Tuesday, 7 October 1986

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

QUESTIONS WITHOUT NOTICE

BUDGET PAPERS

Mr STOCKDALE (Brighton)—I refer the Treasurer to his claim in this House last Thursday that there was only one error in the Budget Papers. Will the Treasurer now confirm that he has prepared and issued to some sections of the media, but not to Parliamentarians, a document expressly admitting six further errors?

Mr JOLLY (Treasurer)—The remarks I made in Parliament last Thursday were in response to a question from a Liberal Party member who was highlighting some of the issues which were claimed to be errors in the Budget Papers. My remarks were related to an outrageous claim by the honourable member for Brighton that there were some $836 million worth of errors in the Budget Papers.

The honourable member for Brighton deliberately created the impression that somehow those errors were in the Budget before the House. Clearly, that was not the case.

In relation to one document, which related to 1986-87, a chapter in the supporting Budget Papers headed, "Social Development and the Budget", contained a table which set out the Budget appropriations for the various major areas of expenditure in the social development area.

What the honourable member for Brighton said in relation to that table was that there was an error of $386 million. In point of fact, the table was totally correct. It recorded the amounts appropriated in the Budget and, clearly, it referred to the expenditure set out in the Budget.

If the honourable member for Brighton had followed the normal course of action taken by other shadow Treasurers and consulted with departmental officers, he would have learned to understand the table.

I now turn to the second point—which was my answer in relation specifically to 1986-87 and again in relation to the document of the honourable member for Brighton, which was riddled with inconsistencies, errors and misunderstandings. I pointed out that in that Liberal Party document which was portrayed as a serious document—although no-one could really take it seriously—there was effectively an error in an appendix to the Budget, and it was $17 million. Of course, that affected a sub-total as well.

The other typographical errors and other matters—if honourable members opposite, who are interjecting, would care to listen—that were referred to in the document that the honourable member for Brighton has, related to 1985-86.

In relation to the issues raised by the honourable member for Brighton, in the 1986–87 Budget Papers, clearly there was one error, which I have admitted before the House. It was not an appropriation error; it was an error associated with the Budget documents. I should point out that over one million numbers are contained in those Budget documents presented to the House and there could be as many as two million numbers.

The 1986–87 Budget is clearly, in my view and the Government's view, the best Budget presented in Australia; there is no doubt about that, and all that the Liberal Party could do was concentrate on petty comments in relation to supporting documents to the Budget.

I have been surprised that, in the Budget debate that has occurred so far, the Liberal Party has made no attempt to attack the thrust of this year's Budget; and the reason for that is that the Government is outperforming other States in terms of expenditure restraints and low taxation receipts.

It is most unfortunate that the Liberal Party is not willing to debate the budgetary issues and that it concentrates, instead, on petty arithmetic when it makes plenty of errors itself. In fact, every time the Liberal Party issues a statement, it is full of inconsistencies and mistakes.

LEASE-BACK COMMITMENTS OF GOVERNMENT

Mr ROSS-EDWARDS (Leader of the National Party)—I refer the Treasurer to the Auditor-General's report which highlights the fact that the 1985–86 Budget Papers did not disclose that the Government's total lease-back commitments amount to approximately $1200 million. I ask: why did the Budget Papers not disclose this figure?

The SPEAKER—Order! I was unable to hear the substance of the question and I am sure the Treasurer did not hear the whole of the question. Will the honourable member please repeat it?

Mr ROSS-EDWARDS—Once again I refer to the Auditor-General's recent report, which highlights the fact that the 1985–86 Budget Papers did not disclose that the Government's total lease-back commitments amounted to approximately $1200 million and I ask: why did not the Budget Papers disclose this figure?

Mr JOLLY (Treasurer)—If one examines the debt issue and the way the Auditor-General reports debt and the way the State Government reports debt in its Budget Papers, there is a difference in the concepts underlying the calculations.

Honourable members interjecting.

Mr JOLLY—As has been mentioned on a number of occasions about the measurement of debt, the information published by the Government relates to net debt rather than gross debt and that is an important difference.

The Auditor-General does include internal financial transactions. The important point I make here is that the most relevant measure of assessing the financial position of the State is the net debt rather than the gross debt. That is why the Government reports it in that manner.

It is interesting that the Government provides much more information than did the previous Liberal Government in this State or any other Government in Australia.

However, in line with the proposition put forward by the Auditor-General about areas of resource management and accountability, the Government intends to improve its presentation so that it remains at the forefront of the presentation of information on the Budget and other financial matters.

FOOTWEAR, CLOTHING AND TEXTILE INDUSTRY

Mrs WILSON (Dandenong North)—Following the Premier's answer to a question without notice last week about the footwear, clothing and textile industry, can he advise the House what further steps he proposes to take to assist this vital industry?

Mr CAIN (Premier)—The Government has recognised for some time the importance of making the textile, clothing and footwear industry more internationally competitive to

reduce the reliance on protection and to ensure that Victorians will obtain better products at lower prices.

However, the Industries Assistance Commission recommends a massive reduction in protection for the industry. If those recommendations were to be implemented, Victorian industries would face major disruption. It has been estimated that up to 60 000 jobs in that industry would be threatened. A place like Wangaratta that has something in the order of 16 per cent of its work force in textile, clothing and footwear would literally be crippled.

I reiterate the Government's opposition to the preferred recommendations in the IAC report. As I said at the rally a short while ago——

Honourable members interjecting.

Mr CAIN—Opposition members should have been at the rally to hear the concerns of people in the industry. I find some difficulty comprehending the position taken by the Opposition because I have not yet seen any evidence that the Opposition acknowledges the problems contained in the report.

The two most important problems with the report are, firstly, the failure to address the key issue of jobs and the fact that thousands of people will lose their jobs and, secondly, the failure to consider the impact on regional economies.

From what I have not heard from the Liberal Party, it seems to be prepared to sacrifice jobs and threaten the rural economy for purely ideological reasons.

Honourable members interjecting.

Mr CAIN—What other view can I come to? I have invited the Leader of the Opposition to state where the Opposition stands. The Opposition seems to be in love with the ideal of the pure market. It would disrupt thousands of families in this State that are more affected by those recommendations than any other State to achieve that love.

So far as I can ascertain, the Opposition has not bothered to visit people in the community to find out how the industry is turning around, as it is in many areas, and to learn what are the prospects for the future.

I make it clear that our Government will leave the Commonwealth Government in no doubt about our attitude in our response. We accept that changes should take place. Employers and workers, the people on the shop floor, have visited me in recent weeks and have all stated that changes should occur and will occur. However, those changes must be gradual and they must be properly managed.

We must also stress to the Commonwealth Government the need for assistance to firms and employers that demonstrate the capacity and willingness to introduce new technology and new management and, most importantly, new marketing methods, because that is where it all starts.

Thirdly, the Government must emphasise to the Commonweath Government the need for effective and prompt antidumping mechanisms—those predatory pricing mechanisms or ventures that take place. I discovered from talking with both management and unions that they are prepared to accept that their needs are changing and that a middle course that offers the survival of that industry is required to enable the industry to be more export oriented and to replace imports in many areas.

I regret that the rally held outside Parliament House today was not supported by honourable members opposite.

Honourable members interjecting.

