, is a commercial activity; it should be seen as such and should be run efficiently as a commercial activity. That is the intention of the Government.

It was suggested earlier that there was some double standard applied in terms of passenger services. I make it quite clear that there is also a subsidy for country passenger services. The Government adopts the view that one cannot, for social reasons, seek full cost recovery from passenger services; if the Government had to do that, it would be closing down all the country services rather than reviving them, as it has been doing.

The proof of the pudding is in what has occurred to country passenger services, which have increased patronage by 8·8 per cent, as is indicated in the report that was tabled in this place today. That is the second significant increase in country passenger services. Despite the fact that there was no increase in fares last year, revenue from passenger services increased by $3 million.

That is indicative of a system that is on the improve. It has turned itself around from the constant reduction in passenger activity that occurred previously. Not only is passenger service revenue and activity on the increase, but also freight revenue is on the increase,

with more than 11 million tonnes, or close to 12 million tonnes, being carried last year, of which a large part, about one-third, was grain.

That is a compliment to the people, from senior management to those who are involved in the operational side of the organization of V/Line and who have improved their performance over the past few years, and has meant that the State Transport Authority has been able to make significant improvements in the services it provides.

We would all like to be in a position so that there will not be any increases in charges this year or that there will be a reduction in charges. That is not seriously proposed by honourable members opposite because they do not nominate the areas in which they would reduce activities. If the revenue does not come in to pay for the service it has to come from somewhere else.

Perhaps the honourable member for Polwarth thinks we should run fewer country passenger services. If that is how he thinks the books should be balanced then he should say so. If his party is saying it will forgo the grain freight increases this year, where will that money come from? Would he increase the freight charges on fertilizer or some other product that is transported to the country, or would he do something about country passenger services?

The Government has started to pass on the efficiencies that have resulted in economic performance in V/Line. It has not been suggested during this debate that V/Line will make a profit from carrying grain this year. It is significant that none of the speakers in this debate suggested that profit will be made from transporting grain. There will still be a loss of between $5 million and $7 million on the carriage of a crop of about 3·4 million tonnes. That is something that I am sure concerns most people—it certainly concerns the wheat growers and the taxpayers. Over the next three years the Government intends to decrease that loss by improved efficiency in the system and not simply by increasing rates in the traditional manner.

The Government will continue to pass on the benefits of improved efficiency just as it will with the Grain Elevators Board whose rates will be increasing less than the consumer price index and, so far as wheat is concerned, in all probability less than the grain rate. That is another example of how, when the efficiency of an organization is improved, the benefits arising from that improved efficiency are able to be passed on. The Government is also aware that it has an obligation to pass on these benefits because part of the arrangements have resulted in increased costs or increased difficulties for many farmers whose situations have changed regarding silo facilities.

The Government is bound, through V/Line and the Grain Elevators Board, to ensure that as costs change special arrangements are made. For example, so far as country municipalities are concerned, special impact funds were made available to approximately sixteen shires to assist with the extra rate burden caused by changes in grain handling procedures. The Government has to ensure that that balance continues between road funds and rail funds and between the costs of the growers and the costs of transport services.

As further efficiencies are obtained over the next couple of years in the rail services and in the Grain Elevators Board, those benefits will continue to be passed on to growers. In some ways that does not help the growers in the way they would like to be helped because of the international situation. But that is something about which we can only do something on a national basis and, as honourable members may be aware, it may be difficult to do something on a national basis because of the over-all world situation.

It is interesting to examine how grain freight rates compare with other costs to the grain growers. This does not include the recent 6 per cent increase, but in terms of the other costs of grain growers, distillate has risen by more than 180 per cent over the past six years—as honourable members understand, as a result of the way in which petrol and distillate prices have been determined by Federal Governments of both Liberal and Labor persuasion—fertilizer has risen by 141 per cent, shire rates have increased by an average

of 300 per cent, and Grain Elevator Board charges have increased by approximately 97 per cent.

What is now occurring with Government charges is that those very large rates of increase are slowing down and, in real terms, the rates are actually reducing. The Government will continue to ensure that this occurs.

The cartage of grain is not simply a matter of the cost to growers or the cost to the community, it is also a matter of the efficiency of that system. In 1982, the Government inherited a run-down system, to put it mildly. Over the years, capital was not invested in the railways as it should have been. I am sure that various Ministers of Transport argued for increased capital expenditure, but they did not receive the audience that they might necessarily have wanted. Over the past three and a half years capital investment has occurred and will continue to occur, thereby assisting in providing long-term arrangements for grain haulage and assisting in keeping costs down to farmers.

Mr Maclellan—It is going backwards this year!

Mr ROPER—Over the past twelve months Victorians have seen the delivery of the first five of an order of fifteen "G" class locomotives, and in addition there has been a major reconditioning and upgrading of 49 other locomotives; the total cost of the locomotives project being nearly $85 million.

In addition, the Government has also introduced a new class—the "N" class—of passenger diesel engines which will again liberate other major diesel locomotives for the operation of freight services in country areas. The first two "N" class locomotives have now been received by V/Line.

Over the years, the wagon fleet had run down and this had an impact on V/Line—it also has had an impact on the ports. Over the past three and a half years a significant improvement has been seen in our wagon fleet.

Mr Maclellan—You are not saying that there are more wagons now, are you?

Mr ROPER—What I am saying is that there has been a significant improvement. The Government has replaced the aged vehicles that it inherited from the previous Government—rolling-stock that was ineffective and inefficient—with modern and effective bogie hopper wagons. One hundred new bogie hopper wagons were used to transport freight prior to the last harvest, bringing the fleet of those wagons to 544. This year it is expected that there will be a further 100 "VHGYs" built. This will also provide a significant improvement in employment in the workshops located in country areas where the new wagons are being built.

In this financial year, some $7 million has been provided for the project; the construction of an extra 100 new wagons.

With respect to sidings, V/Line has a policy of freight users paying for the upgrading or provision of sidings; however, approximately $750 000 a year is spent by V/Line on siding redevelopment as the central receival points network expands.

A facility upgrading program of $3·6 million is under way, of which $1·5 million will be spent in the current financial year.

More than $21 million will be spent in this financial year on track work and passing loops. That will ensure that V/Line can provide a more reliable and cost-effective service.

The Geelong loop, which is now in operation, should have been provided years ago. However, so many things were allowed to run down in terms of delivery of grain to the port of Geelong.

This track upgrading is important as part of an integrated program aimed at not only improving locomotives and wagons but also the tracks on which they operate. We need to continue to spend funds on this re-equipment program.

We are currently spending significant sums on the Portland–Ararat line and on the Portland terminal, a total of some $13 million in the program, of which $8·6 million will be spent next financial year. The Portland–Ararat line is one of our most crucial grain lines. It is crucial not only to grain growers but also to the port of Portland. The Government has provided resources to ensure that the State has those improvements.

The Government has been concerned to improve its capital activities in other areas. Although this debate is not specifically concerned with passengers, it was suggested that a special benefit has been provided for metropolitan passenger services. A huge upgrading of those services has occurred in the past three and a half years in terms of capital, service and time-tables. Part of that has been made possible by a continuing—although with some difficulty—industrial relations record. This has meant that the harvest has been serviced to the extent that it has on occasions in the past. With the changes that are occurring in two-man crewing, shunting reviews and other efficiencies, the Government intends to hand over these improvements to grain growers as they occur. Although there may be some industrial disruption, we are are certainly talking in an ongoing way with our employees to minimize that happening.

That capital program is one of which all Victorians should be proud. It has enabled grain to be carried more effectively than otherwise would have been possible. In the same way, it has been a major capital program for the Grain Elevators Board. Last year some $22·5 million was available to the board for various activities: for country storage, $14·4 million; for the Geelong terminal, $3 million; and for other works, more than $5 million. That amount will increase in the current year to $27·5 million with $13·3 million for country storage, $8 million for Geelong terminals and $2·3 million for the Portland terminal.

We are aware that if we want to encourage shipping into our ports we must improve the terminals at Geelong and Portland and money will be needed to be spent there. Almost $4 million will be spent on other works.

An Honourable Member—Who is paying for all this?

Mr ROPER—The point I am making is that a major investment program is occurring to ensure that there are efficient and effective grain systems in this State.

We heard before a gutless comment from the honourable member for Lowan who suggested that the three representatives of the Grain Elevators Board were simply doing my bidding. That is quite interesting, and I am sure that those three gentlemen, together with the Victorian Farmers and Graziers Association, will wish to have discussions with the honourable member for Lowan.

Those three gentlemen are of sufficient status to be able to make up their own minds about matters, and that is the reason why the Victorian Farmers and Graziers Association put their names forward to me and why I forwarded two of the names to the Governor in Council for appointment. As honourable members should be aware, the Victorian Farmers and Graziers Association submits a panel of names to the Minister who then selects some of the names and recommends them to the Governor in Council. The honourable member for Lowan attacked those three gentlemen as being puppets of the Government.

Over the past couple of years, the Grain Elevators Board has started to significantly improve its grain handling capacity through its capital program. Benefits from that will be passed on to growers so far as grain and handling charges are concerned. The Government will continue to ensure that those benefits are passed on.

A number of other changes in the methods of operation will bring further benefits in time. The honourable member for Lowan referred to the review of the Canac committee proposals which I released last week. The report, which is extensive, contains a number of recommendations. The committee was broadly representative, but it did not involve representatives of many of the affected shires nor representatives of the unions. Those people have been sent copies of the report so that they can make their opinions known to

the Government.It may be that there will be disquiet in some parts of country Victoria about some of the proposals for the closure of light rail lines. That recommendation stems from the fact that, over the years, many of these light rail lines have been allowed to deteriorate by a process of constructive and deliberate neglect. The rail lines can no longer carry the capacity that they previously carried let alone the modern locomotives and wagons that are now in the fleet. The benign neglect can be attributed to various railway administrations and Governments, and it is the cause for this type of recommendation being put forward.

Significant capital costs would be associated with bringing the light rail lines up to their previous capacity. However, serious matters need to be considered before decisions are taken to close any of those lines. The Government must ensure that the lines are able to take the traffic for the coming harvest. Discussions are occurring with V/Line to ensure that that will occur. No action will be taken before the affected communities and unions have had a chance of commenting on the matter.

As the Victorian Farmers and Graziers Association has indicated, there are benefits to grain growers Statewide in terms of costs if the light rail lines are closed. That is one of the difficult judgments that individuals, councils, the Government and the opposition parties will have to consider as a result of this major review.

Other issues are mentioned in the document, and I shall refer to the bridge at Echuca. That bridge has not been inadequate only for the past six months. The Echuca bridge has been in need of replacement for years. I inspected the bridge with the Deputy Leader of the National Party and discussed it with Echuca people as well as engineers from V/Line and the Road Construction Authority. The current condition of the bridge is very worrying.

One of the reasons why nothing has been done in the past is because the Government, as a Government, has not been able to make up its mind about what to do. There have been differences of opinion between various Ministries that have stopped action occurring. The Minister for Planning and Environment and I have a joint position about what needs to be done to replace the bridge. Last Friday I held discussions with the New South Wales Government in an attempt to reach a joint position so that the bridge can be replaced and so that we can ensure that the important grain traffic from the Southern Riverina continues to flow through our system with benefits to all Victorian grain growers as well as other areas of the State.

Over the next three years there will be further changes in the efficiency and effectiveness of our rail system. We look forward to working with the management and the unions and with the other parties if they wish to ensure that these improvements occur.

It will be difficult, and I have informed the Ministry, V/Line and the Victorian Farmers and Graziers Association that by next June I wish to have an agreed basis on which grain rates will be set in the future so that the benefits that come from the increased efficiency continue to be passed on to growers. A further reason is so that we all understand exactly on what basis the charges are made. Differences of opinion exist, I have to admit, between various of the transport authorities and the Victorian Farmers and Graziers Association. I suspect that if one were to ask various branches of the Victorian Farmers and Graziers Association, one would find there is probably not agreement there, either.

We must develop a mechanism that ensures that over the next three years and longer there is an agreed system of setting grain freight rates—which are our biggest freight item—and an agreed system of passing on the benefits of the hard work they have done to users of the service, namely, the grain growers.

The Government does not accept the motion and is proud that for the first time in the past seven years it can say that the grain freight rate has gone down in real terms. The Government would have liked the increase to have been lower, but that was not possible. The Government wants to continue the downward trend. It does not want any more of the 18 per cent rises that occurred in 1979–80. I should like to have an even lower rise

during the next financial year, but that will depend on our achieving efficiencies and on discussions with the Victorian Farmers and Graziers Association.

I found the three meetings I have had with that organization to discuss grain matters to be extremely useful. I shall continue to have discussions with the organization about grain and other matters. The overloading of trucks and the long wait that previously existed has been stopped and under the present system it will be possible for councils to issue permits during the harvest season to allow larger loads. That was a good example of co-operation between the Victorian Farmers and Graziers Association and various transport authorities. I hope that type of situation will continue. I am concerned to provide an effective public transport system in this State, as was my predecessor, and to provide it at a cost the community can afford.

In accordance with Sessional Orders, the debate was interrupted.

The ACTING SPEAKER (Mr Kirkwood)—Order! The time appointed under Sessional Orders for Government Business to take precedence has now arrived.

The sitting was suspended at 1 *p.m. until* 2.5 *p.m.*

ADMINISTRATIVE LAW (UNIVERSITY VISITOR) BILL

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That this Bill be now read a second time.

The legislation founding the University of Melbourne enacted in the mid-1950s provided for a visitor, currently specified to be the Governor of Victoria. The legislation founding Monash, La Trobe and Deakin universities enacted in recent years also provides for a visitor, which is the Governor in each case. Each of the respective Acts provides that the Governor shall be the visitor and "shall have authority to do all things which appertain to visitors as often as to him seems meet".

The office of visitor is an ancient one and developed as a means whereby the Sovereign could protect the rights, privileges and interests of members of charitable, ecclesiastical and educational institutions, many of whom had no independent legal capacity to invoke the protection of the courts. A visitor was intended to act as a kind of Ombudsman in relation to disputes between members of the body or corporation which were internal or domestic in nature.

The current role of the university visitor is to determine complaints of and disputes between members of the university relating to the management, statutes, and regulations, affairs and membership of the university. A complaint is made to the visitor by way of petition. Matters which may potentially come before the visitor for resolution include a complaint by a student in relation to a decision by an academic board, the termination of a staff appointment, and the grant of a fellowship. The decisions of the visitor acting within his or her jurisdiction are both exhaustive and final. Such decisions are not reviewable in the courts.

Two recent cases have highlighted the desirability of allowing judicial scrutiny of administrative decisions of universities. In one case a student was not permitted to sit for a supplementary examination in the one subject needed to complete his degree. A committee convened by the faculty to reconsider the matter recommended that the decision be reversed, but this recommendation was not accepted. The proceedings took up the greater part of the academic year and thus, even if the decision had been positive, the student had already lost the practical benefit of sitting a supplementary examination.

In another case, *Vujanovic* v. *University of Melbourne,* a decision of the Supreme Court handed down in 1983, a student sought relief under the Administrative Law Act over her exclusion from the university following a recommendation to the academic board of the Faculty of Law. The student claimed that the Faculty of Law committee was not properly constituted and had not given her a fair opportunity to be heard. The Supreme Court held

that it had no jurisdiction in the matter, as it fell within the exclusive jurisdiction of the visitor; her only avenue of relief was by way of petition to the visitor.

It can be seen from these two examples that the matters determined by the university visitor are often very significant and can affect the future livelihood and career of an individual. It is, therefore, desirable that procedures affecting such significant interests be subject to judicial scrutiny. There is a discrepancy between universities and other tertiary educational institutions in that the administrative actions of the latter are potentially subject to judicial scrutiny as they have no visitor. Honourable members will know that there has been a significant expansion of administrative law remedies in the past twenty years. Whilst the staff and students of the universities were once no worse off than any other members of the community seeking judicial review of administrative actions, that is no longer so.

The Administrative Law Act marked a major extension of administrative rights in the Victorian community, as has the Commonwealth Administrative Appeals Tribunal and the Administrative Decisions (Judical Review) Act. The procedure for review by the university visitor, that is, by petition to the Governor, is antiquated and relatively awesome, whilst proceedings under the Administrative Law Act are comparatively simple and speedy. The Bill seeks to provide an aggrieved person with the opportunity of pursuing a remedy through the courts.

Denial of review under the Administrative Law Act of administrative decisions of universities is not in accordance with recent developments in the law and is out of line with the position in other tertiary educational institutions.

Although the universities may argue that there should be no interference with their internal affairs, the availability of judicial review of administrative actions of other tertiary institutions, and the significance of decisions made by universities are powerful arguments in favour of an alternative system of review.

Proposed section 14 (1) gives a person affected by a decision of a university the right to apply for an order for review under the Administrative Law Act even though the matter is within the jurisdiction of the visitor.

Proposed section 14 (2) precludes an application by a person aggrieved by a decision of the university visitor except on the grounds that the visitor had no jurisdiction or that there has been a denial of natural justice. Those exceptions maintain the present position at common law. The exceptions are consistent with and drawn in the same terms as similar provisions in section 4 of the Act relating to decisions under the Small Claims Tribunal Act, the Credit (Administration) Act and the Residential Tenancies Act.

In order to remove the doubt, proposed section 14 (3) provides that a visitor has no jurisdiction if an application under the Act is granted. That may be the position at common law, but it is not clear. The provision does not preclude the jurisdiction merely because an application is made under the Act.

The intention of these amendments is to provide a choice of remedy for an aggrieved member of a university. A person who chooses to invoke the visitorial jurisdiction will not be able to appeal from a decision of the visitor except on the narrow grounds earlier referred to. Likewise, a person who has been granted an application under the Administrative Law Act will be precluded from appealing a decision to the visitor.

In summary, the Bill will allow an aggrieved member of a university access to the provisions of the Administrative Law Act, thereby providing the same rights as other members of the community enjoy. The Bill will allow for a more simple, speedy and efficient mechanism to be invoked for the hearing of complaints. I commend the Bill to the House.

On the motion of Mr AUSTIN (Ripon), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 29.

POLICE REGULATION (AMENDMENT) BILL

Mr MATHEWS (Minister for Police and Emergency Services)—I move:

That this Bill be now read a second time.

The principal provisions of the Bill reflect the results of two major investigations into the functioning of the Victoria Police Force. The Committee of Inquiry—Victoria Police Force has investigated and reported on internal discipline procedures in the force, and the Government has examined the procedures for the investigation of complaints made by members of the public about the conduct of members of the force and the system for the review of the results of such investigations. Other provisions in the Bill are designed to facilitate the effective administration of the Police Force.

Turning first to the investigation of public complaints, I should say that the design of appropriate mechanisms for this purpose has been the subject of much examination and debate, both in Australia and in other countries. In Australia, we have been reminded of the need to ensure that appropriate procedures are in place by, for example, the views expressed by the Honourable Mr Justice Stewart in the Report of the Royal Commission of Inquiry into Drug Trafficking. In recent years, most Australian Governments have moved to introduce revised procedures and, in Victoria, our proposals take account of these developments in the context of the Government's stated policy that there will be an independent mechanism for overseeing the procedure adopted.

I mention one other point as a threshold matter. From time to time, concern is expressed about the use of police to investigate the actions of their colleagues. Indeed, in the light of those expressions of concern, both the Chief Commissioner of Police and the Victoria Police Association have expressed the view that they would not object to the removal of the investigation system from the force. But the fact is, and this is recognized throughout Australia and elsewhere, that there is no practical and cost-effective alternative to the use of police as complaints investigators.

Complaints about the conduct of police will continue, in the main, to be investigated by, or under the direction of, the Police Internal Investigations Department, which is headed by an Assistant Commissioner of Police. For the purposes of investigation, complaints received are classified into four categories in descending order of seriousness. These are—

(1) allegations that police have committed criminal offences involving corruption, conspiracy, perjury, violence, theft and other serious offences;

(2) complaints by persons arrested, intercepted or interviewed alleging assault, unjust arrest or other mistreatment;

(3) verbal or written complaints alleging that police have been neglectful, rude or have otherwise acted improperly; and

(4) internal matters of neglect or misconduct.

In 1983–84, 576 serious complaints in the first two categories were made to the police, of which 104 were found to be substantiated. On average, 700 minor complaints in the latter two categories are made to the police each year.

On completion of an investigation under the present procedures, the complaint file is referred to the Ombudsman for review. In 1983–84, the Ombudsman reviewed 927 police complaint files and formed the opinion in seventeen of those cases that there were inadequacies in the police investigations which were likely to have affected the conclusions reached.

In his annual report for that year, the Ombudsman cited several investigations and stated:

> These examples in my view demonstrate how lack of persistence can create an impression of bias and the consequent need for those responsible for oversighting police complaint investigations to ensure that investigations are not only sound but also are seen to be sound.

The Government fully supports this view; the maxim that justice must not only be done but must be seen to be done has particular application to the investigation of complaints about the conduct of members of the force. Under the present complaint investigation procedures there is scope for public suspicion, whether or not that suspicion is justified, about the adequacy of investigations by police into the actions of their colleagues.