Mr CAIN—It was not. Thousands of textile, clothing and footwear workers, with the support of their employers, were present demonstrating their concern.

I pick up the interjection of the honourable member for Benalla and inform him that I hope to see Senator Button in Canberra on Thursday and I shall be making clear to him the response of the Victorian Government to those recommendations.

From an announcement made today by Mr Gerry Hand, the chairman of the caucus committee, it appears that the Federal Government recognises that some action needs to be taken. A further announcement by the Prime Minister and Senator Button indicates that the Federal Government is responsive—as the Fraser Liberal Government never was—to the needs and demonstrated capacities of that industry.

Unless I hear something different from the Opposition, I can only assume that it supports the unchanged, unamended and unabridged recommendations of the Industries Assistance Commission.

BUDGET PAPERS

Mr PERRIN (Bulleen)—I refer the Treasurer to a question I asked last Thursday, which question he did not answer, and I further ask: were total receipts from statutory authority dividends, contributions and notional taxation in 1985–86, $403·5 million, $409·9 million or $413·7 million, or some other figure; and will the Treasurer issue a correction to the Budget Papers on this matter?

Mr JOLLY (Treasurer)—I dealt with the question asked by the honourable member for Bulleen last Thursday, but I point out again that the error involved the State Bank dividend for 1985–86. It was recognised on the day the Budget was delivered and was reported in the *Australian Financial Review.*

It is interesting that in past Budgets the Opposition has taken little interest in the Estimates. I am surprised that the honourable member for Brighton, who parades as the shadow Treasurer in this place, has not taken up the opportunity of having the Estimates referred to the Economic and Budget Review Committee.

I wonder why the honourable member has remained silent on this issue, because it seems to me to be important. It was also interesting that in the prepared text of the Budget reply speech of the honourable member for Brighton there was no mention of the proposed Estimates Committee. I would welcome the Economic and Budget Review Committee examining the detailed Estimates of the Budget and I hope that takes place.

Mr STOCKDALE (Brighton)—On a point of order, Mr Speaker, not only is the Treasurer debating the issue and the question, but he is also specifically canvassing issues that are currently under debate in the other place, and is, therefore, out of order.

The SPEAKER—Order! It is difficult for me to decide whether the Treasurer is or is not in order in answering the question. Therefore, I do not uphold the point of order.

Mr JOLLY (Treasurer)—The correct figure is contained in table "A1" Budget Paper No. 4 and that information has been made available to the public.

PUBLIC SECTOR DEBT

Mr HANN (Rodney)—I direct a question to the Treasurer: is it true that the Auditor-General's report discloses a discrepancy of $2100 million in the true total public sector debt of this State?

Mr JOLLY (Treasurer)—The answer to that question is similar to the answer I gave to the Leader of the National Party. There is a difference in the way debt is measured, that is, the net debt is the Government measure, and on that measure the ratio of net debt to non-farm product in this State is lower than what it was under Sir Henry Bolte's rule in the State. That should be understood by all honourable members, not just members of the National Party, but also members of the Opposition.

STATE TAXES AND CHARGES

Mrs RAY (Box Hill)—Can the Premier indicate to the House the effect of Government policies for containing taxes and charges, particularly in the area of domestic energy prices?

Mr CAIN (Premier)—I thank the honourable member for the question because I welcome the opportunity to put the record straight in respect of a number of matters. What has gone on during question time for the past 15–20 minutes, illustrates what has happened following the Budget better than anything I can say. The Leader of the National Party summed it all up in the way he framed his question. I find it astonishing that not one thing of substance has been found wrong with the Budget. All the criticism is addressed at spelling and punctuation.

There are no new taxes; there are no increases in taxes. We have saved $157 million in productivity. We are delivering essential services for $157 million less. These are real savings. The Opposition cannot believe it!

For the past three weeks the Opposition has gone on with a lot of nonsense, and the Leader of the Opposition is a superstar in this regard. The Opposition has created myths about increases in taxes and all sorts of concepts about numbers and the Auditor-General. However, the Opposition did not find one thing wrong with the Budget the day after it was brought down. The Leader of the Opposition did not ask a question about the Budget; the Leader of the National Party was the only one to ask a question, and the Opposition goes on with all this nonsense!

The Leader of the Opposition has made such a goose of himself in the last day or two; I do not want to join in those sorts of things. The Leader of the Opposition really has gone too far!

The Opposition cannot find anything of substance wrong with the Budget. The assertions that the Leader of the Opposition and others continue to make about taxes and charges are wrong. The facts are that the Government has honoured its commitment not to increase taxes and charges beyond the inflation rate.

Honourable members interjecting.

Mr CAIN—The Leader of the Opposition is obviously getting himself into trouble again. The moment he is rattled he goes on opening his mouth time after time. What are the cartoons doing to him?

Fact No. 1: State taxation receipts as a whole, as a proportion of non-farm gross domestic product, will fall in the present financial year compared to the past two years. Is that right or wrong? The honourable member for Brighton knows it is right but he will not get up and say so.

Fact No. 2: the figure of 4·8 per cent is now lower than it was when the Liberal Party was last in government. That is correct too, and the honourable member for Brighton knows it.

Fact No. 3: in the four years since 1982 Melbourne has had the lowest increase of any Australian city in the local government charges component of the consumer price index. If members of the National Party want to talk about Brisbane in Queensland—in Paradise—I will tell them about that too!

As a matter of desperation the Opposition has tried to create some myth about taxes and charges. Let me just tell the Opposition what the facts are in respect of gas and electricity charges.

I notice that the honourable member for Malvern has his pen in his hand; he should write down the figures. In the past three years gas prices have risen by a total of 16·7 per cent. What do honourable members think the rise was during the last three years of the

former Liberal Government? The rise was 34·4 per cent! For the benefit of the honourable member for Malvern and the Leader of the Opposition, that is more than double.

In so far as State Electricity Commission charges are concerned, during the last three years of this Government the increase was 15·6 per cent. In the last three years of the former Liberal Government—honourable members should listen to this—the figure was 46 per cent! Not only did the former Liberal Government have no energy policy, but also it introduced what can be described only as widely fluctuating price rises, which meant that families could not plan their household budgets and industry was unable to predict its energy costs.

That is the difference the Minister for Industry, Technology and Resources and his predecessor brought. Industry knows—through the Ministries of the Deputy Premier and the previous Minister—what rises there will be and can plan and invest accordingly. That has been the practical difference.

I shall repeat what I said about this year's Budget. Honourable members opposite can go on with all the nonsense about concepts on figures and mistakes in printing, like the Leader of the National Party, but the facts are that the Budget contains no new taxes and there are no tax rises. I know the Opposition is disappointed. That is probably understating it. The Opposition is disappointed at the Government's success in bringing down a Budget in such difficult economic times. I really do think that. The Leader of the Opposition was on about increasing the tax on cigarettes. That was one of his outbursts.

The Opposition could not believe the Government could be so good as to not introduce any new taxes or increases in the present climate and it prefers, as a result, to distort the Budget by picking up an arithmetical error. I say: what next? It was an arithmetical error; will the Opposition be picking up spelling mistakes next? That is all I can conclude.

I have one last thing to say: the real test of this Budget is in the pockets of Victorians. The Budget has been acknowledged right across this State as a great success and I say, without qualification, the best Budget in Australia.

BUDGET PAPERS

Mr KENNETT (Leader of the Opposition)—I refer the Treasurer to his claim during question time last Thursday that an erratum had been issued correcting the error he had admitted and ask: will he now confirm that no erratum had been issued in relation to the $17 million admitted error or in relation to any other errors identified by the Opposition?

Mr JOLLY (Treasurer)—This is amazing stuff—the same question time and again. The Leader of the Opposition understands what the $17 million is, unlike the honourable member for Brighton, who went on the Schildberger program and said it was a mistake in the Appropriation Bill. He knows very well it was not, yet he went on the public record and said that.

Let us analyse the real reason for the question. The real reason for the question is what the Premier has made clear here today and that is that the Liberal Party cannot control its own forces in respect of increased expenditure. It is not prepared to analyse the thrust of the Budget, the expenditure restraint and the tax relief that is involved in it.

The reality is that the Liberal Party has a plan to increase taxes. There is no doubt about that. How will it pay for the $74 million in its "Liberal Motorcare" proposal? That will come out of the Consolidated Fund. That must mean increased taxes in Victoria; so also will all the Liberal Party's expenditure proposals.

I have made it clear that the error in relation to the $17 million in one of the 95 new tables inserted in the Budget Papers by the Government, is effectively an appendix to the Budget. The $17 million was in no way an appropriation error. I made it clear that it was not included in the erratum.

The Budget documentation of the Victorian Parliament is the best in Australia and no honourable member can demonstrate the opposite. I throw out a challenge to the honourable member for Brighton who is a member of the Economic and Budget Review Committee, a joint committee which is empowered to examine Budget Estimates. I understand the honourable member has not turned up at the committee for some weeks. The committee has the opportunity of examining the Budget Estimates and other Budget documents. It should take that opportunity. Clearly, the honourable member is not fair dinkum and is posturing on the issue. It is about time the honourable member for Brighton got off his backside and made a constructive contribution to that committee.

VICTORIAN ECONOMY

Mr CULPIN (Broadmeadows)—Can the Treasurer inform the House what the latest economic indicators have shown about the relative performance of the Victorian economy?

Mr JOLLY (Treasurer)—I can briefly comment on the economic indicators. It is important to look at the performance of the State through one major economic indicator, which is the unemployment rate. The rate for Victoria has been the lowest of any State in Australia for 36 months in a row.

It is interesting to compare the performance of this Government during the past three years with the performance during the last three years of the Liberal Government in Victoria. In only 8 out of 36 months under the former Liberal Government did this State have the lowest unemployment rate, compared with 36 out of 36 in the past three years of this Government.

I invite honourable members to look further at the economic evidence that has become available which shows how well the Victorian economy is doing. These economic statistics were released during the past week by the Australian Statistician.

Retail sales are a very important part of consumption expenditure. In the past twelve months to July 1986 the increase in retail sales in Victoria was 15·1 per cent and for the rest of Australia it was 8·3 per cent. Therefore, Victoria's performance in retail sales during the past twelve months has been outstanding. Honourable members would appreciate that during 1985–86 both the housing and motor vehicle industries nationally faced difficulties but Victoria's relative standing has been much better than the rest of Australia.

Last week the figures for housing finance commitments were released. In the year to July 1986 the decline for the rest of Australia was 15·5 per cent. In Victoria the decline was 7 per cent, which indicates it held up much better than the rest of Australia. The decline for Victoria was less than half the decline for the rest of Australia.

In July the increase in housing commitments has been 25·2 per cent in Victoria compared with 20 per cent for the rest of Australia which is clearly a good performance for this State. Not only does that highlight that Victoria has withstood the decline during 1985–86 better than the rest of Australia, but in the past month the increase has been much better.

A similar situation is apparent when one examines motor vehicle registrations of new cars sold in Victoria. Honourable members are aware of the decline in the performance of the motor vehicle industry in 1985–86. In the year to August 1986 the rest of Australia had a decline in registrations of new vehicles of 17·4 per cent. Victoria had a decline in registration of new vehicles of 4·9 per cent, a much lower decline.

In examining the past three months, new motor vehicle registrations in Victoria have increased by 5·2 per cent compared with 3·4 per cent for the rest of Australia. Honourable members would be pleased to note that General Motors Holden's Ltd has announced the export of motor vehicle engines from Australia to overseas. That is an important development and unique in world terms. It has been assisted by the floating of the Australian dollar, that is, the reduction caused by the devaluation of the Australian dollar together with the improvement in the labour costs resulting from the introduction of

WorkCare. That has been an important social and economic reform that has certainly assisted industry generally.

In examining the most recent economic indicator, not only has Victoria the lowest unemployment rate of any State in Australia, but its relative performance in the area of retail sales, housing, motor vehicles and finance has certainly oustripped the rest of Australia.

BUDGET PAPERS

Mr RAMSAY (Balwyn)—I refer the Treasurer to table 4·1 in Budget Paper No. 2 which was presented as listing the total sources and uses of capital funds for 1986–87, including all global limit borrowings both on and off the Budget sector. I ask the Treasurer why the Portland aluminium project borrowings were omitted from that table and will the Treasurer issue a correction to ensure that table gives a true and honest picture of the situation?

Mr JOLLY (Treasurer)—The back-up documents in the table were designed to explain to the House the impact of borrowings, excluding the Portland aluminium smelter, because clearly the aluminium smelter was, in essence, a private sector venture in which the Government has been involved. The Government's commitment and expenditure has been quite open. Honourable members would appreciate that without the Government's involvement in the joint venture there would not be an aluminium smelter at Portland.

The Government is proud that the smelter is going ahead. It is a unique joint venture in world terms, so there is no doubt about the Government being up front about that policy. As indicated to the honourable member for Brighton and other Opposition members earlier, if they require detailed briefings on the Budget Papers—because obviously there are two million figures contained in the Budget Papers and I know the Leader of the Opposition has trouble with one figure, namely, the number of people supporting him as Leader of the Opposition—briefings will be arranged.

When one is looking at two million figures it is necessary to examine them in detail and to have the people involved in the preparation explain them to Opposition members.

Unfortunately, the Opposition members, for their own reasons—I do not understand why—chose not to be briefed on the Budget Papers for 1986–87. Again, I repeat, I welcome the opportunity for the Economic and Budget Review Committee to take up its powers. Why will it not take up its powers?

Mr Kennett interjected.

Mr JOLLY—The Leader of the Opposition is there with his mouth open. The committee should take up its powers. It is amazing how slack the honourable member for Brighton has been in relation to this issue. I cannot understand why he has not raised it through the Economic and Budget review committee. He has the explicit power, but he is not prepared to take it up.

TEXTILE, CLOTHING AND FOOTWEAR INDUSTRY

Mr JASPER (Murray Valley)—I refer the Minister for Industry, Technology and Resources to the reply by the Premier earlier in question time regarding the recommendations from the Industries Assistance Commission relating to the textile, clothing and footwear industries and the devastating effects the acceptance of those recommendations will have on Victoria. Can the Minister indicate to the House what specific recommendations the Government has made to the Federal Government and the Industries Assistance Commission against these recommendations?