Accordingly, the Bill provides for the creation of a single person Police Complaints Authority to which complaints about police can be made. When a complaint is made to the authority, if it is accepted as warranting investigation, the complaint will be referred to the Chief Commissioner of Police for investigation. Where a complaint is about the conduct of any police commissioner or about conduct which is in accordance with established practices and procedures of the force which the authority considers should be reviewed, the authority may conduct its own investigations with the assistance of police investigators if requested.

The chief commissioner will be required to cause an investigation into the complaint to be conducted and to report the results of the investigation and provide advice of any action taken or intended to be taken to the authority.

The authority will be empowered to request the chief commissioner to further investigate a complaint or to investigate the complaint itself, if the authority is not satisfied with the adequacy of the initial investigation. The authority will also be empowered to request the chief commissioner to take such action as it considers appropriate if it is not satisfied with the course adopted by the chief commissioner. Such action may involve the laying of criminal or disciplinary charges against members of the force.

If the authority and the chief commissioner cannot agree on the course of action to be taken following an investigation, the Minister will adjudicate and have the power to direct that specified action be taken. In determining whether criminal proceedings should be taken against a member of the force, the Minister may consult with the Director of Public Prosecutions.

At the completion of these procedures, the person who lodged the complaint with the authority will be advised in writing by the authority of the outcome of the investigation and the action taken as the result of the investigation.

In conducting its own investigations into a complaint, the authority, with the approval of the Minister, may invoke the powers of a board of inquiry under the Evidence Act. These powers include the power to summon witnesses and to require the production of documents. In addition, both the authority and the chief commissioner may direct any member of the force to answer questions or provide information which is relevant to an investigation.

The powers available to the authority envisaged in the Bill in relation to the investigation of complaints against members of the Police Force are greater than the powers currently available to the Ombudsman under the present procedures for the review of police complaint files. These powers and the revised procedures for the investigation of complaints are designed to ensure public confidence in the system and to allay any concerns that may exist that the police do not adequately investigate the actions of fellow members.

Mention of the Ombudsman prompts me to say, and to stress, that the Government has been well satisfied with the manner in which he has undertaken the task of reviewing complaint files. I note, also, that the Ombudsman has contributed much to the review conducted of the existing procedures for complaint investigation. However, a need is seen to establish an agency which will concentrate all of its efforts on aspects of the revised system with which it will be concerned.

Let it be said, however, that the police administration is as equally committed as the Government to ensuring the proper investigation of public complaints. The identification and weeding out of wrong doers is essential to the maintenance of an effective Police Force and the morale of its members. Victoria has a fine force under the leadership of chief

commissioner Mick Miller and both he and the Government are committed to ensuring that the high standards of the force are maintained. The procedures outlined in the Bill will, I hope go toward improving the public perception of the integrity of the force in investigating complaints about its own actions.

I now refer to the provisions of the Bill that arise from the recommendations of the committee of inquiry on internal discipline. These recommendations apply equally to discipline charges that arise either internally or as the result of an investigation into a complaint from a member of the public.

The committee of inquiry was established in 1982 to examine the organization and administration of the Victoria Police Force. It was chaired by Tom Neesham, QC, the other members being David Biles, Harvey Parker, David Scott and David Swanson. Their extensive and exhaustive deliberations resulted in the presentation of a comprehensive report in June of this year which contained 220 recommendations for action. Those recommendations are being examined by the Government. However, at an earlier stage, the committee compiled a report on internal discipline in the Police Force that has been used as a basis for a number of the provisions in this Bill.

Procedures for the maintenance of internal discipline in the police force are contained in the Police Regulation Act and the police regulations. The regulations prescribe a range of offences which may result in the laying of a charge of breach of discipline. The Act provides that a member may elect to have the charge heard by the chief commissioner or the Police Discipline Board and a range of penalties is prescribed where the charge is proved. Only the board may dismiss members of the force. A right of appeal lies to the Police Service Board against a decision of the chief commissioner or the discipline board.

Investigations into the conduct of members are conducted by or under the direction of the Internal Investigations Department and the chief commissioner has the power to transfer members under investigation to other duties. The chief commissioner also has the power to suspend, without pay, any member charged with an offence or who is convicted of a criminal offence punishable by imprisonment. In the latter case, the Police Service Board may determine what action, including dismissal, should be taken against a convicted member.

The Act also provides for the appointment of persons to the force as constables on probation for two years and for all promotions to be subject to a period of probation of one year. However, the Act and the regulations are largely deficient on the conditions of probation.

The Bill effects numerous amendments to these procedures, which are designed to streamline the process of dealing with members charged with offences, to protect the rights of members and to generally clarify the various provisions. Details of the amendments are included in the explanatory memorandum that is attached to the Bill, and I will simply touch on the more substantive provisions.

The chief commissioner has power under the current provisions of the Police Regulation Act to suspend members from duty in certain circumstances. In line with the recommendations of the committee of inquiry, the Bill will empower the chief commissioner to suspend members who are reasonably suspected of committing a criminal offence and whose suspension from duty is desirable while investigations are completed. In such circumstances, the member may be suspended for up to three months on full pay and have a right of appeal against the suspension to a County Court judge.

Provision is also made for the chief commissioner to determine that other members under suspension be entitled to receive full pay during the suspension. At present, all pay is withheld during suspension and this can impose an additional punishment by placing financial strain on a suspended member. The Bill also clearly specifies the effects of suspension once imposed.

In relation to the hearing of discipline charges, provision is made for the Police Discipline Board to sit in two divisions to avoid accumulating backloads of work caused by lengthy hearings, for the monetary penalties which may be imposed by the board and, on appeal, by the Police Service Board to be increased and for both boards to be empowered to impose an additional penalty of reduction in seniority.

From time to time, the chief commissioner is confronted with the problem of a member who is generally unsuitable to remain in the force but who has committed no breach of discipline. The chief commissioner does not have the power to dismiss members of the force and the committee of inquiry has recommended that he should not have such a power. In order to deal with such problem members, the Bill empowers the chief commissioner to request the Police Discipline Board to determine the suitability of a member and empowers the board to dismiss or reduce in rank members found to be unsuitable. The member's rights are protected by an appeal to the Police Service Board.

The committee of inquiry also made various recommendations dealing with probationary appointments. Briefly, the Bill provides for the appointment of police recruits to undergo initial training at the police academy. Police recruits will not be members of the force and will thus have no claim on the State Superannuation Fund if discharged on the ground of ill health at this very early stage of their careers.

After completion of academy training, the recruits will be appointed as constables on probation for two years. During the probationary period, the chief commissioner may discharge a constable from the force. At the completion of the probationary period the chief commissioner will be requried to confirm or annul the appointment or extend the period of probation for up to twelve months.

Promotions to all ranks above constable are subject to a period of probation of twelve months. The Bill clarifies the powers and duties of the chief commissioner in relation to promotions on probation. A right of appeal against the disallowance of a promotion will be created in the police regulations.

These amendments have the effect of clearly stating the manner in which probationary appointments and promotions are to be dealt with.

The Bill also contains several miscellaneous amendments designed to improve the administration of the force. Again, details are contained in the explanatory memorandum attached to the Bill. They provide for the execution by police of warrants issued by statutory bodies, for the delegation of the chief commissioner's powers, for more flexible procedures for the disposal of unclaimed property in the possession of police and for the granting of maternity and paternity leave to police reservists.

Finally, I should say that the issues which are dealt with in the Bill have been the subject of intensive discussion by a working party comprised of Mr Bob King, secretary of my Ministry, Mr Bob Emslie, the Ministry's Assistant Secretary (Legislation), Deputy Commissioner Eric Mudge, Assistant Commissioner Kelvin Glare and Mr Bob Splatt and Mr Tom Rippon of the Police Association. Agreement was reached in the working party deliberations on the concepts expressed in the Bill. I commend the Bill to the House.

On the motion of Mr CROZIER (Portland), the debate was adjourned.

It was ordered that the debate be adjourned until Thursday, October 31.

GROUNDWATER (BORDER AGREEMENT) BILL

Mr McCUTCHEON (Minister for Water Resources)—I move:

That this Bill be now read a second time.

The purpose of the Bill is to approve and ratify an agreement made between the States of Victoria and South Australia which provides for a co-ordinated management strategy for

the groundwater resources in the vicinity of the Victorian and South Australian borders. The agreement is set out as a Schedule to the Bill.

As some honourable members would know, an examination of groundwater resources along the border was commenced some years ago. This stemmed from a South Australian request that a mechanism for the legal sharing of the resource be arranged. In most areas adjacent to the border groundwater is the only reliable water source and the agencies of both States responsible for groundwater had been concerned that unregulated large-scale withdrawals could compete with existing private and urban supplies, perhaps to a point where continuity of supply could not be assured. In addition, because there is at present no provision for consideration of the potential effects of such withdrawals across the border, new and large-scale uses of groundwater in one State could adversely affect established uses in the other.

Projections of existing and possible development of the border groundwater resources have confirmed the advisability of joint management and sharing of the resources between the two States.

The management strategy, which is the subject of the agreement, was evolved by a joint committee representing the agencies concerned. These agencies are: the Rural Water Commission of Victoria; the Engineering and Water Supply Department, South Australia; the office of Minerals and Energy, Victoria, and the Department of Mines and Energy, South Australia.

The joint committee, with the aid of Professor S. D. Clark, Harrison Moore, Professor of Law at Melbourne University, prepared a report incorporating the agreement and the relevant supporting legislation, which honourable members now have before them.

The joint committee investigated several possible institutional arrangements for sharing and managing the resource adjacent to the border. It concluded that the most appropriate one was for an interstate agreement to ensure protection to existing groundwater users and facilitate the future use of groundwater.

Such an agreement forms the schedule to the Bill now before the House. The agreement is expressed to operate in both States for a distance of 20 kilometres from the border. This strip of border land, which is defined in the agreement as the "Designated Area", is thus 40 kilometres wide. The joint committee's investigations have disclosed that overall the annual volume of the groundwater resource available within the designated area is such that existing groundwater uses can safely continue and there is opportunity for expanded use with no significant adverse implications in the immediate future provided there is no undue clustering of large-yielding bores. The proposed policy is to divide the resource equally between the two States.

An extended observation bore network is being put in place which will help in providing data for the continuing assessment of the resource and in the forewarning of any problems.

Before dealing with the Bill proper, I would now like, with honourable members' forbearance, to explain generally, the scheme of the agreement.

The first two clauses provide definitions of various terms which take account of the different terminologies of the South Australian Water Resources Act 1976 and the Victorian Groundwater Act 1969 and apply the usual interpretation provisions.

Clauses 3 to 19 of the agreement are closely based on the provisions of the River Murray Waters Agreement signed by the Premier, the Prime Minister and the Premiers of New South Wales and South Australia on 1 October 1982. Within this group clauses 6 and 7 provide for the appointment, by the responsible Minister in each State, of two members and one deputy member to a review committee, which has the general oversight of the management plan. The remaining clauses in this group deal with formal, procedural matters such as terms, powers, and remuneration of members, meeting procedure, and delegation.

Clauses 20 to 23 of the agreement are again closely based on clauses in the River Murray Waters Agreement. They empower the review committee to co-ordinate studies of the use, control, protection, management or administration of groundwater within the designated area; to make recommendations to contracting Governments on such matters; and to review and recommend alterations to the agreement. Each Government binds itself to furnish the review committee with all information necessary for its functions.

For the purposes of the management plan the designated area is divided into eleven segments or zones in each State, which is a total of 22 zones. Clauses 24 to 26 of the agreement set out the management plan and provide means for applying appropriate management prescriptions to the various zones in each State. The legislation of each State is to be applied to all existing or future bores, except domestic and stock bores, within the zones in that State. No permits are to be granted or renewed within those zones, except in accordance with the management prescription set out in clause 26 of the agreement. In brief, this requires bores to be cased, where appropriate, and prevents further development when the permissible annual volume, or rate of drawdown, has been exceeded. Bores for other than stock and domestic purposes may be constructed within 1 kilometre of the State border only in accordance with procedures determined by the review committee.

Clause 27 of the agreement obliges each State to prepare an annual report for the purposes of the review committee.

Clause 28 of the agreement requires the review committee to review the management plan for each zone at not more than five-year intervals. It has power to make adjustments to minor aspects of the management plan on its own motion. It may recommend more important changes to the Ministers of both States. These more important changes are the establishment or alteration of permissible levels of salinity and the alteration of the permissible rate of drawdown in any zone. Such more important changes can occur only if both Ministers are in agreement.

Clause 29 of the agreement gives the review committee power to declare restrictions in relation to any zone as the optimum level of development for that zone is approached or exceeded. The effect is not to prevent all future development, but to require all further development to be referred to the review committee for comment before it proceeds. A compulsory cooling-off time of 30 days is also included before the Minister grants any permit in a zone subject to restrictions.

In addition, if the Minister decides to grant a permit against the recommendations of the review committee, he is obliged forthwith to notify the Minister of the other contracting State in order to allow that State to decide whether to exercise the right of appeal given to it.

Clause 30 of the agreement requires the review committee to submit an annual report to the responsible Minister of each State.

Clause 31 of the agreement requires publication of decisions taken by the review committee, or by the relevant Minister, with respect to the management prescriptions embodied in the management plan.

I now turn to the provisions of the Bill generally, as distinct from the agreement which forms its schedule. Clauses 1 to 4 cover the usual introductory matters of title, commencement and interpretation. Clause 5 approves the agreement which, as honourable members are aware, was signed by the Victorian Premier and the Premier of South Australia on 15 October 1985.

Clauses 6 to 10 of the Bill relate to the appointment of the members of the review committee, its powers, and the powers of the Minister. These provisions are modelled on the River Murray Waters Act 1982.

Clause 11 of the Bill requires the Minister to submit to Parliament the annual report he receives from the review committee. Clause 12 makes four consequential amendments to

the Groundwater Act 1969. These will: firstly, ensure that no action by any Victorian body, be it the Minister, the Rural Water Commission, the Director-General of Water Resources or the Groundwater Appeal Board, is inconsistent with the border agreement; secondly, provide for an appeal to the Victorian Groundwater Appeal Board, by South Australia, against any decision by Victoria, made by the Minister, the Rural Water Commission or the Director-General of Water Resources, which is contrary to a recommendation of the review committee. A provision giving similar rights to Victoria is contained in the complementary South Australian legislation; thirdly, clarify the existing purposes for which the Minister may authorize the drilling of observation bores; and fourthly, enable the Groundwater Appeal Board to hear the appeal of which I have just spoken.

Clause 13 of the Bill provides for the repeal of a spent Act. In introducing the Bill to the House, I make the following remarks: firstly, the proposed legislation provides that the day-to-day execution of the management plan should rest with the groundwater licensing authorities of the respective States. In other words, no inter-State executive body is needed to implement the management plan.

This arrangement contrasts with other inter-State agreements, such as the River Murray Waters Agreement, which provide for executive bodies. One advantage of such arrangement is that no additional costs to Government are anticipated as the proposal will form part of the general management of the State's groundwater; secondly, the main advantages of the agreement are that it—

(*a*) commits each State to legislative action to require licensing authorities and appellate bodies to abide by the agreement and the management plan embodied therein;

(*b*) assumes that the licensing authorities in each State will remain responsible for administering the management plan in zones within that State;

(*c*) requires inter-State consultation between the licensing authorities before granting permits for the construction or use of bores other than domestic and stock bores, in certain defined circumstances, or in order to change details of the management plan;

(*d*) provides for the joint imposition of restrictions within any zone after which inter-State consultation becomes obligatory before further development is allowed in that zone; and.

(*e*) provides for the regular review, with a view to amendment of the management plan and the agreement by means of a review committee.

Thirdly, the Bill is complementary to the Groundwater (Reserves) Act 1984. No. 10066, which provided for the planning in groundwater resource allocation for future urban use.

In conclusion, the Government believes this agreement provides a realistic and equitable framework for inter-Governmental co-operation in the development of long term strategies for protecting and harvesting the groundwater resource in the border area. As with any agreement, this one depends on the goodwill of the contracting parties. Events so far confirm that this will be forthcoming. I commend the Bill to the House.

On the motion of Mr DELZOPPO (Narracan), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 29.

MOTOR CAR (FURTHER AMENDMENT) BILL

Mr ROPER (Minister for Transport)—I move:

That this Bill be now read a second time.

The main purposes of the Bill are—

(*a*) to control speed trials on highways;

(*b*) to empower police to detain a person who has undergone a preliminary breath test at a police station for up to 2 hours after driving for the purpose of furnishing a sample of breath for analysis by a breath analysing instrument;

(*c*) to abolish minimum fines for certain offences; and

(*d*) to increase motor registration fees from 1 January 1986 by approximately 7 per cent.

At present, it is an offence under section 83 (2) of the Motor Car Act for a motor car to be used on a highway for motor racing or speed trials. The offence is committed by the driver or the person in charge of the car.

An Order in Council can be obtained in respect of particular races or speed trials exempting these from the the operation of section 83 (2). The making of such an order is only recommended where the police and other relevant traffic authorities are satisfied that the race or speed trial can take place without danger to the public. Where an order is made, a separate regulation must also be made so that the provisions of the Transport (Road Traffic) Regulations 1984 do not apply to those participating in the race or speed trial.

There are a number of difficulties with these arrangements. Honourable members will be aware that in 1984, an event known as the "Australian Cannonball Cup" was held. A number of participants in this event were charged in one or more of the three States through which they passed with the offences of speeding and dangerous driving. In Victoria speeds as high as 163 kph were detected during the "race". The severity of accidents occurring at these speeds would be more than double that at the present speed limit. Moreover, such accidents are more than likely to involve innocent road users and not only the offending driver.

It is an established fact that speed is a major contributor to the road toll. The responses of the driver and the vehicle on public roads are brought into serious question at high speeds, particularly when emergency situations develop. As evidence of the effects of speed on road accidents, in 1974, the year after the 100 kilometres per hour speed limit was introduced, road fatalities fell by 14 per cent and personal injuries by 12 per cent. Safety experts concerned about saving lives are alarmed at the irresponsibility of speed trials such as the Cannonball Cup.

The police will be greatly assisted in controlling this type of event, with the obvious dangers which they pose to the travelling public, if action can be taken against the organizers as well as those actually participating. The Bill provides for this by extending the offence currently provided for in section 83 (2) to the organizers of motor races or speed trials. In addition, the Bill specifically empowers police to apprehend drivers or organizers without warrant where apprehension is seen by the police as an effective way of controlling these events. These amendments will ensure that the existing prohibition against motor racing and speed trials on highways can be more effectively enforced.

In strengthening the enforcement provisions relating to speed trials and races, the opportunity is being taken to review the procedures for obtaining the necessary approvals for bona fide speed trials and races. The present procedures are lengthy and involve undue expense, because of the need for a separate regulation to be made for each speed trial or race for which approval is to be given and because each such regulation is only in force for the duration of the speed trial or race—I know that numerous honourable members made representations about obtaining approval in this area.

Accordingly, the Bill provides for an Order in Council to be made which will suspend the application of all except specified regulations of the Transport (Road Traffic) Regulations 1984 to the particular speed trial or race thus avoiding the need for a regulation to be made for each speed trial or race authorized to be held.

These amendments will ensure that unauthorized speed trials or races do not take place to the detriment of public safety. The amendments simplify the processes associated with obtaining approvals for speed trials or races with resulting cost savings through

administrative efficiencies and benefits to those seeking approvals, through the expedited processing of applications.

In relation to the second main purpose of the Bill, section 80F (6) of the Motor Car Act currently gives the police power to require a person who has undergone a preliminary breath test, or who is believed to be driving under the influence, to provide a sample of breath for analysis by a breath analysing instrument. For that purpose, the police may require the person to accompany police to a police station.

Section 80F (6), however, does not give the police power to ensure a person stays at the police station until a breath analysing instrument is available. From an operational point of view, it is not possible for the police to have a breathalyser and an authorized officer available at all times at all police stations. Consequently, the intention of section 80F (6), that the police be able to require certain persons to undergo a breathalyser test, can be avoided if a breathalyser is not immediately available at a police station and the persons refuse to wait.

The Bill amends section 80F (6) to provide for a person, who has been required to accompany a member of the police force to a police station, to remain at the police station for a period of up to two hours, for the purpose of furnishing a sample of breath for analysis by a breath analysing instrument.

The period of two hours has been selected as being the maximum period within which a person may be obliged to provide a breath sample.

The proposed amendments will prevent the intended operation of section 80F (6) from being avoided where a breathalyser and authorized operator are not immediately available at a police station to which a person is taken and it is necessary to arrange for the equipment to be brought to the police station.

In relation to the third main purpose of the Bill, the Government has received a number of representations from legal aid services requesting amendments to the Motor Car Act to remove minimum fines. The Act currently provides for minimum fines for the offences of driving unregistered or uninsured vehicles, the offence of failing to comply with the acquisition of vehicle provisions of the Act, and the offences of failing to pay a licence surcharge, driving without a licence and failing to stop after an accident where a person has been injured.