Mr FORDHAM (Minister for Industry, Technology and Resources)—I am delighted that at least one National Party member seems to be supporting the textile, clothing and footwear industries, and I guess if I were representing Wangaratta, I would have that sort of view as well.

Mr Jasper interjected.

Mr FORDHAM—The honourable member was on the platform with Mr Halfpenny! He should not tell the honourable member for Benalla about that! Politics and economics make strange bedfellows indeed.

The SPEAKER—Bedpersons!

Mr FORDHAM—As the Premier outlined in the House, as he outlined at the rally earlier today, and as I know he is going to reiterate to the Federal Minister for Industry, Technology and Commerce, Senator Button, later in the week, the Victorian Government has taken a very strong stand on this important issue.

Discussions, I know, have been going on involving officers of my department with Senator Button's department. In correspondence I have forwarded to the Federal authorities we have made it clear that first of all we recognise that Victoria's textile, clothing and footwear industries are fundamental to the manufacturing industry of this State.

Of course, we accept the need for new technology and new investment in these industries, but it is happening now because of the work involving my department and the industries themselves. I could take honourable members to Wangaratta, to Bendigo and to Warragul and many other places around the State where initiatives have been taken together by the Government and the private sector to update equipment and the technology in the interests of these important industries.

Our situation has been made perfectly clear to the Commonwealth authorities. I believe the message is now starting to get through, from the advice that has come from the Prime Minister's office and from Senator Button's office earlier today.

These industries must be maintained; they must be strengthened in the interest of Victoria and in the interest of Australia as a whole. They are going to be increasingly export earners as well as import replacement vehicles for the future of this State. Many thousands of jobs are at stake and the welfare of the whole industry is very much before us.

CHANGES TO WORK PRACTICES

Mrs HILL (Frankston North)—Can the Minister for Transport supply details to the House of the effects of work practice changes on the budgets of the transport authorities?

Mr ROPER (Minister for Transport)—I thank the honourable member for Frankston North for her question and for her continuing interest in these matters.

A lot of people are spending a lot of time talking about the need for changes in work practices and, over the past three years in particular, it has been the case that in both the railways and the other major areas of transport considerable attention has been placed on the development of new work practices that will ensure that services are maintained but that the ever-growing drain on the public purse is reduced.

My predecessor, the present Minister for Labour, commenced detailed discussions with the railway unions about a whole range of work practice changes. One would have to say that the railways is one of the most backward organisations in terms of work practices. The railways would have to be one of the few employers in the State with more than 100 employees who did not move to a computerised payroll, and it also had a non-computerised freight billing system. They are two good examples of work practices and arrangements that were not changed during the 1960s and 1970s when the competitors of the railways were changing. However, the action started by my predecessor has begun to correct that situation.

Honourable members may be aware of a significant event that took place yesterday: I refer to the running of the last three-person crew country freight train. That may not seem dramatic to members of the Opposition, but that should have happened when the last coal

fire train ceased to run for revenue purposes. The Bolte, Hamer and Thompson Governments did nothing in that area.

In a full Budget year that undramatic change will save $12 million. The change has been introduced with the agreement of the Australian Railways Union and the Australian Federated Union of Locomotive Enginemen. It is a positive agreement and, unlike agreements in other States and overseas, has caused only one day of industrial disputation. That is a good example of a work practice change producing a lasting result. The only guards vans on country trains that people will now see will be on their own toy railway sets—there will be none running on the V/Line railway system.

Other examples of work practice changes are in the area of the tram and bus division of the Metropolitan Transit Authority. For years Governments have sought to change the pattern of staffing of those services to ensure that there was only one staff member per bus on the Bulleen–Garden City bus service. Honourable members may remember the dispute in 1969 when a previous Government attempted to remove the conductor. As a result of twelve months of detailed discussions with the Tramways and Motor Omnibus Employees Association, an agreement has been reached that not only removes the conductors from those buses but also the staff to be used for more productive duties within the tram and bus division. That will assist quite significantly in the continued improvement of bus and tram services, especially bus services in the outer-eastern and south-eastern suburbs of Melbourne. That is a fairly dramatic change.

In 1969 the country stopped over the actions that were taken by the union and the penal clauses that were used to try to resolve that matter. On this occasion the matter has been resolved by agreement and cooperation. Better services at a cheaper cost is the result for the community.

At least twenty separate change projects are currently underway in various stages of cooperation with the unions aimed at changing work practices to produce a more efficient and effective public transport system in this State at a price the community can afford.

TELEVISING OF PROCEEDINGS

Mr PLOWMAN (Evelyn) (*By leave*)—Mr Speaker, I understand that today you, Sir, exercised your discretion to allow filming of question time in the Chamber. Will you indicate to the House the parameters within which that filming was able to take place and whether that discretion involved the filming of the somewhat unseemly circus that took place prior to your arrival in the Chamber, well orchestrated by the Premier and members of the Government?

The SPEAKER—Order! I was asked by the media whether a camera could be installed for use during questions without notice in the sitting of the House today. I asked the media to provide the usual written notice detailing the request. I approved of the request and advised each of the parties that I had approved of such a request and that the approval was for filming of questions without notice. I did not approve of any filming in the Chamber prior to the House forming itself into a sitting.

PETITION

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

Packaging standards

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY:

The petition of certain citizens in Victoria shows that there is a need to end the current discrepancy in trading conditions between local manufacturers of confectionery and importers, caused by inadequate packaging laws in this State. Your petitioners therefore humbly pray that this discrepancy should be rectified by the introduction

of the recommended national packaging standards, based on a 40 per cent maximum free-space in the packaged product, which will enable equal trading opportunities for local and overseas confectionery manufactures alike and protection for consumers against dishonest packaging practices.

By **Mr Gavin** (115 signatures)

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

ADMINISTRATIVE ARRANGEMENTS

Mr CAIN (Premier)—By leave, I move:

That there be presented to this House a copy of Administrative Arrangements Order No. 46 of 1986.

The motion was agreed to.

Mr CAIN (Premier) presented the order in compliance with the foregoing order.

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

ECONOMIC AND BUDGET REVIEW COMMITTEE

Labour market study for radiologists

Mr GAVIN (Coburg) presented a report from the Economic and Budget Review Committee upon the labour market study for radiologists, together with appendices.

It was ordered that they be laid on the table and be printed.

PAPERS

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

Agriculture and Rural Affairs—Report of the department for the year 1985-86.

Crimes Compensation Tribunal—Report for the year 1985-86.

Office of Corrections—Report for the year 1985-86—Ordered to be printed.

Statutory Rules under the following Acts:

Film Act 1971—No. 257.

Financial Institutions Duty Act 1982—No. 259.

Juries Act 1967—No. 258.

Town and Country Planning Act 1961:

Flinders—Shire of Flinders Planning Scheme, Amendment No. 207.

Pakenham—Shire of Pakenham Planning Scheme, Part 1, Amendment No. 33.

Yea—Shire of Yea Planning Scheme, Amendment No. 8.

Victorian Dairy Industry Authority—Report for the year 1985-86.

CRIMES (PROCEEDINGS) BILL

Mr MATHEWS (Minister for the Arts)—I move:

That this Bill be now read a second time.

The Crimes (Proceedings) Bill represents another important step by the Government to make the criminal justice system both fairer and more efficient. The Bill has two purposes:

(*a*) to make committal proceedings more effective; and

(*b*) to increase the range of dispositional options available to a court when an accused person is found to be unfit to plead or not guilty by reason of insanity.

I shall deal with these matters separately.

COMMITTAL PROCEEDINGS

Last year, as part of the Government's ongoing review of the criminal justice system in Victoria, the Attorney-General asked the Director of Public Prosecutions, Mr John Coldrey, QC, to convene an expert advisory committee to examine the role of committal proceedings in the administration of the criminal law. The committee included Mr Coldrey, representatives of the Victoria Police, the Law Institute of Victoria, the Bar Council and the Law Department and two magistrates, including the Chief Magistrate, Mr John Dugan. The Government expresses its thanks to those people for their service on the committee.

In its report, which the Attorney-General received in February this year, the committee expressed the unanimous view that committal hearings are a vital cog in machinery of justice and recommended a number of changes to make them more effective. There has been extensive consultation on the report and its recommendations have received widespread support.

In essence, a committal proceeding is a preliminary examination of the prosecution evidence, to determine whether an accused person should be directed to stand trial. The examination is conducted by a magistrate. Committal proceedings have three main functions:

(*a*) to determine whether the evidence is sufficient to put the accused on trial;

(*b*) to give the accused notice of the case against him or her; and

(*c*) to give the accused an opportunity to test the evidence of the prosecution witnesses.

The committee found that committal proceedings were not fulfilling these functions adequately and recommended a number of legislative changes. Principal among these were that:

(*a*) the "hand-up brief" procedure under which written statements of witnesses are used in lieu of oral evidence, should be made available in all cases;

(*b*) the standard of proof required for a magistrate to commit a person for trial should be raised and the test should be simplified; and

(*c*) the "hand-up brief" procedures should be streamlined to make them more efficient.

The Government accepts these recommendations: they are the basis of Part 2 of the Bill.

The "hand-up brief" procedure has been available in Victoria since 1972 as an alternative to the old procedure by which all witnesses attend to give oral evidence. This can be very time-consuming and unduly expensive, especially when most evidence is not in dispute. The "hand-up brief" procedure is not available at present in cases of treason, murder, attempted murder or conspiracy to murder. Since the procedure has worked well in cases involving other very serious offences, such as armed robbery, there is no longer any justification for this restriction. The new provision also accords with recent changes to the coroner's jurisdiction.

The tests to be applied by a magistrate under present law in deciding whether to commit for trial are uncertain, confusing and unnecessarily complicated. In practice there are too many cases in which, although the prosecution evidence is weak, the defendant is directed to stand trial. Such cases prolong the strain on witnesses, the accused and their families unnecessarily and use up the limited resources of the Director of Public Prosecutions, the police, legal aid and the courts. Honourable members may care to reflect on the high cost of jury trials: $20 a minute in the County Court and $30 a minute in the Supreme Court, according to recent estimates by the Shorter Trials Committee. Therefore, if the evidence is insufficient, it is in everybody's interest that the defendant be discharged sooner rather than later.

The Bill introduces a new test: is the evidence of sufficient weight to support a conviction? The committee expressed the view that this test:

> Required the magistrate to weigh the strength of the case objectively without being seen to anticipate the jury verdict, and permitted the magistrate to assess the credibility of individual witnesses.

The Bill also makes a number of changes to streamline "hand-up brief" procedures. These include the following:

(*a*) the brief will be required to be served 28 days before the hearing instead of the present fourteen days;

(*b*) the accused will be required to give fourteen days' notice that a witness must attend for cross-examination, instead of the present five days;

(*c*) early discussions between the prosecution and the defence about which witnesses must attend for cross-examination will be encouraged. A magistrate in chambers will be empowered, after hearing the parties, to set aside a notice by a defendant if it would be frivolous, vexatious or oppressive to require a witness to attend; and

(*d*) prosecution witnesses will generally give their evidence-in-chief by simply adopting their statements.

The new provisions also use simpler, clearer language. This follows the Government's efforts to encourage the use of plain English.

MENTALLY ILL DEFENDANTS

Earlier this year, Parliament passed a package of legislation dealing with mentally ill and intellectually disabled people: the Mental Health Act 1986, the Intellectually Disabled Persons' Services Act 1986 and the Guardianship and Administration Board Act 1986. Those Acts provide a better deal for mentally ill and intellectually disabled people, with an emphasis on deinstitutionalisation. Part 3 of this Bill flows from these developments.

Under the present law, when an accused person is found unfit to plead because of his or her mental condition, or is found not guilty by reason of insanity, the court can make only one order, that he or she be held until the Governor's pleasure is known. There have been a number of cases in which a person has been held at the Governor's pleasure for longer than he or she would have been held in prison if convicted. There have even been cases in which people have been "lost in the system" for years. The Government is keen to ensure that this does not happen again.

The first major legislative steps in this direction were taken in the Mental Health Act 1986 and the Intellectually Disabled Persons' Services Act 1986, both of which provide for:

(*a*) annual review of cases involving persons held at the Governor's pleasure; and

(*b*) other safeguards such as the appointment of a Public Advocate and community visitors to protect the interests of mentally ill and intellectually disabled persons.

The Bill is another step in this direction. It allows the courts, in dealing with mentally ill defendants, to make dispositional orders consistent with those Acts. The Bill does not seek to confine the range of orders that the courts may make; this allows the courts to tailor their orders to all the circumstances of the particular case, bearing in mind the objectives of the Mental Health Act and the Intellectually Disabled Persons' Services Act. In many cases, detention as a security patient will not be necessary or desirable, and both the individual's and the community's needs will be better served by a less restrictive order. The Bill will give the courts that option.

Both the committal proceedings and mentally ill defendants provisions of the Bill are directed to making the criminal justice system both more efficient and more fair. The Government's reforms in recent years have shown that these objectives are not inconsistent and that the people of Victoria can, at the same time, get a fairer and better system.

On the motion of Mr JOHN (Bendigo East), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 21.

COMMONWEALTH POWERS (FAMILY LAW—CHILDREN) BILL

Mr MATHEWS (Minister for the Arts)—I move:

That this Bill be now read a second time.

The object of the Bill is to refer to the Commonwealth power to legislate for custody, access, guardianship and maintenance of ex-nuptial children. The reference will preserve State powers in the child welfare area. The Bill will pave the way for the Family Court of Australia to assume full jurisdiction over family law matters involving all children.

As honourable members will be aware, under the Australian Constitution the Commonwealth Government's power to legislate in the family law area is limited to the power to make "laws with respect to marriage". The Family Court was set up in 1975 under this power. The practical result of this constitutional limitation is that the Family Court can decide custody, access, guardianship and maintenance disputes concerning children of a marriage, but it has no power to hear cases involving children born outside marriage.

Under the present law considerable differences have existed between the treatment of children who come under the jurisdiction of the Family Law Act and those ex-nuptial children who do not. In some cases, children in the same family unit have fallen within different jurisdictions. The children of the marriage have been dealt with by the Family Court, and have had access to the support, conciliation and counselling services provided by that court. Issues concerning the children of one of the partners to the marriage born as a result of a former de facto relationship have, in general, been heard by the Supreme Court, with consequent added expense and absence of support services. In addition, different orders may have been made in respect of children in the same family, depending on which court heard the case.