The rationale for minimum fines is related to the seriousness of the offence. The rationale, however, is applied haphazardly in that there are many other offences in the Motor Car Act which are serious and which do not have minimum fines associated with them.

In practice, the minimum fine provisions operate to impose undue financial hardship on defendants with little or no financial resources. They can also be self-defeating in that they sometimes lead to magistrates imposing a bond to avoid financial hardship, or else lead to imprisonment for fine default which is not what the legislation intends.

The minimum fine provisions in the Motor Car Act are also now inconsistent with the approach to sentencing provided for in the Penalties and Sentences Act 1981. The basic principle of this legislation is that offenders who are fined by courts for offences should have their means and ability to pay the fine taken into account by the court in imposing a fine. To overcome the problems referred to and to ensure a consistent approach to the imposition of fines, the minimum fine provisions of the Motor Car Act are now being removed.

Finally, honourable members will recall that my colleague the Treasurer, when announcing details of the Budget, referred to an increase in motor car registration fees from 1 January 1986. Registration fees were last increased on 21 November 1981. Between December 1981 and June 1985 the consumer price index has risen 29·3 per cent. The increase in registration fees provided for in the Bill is well below this increase and is also below the consumer price index increase of 7·1 per cent between June 1984 and June 1985.

Registration fees currently have two components. The first is the power mass unit of a vehicle multiplied by the rates set out in the Second Schedule to the Motor Car Act. The second component is the surcharge, introduced in 1971, which is either $2 or $4, depending on vehicle category and purpose.

It is proposed that the rates be increased by 4·3 per cent for private vehicles and 7·1 per cent for other vehicles. It is also proposed that surcharges be increased by $1.00 in each case. This increase in the surcharge represents an increase of 50 per cent and 25 per cent respectively for private and other vehicles. However, when the increases are taken together with the much lower percentage increases in the rates, and in particular the low percentage increase in the rate for private vehicles which constitute the bulk of registrable vehicles, the adjustments to registration fees made by the Bill only result in an actual overall increase of 6·72 per cent. I commend the Bill to the House.

On the motion of Mr AUSTIN (Ripon), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 29.

SALE OF LAND (ALLOTMENTS) BILL

Mr SIMMONDS (Minister for Local Government)—I move:

That this Bill be now read a second time.

The Bill has two main purposes:

(*a*) to facilitate the sale of land prior to approval of a plan of subdivision or strata subdivision; and

(*b*) to simplify the procedures involved in the resealing of plans of subdivision.

Honourable members will be well aware of difficulties and delays that are often experienced during the subdivision of land.

For some time the subdivision of land process has been under review. The basis for the review is the report of the Subdivision of Land Task Force.

This report contains a number of recommendations that are primarily designed to simplify the subdivision procedure and thereby reduce the end costs to the purchaser.

A number of complex issues are yet to be resolved before new subdivisional legislation can be submitted to Parliament. The Government, however, is willing to move on those recommendations of the task force that can be implemented without awaiting the preparation of the complete subdivision package.

One such recommendation is that legislation should be enacted to permit the sale of allotments before the plan of subdivision is approved by the Registrar of Titles.

In 1984, the Kindred Industries Group (Housing Industry) recommended to the Government that this recommendation should be implemented without awaiting the final decisions on the task force's report.

The Kindred Industries Group believed the result would be to speed up the subdivision process and thus give the purchaser access to a wider variety of residential land at an earlier stage than is possible at present. Additionally, the developer would be able to proceed with a subdivision with a greater degree of certainty.

As a result of the representations, a working group was established to consider the feasibility and the need for the pre-selling of land.

The report of the working party recommended that pre-selling of allotments should take place, provided that the legislation contained certain safeguards for the purchaser.

Honourable members may be aware that two previous Bills on the question of pre-selling were introduced into another place, but did not proceed, essentially, because of objections from within the housing industry.

The industry was requested to make further submissions on the legislation and meetings were then held to see if agreement could be obtained on the legislation.

The following groups were requested to make submissions and were then represented at meetings that followed:

Estate Agents Board

The Institute of Surveyors, Victoria

Kindred Industries Group (Housing Industry)

Municipal Association of Victoria

The Real Estate Institute of Victoria

Law Institute of Victoria

Urban Development Institute of Australia (Victoria)

Appropriate Government departments

Melbourne and Metropolitan Board of Works.

The industry is now happy with the Bill and the Government, therefore, wishes that the legislation be enacted as soon as possible.

Turning to the Bill itself, the previous Bills would have permitted the sale of allotments shown on sealed plans of subdivision that were approved following the coming into operation of the legislation. Following discussions, the legislation will now apply to allotments shown on any sealed plan of subdivision whenever the plan was sealed. The vendor will, therefore, have the choice of operating under the old law or the new law.

Clauses 4 and 5 provide than an allotment shown on the plan of subdivision may, subject to certain conditions, be sold prior to the approval of the plan by the Registrar of Titles.

The conditions applying to the sale are set out in this provision and they may be summarized as follows:

Under existing law, pre-selling may occur where land is to be divided into not more than two allotments. The previous Bills extended those provisions to all land shown on plans of subdivision. There was some concern that including two-lot subdivisions under the proposed new law could cause some problems. As a result, it has been agreed that the existing law relating to two-lot plans will be unaffected, and the new proposed legislation will apply where the land is to be subdivided into three or more allotments.

The vendor may not request from a purchaser a deposit of more than 10 per cent of the purchase price of the allotment. The deposit is to be paid to a solicitor or licensed estate agent and held in trust or be paid into a special bank account in the joint names of the vendor and purchaser. The previous Bills provided that each deposit had to be paid into an interest-bearing trust account, but this requirement has been deleted.

The previous Bills provided that the vendor was to advise the purchaser of any works that were carried out on the allotment or other parts of the subdivision. This Bill provides that the disclosure will only relate to works affecting the natural surface of the allotment and of any abutting allotment on the same plan of subdivision.

If the vendor fails to fulfil the conditions of the contract or to have the plan of subdivision approved within twelve months of the date of the contract, the purchaser may avoid the sale.

The purchaser cannot take legal possession of the land until the plan has been approved by the registrar but it is to be given reasonable access to the land for any purpose relating to the proposed development of the land.

If the sale is avoided by the purchaser, the deposit money is to be returned to the purchaser. If the sale is avoided as a result of default by the purchaser, the vendor is entitled to be repaid the deposit money.

Clause 6 applies in the case of any dispute between the vendor and the purchaser, where provision is made for arbitration in accordance with the standard provisions already contained in the Sale of Land Act.

Clauses 9 and 10 make equivalent amendments to the Strata Titles Act to bring that form of development into line with the new provisions applying to the subdivision of land.

Clause 12 inserts a new section 569BAA into the Local Government Act to clarify and speed up the process of resealing the plan by the relevant council when an amendment is required to a sealed plan of subdivision before the approval of the plan by the Registrar of Titles.

Clause 13 amends the Building Control Act to enable a purchaser of an allotment shown on a plan of subdivision to apply for building approval once a contract has been entered into. The Development Approvals Co-ordinator, however, is not to grant approval until the registrar has approved the plan. This provision is designed to enable building to commence immediately the plan has been approved and will eliminate the additional delay involved in obtaining building approval.

Honourable members will see that the provisions should work well for those who wish to take advantage of the new requirements relating to the sale of subdivided land.

The in-built safety mechanisms in the Bill will ensure that a purchaser is protected, so far as possible, until the plan of subdivision is approved and the sale is settled. The flexibility provided will also aid the developer of land. I commend the Bill the House.

On the motion of Mr COOPER (Mornington), the debate was adjourned.

Mr SIMMONDS (Minister for Local Government)—I move:

That the debate be adjourned until Thursday, October 31.

If further time is required by the Opposition, it will be considered.

Mr COOPER (Mornington)—Giving consideration to further time is not sufficient. When speaking on the current measure, the Minister for Local Government referred to the fact that this is the third attempt to get the proposed legislation before Parliament. The two previous attempts began in the other place, and they failed because of industry objections.

Despite the fact that the Minister has indicated that there is general approval for the Bill, it is only reasonable and fair that members of the Opposition be able to consult with those areas of industry which will be affected by the Bill.

Therefore it is reasonable that the debate be adjourned to 19 November. That would allow the Legislative Assembly and the other place two weeks in which to deal with the proposed legislation.

Mr SIMMONDS (Minister for Local Government) (*By leave*)—If there is any doubt about the position, obviously the Government will give time for consultation. I assure the Opposition that agreement has been reached. If there is any need for an extension of the period of two weeks on the basis of lack of agreement, the Government will allow time for that type of consultation.

The motion was agreed to, and the debate was adjourned until Thursday, October 31.

FAIRFIELD LAND BILL

The debate (adjourned from September 19) on the motion of Mr Wilkes (Minister for Housing) for the second reading of this Bill was resumed.

Mr COLEMAN (Syndal)—The Bill is a park grab with which the Opposition is in agreement. It concerns 595 square metres of land, which is residual land in the City of Northcote. For the benefit of the Minister for Housing, the land was left over when the Eastern Freeway development took place through Yarra Bend Park.

The small, triangular piece of land is to be used in accordance with the recommendations of the Corrections Master Plan developed by the Government for the benefit of prisoners at Fairlea Female Prison. It is proposed initially to erect a fairly substantial security fence along the land, which has the freeway as its southern abutment.

The Opposition realizes that it is not possible to place the land back within the Yarra Bend Park and for that reason does not oppose the Bill.

Mr WALLACE (Gippsland South)—The National Party supports the Bill.

The motion was agreed to.

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

HOUSING (COMMONWEALTH–STATE–NORTHERN TERRITORY AGREEMENT) BILL

The debate (adjourned from the previous day) on the motion of Mr Wilkes (Minister for Housing) for the second reading of this Bill was resumed.

Mr BROWN (Gippsland West)—Before I was rudely interrupted—the Opposition is always prepared to accommodate the Government when necessary—I was highlighting the gross incompetence that had been displayed in several areas of housing administration in Victoria.

Before the matter concerning the former Governor came before the House, I was speaking about an initiative to be introduced by the State Government and about the costs to the Ministry of that initiative. Those costs will, of course, be borne by the taxpayer, and they can be conservatively estimated to be approximately $400 000 or equal to 0·8 per cent of the loan capital made available. The scheme will utilize funds from the private sector and private financial markets. The proposed scheme is an attempt to boost home ownership in Victoria. The subsidy will be borne by the taxpayers and will be administered by the Ministry, but it will not be recouped under the terms of the Commonwealth–State Housing Agreement.

The Minister for Housing has admitted in answer to questions on notice that the administrative cost to the Ministry for wages alone in processing housing loans is at present $1·65 million. That figure does not include overhead costs such as office space, heating and power costs, and as such it represents a massive subsidy which will be incurred in the administration of the Government's housing program. That is inexcusable when one considers that home purchase assistance could be provided efficiently by the private sector—for example, as I indicated yesterday, by the co-operative housing society movement in Victoria.

It is estimated, for example, that the home finance branch of the Ministry of Housing is administering approximately $180 million of home purchase assistance funds. The current administration costs for wages alone represents 0·9 per cent or twice the administration cost that would be incurred if those funds were administered through the private sector. The most effective community agency to which I have referred numerous times during the debate is the co-operative housing society movement which administers Government funds at the low cost of 0·4 per cent. The Opposition has set out graphically that it is

cheaper to use the housing co-operative movement or the private sector rather than to use the Ministry of Housing.

I shall refer now to the submission by the Federation of Housing Societies of Victoria that was made to the Government and dealt with the issues being debated. The federation called upon the Government to allocate increased funding for that movement. Regrettably, the Government again did not see fit to agree to this proposal.

In each of the four State Labor Budgets handed down, the Government has in real terms reduced funds for distribution through the Victorian co-operative housing movement. The Federation of Housing Societies of Victoria submitted to the Government that an extra 5000 families could be assisted in four years, without cost to the Government, if some of its fundraising schemes were adopted. The federation proposed a number of schemes whereby money obtained from the private sector would be pooled with funds from the Ministry of Housing to subsidize interest rates particularly. However, without exception those proposals were rejected.

The Government's spot purchase program has overheated the housing market in many suburbs of Melbourne. In the electorate of Syndal, the average price for a house has risen from less than $47 000 in 1982 to more than $75 000 this year.

Other methods of obtaining and constructing homes used by the Ministry, such as infill projects, have not resulted in value for money. In Nelson Street, South Melbourne, seven units were provided at a contract price of $527 000 and the cost of the land was $89 000, so, the cost of each residence in that development exceeded $88 000. I could quote numerous other examples involving the infill housing scheme undertaken by the Government.

Earlier in the debate I highlighted the Toorak development where the Ministry of Housing is involved and where the average cost of the three-bedroom homes to be provided for low income earners will exceed $100 000. Is the Ministry really obtaining value for money with these schemes?

The provisions of the Bill allow the capacity to help with any form of housing that the Government elects. I ask the Minister for Housing to carefully consider the next issue. Country students will face the loss of another city hostel after Christmas. The Phillip Hostel at Maribyrnong has been used for some time to accommodate country students, particularly those in their first year of study and those unfamiliar with Melbourne. Last month the Federal Department of Immigration and Ethnic Affairs, which has responsibility for this hostel, advised the committee of management that from next year the hostel would be unavailable to country students. Honourable members should realize that this is against the background where the Government, for reasons not understood by the Opposition, decided to sell off other hostels which for many years had been available to country students.

Next year many country students who come to Melbourne for tertiary study will be denied the hostel accommodation that is currently supplied under a joint arrangement between the Commonwealth and the State Governments. I ask the Minister for Housing to consider that matter because the Bill is a Commonwealth–State housing agreement.

I ask the Minister to take on board the plight of the many students who will be seeking accommodation next year, many of whom will come to Melbourne from the country to commence their studies and will be thrust into the housing market. The Minister knows the crisis exists. It is difficult to obtain good, reasonably priced accommodation, and in many regions it is impossible for students to find reasonably priced accommodation. The funding provisions of the Bill provide the Minister with power to allocate resources for hostels and the like, and I ask him to consider the matter seriously in consultation with his Federal colleagues, so that hostel accommodation can be made available on a continuing basis or to research other options to ensure that, at the start of the 1986 school year, students will not face the situation of no accommodation being available.

One of those options must be to consider converting one of the existing high-rise housing developments in Melbourne. Hostel accommodation would require staff in attendance all the time because meals are provided and a degree of supervision is necessary. It would not be unreasonable for the Minister to consider the conversion. I acknowledge that this could not occur in one week. It would require a lengthy lead time. However, the Minister could consider asking the Federal Government to assist the State in the cost of upgrading and changing the high-rise buildings in Melbourne, which are conveniently located close to public transport and learning institutions. One of the average high-rise towers could provide approximately 200 separate rooms for a large number of country students. Students would not face the problems that existing tenants of those buildings face because they are young and fit and would not experience the sorts of social problems faced by the mix of tenants presently residing in those high-rise towers.

The other aspect I raise is that, in the past nine months, the Ministry of Housing has been without a permanent head. I am aware that the Minister for Housing became upset at comments I made in this Chamber yesterday on the staff under his control. I plan to refer to the Minister's response later in the debate. I understand his concern. His Ministry has a large number of staff and I accept and acknowledge that, as a responsible Minister, he must show concern for his staff. I have pointed to programs within the Ministry that are not being administered properly.

I have highlighted several of those programs in the debate to date, such as the scandalous mismanagement taking place with the granny flats program. It is obvious that the Ministry would be better run with a permanent head. I cannot accept an organization as large as the Ministry of Housing floundering along without a permanent head. It appears that it may be another year before one is appointed. I am aware that the Government has in mind the appointment of a party hack and it is now on the public record, but the Opposition will not accept that appointment. The Government knows a furore will be raised by the Opposition if a party hack is appointed to that position.

Mr Wilkes—We will appoint whom we like.

Mr BROWN—It is now on the record that the Minister will appoint whom he likes. The only appointment acceptable to the Opposition is that of a person who is the most highly qualified and eminently suitable person for the position. I am aware of nominees for the position who are highly qualified and eminently suitable to take on the job. The person who I understand the Government desires to appoint is totally unacceptable not only to the Opposition but also to the people of Victoria because of his ties to and allegiance with the Labor Party and his public activities over a long period that have stirred up in this State housing issues which would have been adequately and reasonably handled had it not been for that individual's involvement.

I am saying on the public record that if a permanent head is appointed to the Ministry of Housing—and he must surely be appointed in the near future, after a nine-month delay—and that appointment turns out to be political, all hell will break loose.

I have also pointed out that some Ministry brick veneer or weatherboard residences, and some granny flats, remain empty for lengthy periods.

Mr Wilkes—True.

Mr BROWN—The Minister for Housing acknowledges that it is true, as he must, because it has been highlighted for so long. How long does it take before a decent administrative arrangement can be put in place so that these problems can be overcome? It is a straightforward matter. The Ministry of Housing knows when the tenant moves out because the keys are handed back at the regional office. There is no question that the Ministry and the Minister for Housing know about it, yet these residences sit empty for months. If a granny flat becomes vacant, it may be a year before it acquires a new tenant. That is scandalous; it is an administrative system that is totally unacceptable. The Minister must turn his attention to that problem.

I have also highlighted the Liberal Party's total abhorrence of the Government's continual push to build large, high density estates. I hope the Minister takes on board my comments. One thing the Liberal Party did learn from 27 years of continuous rule was that the development of large estates is wrong. It knows that in hindsight, and I can inform the House that there is no way a future Liberal Government will ever build a high density or high-rise estate.

Mr Wilkes—Hear, hear!

Mr BROWN—The Minister interjects "Hear, hear", yet he leads an organization that is continuing to build and plan high density estates.

Mr Wilkes—Up to 50 units or less, with one exception.

Mr BROWN—There should be no exception. The Liberal Party's policy is that land should be developed, but the bulk of it should be handed over for normal, private occupancy. The Ministry should not put people for whom it is responsible all together in one large allotment and have them stigmatized. It is a human tragedy that these people are stigmatized. It is a blight on the rest of the community, of which we comprise a small part, that these people are stigmatized. People say, "They come from a commission area", or, "Your kids come from a commission area". It is a fact of life and it can be avoided. It is time the present Minister for Housing, who has been in his position for some time, does something about it. In this regard, Government policy should be changed.

I also highlighted the extravagance of the Ministry of Housing in building accommodation for low income earners in places such as Toorak. I have no quarrel whatever about them being housed in Toorak, but I am aggrieved because for the same expenditure the Ministry could build two houses elsewhere. It would be more sensible to move out further to build these sorts of development where land is so much cheaper. The Ministry would get greater value for its dollar, which would be in the interests of both the tenants and the Government.

The Ministry of Housing has estimated that to build a house in Toorak for low income earners would cost more than $100 000; it may end up closer to $200 000, time will tell, but the Opposition believes the Government would get better value for money if those places were built 3 or 4 kilometres further out in the suburbs. That would help the people the Government wants to help because it would provide more houses for the same amount of money.

The Liberal Party does not suggest that this accommodation should be moved outside the metropolitan area. The Liberal Party is saying that the Ministry of Housing should purchase properties in adjacent cheaper suburbs. If an allotment of the same size can be bought in an adjoining suburb for $20 000 cheaper, obviously more accommodation can be provided for tenants.

Another issue of concern to the Opposition is the Government's continued preparedness to accommodate squatters. The law says it is illegal to occupy a property one does not own without permission. Regularly properties, mostly owned by the Ministry of Housing but also owned by other Government departments, are broken into illegally.

Mr Wilkes—Not all are owned by the Ministry of Housing.

Mr BROWN—Nearly all these houses are owned by the Government. Once squatters are in, the Government is prepared to legitimize their tenancy and will accommodate them over the heads of hundreds of families who have been waiting, some up to five years, for housing accommodation. What anarchy is the Government trying to promote? Is it really saying to the people on the housing waiting lists, who have been waiting for five or six years, that they should bash down a door of a Government-owned property and move in illegally and that the Government will legitimize their tenancy in that event? Is that the way the Ministry of Housing wants to operate?

Mr Wilkes—No.

Mr BROWN—There appears to be some common ground on this issue between the Minister and the Liberal Party. Squatting is an illegal activity. There is no way that the Opposition will condone it, either now or in the future, and I ask the Ministry of Housing not to condone it by legitimizing these tenancies once squatters have broken into homes.

Mr Wilkes—This Ministry has never legalized that practice.

Mr BROWN—I also indicate that the Ministry of Housing owns several non-housing assets. Previously in the House I read a list of those assets and I shall not go over the same ground. The Minister should reconsider this situation. Is it reasonable for the Ministry of Housing to own a pub? I do not think it is. I cannot comprehend why the Ministry owns a pub. The Liberal Party would welcome an announcement of the impending auction of this hotel because the proceeds will provide several houses. The Minister for Housing laughs—perhaps the pub is on his way home, I do not know. I must say that, from the outside, it is a reasonable hotel. However, if the sale of that hotel would raise enough money to provide an additional five to ten homes, so much the better.