It is inefficient and unfair that jurisdictional divisions can make such a difference to the treatment of children, depending on whether they are born in or out of marriage. The Family Court has extensive expertise and well-established support services in matters of custody, access and other issues concerning children. A high proportion of disputes within families are resolved through these ancilliary services without the need for a court hearing. Access to conciliation and counselling would be of great benefit to ex-nuptial children and their families.

The Bill will pave the way for amendments to the Family Law Act which will allow the Family Court to hear all family law matters involving children and will make Family Court support services available to families of children born outside marriage. The State Children's Court will retain jurisdiction over welfare matters.

A reference to the Commonwealth of State powers over ex-nuptial children has been under discussion since before the inception of the Family Law Act. It was recommended by the Australian Constitutional Convention in 1974 and the proposal has been much discussed and refined since that time. In December 1985, New South Wales, Victoria and South Australia reached agreement with the Commonwealth to introduce legislation in the form of the Bill now before the House. It is hoped Tasmania will follow suit in the near future.

Extensive consultation on the Bill has occurred and there is broad support for the referral of powers from community groups working in the area and from the legal profession.

The existing differences in family law between the treatment of children of married parents and children born outside marriage are discriminatory and unjustifiable. The Bill embodies the Government's commitment to end that discrimination. I commend the Bill to the House.

On the motion of Mr JOHN (Bendigo East), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 21.

APPROPRIATION (1986–87, No. 1) BILL AND WORKS AND SERVICES (FURTHER ANCILLARY PROVISIONS) BILL

The debates (adjourned from October 2) on the motion of Mr Jolly (Treasurer) for the second reading of these Bills were resumed.

Mr HARROWFIELD (Mitcham)—I join with my colleagues who have already contributed to the 1986–87 Budget debates in welcoming the Budget as further evidence of the sound management practised by the Cain Government.

The Budget was difficult for the Government to frame because of enormous problems caused by the reduction in world oil prices and the loss of some $150 million of revenue that would otherwise have flowed to the State but for those oil pricing policies.

Therefore, in that context it needs to be remembered that this Budget is indeed remarkable because it achieves a number of objectives. It continues the employment growth that has been so much a trademark of this Government. It budgets for no increase in unemployment. Again, it flies in the face of the national trend in shoring up employment in this State. It is a Budget—this should be emphasised time and again—which does not include any new taxes; nor does it increase any existing taxes.

The Budget provides some important tax relief in areas that are of prime importance in the context of implementing and developing our economic strategy. Finally, it is a Budget that does not withdraw from Victorians any essential Government services. It is a Budget that again emphasises the economic strategy as the centrepiece of the financial and economic policy of this Government.

The Budget also contains a number of expenditure initiatives which are welcome. In respect of the electorate I represent, the provision of additional special needs teachers, the additional house places that are provided, the prospect of extended bus services in the outer metropolitan area, the funds allocated for employment of additional nurses within the public hospital sector and the additional policing facilities provided—in terms of both additional public servants, so that police can get back to police duties, and of improved facilities provided to police—are certainly welcome.

So, too, is the relief provided to pensioners in respect of land tax. With respect to taxation relief it is important to remind honourable members that under this Government there are 80 000 Victorians paying land tax, which is in stark contrast to the 200 000 Victorians who were liable for land tax under the policies of the former Liberal Government. That has been a remarkable reform in the area of taxation to provide greater equity and, as this Budget does, bring important relief to pensioners in respect of that tax.

Also there are some fundamentally important expenditure initiatives in furthering the economic strategy of the Cain Government. That is no better illustrated than in the funds allocated for additional tertiary places in Victorian tertiary institutions. Some 1300 additional places are funded by the Government in the Budget.

I especially welcome the funds that are contributed towards joint ventures in the tourism area. All honourable members realise the enormous tourist potential of this State, and that is once again being focused on in the Budget. One of the comparative strengths that was highlighted in the economic strategy was the potential role for Melbourne as the commercial centre of this nation. By removing stamp duty on marine insurance the Government will make a further contribution towards enhancing Melbourne's role as the commercial capital of Australia.

Once again, in promoting the economic development within which persons can prosper in Victoria the Government has stuck to its commitment not to increase taxes and charges

beyond the consumer price index. As the Budget recognises, there is an instruction to Government agencies not to index taxes and charges beyond 7 per cent which, of course, as honourable members I hope realise, is below the projected increase in prices that is indicated in the Budget.

These initiatives are important in terms of providing improved goods and services to the Victorian community and in the context of developing the economic strategy of this Government. Overall, the Budget uses the limited financial resources of the Victorian public sector efficiently and compassionately. The Treasurer deserves to be congratulated once again on having prepared a Budget as effective and compassionate as this Budget.

The reaction to the Budget has been extremely favourable. In view of some of the comments made in the House in recent times it is opportune to quote the *Age* editorial of 18 September which stated:

> The budget handed down yesterday by the Treasurer, Mr Jolly, is an impressive document which needs no dressing up. It continues a consistent period of good financial management of the state by the Cain Government. The budget's close watch on spending recognises the seriousness of the economic plight confronting the state and the nation.

The editorial goes on to state:

> ... the Victorian Government deserves praise for keeping Victorian employment, investment and economic growth ahead of the national average.

The editorial concludes by saying:

> ... the Budget is one with which Mr Jolly and Victorians generally should be satisfied.

They are constructive and accurate responses to the Budget. Claude Forell in the *Age* on 18 September, the same day, commented:

> Like the Cain Government's previous budgets, this year's is more than an exercise in prudent housekeeping, being framed also to further the Government's long-term economic strategy and social policy objectives.

Mr Forell concludes by saying:

> Whatever the arguments advanced for more stringent restraints of public spending and taxation, the present Government deserves praise for having trimmed its latest budget with greater determination and courage, and with a keener sense of economic and social priorities, than most of its predecessors.

It is a Budget that has even earned the grudging support of the *Herald*, and also that of Heather Mitchell, of the Victorian Farmers Federation, who congratulated the Government for restraining taxation and cost increases, for its allocation for salinity works and its emphasis on agriculture.

The Budget was also welcomed by the Victorian Council of Social Services, for its restraint with equity, the equitable nature of the document, together with its contribution to public housing and the further development of the poverty act program.

The Budget was also welcomed by the Housing Industry Association for the increased funding it provided for the housing and construction industries.

The sour note on the Budget, predictably, has come from the Opposition, which, true to form, has looked for every excuse, and in every nook and cranny, for criticism of the Budget. Its reaction makes it the "odd man out".

While other groups and individuals have examined the Budget for its policy content and global economic implications and consequently are supportive of the Budget because it addresses those important economic policy issues, the Leader of the Opposition has descended to his usual level of irrelevance. However, more remarkably, the honourable member for Brighton has indulged in one of the most pitiful displays of nitpicking, negative responses, tedious responses, responses with no alternatives and responses thoroughly and predictably unoriginal. Honourable members are used to the honourable member for Brighton reading material prepared by other people.