It is not just the pub; the Liberal Party urges the Ministry to sell all its assets that are not housing related, the proceeds from which will house many more tenants. The Liberal Party is not urging the Government to sell off the farm, like the Government has done in every other area where it has sold assets that should have been retained, but to sell assets that are not needed. The list includes a car yard, shops, a service station, and so on.

I raise further the issue of the Ministry of Housing's purchase of the old Geelong wool store building. This is another brilliant concept initiated by the Labor Party Government in the face of howling protests from local people. My colleague, the honourable member for South Barwon, has been inundated with protests since the Labor Party first mooted its plan to convert the wool shed. Geelong residents are very much aware of the critical housing shortage in Geelong that has existed for many years. They want money spent in Geelong. There should be no equivocation. They want the Ministry of Housing to supply housing. That is the point on which they hound the honourable member for South Barwon and, no doubt, the honourable members for Geelong and Geelong North.

When the residents of Geelong learned of the Ministry's plans to convert the wool shed they were aghast. Although the building is of brick exterior, it comprises six wooden floors and a wooden interior. One can imagine the accumulation of grease in a wool shed that is 100 years old. One would only have to stand in the entrance to light a cigarette and the whole place would ignite. The Government is considering converting this wool shed to accommodate low income housing tenants.

The wool store project would have been a virtual incinerator. The Opposition raised the point that the building was a fire hazard and there were many other considerations which made it totally unacceptable for a high density development in which dozens of families would have resided on one site, not close to the services they require, such as primary schools.

What happens? After continuing pressure from the Opposition and the community and the strong activities of the local member to ensure that the interests of his constituents were protected, the Government finally made an announcement, under duress, that it would sell the block. This asset should never have been purchased; it was a scandalous waste of more than $300 000 and, indeed, it will be sold at a loss.

More than $300 000 some would say was "invested" down there but I would say was "squandered" down there. It has been sitting empty, a potential fire trap, which may have incinerated residents, for longer than three years. If the money had been invested with Australian Guarantee Corporation Ltd or Custom Credit Corporation Ltd, it would have returned approximately $50 000 a year in interest, which would have been enough to build a new house in Geelong every year. Not only that, the Government committed hundreds of thousands of dollars to upgrading the property for each of the past two financial years and residents in Geelong have been done in the eye as a result, because the development

did not proceed, the money was not used to benefit Geelong and it has missed out on that expenditure for ever more.

Geelong has been ripped off by the Government not only with regard to that purchase, which was folly from the outset, but also in public rental housing. The Government is two years behind in what it has promised, which effectively has meant the loss of 200 properties. It is time the Government lived up to some of its promises. The honourable member for South Barwon continues to ensure that the Ministry of Housing honours its undertakings.

In the *Geelong Advertiser* of 16 October an article headed "Wool Store plan backfires" states:

> The Ministry of Housing's railway wool store project was a white elephant, the Barwon Regional Housing Council said yesterday.

The article goes on to quote the regional housing council. The council is made up of people who are astute and competent and who know the housing issues. Do they ever! The Minister will certainly bear the pain and heat of their sting before his time is finished in this State. The council knows it was a folly; it was lunacy even to embark upon the proposal in the first place.

Nothing is more upsetting to me than statements that are purposefully misleading or are found to be wilful in the light of day at a subsequent time. On 25 March 1985, after constantly pushing the issue of the gross incompetence within the Ministry of Housing, I said in a statement that received widespread press coverage:

> Granny flats in Victoria were empty for up to 12 months despite a waiting list of more than 700 people, the State Opposition claimed today.

I would never expect a responsible press to merely believe my side of a story without checking it. Members of the press interviewed the Minister and told him that the Opposition had claimed more than 700 people were waiting for granny flats. The Minister was reported in the press as describing the claims as "arrant nonsense". The Minister was also reported as having said that no granny flats had been vacant for more than twelve months and that the waiting list was nowhere near 700.

At that time I told the Minister there was one example of a granny flat at Balwyn which had been empty for fourteen months. I asked the Minister whether he would ensure that that flat was fixed up. Following that example I gave the Minister, he said nothing further about my claim of granny flats having remained vacant for twelve months.

The illustration I have given the House demonstrates that one should not make statements unless one is sure of the facts. At the time I thought I should investigate the Minister's claim that my estimation of 700 people waiting for granny flats was arrant nonsense. I put a question on notice.

Yesterday to my delight, via the good offices of the Minister, which I appreciate, I received an answer, of which I hope the House takes note. When the Minister told the representatives of the press that my claim of 700 people waiting for granny flats was arrant nonsense, in fact 819 people were waiting for granny flats as at 30 June 1984. Nine months prior to that, 1017 people were on the waiting list for granny flats. My initial claim was not arrant nonsense; rather, the situation was worse than I had forecast.

On 30 June 1982 there were 629 applicants on the waiting list for granny flats. On 30 June 1983 there were 929 applicants. This is when the Labor Party was elected to office on the promise that it would solve all the problems.

On 30 June 1984, when the Labor Party had been in office for two years, there were 1017 on the waiting list. Three months ago there were 819 applicants. That is when the Minister described my claim of 700 applicants as being "arrant nonsense". I can only hope that that description by the Minister was an honest mistake.

I am a benevolent type; therefore, I am prepared to take the view that the Minister did not have all the information at his disposal. If the Minister is prepared to back up his staff as being competent, he is one of the few I would commend for meeting the requirements of the Westminster system. If the Minister relies upon his staff and backs them up, in the way that he did when I attacked some of his staff yesterday during a debate, and if those staff feed him information that will get him into trouble, I suggest that the Minister should sort out some of his staff.

Yesterday during debate in the House, I attacked the Ministry of Housing for gross incompetence, mismanagment and inefficiency. I gave examples of that. I did not attack every officer in the Ministry of Housing because undoubtedly the majority of officers in the Ministry are good. However, when one has a festering sore on one's body, one has to attack it.

I can inform the Minister now where the problem was in his Ministry; it was the party hacks who were loaded into the Ministry for Housing prior to him becoming the Minister. In the main, they were loaded into that Ministry within the first twelve months of the Labor Government and the party hacks and cohorts are all still there. They were not appointed by the current Minister for Housing.

There are some excellent staff in the Ministry, with whom I will be pleased to work—and I look forward to that occurring soon. However, there is no way that I would suffer incompetent fools lightly. I would ensure that they got their act into gear properly and gave the Minister proper information; and, when the matter was raised, I would ensure that they addressed within a reasonable time, the issue of having granny flats moved.

I would move to put other officers in their position. Why have people in positions of seniority continued to embarrass the Minister because they do not perform adequately? Indeed, the matter needs to be addressed, and it needs to be fixed.

I am tempted to quote from the Minister's statement that appeared in the press yesterday, but I will not do so, except to say that the statement is "arrant nonsense"—and that is a fact. I can only suggest to the Minister that, before he makes such statements in future, he had better read them first. The statement that appeared in the press yesterday is full of inaccuracies, and it is obvious that it was prepared by someone other than the Minister. I suggest, before the honourable gentleman allows his statements to get into print in future, he first check the facts.

The Opposition will support the Bill. It acknowledges that the agreement is important for the future of housing in this State.

The ten-year agreement that has been entered into was drawn up on the basis of certainty and, as the Liberal Party will be leading this State in the future, it wants to ensure that the agreement will enable it to satisfactorily do the right thing for the thousands of families in this State who urgently require housing accommodation.

My main regret is that, by the time the Liberal Party comes to government, the waiting list for housing accommodation in this State will have doubled. If that is the result of a Government that says it is getting on top of the problem—when, in fact, the problem has doubled in the time that Government is in power—I am yet to comprehend how the problem is being fixed.

Mr J. F. McGRATH (Warrnambool)—I make my contribution to the debate following a detailed and articulate dissertation by the honourable member for Gippsland West.

The purpose of the Housing (Commonwealth–State–Northern Territory Agreement) Bill is, as it states:

> ... to ratify the execution for and on behalf of the State of Victoria of an agreement between the Commonwealth, the States and the Northern Territory of Australia relating to housing.

It covers a wide spectrum of Victoria's housing operations and, in particular, relates to the function of housing over the next ten years.

In his second-reading speech, the Minister for Housing stated:

> The twin objectives are to alleviate housing-related poverty and to ensure that housing assistance is, as far as possible, delivered equitably to residents of different forms of housing. The spirit of the agreement is that every Australian has a basic right to adequate and affordable housing.

The National Party seeks to ensure that those objectives are carried out to the letter. The provision of adequate funding would enable that to occur rather than allowing the waiting list to lengthen—which is occurring at the present—which leads to those in the lower-income and benefit income areas being disadvantaged to a large extent because they are unable to obtain adequate housing at a reasonable price. The Minister also stated:

> Commonwealth funding provided to Victoria under this agreement in 1984–85 amounted to $148 million, and the Commonwealth has already announced its 1985–86 agreement allocation of $156 million.

It is interesting to note that last year there was an increase over the previous year's allocation of approximately 15 per cent and the increase this year is down to approximately 5·5 per cent. That is a disappointing and sad state of affairs at a time of growing waiting lists for public housing.

The Minister has made strong comments about the reduction in funding and I congratulate him for making those comments, but we need more than words. What we need to adequately house the people of this State who require public housing is more funds from the Commonwealth to be matched with State funds.

The spirit of the Commonwealth–State Housing Agreement is that every Australian has a basic right to adequate and affordable housing. Good housing is an essential requirement for all people and the National Party is committed to encouraging home ownership for all Australians. It is my experience that those of us who are married and settled down or who follow a career and never marry consider the acquiring of a home of our own as an important part of life.

We need to think long and hard about what we should do to assist people to buy their own home. The honourable member for Gippsland West referred to the ongoing support of housing co-operatives. The National Party supports that view and looks forward to encouraging banking institutions and co-operative societies to provide home finance.

The National Party believes the private sector, particularly the co-operative housing sector, can deliver the best services and therefore provide homes in the most cost-effective way. The size of the budget is not necessarily important; it is how to spend that budget wisely and to make every dollar go as far as possible. The National Party's housing policy states:

> It is important that a balance be maintained between public housing for rent and for purchase.

As I understand it, in the past when people took advantage of the opportunity of purchasing the public house which they were renting, another property was put on to the rental market to replace the property which had been sold. This ensured that people who required rental accommodation were not disadvantaged. We must keep that important point in mind.

We need to encourage home ownership and the purchasing of homes but we must continue to provide housing for that group of people who, in some cases through no fault of their own, will never be able to buy their own home because of their economic circumstances. The National Party's housing policy goes on to state:

> The National Party believes that it is essential to house as many people as possible. To this end, it is acknowledged that more people can be housed in country regions per dollar spent than in the metropolitan region.

The basic reason is that land can be bought in the country for a cheaper price. Whether the Government builds houses in Housing Commission estates, which have carried a stigma over the years, or purchases blocks of land to enable the building of public housing

for rental, it is more economical and more achievable in country areas than in the metropolitan area because of the difference in the cost of land.

Now that the number of people drifting from the country to the city seeking employment is levelling off, it is perhaps appropriate to review the balance of funding for public housing between the metropolitan and country areas.

I am now given to understand that approximately 70 per cent of the funds are concentrated in the metropolitan area and the National Party asks the Minister to keep that under consistent review, bearing in mind that there is a slight shift now of people saying, "We might as well stay in the country if we are to be employed, instead of coming to the city and having all sorts of problems in terms of housing, change of lifestyle and so on." These people are now drifting back to the country and we need to address ourselves to that issue so that some provision is made for adequate housing for those people who choose to live in beautiful rural Victoria.

We talk about accommodation for pensioners and the elderly, and the current trends are certainly portraying an ageing population. This trend and the numbers involved should be recognized and projections should be made to ensure adequate accommodation for elderly people in the future. Quite often, when travelling around the urban centres of the electorate of Warrnambool, I find that the people are expressing grave concern about the ageing population and about what happens to the elderly when they move out, once they are unable to continue to maintain the domestic home.

Another problem faced by the Government—and I think that adequate accommodation for the aged can redress part of the housing shortage problem—is that many cases exist where a couple who are in their retiring years, or a widow or widower are living in a three-bedroom home whilst there is a waiting list. In Warrnambool, for example, some 360 or 370 people, are looking for family homes. The first group of people are in the three-bedroom homes because they do not have the alternative of the one or two bedroom unit to move into. More consideration should be given to the development of accommodation for the aged because this would have the added advantage of allowing more families to move into these larger homes.

It is evident in the electorate of Warrnambool that we are entering an era where more people are retiring per head of population and adequate housing for these people, generally located close to centres of service, is necessary. In terms of projection, that is what is needed.

Today we are all aware of youth and the problems of youth and certainly one of the problems in country Victoria—and I guess it is no different in the metropolitan area—is adequate accommodation for youth, whether on a share basis or on a crisis basis.

There is a decided problem for youth and the National Party believes that this is something else that the Ministry of Housing should put on its list of priorities.

Next time the Minister returns to Canberra to argue the case for the reallocation of funds, the National Party hopes that Victoria will fare better; with an increase in the State's allocation as opposed to the decrease suffered this time. Victoria was allocated approximately a 5·5 per cent increase this time as opposed to a 15 per cent increase last year.

This issue needs to be addressed and the Minister should be encouraged to be persistent and insistent in pursuing that course.

A Government allocation of $20 million for low income earners was proposed some time ago, and it is hoped the present Minister for Housing does not distribute that allocation in the fashion of a lottery as happened previously when approximately 12 000 applicants applied for 450 to 500 loans and those loans were literally distributed by lot. It makes a mockery of the priority system if people who have been on the waiting list for eighteen months or two years—up to 30 months in some country areas—have to take pot

luck or even have their names drawn out of a hat. It sounds like another Nunawading by-election and it is a disgrace.

There has been much discussion about interest rates and concession rates. An interest rate system was devised whereby borrowers paid interest rates at 9 per cent or 11 per cent on home loans that attracted a rate of 12 per cent. These borrowers were introduced into the loan at a lower rate and, over a five year period, the interest rate was increased to its full amount.

People in the community need to be encouraged to buy their own homes because, in many cases, home ownership is the only nest egg that many people will have. In the electorate I represent, I meet many people on limited or low incomes who have trouble meeting day-to-day or week by week expenses. The light at the end of the tunnel for many of those people is the building that they will own at the end of their working lives, whether they distribute it amongst their children or just enjoy it themselves in their retirement.

Another matter that relates to home ownership is the exemption of stamp duty. The ceiling on the exemption has been raised to $65 000. It would be difficult in Melbourne and also in country areas to buy a home today for less than $65 000. Very few people would qualify for that stamp duty exemption. I urge the Minister to consider reviewing the upper level of that exemption as an incentive to home buyers. The figure could be raised to perhaps $80 000 or $85 000 and that would be an incentive to new home purchasers. The price of housing continues to increase because of inflation and the figure of $65 000 is out of step with today's prices.

Interestingly enough, I was recently in the offices of the Ministry of Housing in Warrnambool. The Ministry has a magnificent facility in Warrnambool and the staff do a wonderful job in extremely difficult circumstances. I have the greatest admiration for these people who so willingly put their noses to the grindstone and get the job done. While I was there, the subject of computerization came up. The staff were recounting the problems, which I also encounter in my own electorate office, of waiting lists for housing. I believe the only way to address the waiting list problem is with State funding and with sensible and planned spending of that funding.

The Bill is about the amount of funding that Victoria did not receive from the Commonwealth and the amount of money the State must allocate to fund housing needs in Victoria.

The length of waiting lists must be considered. It is quite frustrating to try to service the needs of some of the people who come into my electorate office and who are, in my opinion and in the opinion of the local Ministry of Housing office, priority cases for housing accommodation. Recently, an unmarried mother with a fifteen-month-old child visited my electorate office. She was living in a situation where fairly heavy drug usage was involved, but it was impossible to house her at that time. She was on the waiting list but was not at the top of the priority list. That is the type of difficulty being faced in Victoria, especially in the electorate I represent.

In the short term in which I have been a member of this House, more than 50 per cent of the people who visit my electorate office have had housing problems. As the honourable member for Syndal indicates by interjection, the same applies in the electorate he represents.

The problems are caused by the long waiting lists for accommodation and do not necessarily relate to the conditions or the size of the housing provided. Most problems are due to the time people must wait to obtain adequate housing.

An organization in Victoria has put forward some comments about the housing situation. The organization stated:

> The Ministry needs to acknowledge its responsibility to homeless people and those in inadequate housing.
>
> . . . .

Many are struggling to maintain themselves in the private rental sector; doubling up with friends and relatives; living in substandard accommodation because it's all they can afford; remaining in intolerable or violent domestic situations with parents or partners, because the alternatives are unknown or inaccessible; or moving from refuge to refuge, if they are able to find a vacancy.

All these people need long-term appropriate housing options.

They may also need assistance with information—to find a flat, to know their rights as a tenant, to know how to get onto the Ministry's waiting list.

I shall now refer to the Minster's second-reading speech, which indicates that the Bill has two objectives. The last line of the third paragraph of the speech states:

. . . every Australian has a basic right to adequate and affordable housing.

A strong message should be forwarded to the Commonwealth Government in relation to its reduction in housing funds for Victoria. It is deplorable that people are forced to go on waiting lists and that, in some cases, delays of 30 months occur before they obtain accommodation. That is not acceptable and the Government of the day—both in the State and Federal spheres—has a responsibility to the people it represents.

I urge the Minister for Housing to take up this case with the Federal Government to ensure that, next year, the State receives an adequate increase in Commonwealth funding and that Victoria is adequately compensated for the moneys it did not receive this year. Last year, Victoria received an increase of 15 per cent in its housing allocation from the Federal Government, and this year it has received an increase of 5·5 per cent. Next year, the increase will have to be substantial to put the housing situation in Victoria, especially in the electorate of Warrnambool, back into order.

The Federation of Housing Societies of Victoria has some concerns about the present housing situation. I pay particular attention to those concerns because the federation deals with an area of the market that needs to be developed and opened up to those people who can economically put themselves in that situation.

This is bearing in mind that I believe in many cases the opportunity of purchasing and inevitably paying off their own homes is something most Victorians would see as their main goal in life. That opportunity should be available to everyone. The Federation of Housing Societies of Victoria could play a significant part in this. It proposes that co-operative housing societies could create a stable and affordable pool of private sector housing finance and, if given full support by the State Government, could more than double the amount of housing assistance funds available. That is, another 5000 families could be assisted in a four-year period.

That goes back to the point made by the honourable member for Gippsland West, that private development has proven over a period to be more equitable and reasonable in cost than the corporate structures in which we become involved.

The federation also points out that with the increasing cost of housing finance and the growth in values, which creates problems with bridging the gap or obtaining adequate deposits, the demand for increased assistance for low and middle income families is growing rapidly and approximately $550 million is currently required to satisfy that demand. The federation also states:

As well as supporting the State Government's election commitment to assist an extra 2000 families by making institutional finance more accessible, the federation recognizes that State Government support should be given to influencing the investment criteria of large investment bodies who may not traditionally be lending for housing and provide "roll-over" facilities for short-term lending for housing.

In other words, the Government should provide more opportunities for people to get into the housing market. I still believe that in this day and age many people are crying out for the opportunity of putting their noses to the grindstone and putting nooses around their necks to work to pay off their houses. We have a responsibility to provide that alternative and that is what we should be able to do.

The federation puts forward a couple of other suggestions, such as creating a special housing bond issue to increase the pool of available finance. That is valuable in terms of understanding the amount of money that is likely to be available to potential house owners or buyers.

In the Warrnambool electorate we are examining a development near a large industrial complex at the Kraft Foods Ltd factory in Allansford. Housing availability in the small town of Allansford is scarce. I have made extensive inquiries into the land and services available, and the costings.

In the near future I shall be taking up the matter with the Ministry of Housing with a view to ascertaining whether we can start some sort of development—such as a spot purchase program—to service the Kraft Foods factory, which employs 500 people. It has plans on its drawing board for substantial growth in the next five years and we are examining the possibility of retaining those business and employment opportunities in the Warrnambool electorate. We are anxious to be able to press on with the development, firstly, because it will assist the small township of Allansford and the Kraft factory and, secondly, it will take off the pressure from existing waiting lists in the City of Warrnambool and the surrounding towns of Port Fairy, Mortlake, Koroit and Terang.

I shall take up the matter with the Minister on behalf of the employees of the Kraft company and the residents of Allansford. I urge the Minister to pursue with the Federal Government the matter of the funding that is necessary to provide adequate housing for people in Victoria. Will the Minister consider the fair distribution of funds by the Ministry of Housing to both metropolitan and country areas? He should bear in mind the trend, to which I referred earlier, of people moving back into country areas where there are obviously more job opportunities.

I am gravely concerned about the proposed closure of the Phillip Hostel. Although the Warrnambool electorate is fortunate to have the Warrnambool Institute of Advanced Education, which provides a high level of post-secondary education, restrictions are faced by the institute because it has a limited number of subjects and courses which can be undertaken by the students.

Therefore, many country students must come to Melbourne to continue their tertiary education and to pursue their chosen lifestyle. Both country students and their parents are worried about the availability of accommodation for those students when they arrive in Melbourne.

Over the past couple of years there has been a reduction in the availability of accommodation for country students. Once again this demonstrates the Government's total disregard for country students. The students and parents in my constituency are at present extremely vocal in expressing their concern about what accommodation will be available if the Phillip Hostel is closed. I urge the Minister for Housing to do all he can to prevent its closure.

A couple of points need to be considered: first, a substantial change in lifestyle is experienced by country students who move to Melbourne to continue their education. They need to adjust to the change in pace, their environment and, as the honourable member for Syndal has interjected, their change in security. One could expand on the various changes confronted by these students. Second, due to their relocation, students face economic disadvantages when they arrive in Melbourne. For some it is the first time away from their parents. Mothers, being what they are, are gravely concerned about their children getting the necessary nutrients when they have to fend for themselves.

The Government has a responsibility to ensure that the Department of Immigration and Ethnic Affairs does not proceed with the proposal to close the Phillip Hostel in 1986. The Government should act quickly on the matter to allay any fears held by parents who are making plans to accommodate their children in Melbourne in the next school year. If

the Government can dispel those fears, the students can continue their study for their final exams without the worry about accommodation hanging over their heads.

On behalf of the National Party I have much pleasure in supporting the Bill. I ask the Minister to consider the points I have raised.

Mrs HIRSH (Wantirna)—The Bill ratifies the adoption of a housing agreement between the Commonwealth and the States. The agreement has social ramifications in Australia.

Mr Kennett interjected.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The Leader of the Opposition will have every opportunity at a later time.

Mrs HIRSH—The agreement sets out principles which will have a direct effect on public housing in Victoria. Its objectives are to relieve housing-related poverty and to ensure that people in different forms of housing receive appropriate Government assistance.

The priorities for granting housing assistance are related to need. The social stigma that used to be associated with public housing must be avoided. The Cain Government has taken many important steps to ensure that that stigma no longer exists in Victoria. The Government has moved from the Housing Commission estates of former Liberal Governments into developments comprising public sector housing that cannot be differentiated from private sector housing. A maximum of 50 units is built in small groups within specific areas and, whenever possible, public housing is spread amongst private housing in the community so that public housing tenants are not discriminated against and can live in harmony amongst other members of the community.

This is an extremely important change because, in the past, the widespread belief was that people who lived in Housing Commission houses were somehow inferior to the rest of the community. In the speech made by the honourable member for Gippsland West, I noted that that feeling is still present amongst members of the Liberal Party. The Liberal Party is still locked into its old welfare housing policies and attitudes of the 1970s.

I shall explain some matters to members of the Opposition to correct their understanding of the situation and to assist them in recognizing the deficiencies of Liberal party policy. The honourable member for Gippsland West said that the Liberal Party would provide subsidies to people who purchased houses. He espoused the view that home ownership was possible for everyone and that that was a tremendous ambition. The honourable member believes it would be wonderful if all families owned their own homes, and it would be wonderful.

However, the honourable member should realize that between 20 per cent and 30 per cent of people in Victoria cannot, and never will, own their own homes. No Government can ignore the existence of those people.

Mr PERRIN—Mr Deputy Speaker, the honourable member's contribution is interesting, so I direct your attention to the state of the House.

A quorum was formed.

Mrs HIRSH—I was outlining the differences between past Liberal Government policies and the policies of this Government on public housing. Previous policies were put in place in order to put people who could not afford housing into second-rate accommodation and high-rise estates. The idea of the Liberal Party was to sell off public housing. Before the March State election the Liberal Party even put forward the idea of selling off high-rise estates for office space, or whatever. What did it intend to do with the thousands of tenants who are currently housed in those developments? Would it put them on the street?

The honourable member for Gippsland West commented on the incredible waste of the taxpayers' money spent on public housing. He said that the State should not be bothered about providing housing and should be selling public housing to tenants as they move into

the dwellings to prevent them from staying in rental accommodation. That is what was happening prior to the Labor Government taking office in 1982. During the last years of the Liberal Government the public sector housing stock decreased markedly. Housing was being sold off without replacement and often without maintenance having been carried out.

This Government is prepared to sell housing to tenants provided it is sold at replacement cost and is in the proper area. It is all right to sell off some public housing so long as it is replaced, but to engage in asset stripping of that nature, as happened under the Liberal Government, is totally unacceptable. That is one of the reasons why the Labor Government faced an incredible crisis. A major run down in public rental housing had taken place in the 1970s and early 1980s.

At present the Cain Labor Government is increasing public housing units so that 12 000 units will be provided during its four-year term, in addition to those that already exist. The Government is also expanding the range of accommodation and having regard to quality of accommodation. It is not building rows of second-rate houses or engaging in spot purchase programs without ensuring that the accommodation is of an equivalent standard to that in the private sector.

Location is an important factor. The honourable member for Gippsland West suggested that public housing should be a couple of kilometres out. I think he means in the bush in areas that have no access to transport or resources, such as the broad acres that existed in the 1970s.

The houses provided must also suit the families concerned. The Government is not providing bed-sitters such as those that elderly people were once given. They are now given attractive one-bedroom or two-bedroom dwellings. For families houses of up to four bedrooms are provided.

Another aspect of public housing policy is the issue of cost rents. The cost rent is the cost of the provision of housing. It is 90 per cent of the market rent and is not related to the market rent of private sector housing. It is related purely to the cost of housing. It is a much fairer form of rent. It has been suggested that people on rebated rent should live in second-rate housing. It was also said by the honourable member for Gippsland West that a woman living in a three-bedroom house was paying $27 a week.

Rental rebates are paid by the Government to people who cannot afford private housing. I am disappointed that the Opposition has not discussed the implication of rental rebates. These rebates are income-related and are really part of an income support scheme that should be provided by the Commonwealth Government. The Commonwealth Government has accepted that principle but, as yet, has not funded it. Rental rebates are a costly item in the State Budget, but are nevertheless very important.

The Government provides an important resource for people to assist them in home ownership. Many families cannot at any period of their lives afford homes, particularly during periods of sharply fluctuating income earing capacity when they would have a zero or negative saving capacity. In those cases, even subsidized home purchase is not possible. Public rental housing has to be provided for these people. Home ownership is a viable option for many people, but it is important that State funds are directed to areas of need and are not used to subsidize people who can afford home ownership.

The Government had commenced an important pilot scheme in the home finance sector by making capital indexed loans, income geared loans, available to enable people to finance their own homes. Under the conditions of those loans, applicants pay no more than 25 per cent of their incomes during the repayment of the loans. That is a more equitable way of providing assistance for housing and enables more people at a lower income level to finance their own homes, people who would have found it almost impossible under the old credit foncier system of home finance.

Housing interest rates are kept under control by the State and Federal Governments and it seems that other options will need to be investigated in a deregulated financial system. Capital indexed loans appear to be an equitable way of providing housing finance to home buyers because they are income geared and enable people to predict the payments they make so that they can deal with crisis periods in their lives—for instance, where a person becomes unemployed or sickness interferes with his or her income earning capacity. Under this system, loan repayments are always 25 per cent of a person's income.

The honourable member for Gippsland West commented about the differential cost of private and public housing. The cost differences are related to the standard and location of houses. A private sector house may cost less than public housing because the public housing may be closer to resources such as schools, shops and transport. It may even be in better condition. A house purchased in the private sector may not be close to transport, schools or shops.

The maintenance of public sector housing is important. The Liberal Government, at the end of its period of office, provided $2 million a year for public housing maintenance. The Labor Government is providing $22 million for maintenance. It is important not only that good quality public housing is provided but also that those houses are maintained at reasonable standards rather than being allowed to run down. People have been living in sub-standard public housing for years because no maintenance money was available.

The Government has the unenviable task of catching up on all those lost years of home maintenance. The honourable member for Syndal, who is interjecting, should have listened to the remarks that I have already made about interest rates, which are pertinent and important. In addition, the Government is examining other forms of housing. It is examining a new non-profit housing sector—that is common equity rental co-operatives and other rental co-operatives—which will enable people to be housed other than in the private rental sector. Although it is important to maintain the private rental sector, these new initiatives are crucial because the private rental sector is expensive and cannot be afforded by many people. The community housing sector and local government initiatives are extremely significant.

The Commonwealth–State agreement also provides specific housing assistance to specific groups, including pensioner housing, Aboriginal housing, crisis accommodation, emergency accommodation for people in trouble, mortgage and rent relief for people who again are in crisis and, rather than lose their homes, are able to apply for assistance, local government and community housing. Also, a maintenance service is provided for people in the private sector, mainly the elderly, whose homes are deteriorating in standard and who cannot afford house repairs. Some of these houses may need reblocking, reroofing, and so on, and the Victorian Ministry of Housing will provide maintenance assistance to enable people, especially the elderly, to stay in their homes longer.

The honourable member for Gippsland West suggested it was cheaper to put people into home ownership than to provide public housing. It needs to be remembered that public sector housing can be reused by other tenants because these houses remain the property of the Government. When subsidies are provided for people who move into home ownership, that money is lost to the public sector. A comparative costs argument of that description is not simple.

The Victorian Government has a balanced housing policy. It includes encouragement and assistance for people who move into home ownership and at the same time it continues to build and to expand the public housing sector.

Mr WEIDEMAN (Frankston South)—The Bill gives honourable members the opportunity of debating many issues concerning housing. The agreement between the Commonwealth and State Governments provided for in the Bill concerns Commonwealth funding for housing over the next ten years. My colleagues have emphasized the need for the Federal Government to provide more funds for housing purposes so that it is not

solely a burden on the State Government. The Minister for Housing has a difficult job in dealing with housing needs.

Honourable members are also aware that, as the honourable member for Gippsland West has indicated, the waiting lists for public housing have increased dramatically in the past three years and most honourable members are aware, as the honourable member for Warrnambool has said, that probably 50 per cent of the people who come into electorate offices have housing problems.

I was delighted that the honourable member for Wantirna contributed to the debate. It is pleasing that a Government member is prepared to support her Minister. Since I have returned to this place, I have been amazed at the lack of debating skills of Government members and their apparent inability to support their Ministers. My local press claims there is a superwoman in the House who is the best debater in this place. I am yet to hear her perform; I wait anxiously for that to happen.

My remarks relate to the rental housing co-operative program. I shall be quoting from some documentation and I am happy to table any documentation to which I refer, if honourable members care to study it. Section 4 of a document published by Shelter Victoria, in April 1985, refers to community management. The concept of co-operative rental housing was adopted by the previous Liberal Government in 1977, when the Fitzroy and Collingwood Rental Housing Co-operative was set up. It was an excellent program and I am happy that the honourable member for Richmond supports it. That program was well researched; it was supported by the Ministry and its officers and by the people involved in it. They did an excellent job. I am 100 per cent behind that approach to management and I support the idea of people getting out and creating new home environments for themselves.

The ACTING SPEAKER (Mr Kirkwood)—Order! Would the honourable member for Frankston South cease directing his remarks across the table to the honourable member for Richmond and address the Chair.

Mr WEIDEMAN—I bow to your direction, Mr Acting Speaker, but the honourable member for Richmond's smile was so encouraging it was difficult to resist.

A research program was entered into and there appeared to be quick growth in the co-operative movement. In the short time since 1977, eighteen co-operatives have been established in the State. This number has been reduced recently by some closures but at present co-operatives are responsible for some 280 houses valued at between $10 million and $15 million, which is a substantial amount of money. Shelter, which would not be seen as a group that supports the Government—it would tend to get more out of the system if it did—in its report on rental housing co-operatives states that there has been no mutual understanding between co-operatives and the Ministry about their respective roles, rights and responsibilities. The Ministry is preoccupied with controlling the policies of individual co-operatives and the autonomy of the co-operatives is limited by it. The report contains several comments:

> As co-operatives began asserting their perceived rights based on that original philosophical framework, major areas of contention have arisen between them and the Ministry. These have culminated in disagreements over the Ministry's proposed head lease.

It recommends that no more housing co-operatives be funded by the Ministry under the present program until the existing co-operatives have had time to consolidate. Its second recommendation is that negotiations of the proposed head lease should be used as an opportunity for the Ministry and the co-operatives to outline their ideologies about co-operative housing. Thirdly, and more importantly, a recommendation of which the Ministry should take heed is:

> A research brief should be developed to investigate the closure of the Mornington co-operative and other general problems of the leasing co-operative program. Research funds could come from the Ministry of Housing and the co-operative development program. . . .

The brief should be developed in consultation with CHAS, Joint Co-operatives and Shelter.

The experience of that group highlights the problems of rental housing co-operatives. Indeed, the Shelter Victoria group referred to the Mornington Rental Housing Co-operative, which closed due to bad management; subletting; tenants not paying the correct rent and people moonlighting from one house to another. The co-operative became an embarrassment to the Ministry, so it closed it down.

The Springvale Housing Co-operative, which housed 13 families and 44 adults, also had to close down because of similar problems. A number of housing co-operatives have had to close down due to the problems I have referred to.

With regard to the Frankston Rental Housing Co-operative, one of the members of that co-operative informed me that he had encountered various problems about which he wrote to the former Minister of Housing. In that letter the co-operative member outlined the problems of the co-operative working within the guidelines set out in a document entitled "Background of rental housing co-operative program. Information sheet No. 1".

At the time I thought that this person may have been disillusioned because he had been unable to get on to the waiting list of the then Housing Commission and, therefore, I was not prepared to use the information he provided. In a letter dated 25 November 1983, the then Minister of Housing wrote to this person stating:

In reference to your letter of 15th September, 1983, I have now investigated your housing situation in relation to the Frankston Rental Housing Co-operative (R.H.C.). I apologise for the delay in this reply.

As you are aware, R.H.C.s are responsible for selecting their own tenant members so long as they are eligible for Ministry of Housing assistance and the selection system used is primarily needs-based and non-discriminatory. It would appear that the Frankston Co-operative was acting within its rights to not accept you as a tenant member.

I can appreciate your disappointment at not being housed by the Frankston R.H.C. However, the Rental Housing Co-operative program is only one of the Ministry's accommodation programs and for a further discussion of your housing situation, I would urge you to contact the Frankston District Office on 781 4955.

This person wrote another letter, stating that the group had acted outside the guidelines.

In reply, the former Minister stated:

Thank you for forwarding to me a copy of your letter of 24th January, 1984. I apologize for the fact that the original was lost.

The complaints you have made against the Frankston Rental Housing Co-operative . . .

And I emphasize this point—

. . . will be thoroughly investigated by officers of the Ministry.

I have known the Minister for quite some time and I imagine that he meant what he said in the letter that he signed during the election campaign. I thought that was the undertaking he had given my constituent and that it would be carried out. The honourable gentleman also stated:

It will be some time, however, before I can respond in detail to the allegations you have made, since these will have to be raised formally with the co-operative. As soon as I have the information to hand, I shall contact you immediately.

I should point out, however, that the Frankston R.H.C. is governed by rules on eligibility and allocation which are the same as those applying to general public housing stock.

You may be interested to know that the Ministry is currently examining the development of a new form of co-operative housing, common equity rental co-operative housing, which would allow people such as yourself, with assets in excess of standard eligibility guidelines, to become members. If you are interested in learning more about this type of co-operative you should write to the Rental Housing Co-operative unit here at Myer House and they will forward information to you as it comes available.

The Minister stated that he would have the matter thoroughly investigated.

Mr Remington—He is a good Minister.

Mr WEIDEMAN—Yes, and my impression when I first came to this place and brought matters to his attention was that he was a great debater in the House, that he had great potential and was a man of the future. That is what I thought.

However, the matter was again directed to my attention some months later. It was not only in regard to the reply to Mr Poole's request for support but also other members of the co-operative came to me and produced further letters that they had received. The letter from which I shall now quote was sent to the co-operative by a staff member in the Ministry of Housing. I should like the Minister to listen carefully, in view of the fact that he had said that the matter would be thoroughly investigated. The letter, which was sent to the co-operative worker in charge, stated:

Dear Jinny,

Re: Attached correspondence for attention of Co-op members

I wonder if you will mind bringing this correspondence to the attention of co-operative members at your next general meeting.

The Minister has asked me to seek the co-operative's reply to each of the accusations and claims made by Mr Poole.

Needless to say a quick reply would be much appreciated.

That was the total investigation carried out by the Ministry. The Minister had said there would be a full investigation. My interpretation of "full investigation" is a bit more than just a letter seeking people's views. If one wrote to Norm Gallagher and said, "Look, Norm, I think there are a few problems; write back and tell me about them and give me the answer", that would be laughable. I am not laughing but crying in my attempts to obtain justice for the people involved.

The former Minister wrote back on 13 September—perhaps that is the Freudian date, and it was probably a Friday, too—stating:

I refer again to your letter of 24 January 1984 in which you laid complaints against the Frankston Rental Housing Co-operative. You will recall that in my reply to you on 31 May 1984 I stated that I would write to you again when further investigations had been carried out into your complaints. These investigations have been completed and the results are as set out below.

Firstly, you remarked that I had "authorized the Frankston R.H.C. to buy 18 houses this year". This is not quite correct on two counts. Although the purchasing target for Frankston in the 1983–84 financial year was 18 properties only 11 houses were actually bought. Furthermore, the co-operatives do not have authority to buy houses; they are bought by the Spot Purchase Branch of the Ministry of Housing for the Ministry which then leases them to the co-operatives to be managed by them. The price limit for houses in each area is set by the Ministry and every property must be bought at a price which is equal to or less than the Valuer-General's valuation.

Members of the co-operatives, provided they are eligible to be housed in accordance with the Ministry of Housing's income eligibility requirements, may be housed in these properties after they have been handed over to the co-operative. Apart from meeting the income eligibility requirements, the co-operative is required to observe a simplified version of the Ministry's allocation policy; this amounts to ensuring that there is at least one person per bedroom in the household allocated to any property.

Rent is charged on the basis of 20% of the household income up to the minimum wage after which it is charged at the rate of 25% of that income until it reaches the market rent on that property. All regular income earned is taken into account when the rent is calculated.

The letter dated 13 September 1984 further states:

I believe that the requirements outlined above are being met by the Frankston Rental Housing Co-operative.

I am aware that co-operative members also benefit, in some cases, from a standard of housing which we cannot yet make available to all our clients. Nevertheless, co-operative members are required to participate and to work hard on the management of their housing. Other Ministry clients have no such obligations. In other words, there are some "gains" and "losses" for co-operative members.

After a group from the co-operative came to see me in May of this year, I took the opportunity of talking to the present Minister for Housing, Mr Wilkes, and I received a different response from the Minister. He was most concerned about the situation.

I have been involved in management and business for most of my life and it was obvious to me that management problems could be the cause of the closure of the Springvale, Frankston and fifteen other co-operatives. The Minister made available to me some of his staff so that I could put before them the problems experienced by the co-operatives. It appears that the members of the Frankston Rental Housing Co-operative held a meeting, and 20 out of 25 members present decided to close the co-operative and to sell off all the tools and equipment they had accumulated. They also decided to destroy the personnel files and information they had collected. The Minister informed me, through his officers, that the co-operative was not permitted to sell off this equipment as it belonged to the Ministry. I was delighted to receive this response from the Minister on behalf of my constituents.

A meeting was held in Frankston and some of the questions raised included:

What has the co-operative decided with regard to winding up or continuing?

It was explained at the meeting that the co-operative was re-considering the position. Its members were questioned about selling off the equipment and were told they could not do that. They were also told that some of the auditing and reserve fund activities were not in accordance with normal financial statements. Some of the members had not seen a financial statement for some months.

The financial statement I saw indicated that, out of 26 people, 16 people had rent arrears of the order of almost $4000—this was of some concern—and that some people had been given houses above their requirements. That is, some single mothers with one child had been given three-bedroom houses, and some even had four or five-bedroom houses. I understand that when they were given the houses they were told that these people were not allowed to live in the house. They were unaware of the rent that should have been paid on the property or that their tenancies were to be in line with Ministry of Housing directions.

Most people in public housing do not worry about rising costs. Rent is charged on the basis of 20 per cent of the household income up to the minimum wage of $196, after which it is charged at the rate of 25 per cent of that income until it reaches the market rent on the property. In the case of the co-operatives, they also had to pay 10 per cent of other household incomes, where a fourth or fifth person is living in the House.

In examining a monthly return from the Frankston Rental Housing Co-operative, it was noted that it had something like $1700 coming in in different rentals from its members. If one averages that out between the 26 properties, one finds that they are paying about $14.50 each, and that is a cheap rent.

I inquired into this statement and found that some of the tenants who were receiving maintenance payments through the courts, as a result of divorce proceedings, for example, have had their pensions reduced. For example, if the pension was $40 or $80 a week, they would be paying 20 per cent—say, $8 or $16 a week for these houses. That is not the way that one would interpret the guidelines set down by the Ministry.

They asked other questions and they were told that their problems would be looked at and the Minister, through David McCutchan of the Housing Services Division, wrote to them and pointed these things out, saying that some matters were incorrect and that they should correct some of these situations.