As usual, the honourable member for Brighton has his facts wrong. It goes to prove that a little knowledge can be a dangerous thing, because through the errors, misconceptions and misapprehensions that the honourable member has made in response to the Budget, he has revealed to all Victorians his lack of capacity to understand even the simplest economic financial issue. In so doing, the honourable member has stretched his credibility, what was left of it, and the credibility of the Opposition, to absolute breaking point.

The honourable member for Brighton has come into this Chamber and has made accusations against the Treasurer despite the fact that he did not approach the Department of Management and Budget for any explanations of various figures in the Budget. The honourable member was offered the opportunity of having those issues explained to him but he did not take up that offer. Instead, he chose to parrot the words written for him by other people.

It is interesting to note the record of the honourable member for Brighton in his responses to various economic and Budget matters, and there is no better place to start than the supposed errors contained in the Budget.

The honourable member for Brighton pointed to an error in table 6.1 of Budget Paper No. 2, which shows major social services expenditure for 1983–84 to 1986–87. The honourable member said that the table was wrong and had understated expenditure by $386 million. The table is correct. It shows recurrent, works and services and total expenditure amounts for each item as they are shown in the Appropriation Bills. The honourable member has his facts wrong because he was not prepared to be briefed on the issue.

The honourable member claimed that there was an error of $9·97 million, which is not the case because the correct figure for tax and dividend receipts of $55 million is included in all estimates of aggregate Consolidated Funds receipts. He is wrong again.

The honourable member for Brighton has highlighted his incapacity to understand these issues when, in referring to the Budget, he indicated that the State Development Account would provide $57·1 million towards public sector capital funds when, he claims, the figure should be $86·6 million. The honourable member has failed to read the table properly. The amount of State Development Account funding to be applied to projects within public authorities and the capital development fund are shown separately. The payments which the honourable member has claimed show a discrepancy are handled through the Budget and the figures shown indicate that there is no mistake. It is interesting that the honourable member has walked out of the Chamber and is not prepared to listen to the farrago of mistakes he made when responding to the Budget.

The honourable member for Brighton claimed that there was a mistake in recording the total global limit borrowings, but the Government has singled out the Portland aluminium smelter component of borrowings. That fact is obvious to everyone except the honourable member for Brighton.

The other errors to which the honourable member has pointed are nitpicking or typographical errors. The honourable member's response to the Budget shows that he should get a job as a proofreader or a spelling corrector. The honourable member has no understanding of the simple economic issues that he should understand in his position as the Opposition spokesperson on these matters.

The incapacity of the honourable member is demonstrated in his own Budget speech. He tried to impress the House, or perhaps confuse it, by incorporating a series of tables in his speech, some of which are wrong or contain omissions. There is no better example of that than tables 3, 4 and 5 in which the honourable member for Brighton purports to show Victorian State taxation. The honourable member refers to growth components and figures for each aspect of State taxation between 1981–82 and 1986–87. He has come to the conclusion that the Government has misled Parliament because the increase in State taxation is more than the Government claims.

The honourable member for Brighton has made one fundamental omission; he has left out one of the most important components of State taxation: he has forgotten to mention petroleum royalties, which, in 1985–86, amounted to some $202 million. The significance of leaving out that figure is more than just an oversight by the honourable member as there has been a major reduction in the revenue from petroleum royalties because of world oil price factors.

He has deliberately omitted a figure that would have supported the Government's contention that State taxation revenue is increasing by less than the consumer price index. The honourable member has forgotten that there has been a 35 per cent reduction in petroleum royalties in the current Budget. His tables 3, 4 and 5 are revealed as a sham and a farce.

His table 2 is again wrong. He has compared figures supposedly starting with a base figure for 1985–86 and has made his own adjustments to the 1986–87 figure to come up with a new figure and compared that to the unadjusted base figure. The honourable member either is dumb or has set out to mislead the House because he has not adjusted the base figure in line with his own adjustments to the 1986–87 figure. Once again, he has blundered badly.

In addition, he has tried to muddy the waters with selected references to the Auditor-General's reports and the whole question of capital expenditure versus recurrent expenditure. He has accused the Government of using capital funds to meet recurrent expenditures. He has not mentioned that certain items of capital expenditure have been included in recurrent expenditure. What he should understand—the Auditor-General recognises it—is that there are valid definitional problems concerning capital funding, capital expenditure and recurrent expenditure. The Auditor-General has recognised that point but the honourable member for Brighton has chosen to ignore the fact that some items that are currently classified as recurrent expenditure could reasonably be reclassified as capital expenditure.

Importantly, he has failed to mention the fact that the presentation of this Budget on a national accounts basis is in line with the adoption of that practice by past Governments when the same sorts of guidelines were adopted in respect of the classification as between capital and recurrent expenditure—another mistake by the honourable member.

Further in his Budget speech the honourable member went into detail concerning the Government's productivity savings and pointed to some public transport and public hospital figures, claiming that they represented no productivity savings. The honourable member has confused two fundamentally different issues; he has confused the output of public sector areas with their productivity. Honourable members all know that productivity compares the inputs that are used in achieving a given output, but the honourable member for Brighton has ignored that distinction and spoke only in terms of outputs. He does not understand the meaning of productivity.

The honourable member again made the furphy of saying that the Government should have included public authority dividends under taxation. No-one agrees with him on that; least of all the Australian Bureau of Statistics, which does not regard public authority dividends as taxation. The bureau classifies those dividends as income transferred to general Government funds by public trading enterprises. That fact is known by anyone with an ounce of knowledge of these matters, but again the honourable member for Brighton does not understand or does not admit that.

Honourable members should also reflect on some monstrous errors committed by the honourable member in the past in putting forward supposedly well-researched economic documents from the Opposition. He has recently made great play of the supposed burgeoning of public sector debt in this State. He produced a document—no doubt written and worked on by other people, as honourable members saw recently in respect of the Transport Accident Bill when the honourable member's speech was written by the Law Institute of Victoria—in which he has made certain claims about the growth of public

sector debt liability and has used as the base figure the figures for 1981–82, the last year of the Liberal Government, in respect of semi-Government debt. He then proceeded to use other figures to show that there has been a massive increase under the Cain Government; but he forgot to include in his document the public sector debt liability of the State Electricity Commission, one of the major semi-Government authorities in this State.

The discrepancy in the honourable member's figures was of a mere $2·6 billion. This shadow Treasurer does not make mistakes by small measure! He has produced a document for public consumption that contains an error of $2·6 billion.

The honourable member also produced figures on unfunded superannuation liability. Compared with the figures that he released earlier this year, there is again a discrepancy of $1·3 billion. He must think we are fools! He does not explain why his figures vary to such an enormous extent. He produces one figure at one time and several months later comes up with a figure that is markedly and inexplicably different.

The shadow Treasurer has also documented the State Insurance Office's liability in 1985–86 as $2·5 billion when, in fact, honourable members will recall from recent debates in this place that the actual figure is $1·6 billion—again, an error of $900 million by the Opposition's spokesman on Treasury matters.

The honourable member did not mention the behaviour of public sector debt under the present Government when in fact the current Budget illustrates that new borrowings by the Victorian public sector will decrease in real terms for the fourth successive year. Net Government borrowings compared to non-farm gross domestic product are the lowest that they have been for years—3·1 per cent.