Two months later it came to my attention, through members of the co-operative, that no action had been taken, so again I went back to the Minister, had a discussion with him and he kindly provided more officers to go down to the Frankston co-operative. This has caused an enormous number of problems within the group. The upshot has been that the Minister allowed co-operative members who wished to remain in the co-operative to do so—and I understand that that is approximately fourteen members—and those members who wished to leave the co-operative came under the normal jurisdiction of the Ministry.

The people who left, numbering twelve, were of high principles and did not want to be involved in some of the different practices going on within the co-operative, and did not want to break the rules and guidelines that were set down.

I thank the Minister for the co-operation I have received over this matter. Both of us have put an enormous amount of time into this project. We see this area as a great problem. I ask the Minister and his officers to establish a task force to review the whole program, as Shelter Victoria has pointed out.

It is a superb program if it is taken on the principles that are set out, but we all know what human nature is like. We all want a share of the barley sugar. If one offers something to one person, one must offer it to the other because all people want the same and no person is prepared to let the other person get a little more than he is getting. The result is that the $12 000 is being split up in order to buy carpets, extra heaters, extra gates and all sorts of different things that are not normally given to those in the public housing area.

Another nasty problem with which I was confronted concerns a lass who came to me, prepared to relate her story to myself and to the Minister, who has had difficulties surrounding some of the nonsense put forward and the changing and breaking of the co-operative rules. She received a letter that said, "Be warned, talk co-op you're in trouble. Revenge!" She also received some very obscene phone calls.

This is the type of action that some of these people are prepared to take and maybe it was the people on one side who had paid their way and done the correct thing fighting against those who were not even prepared to keep up with their rent payments.

They were so far behind with their rent that I understand, between the first letter and the next communication, the rent arrears increased to more than $6000. This is quite a considerable amount when one realizes that the rents they are paying are between $10 and $40 a week.

The Minister and the staff in his department should come up with a new program and a new approach. It is obvious that the co-operatives see the Minister and his staff as enemies. It is a "them and us" approach. They will not sign their leases and they will not communicate with the Ministry and they have been fighting all the way down the line.

When the new cost rent scheme was introduced on 1 July 1985, applicants were required to sign statutory declarations. I understand that someone attempted to help the applicants fill in their forms and that person announced that he was a commissioner for taking affidavits and he actually signed many blank declarations. One of the problems associated with this area has been a too casual approach.

There has been much division on this issue and it must be closely investigated and cleaned up. The Fitzroy and Collingwood Rental Housing Co-operative was a superb program, which worked extremely well for a group of people in those suburbs. It has been of enormous value to them.

There were originally eighteen co-operatives and there are now fifteen. That means three have gone out the door in the past year. At that rate, there soon will be no program unless the Minister is prepared to act. The previous Minister of Housing said to one of my constituents, "No problems, I have looked into it, it is okay. I have made a thorough investigation." The problem still exists.

This week has been an historical week for Victoria. Today, nurses are on strike. This week, the Premier has been accusing everybody of all sort of things. Next week the teachers will be on strike.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member has 2 minutes and I would ask to him to stay with the Bill.

Mr WEIDEMAN:—It has been a dramatic week in Victoria. The issue I raise may not be of importance to others but it certainly is to me. The Minister wrote to Mr Poole stating

that he has taken action. I believe the Minister has the integrity to act in the way he said he would and to instigate a full investigation. However, despite the effort made by the previous Minister and the present Minister for Housing, we still do not know the magnitude of the problem. The head lease for the Frankston co-operative has been signed.

Mr Wilkes—They have all been signed bar one.

Mr WEIDEMAN—The Minister knows the problems and he will resolve them. The people in the Frankston co-operative are prepared to return to public housing units, but I am sure that they would rather stay within the co-operative movement. I hope at some time in the future they may be able to come together and form a co-operative which is genuine, honest and within the Government's guidelines for co-operatives, which are perfect in their conception. I hope if this matter is debated in Parliament next year that it will have been totally resolved by then.

On the motion of Mr COLEMAN (Syndal), the debate was adjourned.

It was ordered that the debate be adjourned until next day.

ADJOURNMENT

City of Oakleigh—Allegations in *The Bulletin*—False and misleading advertising—Bus services in Doncaster and Templestowe—Media coverage of mountain cattlemen during Nunawading by-election—Big Desert fire control—Muscular Dystrophy Association of Victoria

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House do now adjourn.

Mr COOPER (Mornington)—I direct a matter to the attention of the Minister for Local Government, which concerns the council of the City of Oakleigh. For some two years, the Opposition and many residents of Oakleigh have been drawing to the attention of the Government the shambles in which the City of Oakleigh finds itself.

The Minister for Local Government should be aware of the shambles which occurred in August with the electoral rolls and which was well publicized. The scale of the duplication of names on the rolls was unique to the City of Oakleigh. The matter of the nominated candidate for the East Ward, Mr Stephen Bingle, was drawn to the attention of the Minister, but that matter has apparently been buried and will not be investigated further because it may represent an embarrassment to the Australian Labor Party.

Since that time, there has been a scandal at the old Oakleigh tip, which smells in more ways than one, as does the council's own abattoir. Since the council elections in August, there have been two well-publicized walk-outs by the six Labor Party councillors on the Oakleigh City Council. One occurred on 16 September, which caused the quorum to fail and the other occurred on 15 October and had the same result.

The leader of the Australian Labor Party caucus, Cr Perryman, has stated in newspaper articles that:

They also want an administrator appointed to take control of the troubled council.

Cr Perryman indicated that he would like the former Lord Mayor of Melbourne, Eddie Beacham, appointed as administrator. What a grand scheme! The councillor has also stated that the council "is in a perilous situation."

The Oakleigh City Council is in crisis, and the present situation is impossible. The present mayor, Cr Hargraves, stated in the *Sun* of 16 October that Labor councillors have "abrogated their responsibilities." Cr Kneebone stated that:

We've received nothing but obstruction from the Perryman regime.

He's a little child stamping his feet because he can't get his way in council.

The Oakleigh City Council is in a state of continuing and growing crisis. It must be drawn to the attention of the Minister for Local Government that he has failed to properly carry out his responsibilities and that the smell of the Oakleigh council owes much to his own inaction. It must be pointed out to the Minister that, since last April, the honourable member for Malvern and I have been calling on the Minister to act on the problems confronting the council.

For the past two years, the honourable member for Malvern has been calling for action to be taken. The people of Oakleigh deserve better treatment than they are getting from the Government; they deserve better than what they are getting from the Minister; and they certainly deserve a better service than they are receiving from the council.

The council is in a shambles; it is a blot on the escutcheon of local government, and the Minister's inaction creates an aroma around local government generally but, more especially, around the City of Oakleigh, that leaves a lot to be desired. Instead of badgering his way around councils throughout the State and threatening them as he goes along, the Minister should put his energies into cleaning up the mess associated with the Oakleigh council. It is about time the Minister got off his backside and started to do something about a matter that has been continually drawn to his attention and the attention of his predecessor for more than two years.

Mr SIMPSON (Niddrie)—I direct a matter to the attention of the Minister for Police and Emergency Services, who is the representative in this House of the Attorney-General. The Minister would be aware of the controversy surrounding the publication of an article in yesterday's edition of *The Bulletin* which alleged a conspiracy between the Leader of the Opposition and the former Governor.

Mr KENNETT (Leader of the Opposition)—On a point of order, Mr Acting Speaker, I wish to advise Parliament that this is a matter of *sub judice*. Earlier today, given that the media wished an independent arbitrator to listen to the tapes, I decided that the only fair way of resolving the matter—given the damage that was done to myself and my party—was to issue writs in the Supreme Court of Victoria against *The Bulletin* magazine and the journalist, Richard Farmer.

Further, other writs will be issued tomorrow against Mr Farmer for comments he has made other than the remarks in *The Bulletin*.

Mr FORDHAM (Minister for Industry, Technology and Resources)—Mr Acting Speaker, I am sure you will take advice from the Table Officers, but my understanding is that it is only when the matter is listed before the court that the rule of *sub judice* applies in Parliament. As has been indicated by the Leader of the Opposition, it is not a matter that has been listed before the court; it is simply a writ that he has issued. Therefore, the honourable member for Niddrie is in order, much to the chagrin of the Leader of the Opposition.

Mr SIMPSON (Niddrie)—On the point of order, as has been indicated, although writs may have been issued, the case has not been listed before the court. The matter I bring to the attention of the Minister is that the tapes, which honourable members know were in existence yesterday, should be made available to you, Mr Acting Speaker, for safekeeping, so that nothing can happen. It is important that you do not uphold the point of order, Mr Acting Speaker, because there is absolutely no listing of this case.

Mr KENNETT (Leader of the Opposition)—Further on the point of order, as I announced to the media only a few minutes ago, earlier today the tapes were delivered to my solicitors, Smith and Emmerton, for their safekeeping so that the proceedings against *The Bulletin* and Mr Farmer can be handled in a totally legal way without any other further political intrigue or risk of loss or tampering with the tapes.

The SPEAKER—Order! As the House would be aware, I have been listening through the amplification in my office to the points of order that have been made. I do not uphold the point of order. I advise the honourable member for Niddrie that he needs to exercise some care in the manner in which he raises the issue because of its sensitivity. The *sub judice* rule does not apply, as most honourable members are aware, until the matter has been listed for hearing by the court.

Mr SIMPSON (Niddrie)—I am fully aware of the gravity of the situation when such an article appears concerning the Government, the Leader of the Opposition and the Leader of the National Party. It is because of the gravity of the situation—honourable members knew of the existence of the tapes yesterday and that they run for 1 hour—that I urge the Minister to make sure that every step is taken to ensure that the integrity of the tapes can be preserved so that every means possible is available to all parties to ensure that this matter can be given a full and proper hearing.

Mr KENNETT (Leader of the Opposition)—I direct to the attention of the Deputy Premier the article that appeared in *The Bulletin* yesterday and the tapes to which the honourable member for Niddrie referred. I am also well aware of the fragility of the situation we currently face. I wish to say that, to preserve the tapes so that there can be no cover-up as occurred with the Premier in dealing with the Governor's dismissal and the Nunawading by-election scandal, once I heard Mr Farmer's comments yesterday on 3AW, in which he accused me of being a liar, I came back to the office and asked if the tapes were in existence and I yesterday pointed out frankly to the media the defects of the tapes.

Mr FORDHAM (Minister for Industry, Technology, and Resources)—On a point of order, Mr Speaker, I am interested in this matter and it is a pity that this information did not come out yesterday. I should like to know in which capacity I am being approached, which Minister the Leader of the Opposition wants the matter taken up with and to which aspect of Government administration the matter refers. If the Leader of the Opposition is offering that the tapes be held in the good care of the Government, I am sure the matter will be considered.

The SPEAKER—Order! Does the Leader of the Opposition wish to address the point of order?

Mr KENNETT (Leader of the Opposition)—On the point of order, Mr Speaker, the honourable member for Niddrie spoke about the aim of the Government to ensure that the tapes will be secure, and he indicated that he wanted the tapes tabled. I am now directing my comments to the Deputy Premier, who is the most senior member of the Government in the Chamber at present. To ensure, according to Government tradition as laid down and expressed by the Premier, that there will be no interference with the due process of the law, I have today ensured, in the interests of open government, that those tapes are handed over complete to my legal advisers so that——

The SPEAKER—Order! I do not wish to interfere with the Leader of the Opposition in the debate on the motion for the adjournment of the sitting, but the honourable member is addressing the Chair on the point of order. The point of order asked what part the Government or the Deputy Premier was expected to play in the safeguarding of these tapes. Therefore, I uphold the point of order and ask the Leader of the Opposition to advise the House how the Deputy Premier will play a part in this matter.

Mr KENNETT—Very simply, Mr Speaker. The honourable member for Niddrie asked that the matter be referred to the Attorney-General. I now refer a matter to the Deputy Premier because he is the most senior member of the Government in this Chamber.

Honourable members interjecting.

Mr KENNETT—The honourable member for Niddrie raised an issue with the Minister who is the representative of the Attorney-General in this place. I am now raising the same matter with the most senior popularly elected member of the Government present, the Deputy Premier, to ensure that the action I have taken will lead to the full disclosure of

the issue. I have allowed for the tapes to be properly assessed by an independent arbitrator in a court of law under a defamation suit.

I hope the Deputy Premier will notify the Attorney-General that it is not the Government's role to interfere in this matter. I, as Leader of the Opposition—unlike my counterpart, the Premier—have absolutely nothing to cover up, and I have taken action to ensure that the matter is resolved once and for all in the proper place, a court of law.

Dr COGHILL (Werribee)—The matter I raise with the Minister for Consumer Affairs is a tempting get-rich-quick scheme recently promoted in a double page advertisement which appeared in the *Australian Financial Review* on Monday, 14 October. The advertisement promotes a technique called Neo-tech which is supposed to be an invention by a Dr Frank R. Wallace.

In the advertisement, Dr Wallace claims to have invented this wonderful new psychological practice which offers extraordinary benefits in monetary, personal, romantic, sexual and financial activities. The advertisement should be examined by the Minister for possible breaches of the law on false and misleading advertising pursuant to the Consumer Affairs Act. The reason I say that is that, on the evidence, the scheme and Dr Frank R. Wallace appear to be frauds.

The techniques in the advertisement are described as neo-cheating, a name that was given to the technique at one stage by Dr Wallace. When one reads the terms of the advertisement one understands that that is an apt description. For example, Dr Wallace provides a table headed, "Contrasting Characteristics", and describes the traditional cheater as stiff and nervous and describes the neo-tech man, in juxtaposition, as relaxed and confident. In other words, the advertisement suggests that, by the use of this technique, one can become a successful con man, a successful cheat.

The advertisement claims that Dr Frank R. Wallace is a former senior research chemist with a prominent company E. I. du Pont de Nemours and Co., and that as a research chemist he had an impressive stream of inventions in the commercial area.

I have checked the authenticity of those claims in scientific literature which should know about this gentleman, and American magazines and newspapers. None of them mentioned Dr Wallace, Neo-tech or any similar psychological practice that might be referred to as Neo-tech. The advertisement invited people interested in the Neo-tech system to send $A99.75 to a Nevada address. Similar material was sent by direct mail earlier this year.

As a result of an earlier complaint, the publishers undertook, if further advertisements were made in Australia, to include the name and telephone number of an Australian contact, and a Betty Harland was mentioned. The advertisement in the *Australian Financial Review* of 14 October gave no Australian contact point. It merely had the address of the American publishing company.

The people involved in writing and publishing the advertisement were invited to substantiate the claims of Dr Wallace and his background, but they have failed to do so. I ask the Minister to carry out investigations to determine whether there has been a breach of the Act and to take the appropriate action in that event.

I suggest that the Australian Direct Marketing Association of which the publishers are members should review its standards of practice, and newspapers such as the *Australian Financial Review* should be careful in accepting such advertisements. I am sure few people would be taken in by these advertisements but those people deserve the protection of the law.

Mr WILLIAMS (Doncaster)—I raise a matter for the attention of the Minister for Transport. I am concerned that again a Minister has been called out of the Chamber when I rise.

I refer the Minister to the inconvenience to peak hour commuters, including myself, who use the Doncaster and Templestowe bus system because of changes to ticketing arrangements but not time-tables over the past few years. No bus during peak morning periods travelling to the city is ever on time and I have suffered inconvenience on several occasions, particularly with the 8.35 a.m. freeway service. Sometimes it arrives at its destination in Melbourne at the same time as the 9.30 a.m. bus, which is approximately 10 a.m.

I also refer the Minister to the Bulleen bus service that serves my home and the constituents of the honourable member for Bulleen. I had the unfortunate experience recently of missing two buses, each of which, according to the time-table, should have arrived at 5.54 p.m. but which were 10 minutes late. I alighted from the Doncaster–Melbourne bus to catch one of those buses, but they left me for dead, and I had to wait another 20 minutes. Another two buses that should have arrived at 5.59 p.m. and 6.4 p.m. travelled together and I caught one at 6.20 p.m.

Not only are the time-tables significantly irrelevant to actual travelling times, and out of date, but because of vandalism a number of time-tables are indecipherable. I invite officers of the Tram and Bus Transport Division of the Ministry of Transport to inspect the time-tables at the corner of Bulleen and Doncaster roads which are indecipherable, and also those at the corner of Thompsons and Manningham roads, Bulleen, where I regularly catch a bus. At that bus stop no time-table has existed for several months for the Heidelberg–Box Hill service. It has been taken down by vandals.

This new high-flying Ministry with all its boffins in the wonderful new tower at 589 Collins Street should give better service. It is about time the Government received value for money and looked after the poor, lowly commuters of Doncaster and Templestowe, including me. We are the real workers of the State, and it is about time we were looked after.

Mr NORRIS (Dandenong)—I preface my remarks to the Minister for Police and Emergency Services by reminding the House of the Nunawading by-election campaign scandal involving the so-called mountain district cattlemen and the Liberal Party. That exercise was shonkie enough, but now sections of the media have much to answer for as well. I am informed that a Channel 10 reporter who covered the mountain cattlemen story in some detail on the air before and during the campaign was at that time media adviser to the Mountain District Cattlemen's Association of Victoria. I understand also that the stunt with the star from the film *The Man from Snowy River*, Tom Burlinson, was another brainchild of that Channel 10 reporter.

I hope Tom Burlinson, who is a paid-up member of Actors Equity, was at least paid a fee for his performance. The reporter concerned was Jim Brown. If the information I have is correct—I have every reason to believe it is correct—Jim Brown has some explaining to do on his ethical standards in the matter. The issue should be investigated in the light of investigations currently taking place linking the Liberal Party with the mountain cattlemen in the Nunawading by-election campaign.

When one considers the significant coverage this incident received during the campaign and the enormous amount of footage shown by Channel 10 of the mountain cattlemen, one adds 2 and 2 together and gets 4. Honourable members are aware that cowboys and stuntmen were used as actors in much of the footage seen on television. I urge the Minister to investigate the subject of my remarks concerning Mr Brown. I hope the Australian Journalists Association will also take note of the statement I have made.

Mr HEFFERNAN (Ivanhoe)—I direct a question to the Minister representing the Minister for Conservation, Forests and Lands in this House.

THE SPEAKER—Order! I advise the honourable member that the debate on the motion for the adjournment of the sitting is for raising matters of public importance, not for asking Ministers questions.

Mr HEFFERNAN—I direct the matter to the attention of the Minister who is the representative of the Minister for Conservation, Forests and Lands in this House. Is the Minister aware that the Department of Conservation, Forests and Lands plans as a matter of policy to burn 50 acres of the Big Desert north-west of Jeparit next year and that some of the area has not been burnt since white settlement? Have any extensive surveys been made of the old vegetation to ascertain its value botanically or for future scientific and educational reasons? If not, will the Minister investigate the use of Lansat imagery, which I believe is an economical way of determining previous patterns, in order to produce a fire prevention plan that will protect important unburnt areas?

Will the Minister ascertain why it is necessary to burn vast areas when maintenance of the existing 6-chain firebreak strips is more acceptable to local landholders and conservationists and is, furthermore, better for the plants and animals?

At a recent meeting of the Rainbow group fire brigades, the Department of Conservation, Forests and Lands officer in charge of fire control in the Grampians, the Little Desert and the Big Desert, stated that, next year, it is his policy to burn 50 000 acres of the Big Desert, described as the area from Atwills Road to Chinaman's Flat and the Amy Johnston Highway to Pigick. It is an area south-west of Jeparit, part of which is known as the Birdcage because of the bird trappers who operate there, which is an indication of its value.

Most of the area consists of old vegetation, some of which has apparently never been burnt. Local farmers would be quite satisfied if just the existing 6-chain fire breaks were cleared and burnt. Similar habitats were destroyed when fires burnt 68 per cent of the Wyperfeld National Park and it seems a sacrilege deliberately to burn more land. The officer concerned has accumulated most of his experience in east Gippsland and has been in the dry country for only eighteen months.

The Mallee fowl population in Australia is gradually declining and they are dependent on areas that have not been burnt for at least fifteen years, perhaps more. Regular burnings result in a change of vegetation to fire tolerant species, usually in increased numbers.

Areas that have not been burnt since white settlement could be important reservoirs of known, or even unknown, plants. It is not an expensive process to determine whether that is so.

I bring this matter to the attention of the House in light of the Government's conservation policy regarding the proposed National Tennis Centre, and the extension to the Arts Centre in the Domain.

Mr COLEMAN (Syndal)—I raise for the attention of the Minister representing the Minister for Health in another place a matter concerning the Muscular Dystrophy Association of Victoria. The association appointed one full-time staff member out of its own resources and also has the benefit of a part-time social worker who is employed at the Royal Children's Hospital. The Australian Brain Foundation was sharing the cost of that part-time social worker, but it has withdrawn its funding, which has left the association in a dilemma. It wants to retain the full-time services of the social worker concerned but is not able to provide the funds from its own resources.

It is a matter that concerns a number of people. One hundred and twenty-nine cases of muscular dystrophy have been diagnosed since 1983. It is a matter of considerable concern to the 550 people who are involved and I ask the Minister to ascertain whether it is possible for the Department of Health to expedite an application for the funding of this person's services with a view to ensuring that the person employed at the Royal Children's Hospital has a continuity of employment and, more importantly, is able to help the families involved with the advice that he supplies to them.

Mr FORDHAM (Minister for Industry, Technology and Resources)—The remarks of the honourable member for Niddrie drew my attention to the matter of the Leader of the Opposition and the infamous tapes. The Leader of the Opposition sought my assistance

and I shall be happy to assist him in the safe keeping of those obviously important tapes—important to the future of a number of people, including himself.

Mr Coleman—No, yourself!

Mr FORDHAM—No, the Government has not been accused of any scandal. It has been suggested in some newspapers and in the *The Bulletin* that the Leader of the Opposition has been conspiring with other parties, including the Leader of the National Party so, obviously, these tapes are very important indeed. I can understand the Leader of the Opposition's sensitivity given the significance of the material that is obviously on the tapes.

If the Leader of the Opposition would like the Government to assist with safe conduct of the tapes, I shall be happy to look after their safe conduct, to take copies of them, to ensure that they are not lost and even to ensure that they are kept for posterity. A copy can go to the museum. Certainly, a copy will be kept for Government purposes.

I shall be very happy to take up the issue with the Premier to assist the Leader of the Opposition in his obvious difficulties in facing this very difficult matter before him. As he says, it is now before the courts of this land, and I am sure that he will need all the help that he can get from as many honourable members as possible in the months and time ahead.

Mr SIMMONDS (Minister for Local Government)—The honourable member for Mornington is concerned at the events occurring within the Oakleigh City Council. I share his concern, as I shared his concern also at the time of the recent council elections when the honourable member advocated that the council election should be aborted. The result of the election was that the independent group achieved the election of six councillors and the Australian Labor Party group achieved the election of six councillors. To determine who would be mayor, a name was drawn from a hat. It proved to be the name of an independent councillor. Since then, there have been almost daily meetings of the council, culminating in a meeting on 15 October that was adjourned in circumstances where six councillors left the meeting.

A meeting last night, which was more or less a continuation of that adjourned meeting, failed through lack of quorum. I have perused the Local Government Act and I direct to the attention of the House the fact that it is my responsibility to administer that Act. Those councillors who took the action of failing to attend a council meeting have certain obligations under the Act and I shall be drawing the proper conclusions from that situation. The option open to the administrator of the Act basically is that a Bill needs to be introduced to amend the Act to deal with the situation, and I invite the honourable member for Mornington to join me in the drafting of the Bill that will be necessary if the twelve councillors in Oakleigh do not perform the function for which they were elected. They will have their final opportunity to do so on Monday next.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Niddrie attempted to raise with me the security of a set of tapes that are material evidence in a matter currently of some concern to the community and, in particular, of concern both to himself and to the former Governor of the State, Sir Brian Murray. The Leader of the Opposition intervened in the presentation of the honourable member for Niddrie, which demonstrated very clearly the desperate desire of the Leader of the Opposition to suppress all reference to the existence of the tapes and to their significance and, in particular, to the media having any opportunity of reporting about the tapes or discussing their significance.

The Leader of the Opposition outlined three devices by which he has attempted to pursue this disgraceful course. Firstly, there was his attempt by a spurious point of order,

Mr Speaker; a point of order which you refused to uphold, to muzzle the honourable member for Niddrie in his presentation of a matter in the Chamber.

Secondly, the Leader of the Opposition revealed that he has today issued a general stop writ to everyone in sight in the media designed to ensure that these matters are not the subject of media report or comment.

Thirdly, he revealed that the tapes have been handed over to his solicitors! I say at the outset that it will not satisfy any member of the Victorian community, much less any member of this House, that those tapes are secure and safe in the custody of a person who is a paid servant of the Leader of the Opposition.

On three levels the Leader of the Opposition has attempted to suppress discussion and reporting of this matter. He has tried to stifle discussion in this House, he has tried to stifle discussion in the media, and he has tried to present spuriously the impression that these tapes are in safe custody, when in fact the person holding them is really the paid employee of the Leader of the Opposition. I demand that some appropriate mechanism for the custody of these tapes should be found forthwith. The people of Victoria are entitled to an assurance that this vital evidence in a matter of major public concern and importance is held with proper security, and that is not at present the case. The effect of what the honourable member has done is plain; he slaps a stop writ on the media, which has the effect of suppressing discussion of these matters in the media until the matter comes to court.

At the same time, these tapes are turned over to the custody of solicitors—which is better than having them in the custody of the Leader of the Opposition, although it may well be that it is too late because 24 hours have passed in which these tapes could have been interfered with. The effect, of course, is that these tapes will now be kept from public hearing and kept from being played publicly until the trial comes up, which of course is the aim of the Leader of the Opposition.

Honourable members interjecting.

Mr MATHEWS—Over the past 48 hours honourable members have seen unfolded an account of a conspiracy which, if true, is so far-reaching—I invite the honourable member for Gisborne to note it—so audacious and at the same time so squalid as to have few equals in our history.

Honourable members interjecting.

Mr MATHEWS—It is thanks to the Premier that honourable members know that the reasons that prompted the departure of the former Governor, Sir Brian Murray, are not those which are set out in the article in the *The Bulletin*, and nobody has challenged that statement on the part of the Premier.

The Leader of the Opposition, in his turn, has denied the part in the conspiracy attributed to him in *The Bulletin*. The Leader of the Opposition has claimed that he did not, as *The Bulletin* claims, state that he was now ready to depart from his previous undertaking that under his leadership the Liberal Party would not force an election by refusing the Government Supply. He said that he did not say to this journalist that he would, instead, bring down the Government by defeating the Appropriation Bill in the Upper House.

Unfortunately for the Leader of the Opposition, his account of these matters is not only contradicted by the journalist who wrote the article but also the journalist says there is irrefutable evidence of what the Leader of the Opposition said available in the form of this tape, this tape that the Leader of the Opposition is now seeking so desperately to keep out of circulation until the matter comes to trial. That is what the Leader of the Opposition is about—keeping the tape under wraps!

There has been a good number of interjections from the other side of the House casting aspersions on the character of Mr Richard Farmer, who is the journalist responsible for

this article. Let me say to the House that I have known Richard Farmer for a great many years.

Honourable members interjecting.

Mr MATHEWS—Mr Farmer is, in the eyes of his colleagues in the media, a journalist of high intelligence and of high integrity. Asked to choose between the word of Mr Farmer and the Leader of the Opposition, I would have no hesitation in choosing the word of Mr Farmer.

The SPEAKER—Order! The Minister is now canvassing issues in respect of the character or characters involved in this matter and, although it is not set down, I should advise him that it is not the proper form, so far as this House is concerned, to prejudge a matter that is the subject of a writ. I ask the Minister to round off his remarks.

Mr MATHEWS—Mr Speaker, tonight I do not seek to prejudge the matters which are the subject of a writ. The matters to which I address myself tonight are those which have been raised with me by the honourable member for Niddrie, who raised the question of the security of this vital material. I am concerned to demonstrate to you, Mr Speaker, and to the House why this material is at real risk under the current circumstances. I want to demonstrate why this material figures for the Leader of the Opposition as the Watergate tapes figured for President Nixon. They are the smoking pistol directed at the Leader of the Opposition. Let me proceed with this demonstration, Mr Speaker——

Mr LEIGH (Malvern)—On a point of order, Mr Speaker, I believe the Minister is flouting your ruling by casting aspersions on the Leader of the Opposition after you have ruled on the matter.

The SPEAKER—Order! There is no point of order. I call the Minister for Police and Emergency Services to round off his remarks on this issue.

Mr MATHEWS (Minister for Police and Emergency Services)—I am representing the Attorney-General in this matter Mr Speaker. My concern is simply to demonstrate to you, Mr Speaker, and to the House, why the concerns expressed by the honourable member for Niddrie are well based and why it is that these tapes represent for the Leader of the Opposition just such a smoking pistol as the Watergate tapes represented for President Nixon because yesterday, Mr Speaker, on the Derryn Hinch show the following exchange took place:

Q. The story you've written can make the scenario which puts a whole new light on what may have happened down here. But unfortunately Jeffrey Kennett's just been on the program and he categorically says he will not block supply or an Appropriation Bill. Where does that leave your story?

A. It just proves that politicians are very fickle people, because he told me last week when he spoke with me that he would.

Q. He told you that he would block supply?

A. He told me that he would.

Q. Well, three minutes ago on this program

A. I heard him.

Q. So obviously what he told me and what he told you are totally diametrically opposed?

A. Funny people politicians aren't they?

Q. Obviously you're saying Jeff Kennett lied?

A. He either lied to me or he lied to you.

Q. And he told you he had part of this scenario that he and Ross-Edwards were working on blocking the Budget, forcing the State to an election?

A. He told me that he wouldn't block supply,——

Mr CROZIER (Portland)—On a point of order, Mr Speaker, in spite of your injunctions on at least two occasions tonight, the Minister continues to canvass the issues. All

honourable members know his enthusiasm for denigrating the Leader of the Opposition. He is not making too good a job of it. All honourable members know his propensity for histrionics, but I suggest to you, Mr Speaker, that he should be instructed, for the third time, to round off his remarks and to steer away from canvassing the matter which is the subject of a writ.

The SPEAKER—Order! I uphold the point of order, and I ask the Minister for Police and Emergency Services to conclude his remarks on the matter raised by the honourable member for Niddrie.

Mr MATHEWS (Minister for Police and Emergency Services)—The interview continued:

A. He either lied to me or he lied to you.

Q. And he told you he had part of this scenario that he and Ross-Edwards were working on blocking the Budget, forcing the State to an election?

A. He told that he wouldn't block Supply, that Supply was the Bill that went forward in April, that did not apply to what he'd do to this Budget.

Q. So when he talks about Appropriations Bills, he said to me he categorically spelt those out and included them. He didn't include them when he talked to you?

A. No. On the contrary. I asked him to play the tape of our interview which took an hour and a half last week. Ring him up and ask him would he like to play the tape. He took the tape recording of it, I didn't. I don't like politicians who lie and he's lied.

Honourable members interjecting.

The SPEAKER—Order! I again ask the Minister to cease heading in the direction in which he is now heading. He is using this particular forum to produce what I believe to be material that will be required by the courts if this matter ever arises in the courts, and I ask him to use his own intelligence with respect to his reply on this matter.

Mr MATHEWS—Mr Speaker, the honourable member for Niddrie has directed to my attention, as the Minister representing the Attorney-General in this House, the absolute overriding need for the people of Victoria to be given a guarantee that this evidence will be protected, that its integrity will be preserved and that it will be available, untampered with, when the Leader of the Opposition, many, months from now is required to produce it for the court—as the honourable member for Niddrie rightly says, by interjection, "If ever it goes to court".

I shall certainly, on behalf of the honourable member for Niddrie, bring to the attention of the Attorney-General both the utterly inadequate, unsatisfactory and unacceptable provisions for the integrity of this material, which the Leader of the Opposition purported, on that night, to have taped with good intentions.

I will ask the Attorney-General, as the first law Minister in this State, to advise on how the integrity of this material can now properly be protected. I shall say to the Attorney-General that this is a matter of extreme urgency, because every hour which passes without these tapes being in safe hands increases the chances that they will be tampered with.

Mr CROZIER (Portland)—I raise a point of order, Mr Speaker. I submit to you that the Minister is treating with contempt your earlier instructions, and that he should now be ordered to wind up his remarks and cease this diatribe.

The SPEAKER—Order! I uphold the point of order. I ask the Minister to conclude this aspect of his contribution to the debate on the motion for the adjournment of the sitting and go on to commenting on the matter raised for his attention by the honourable member for Dandenong.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Dandenong raised with me a related matter, a matter that is related inasmuch as it again brings into question the integrity of the Liberal Party and those who support it.

We heard tonight from the honourable member for Dandenong the presentation of yet another piece in the jigsaw of the Mountain District Cattlemen's Association affair, which has slowly been coming to light in the House, night by night.

I know that members of the Opposition do not like to hear it, but I can assure them that there is more to come that they will enjoy still less.

On Tuesday night the honourable member for Wantirna drew to my attention in the House—she was prepared to put herself on the public record about these matters—photographic evidence. The honourable member for Malvern may not relish it but it was photographic evidence that one of these people who was purporting to be a mountain district cattleman, handing out cards in the interests of the Liberal Party during the Nunawading by-election, was in fact a suburban journalist who had probably never been any nearer to the mountains than Ringwood.

Honourable members interjecting.

Mr MATHEWS—I do not purport to be a mountain cattleman. The following night we had a statutory declaration with the signature of the person responsible for it attached—a sworn legal document—linking the honourable member for Malvern with this disgraceful affair.

We know that since his arrival in this place the honourable member for Malvern aped his leader, both in his tactics and in his disregard for the truth and, on this occasion, it is both the tactics and his disregard for the truth that are catching him out.

The third instalment which has come to light tonight is the situation where one of the television people responsible for putting the mountain district cattlemen's story—this pro-Liberal story—across in the media was simultaneously the technical adviser of this organization. What a mosaic of deceit; what a mosaic of misrepresentation; what an attempt to mislead the people of the Nunawading Province.

I say to the honourable member for Dandenong tonight, as I said to the honourable member for Wantirna on Tuesday night, this evidence should be drawn to the attention of the police who have been investigating the matter since last Friday when it was referred to them by the Chief Electoral Officer and who will pursue the matter to the ultimate end, sift it meticulously and interview people who need to be interviewed—I hope they will talk frankly with them—and when that process is complete, will refer the whole matter to the Director of Public Prosecutions for his advice.

Mr SPYKER (Minister for Consumer Affairs)—The honourable member for Syndal raised with me a matter regarding additional requirements for social workers at the Royal Children's Hospital. The honourable member would be well aware that the Government has allocated much more in the Budget than the previous Government and the Minister does his best to meet all commitments. I will bring the matter to the Minister's attention.

The honourable member for Ivanhoe raised with me a matter for the attention of the Minister for Conservation, Forests and Lands. I am surprised to see that the Opposition has at least one conservationist amongst its ranks because most honourable members opposite are totally in favour of the destruction of our natural habitat. I hope the honourable member will use his influence in the party room so that when the alpine legislation is introduced he will get the support of his colleagues to ensure the passage of the Bill.

Members on this side of the House believe in a balanced approach to conservation, to ensure that our heritage, which is so near and dear and precious to us, is kept intact for future generations.

I can advise the honourable member that the present Minister for Conservation, Forests and Lands agrees with that line of thinking and she is probably the best Minister we have had to date in that portfolio.

I refer to the concern of the honourable member for Doncaster about the transport issue, particularly the problems with the buses in the Doncaster/Templestowe area. I should like

to remind the honourable member that the Government is spending enormous amounts of funds on improving the public transport system that was left in a dilapidated state by the Liberal Government.

I shall inform the Minister for Transport of the matter raised by the honourable member for Doncaster and the matter concerning some of the time-tables along the bus route from Melbourne to Doncaster, which have been vandalized. I should also like to ask the honourable member to advise me of any other time-tables that are vandalized in order to ensure that the Minister for Transport can attend to them.

Once again I stress that the honourable member for Doncaster must agree that the bus service now operating, although some buses run a bit late from time to time, is a 100 per cent improvement on the service operating when the Liberal Party was in office.

The honourable member for Werribee raised a matter concerning the get-rich-quick scheme, promoting a technique called "neo-tech". I have become increasingly concerned about these types of schemes because they seem to be appearing all over the place, and while they may be technically lawful, it could well be argued that they are false and misleading advertising because they say they can do what cannot be done.

Unfortunately, this particular company is a member of the direct sellers association in America and, in turn, is a member of The Direct Selling Association of Australia. I am concerned, as is the Ministry of Consumer Affairs, that when the matter was raised previously, we were assured that there would be an Australian contact. The honourable member for Werribee named the person, a Betty Harley; and the understanding was that if there were any problems with the company, Betty Harley would be the person to contact.

As I understand it, this has not been carried out and it is a breach of the agreement of understanding reached with the company.

Again, I advise all honourable members to warn their constituents to be careful of these types of schemes. The schemes are not necessarily illegal, but it is definitely possible to mount a fairly good argument that they are false and misleading and people can squander large amounts of money on these schemes and not receive the result desired.

The Ministry of Consumer Affairs has monitored this situation carefully and has worked closely with the Trade Practices Commission to stamp out these unethical practices as quickly as possible.

The motion was agreed to.

The House adjourned at 6.3 *p.m. until Tuesday, October* 22.

QUESTIONS ON NOTICE

The following answers to questions on notice were circulated—

GOVERNMENT PUBLICATIONS OF DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 65)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

In respect of all costs associated with the production of all books, brochures, pamphlets, documents or publications of any kind published by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the cost and purpose of production of each publication?

2. Whether the design and placement of each publication was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such publications over the above period?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

The time, cost and resources necessary to prepare an answer to this question cannot be justified.

However, I would be happy to give consideration to any request made by the honourable member about a specific publication.

GOVERNMENT PUBLICATIONS OF MINISTRY FOR THE ARTS

(Question No. 67)

Mr BROWN (Gippsland West) asked the Minister for the Arts:

In respect of all costs associated with the production of all books, brochures, pamphlets, documents or publications of any kind published by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the cost and purpose of production of each publication?

2. Whether the design and placement of each publication was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such publications over the above period?

Mr MATHEWS (Minister for the Arts)—The answer is:

The time, cost and resources necessary to prepare an answer to this question cannot be justified.

However, I would be happy to give consideration to any request made by the honourable member about a specific publication.

GOVERNMENT PUBLICATIONS OF DEPARTMENT OF AGRICULTURE AND RURAL AFFAIRS

(Question No. 81)

Mr BROWN (Gippsland West) asked the Treasurer, for the Minister for Agriculture and Rural Affairs:

In respect of all costs associated with the production of all books, brochures, pamphlets, documents or publications of any kind published by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the cost and purpose of production of each publication?

2. Whether the design and placement of each publication was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such publications over the above period?

Mr JOLLY (Treasurer)—The answer supplied by the Minister for Agriculture and Rural Affairs is:

The time, cost and resources necessary to prepare an answer to this question cannot be justified.

However, I would be happy to give consideration to any request made by the honourable member about a specific publication.

LOANS TO DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 88)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

In respect of all moneys borrowed by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. How many loans were transacted over this period, indicating the date each loan was formalized and the amount of money borrowed as a result of each loan?

2. What are the details of the loan repayments, including the rate of interest payable and whether there is an escalation clause for the interest rate payable?

3. From whom each loan was borrowed and what are the details regarding each individual or organization approached to provide finance, indicating the terms offered?

4. What was the total amount of loans outstanding against each body as at 2 March 1982 and 2 March 1985, respectively?

5. What are the full details of each offer to provide finance which was made to each body during this period?

6. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such borrowings over the above period?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

The answer to all these questions is nil.

LOANS TO DEPARTMENT OF AGRICULTURE AND RURAL AFFAIRS

(Question No. 101)

Mr BROWN (Gippsland West) asked the Treasurer, for the Minister for Agriculture and Rural Affairs:

In respect of all moneys borrowed by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. How many loans were transacted over this period, indicating the date each loan was formalized and the amount of money borrowed as a result of each loan?

2. What are the details of the loan repayments, including the rate of interest payable and whether there is an escalation clause for the interest rate payable?

3. From whom each loan was borrowed and what are the details regarding each individual or organization approached to provide finance, indicating the terms offered?

4. What was the total amount of loans outstanding against each body as at 2 March 1982 and 2 March 1985, respectively?

5. What are the full details of each offer to provide finance which was made to each body during this period?

6. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such borrowings over the above period?

Mr JOLLY (Treasurer)—The answer supplied by the Minister for Agriculture and Rural Affairs is:

The information requested is far too detailed and the time and resources necessary to provide an answer cannot be justified. Furthermore, disclosure of the information requested would jeopardize the commercial position of the Government and the companies with which it has dealings.

ADVERTISING BY DEPARTMENT OF AGRICULTURE AND RURAL AFFAIRS

(Question No. 110)

Mr BROWN (Gippsland West) asked the Treasurer, for the Minister for Agriculture and Rural Affairs:

In respect of all advertising undertaken by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the purpose of each advertisement or advertising undertaking, indicating which advertising organization was involved and the total expenditure in each case?

2. Whether the design and placement of each advertisement or undertaking was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such advertising over the above period?

Mr JOLLY (Treasurer)—The answer supplied by the Minister for Agriculture and Rural Affairs is:

I do not propose to answer this question because of the inordinate amount of time and resources required to do so. I would be happy to give consideration to any query that the honourable member may have about a specific advertisement.

ADVERTISING BY DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 114)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

In respect of all advertising undertaken by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the purpose of each advertisement or advertising undertaking, indicating which advertising organization was involved and the total expenditure in each case?

2. Whether the design and placement of each advertisement or undertaking was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such advertising over the above period?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

I do not propose to answer this question because of the inordinate amount of time and resources required to do so. I would be happy to give consideration to any query that the honourable member may have about a specific advertisement.

ADVERTISING BY MINISTRY FOR THE ARTS

(Question No. 121)

Mr BROWN (Gippsland West) asked the Minister for the Arts:

In respect of all advertising undertaken by each department, agency and authority within his administration in the three year period ended 2 March 1985:

1. What was the purpose of each advertisement or advertising undertaking, indicating which advertising organization was involved and the total expenditure in each case?

2. Whether the design and placement of each advertisement or undertaking was prepared by staff under the Minister's control or by outside staff, organizations or consultants, indicating the cost in each instance and in the case of outside assistance the names of people and organizations involved?

3. Whether he will provide any other information required in order to enable the public to establish the full extent and cost of such advertising over the above period?

Mr MATHEWS (Minister for the Arts)—The answer is:

I do not propose to answer this question because of the inordinate amount of time and resources required to do so. I would be happy to give consideration to any query that the honourable member may have about a specific advertisement.

SALE AND LEASE-BACK TRANSACTIONS OF DEPARTMENT OF AGRICULTURE AND RURAL AFFAIRS

(Question No. 189)

Mr STOCKDALE (Brighton) asked the Treasurer, for the Minister for Agriculture and Rural Affairs:

1. Whether any department, agency or authority within his administration, or any predecessor to such bodies, has sold or leased back any assets since 3 April 1982; if so, which bodies?

2. In respect of each such sale and lease-back transaction—(*a*) which body was involved; (*b*) what was the nature of the asset concerned; (*c*) what was the money consideration for the sale; (*d*) what proportion of the asset has been leased back; (*e*) what are the names and addresses of the companies or individuals who are now the owners of the assets concerned; and (*f*) what is the expiry date of the current lease?

3. In respect of each such sale and lease-back transaction, whether the proceeds of sale have been retained by the body concerned?

4. How the proceeds of such sale have been applied?

5. In respect of each such sale and lease-back transaction, what has been the effective rate of interest under the lease-back arrangement and, if the lease has been arranged on a floating rate or other variable rate basis, what has been the range of effective interest rates?

Mr JOLLY (Treasurer)—The answer supplied by the Minister for Agriculture and Rural Affairs is:

No department, agency or authority within my administration has sold and leased back any assets since 3 April 1982.

SALE AND LEASE-BACK TRANSACTIONS OF DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 193)

Mr STOCKDALE (Brighton) asked the Minister for Employment and Industrial Affairs:

1. Whether any department, agency or authority within his administration, or any predecessor to such bodies, has sold or leased back any assets since 3 April 1982; if so, which bodies?

2. In respect of each such sale and lease-back transaction—(*a*) which body was involved; (*b*) what was the nature of the asset concerned; (*c*) what was the money consideration for the sale; (*d*) what proportion of the asset has been leased back; (*e*) what are the names and addresses of the companies or individuals who are now the owners of the assets concerned; and (*f*) what is the expiry date of the current lease?

3. In respect of each such sale and lease-back transaction, whether the proceeds of sale have been retained by the body concerned?

4. How the proceeds of such sale have been applied?

5. In respect of each such sale and lease-back transaction, what has been the effective rate of interest under the lease-back arrangement and, if the lease has been arranged on a floating rate or other variable rate basis, what has been the range of effective interest rates?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer to all these questions is nil.

SALE AND LEASE-BACK TRANSACTIONS OF DEPARTMENT OF COMMUNITY SERVICES

(Question No. 194)

Mr STOCKDALE (Brighton) asked the Minister for Consumer Affairs, for the Minister for Community Services:

1. Whether any department, agency or authority within her administration, or any predecessor to such bodies, has sold or leased back any assets since 3 April 1982; if so, which bodies?

2. In respect of each such sale and lease-back transaction—(*a*) which body was involved; (*b*) what was the nature of the asset concerned; (*c*) what was the money consideration for the sale; (*d*) what proportion of the asset has been leased back; (*e*) what are the names and addresses of the companies or individuals who are now the owners of the assets concerned; and (*f*) what is the expiry date of the current lease?

3. In respect of each such sale and lease-back transaction, whether the proceeds of sale have been retained by the body concerned?

4. How the proceeds of such sale have been applied?

5. In respect of each such sale and lease-back transaction, what has been the effective rate of interest under the lease-back arrangement and, if the lease has been arranged on a floating rate or other variable rate basis, what has been the range of effective interest rates?

Mr SPYKER (Minister for Consumer Affairs)—The answer supplied by the Minister for Community Services is:

No property or equipment in my department has been sold and leased back.

SALE AND LEASE-BACK TRANSACTIONS OF ETHNIC AFFAIRS COMMISSION

(Question No. 204)

Mr STOCKDALE (Brighton) asked the Minister for Ethnic Affairs:

1. Whether any department, agency or authority within his administration, or any predecessor to such bodies, has sold or leased back any assets since 3 April 1982; if so, which bodies?

2. In respect of each such sale and lease-back transaction—(*a*) which body was involved; (*b*) what was the nature of the asset concerned; (*c*) what was the money consideration for the sale; (*d*) what proportion of the asset has been leased back; (*e*) what are the names and addresses of the companies or individuals who are now the owners of the assets concerned; and (*f*) what is the expiry date of the current lease?

3. In respect of each such sale and lease-back transaction, whether the proceeds of sale have been retained by the body concerned?

4. How the proceeds of such sale have been applied?

5. In respect of each such sale and lease-back transaction, what has been the effective rate of interest under the lease-back arrangement and, if the lease has been arranged on a floating rate or other variable rate basis, what has been the range of effective interest rates?

Mr SPYKER (Minister for Ethnic Affairs)—The answer is:

The Ethnic Affairs Commission has not been involved in sale or lease-back arrangements in the period since 3 April 1982.

PUBLIC RENTAL HOUSING

(Question No. 231)

Mr BROWN (Gippsland West) asked the Minister for Housing:

1. How many persons were on Ministry of Housing waiting lists for public rental housing as at 31 March 1985, giving a breakdown of the categories of applicants and a breakdown on a regional basis?

2. What were the numbers on these waiting lists in each region as at 31 March 1984?

3. How many of these persons were given accommodation between 31 March 1984 and 31 March 1985, giving a breakdown of the categories of applicants and a breakdown on a regional basis?

4. Why applicants who were not placed in Ministry of Housing accommodation were removed from the waiting list if they were not housed by the Ministry?

Mr WILKES (Minister for Housing)—The answer is:

During the period in question, the Ministry's housing services staff have been employed in converting the waiting lists to the new decentralized data based computer system. As the staff resources in the Ministry's Management Information Unit were fully extended during this period of change, statistics were not collated for the March quarter. The following statistics represent the earliest figures as at 31.12.84.

Region	Categories				Total
	EP/BS	EP/1BR	Childless Couples	Families	
Frankston	285	126	53	1181	1645
Dandenong	281	122	84	1987	2474
Morwell	335	113	48	965	1461
Geelong	308	93	80	1176	1657
Benalla	330	139	—	1232	1701
Bendigo	429	167	94	1222	1912
Ballarat	435	127	46	878	1486
Warrnambool	126	39	36	346	547
Metropolitan	784	726	238	5512	7260
	3313	1652	679	14 499	20 143

2. Waiting Lists—31 March 1984

Region	Categories				Total
	EP/BS	EP/1BR	Childless Couples	Families	
Frankston	374	151	45	1138	1709
Dandenong	257	129	67	1615	2068
Morwell	320	114	43	976	1453
Geelong	283	114	99	1120	1616
Benalla	309	119	—	783	1446
Bendigo	580	221	105	1224	2130
Ballarat	331	164	24	869	1388
Warrnambool	115	44	24	340	523
Metropolitan		←2433	→	7428	9861

In addition there were 2467 applications from tenants who applied to transfer to alternative accommodation.

3. A total of 7812 tenancies were granted between 31.3.84 and 31.3.85. Hereunder is a breakdown.

Region	Categories				Total
	EP/BS	EP/1BR	Childless Couples	Families	
Frankston	107	37	2	186	332
Dandenong	50	19	—	201	270
Morwell	89	30	2	479	600
Geelong	35	50	9	324	418
Benalla	64	112	9	556	741
Bendigo	53	65	3	451	572
Ballarat	50	45	4	406	505
Warrnambool	48	7	1	208	264
Metropolitan	533	285	142	3150	4110
	1029	650	172	5961	7812

4. Applicants were removed from the waiting lists after their applications were cancelled for one of the following major reasons:

1. Applicant no longer interested in Ministry of Housing accommodation.
2. Applicant had a change of circumstances, no longer met eligibility requirements.
3. Applicant failed to appear at assessment interview.
4. Applicant rejected third offer of accommodation.

RESIDENCES OWNED BY DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 236)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

In respect of all residences owned by departments, agencies and authorities within his administration as at 1 April 1985, and which have been vacant for two months or longer, what is the length of time each has been vacant, the location and the reason?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

Nil.

ABORIGINAL AFFAIRS EXPENDITURE BY MINISTRY OF HOUSING

(Question No. 268)

Mr BROWN (Gippsland West) asked the Minister for Housing:

1. What was the expenditure by departments, agencies and authorities within his administration in the 1984–85 financial year on matters directly related to Aboriginal affairs?

2. What is the estimated expenditure for the 1985–86 financial year in this area?

3. How many staff are employed in each organization, indicating whether full time or part time, and in relation to part-time employees the number of hours devoted per week to work associated with Aboriginal affairs?

4. What are the costs of all overheads in each organization in connection with employment of staff in the area of Aboriginal affairs?

Mr WILKES (Minister for Housing)—The answer is:

	($000)
1. Expenditure on Aboriginal housing during 1984–85	
(*a*) For acquisition of rental stock	2488
(*b*) Maintenance of Aboriginal housing stock	869
2. The estimated expenditure in 1985–86 is	
(*a*) For acquisition of rental stock	4417
(*b*) Maintenance of Aboriginal housing	1010

3. The Ministry of Housing currently employs

2 staff full time and 6 liaison officers seconded to the Aboriginal Housing Board working on Aboriginal affairs.

4. No specific separate records are kept for overhead costs for Aboriginal affairs but based on the Ministry's allocation of overheads the cost was $291 000 during 1984–85.

ABORIGINAL AFFAIRS EXPENDITURE BY DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 272)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

1. What was the expenditure by departments, agencies and authorities within his administration in the 1984–85 financial year on matters directly related to Aboriginal affairs?

2. What is the estimated expenditure for the 1985–86 financial year in this area?

3. How many staff are employed in each organization, indicating whether full time or part time, and in relation to part-time employees the number of hours devoted per week to work associated with Aboriginal affairs?

4. What are the costs of all overheads in each organization in connection with employment of staff in the area of Aboriginal affairs?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

1. Aboriginal groups would have received grants under my department's employment and training programs. Grant payments will be listed in my annual report, which will be available in Parliament shortly.

2. Details are not available.

3. This department funds groups to conduct specific projects under its grants programs. Staffing details of each group are not available.

4. Again, this information is not available within this department.

BUDGET ALLOCATION FOR DISTRIBUTION BY DEPARTMENT OF AGRICULTURE AND RURAL AFFAIRS

(Question No. 279)

Mr BROWN (Gippsland West) asked the Treasurer, for the Minister for Agriculture and Rural Affairs:

1. Whether any moneys were allocated by departments, agencies and authorities within his administration in the State Budget delivered on 18 September 1984 which would be available for distribution at his discretion; if so, what is the amount allocated?

2. Whether such discretionary funds were available within the 1983–84 State Budget; if so, what amount?

Mr JOLLY (Treasurer)—The answer supplied by the Minister for Agriculture and Rural Affairs is:

1. Yes. An amount of $125 000 was provided as grants to agricultural and pastoral societies in 1984–85. Funds allocated in the State Budget to the department are identified for particular programs and purposes. Within these programs, and subject to Treasury regulations, the Minister, as the person responsible for the implementation of the Government's policies, has discretion in the allocation of funds.

2. Yes. An amount of $135 000 was provided in 1983–84.

BUDGET ALLOCATION FOR DISTRIBUTION BY DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL AFFAIRS

(Question No. 283)

Mr BROWN (Gippsland West) asked the Minister for Employment and Industrial Affairs:

1. Whether any moneys were allocated by departments, agencies and authorities within his administration in the State Budget delivered on 18 September 1984 which would be available for distribution at his discretion; if so, what is the amount allocated?

2. Whether such discretionary funds were available within the 1983–84 State Budget; if so, what amount?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

1. A total of $7·85 million was allocated in the 1984–85 State Budget for distribution at the Minister's discretion for purposes defined by particular programs as follows:

Program	
Corporate Services	$
Grants to organizations and costs associated with provision of corporate services	400 000
Training	
Apprenticeship incentive and training schemes	2 600 000
Grants to organizations and costs associated with employment and training schemes	2 700 000
Labour Market Information and Research	
Grants to organizations and costs associated with employment and training schemes	350 000
Employment Policies and Programs	
Grants to organizations and costs associated with employment and training schemes, programs studies, etc.	1 300 000
Occupational and Public Health and Safety	
Grants to organizations and costs associated with occupational health and safety schemes, programs, studies, etc.	500 000
TOTAL	7 850 000

2. For the 1983–84 Budget moneys available for distribution at the Minister's discretion were allocated as follows:

1983–84 Division No. 290 Ministry of Employment and Training	
Item 8 Grants to organizations and costs associated with employment and training schemes, programs, studies, etc.	5 000 000

WELFARE SERVICES FUND

(Question No. 311)

Mr E. R. SMITH (Glen Waverley) asked the Minister for Consumer Affairs, for the Minister for Community Services:

In view of the Council for the Single Mother and Her Child receiving a grant of $35 000 from the Welfare Services Fund, why the Adoptive Parents Association of Victoria was denied funding of $2000 from the same fund for a project to publish an information booklet on the Adoption Act 1984 and for the installation of a 24-hour telephone counselling service?

Mr SPYKER (Minister for Consumer Affairs)—The answer supplied by the Minister for Community Services is:

The funding request from the Adoptive Parents Association of Victoria for $2000 "to develop, publicize and distribute an information booklet for adoptive parents on all aspects of the new adoption legislation" was rejected due to—

(1) the fact that my department was in the process of producing an information booklet to be distributed to all agencies and groups involved in adoption. The funding of an information booklet by the APAV would have resulted in duplication;

(2) priority consideration for funding of a large number of applications within the constraints of limited funds available.

There are no records held in my department indicating that the organization has applied for funding of a 24-hour telephone counselling service.

PRINTING OF RAILWAY TIME-TABLES

(Question No. 333)

Mr DICKINSON (South Barwon) asked the Minister for Transport:

1. What was the total cost of printing the new V/Line railway time-tables?

2. What firm was engaged to print the time-tables?

3. How many time-tables were printed?

Mr ROPER (Minister for Transport)—The answer is:

1. $64 899.42.

2. While the typesetting for the time-tables was undertaken by V/Line, an anticipated printing delay of some months by the Government Printing Office resulted in the following firms being engaged to print the time-tables:

Cambec Press Pty Ltd

Pemara Press (Vic.) Pty Ltd

Ramsay Ware Stockland Pty Ltd

The Craftsman Press

Vaughan Printing Pty Ltd

3. Twelve separate time-tables were produced for a total of 357 200 copies, including 10 200 copies of a 94-page booklet titled "Time-tables for Country and Interstate Services".

USE OF VEHICLES BY DEPARTMENT OF CONSERVATION, FORESTS AND LANDS

(Question No. 356)

Mr BROWN (Gippsland West) asked the Minister for Education, for the Minister for Conservation, Forests and Lands:

In respect of motor vehicles operated by each department, agency or authority within her administration, how many travelled on either the South Gippsland or Bass highways, or both, on Saturday, 1 June 1985, indicating—(*a*) the registration number of each vehicle; (*b*) how many officers travelled in each vehicle; and (*c*) the purpose of the trip in each case?

Mr CATHIE (Minister for Education)—The answer supplied by the Minister for Conservation, Forests and Lands is:

(*a*) No vehicles were allocated by my department for travel on the South Gippsland or Bass highways on Saturday, 1 June 1985.

(*b*) Not applicable.

(*c*) Not applicable.

USE OF VEHICLES BY DEPARTMENT OF COMMUNITY SERVICES

(Question No. 360)

Mr BROWN (Gippsland West) asked the Minister for Consumer Affairs, for the Minister for Community Services:

In respect of motor vehicles operated by each department, agency or authority within her administration, how many travelled on either the South Gippsland or Bass highways, or both, on Saturday, 1 June 1985, indicating—(*a*) the registration number of each vehicle; (*b*) how many officers travelled in each vehicle; and (*c*) the purpose of the trip in each case?

Mr SPYKER (Minister for Consumer Affairs)—The answer supplied by the Minister for Community Services is:

From records maintained within my department, I have ascertained that no departmental vehicles travelled on either the South Gippsland or Bass highways on 1 June 1985.

PUBLICATIONS BY MINISTRY OF TRANSPORT

(Question No. 372)

Mr BROWN (Gippsland West) asked the Minister for Transport:

1. What is the name of each book, brochure, pamphlet or publication produced by each department, agency or authority within his administration in the three-year period ended 2 March 1985?

2. What was the approximate date of publication of each book, brochure, pamphlet or publication?

Mr ROPER (Minister for Transport)—The answer is:

The time and resources necessary to answer this question cannot be justified.

Information in relation to major publications produced may be obtained by reference to the annual reports of the Ministry and its authorities as well as to their respective Freedom of Information Part II statements.

STATE OWNED OR CONTROLLED LAUNDRIES

(Question No. 390)

Mr GUDE (Hawthorn) asked the Minister for Transport:

Whether the Ministry of Transport or any of its agencies has laundry undertaken in a State owned or controlled laundry; if so—(*a*) what is the location; and (*b*) what is the capital investment and the financial results of each such laundry?

Mr ROPER (Minister for Transport)—The answer is:

The State Transport Authority's occupational health department and ambulance section has its laundry undertaken at the Royal Melbourne Hospital Central Linen Service and group laundry.

Neither the Ministry of Transport nor any of its other agencies has laundry undertaken in a State owned or controlled laundry.

NOTICES OF INDUSTRIAL ACCIDENTS

(Question No. 394)

Mr RAMSAY (Balwyn) asked the Minister for Employment and Industrial Affairs:

How many notices of industrial accidents, as required by section 20 of the Industrial Safety, Health and Welfare Act 1981, were received by the responsible department in each month between 1 July 1982 and 30 June 1985?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is:

Notice of industrial accidents as required by section 20—Industrial Safety, Health and Welfare Act.

Month		
July 1982	2759	
August	2195	
September	2315	
October	2689	
November	2477	
December	2443	
		Total 14 878
January 1983	1593	
February	1646	
March	2247	

April	2382	
May	2765	
June	2452	
July	3581	
August	2877	
September	2487	
October	2843	
November	2703	
December	2241	
		Total 29 837
January 1984	1528	
February	2302	
March	2366	
April	2212	
May	1861	
June	3438	
July	3148	
August	2700	
September	2271	
October	3628	
November	2343	
December	2324	
		Total 30 132
January 1985	1617	
February	2686	
March	2206	
April	1926	
May	3229	
June	2029	
		Total 13 693

INDUSTRIAL SAFETY

(Question No. 395)

Mr RAMSAY (Balwyn) asked the Minister for Employment and Industrial Affairs:

On how many occasions between 1 July 1982 and 30 June 1985 the Minister responsible for administration of the Industrial Safety, Health and Welfare Act 1981 exercised his power under section 18 to order the cessation of a dangerous process?

Mr CRABB (Minister for Employment and Industrial Affairs)—The answer is, "Nil".

GEELONG RAIL SERVICE

(Question No. 422)

Mr DICKINSON (South Barwon) asked the Minister for Transport:

1. How many trains which leave from Spencer Street for Geelong or from Geelong for Spencer Street have been cancelled during the months of February to July 1985, respectively?

2. How many trains have not kept their scheduled time-table on the above line during the period February to July 1985?

3. On how many occasions in the past twelve months passengers to and from Geelong have been required to use buses because of equipment failure, and what reasons were given to passengers on each occasion for the cancellation of train services?

Mr ROPER (Minister for Transport)—The answer is:

1. 170 Geelong trains were cancelled between February and June 1985 inclusive. This represents approximately 3 per cent of the total number of trains, but includes cancellation of 70 trains because of two separate industrial disputes, one between 21 and 29 March and one on 2 April 1985.

2. From 1 February to 30 June 1985, 64 per cent of Geelong trains ran on time. A further 21 per cent arrived within 10 minutes of the scheduled arrival time.

Running has progressively improved since the 14 April time-table alteration which at first caused major disruptions because of disturbance in the metropolitan area.

For instance, on-time running in July for Geelong services was 70 per cent peak and 90 per cent off peak.

3. Complete records were not kept prior to February 1985, but from 1 February to 30 June 1985, on the 170 occasions when buses were substituted for cancelled trains, the following were the reasons:

1.3.85 to 5.3.85

90 trains replaced by road coaches due to major derailment at Little River, 28.2.85.

21.3.85 to 29.3.85

36 trains replaced by road coaches due to industrial dispute.

2.4.85

44 trains replaced by road coaches due to industrial dispute.