The honourable member has berated the Government in the past for borrowing too much money, yet when the Government seeks to use public sector assets and dispose of assets that are not required, again the honourable member berates us. The Government has sought to use those assets by converting them into other assets that will be relevant, but the honourable member has accused us of all sorts of dreadful things. He is not prepared to countenance the efficient use of capital assets in this State.

It is important to remember that the Budget sector net debt, as a percentage of non-farm gross domestic product, is projected to be 15·2 per cent this year. In 1979–80, one of the last years of the Liberal Government, that same figure was 15·7 per cent. Despite the claims of the Opposition about a massive burgeoning of public sector debt, relatively little change has occurred during the 1980s; in fact, the figure in the current Budget is lower than the figures achieved in the late 1970s and early 1980s by the previous Government.

The percentage of total Victorian public sector debt as a percentage of non-farm gross domestic product this year is 30·8 per cent but, again, the shadow Treasurer fails to tell people that in the 1970s under a Liberal Government that ratio was in the high 40s. Now he accuses the Government of having an uncontrollable level of debt at 30·8 per cent.

The honourable member does not understand the role that borrowings can play in the development of an economy. In fact, there was a decline in debt in the later years of Liberal Governments, but that simply reflected the fact that those Governments were prepared to let the infrastructure of this State's economy run down to an alarming extent—to the point where prospective investors in this State were frightened away. The Cain Government has responsibly increased the amount of borrowings over the past three or four years to rebuild the economy and social infrastructure of this State. The results are there for all to see by way of the influx of investment in this State under the Cain Government.

The honourable member for Brighton is wrong on many occasions. He has made errors of up to $2·6 billion about which he is quite barefaced. He has made no apology or explanation, yet he directs nitpicking nonsense at the Treasurer. He even talked about whether errata slips were issued about small typographical errors in the Budget.

The honourable member for Brighton has no other more sensible response to the Budget than to come up with this sort of nitpicking nonsense that honourable members have heard today and on other occasions in the House.

It is important to look at the prospects for the Victorian economy over the coming years. The Government has been tremendously successful in creating new jobs. Over the twelve months to June 1986, an average of 225 jobs have been created every day—that is about 82 200 new jobs over that period. Those are not jobs created in the public sector, but predominantly in the private sector.

There has been an increase in private sector investment. Victoria's share of Australia's private sector investment has increased from 22·7 per cent in 1981-82 under the Liberal Government, to 25·2 per cent, as projected in this Budget.

Victoria's share of total manufacturing investment has increased enormously from 23·8 per cent in 1981-82 to 37·7 per cent in 1985-86.

The Budget again contains initiatives that will further develop prospects for investment in this State's economy.

The Government is well placed to continue the improved performance of the Victorian economy. The devaluation of the Australian dollar will have particular importance for Victoria. It will increase the competitiveness of the manufacturing sector which, of course, is heavily concentrated in Victoria.

Therefore, the prospects exist. Those prospects are reflected in this Budget, in the Budget documents and in the Government's continuing commitment to the economic strategy document that it prepared some two years ago. This is not a Government that takes decisions on an ad hoc basis. It continues to work within the very sensible, responsible framework of that economic strategy document.

The diversity of Victoria's economic growth will stand the Government in good stead over the coming years. That is again reflected by the fact that Victoria will perform significantly better than the Australian economy as a whole in the coming twelve months.

A very promising capacity exists in this State to develop overseas markets. Along with a number of other colleagues, I recently visited China to participate in a trade fair. I saw at first hand the regard with which the Victorian Government and the Victorian economy are held, and that is reflected by the fact that the Chinese Government has opened its first overseas investment office in Melbourne.

Those are the positive issues that should be focused on. They are the positive aspects of this economy. They are the aspects that should be concentrated on, rather than the sort of negative nitpicking nonsense that honourable members have heard in this House from the man who would be Treasurer of this State. God help the people of Victoria, and God help this State, if honourable members opposite ever get their grubby claws on the Treasury benches of this State again!

Mr COOPER (Mornington)—Despite the rhetoric of the Treasurer and the honourable member for Mitcham, the position that still faces Victoria is that we have policies resulting in high growth and high cost debt. Victorians are now paying the highest per capita State taxation in Australia.

Major State authorities are showing differing results, with those of transport being in a deficit and debt-ridden morass and the State Electricity Commission showing signs of debt and deficit levels that give rise to longer-term concern.

The high level of debt and Budget deficits have serious implications for the future. I believe all Victorians are disappointed that these matters have not been addressed. The State Budget flexibility is being stifled by increasing debt commitments, and if current policies continue, there is a grave risk of the State being locked into high levels of taxes and charges from which it will never recover.

This scenario has emerged at a time when serious doubts are being voiced about the future of the Australian economy, and the State Treasurer is facing budgetary problems arising from falling oil revenues and wage awards in hospitals.

In short, despite its economic strategy, the Government of Victoria has emerged from a period of relatively good economic times with fundamental financing problems, just when Australia's economic output has deteriorated sharply.

The Treasurer's timing is almost as bad as his arithmetic. It is a pity that the would-be Treasurer, the shadow Treasurer on the Government side, the honourable member for Mitcham, could not grasp the opportunity that has just been presented to him.

What we have seen with this Budget is a Government that has rhetorically abandoned the theory of Keynes.

Mr Jolly interjected.

Mr COOPER—Yes, it has rhetorically abandoned the Keynesian theory but, in fact, it is still pursuing that theory. It is pursuing a totally discredited theory of a public sector-led recovery, which is really what the Government is all about, and that theory is still being maintained.

Let us examine the figures over the past couple of years in this State. More than 27 000 new public sector employees have been hired in Victoria over the past two years, and yet we have a Government that says it is all about cost saving.

The real challenge that we have in this State is to bring about some economic sanity but, unfortunately, this Treasurer has not bothered to do so. Economic sanity does not mean a mad scramble to spend more of the taxpayers' money on expanding the public sector.

I refer to the figures produced by the Government in regard to Government expenditure, and the source is the Budget Papers themselves. In 1984-85, there was an expansion in Government expenditure of 13 per cent; in 1985-86, total Government expenditure expanded by 12 per cent; and in 1986-87—on the Treasurer's own figures, I might point out—an increase of 6·6 per cent in Government expenditure is being proposed.

That is what the Treasurer says will be expended. However, the problem now is that we are all aware that the Treasurer's figures for 1986-87 are really rubbery and that the increase in expenditure should be 8·3 per cent.

The figure of 6·6 per cent that the Treasurer quotes is, of course, a figment of his imagination, a figment of what he likes to describe as "modern money management", and a demonstration of fiddling the books.

The Budget is shonky and the Treasurer knows it. The Treasurer has had to be brought to this House and made to admit to at least one of his $826-million mistakes. A mistake of $17 million has been admitted to by the Treasurer, and we are now asking that the rest of the mistakes be admitted.

Based on one part of the Treasurer's figures, we have an increase in total State expenditure of what would be 34·7 per cent from the years 1983-84 to 1986-87. The Treasurer's own figures show that in those years the increase in total State expenditure would be 34·7 per cent. However, based on another part of the Treasurer's figures and his documents, the total State expenditure for that period would be 36·7 per cent. We do not know the right figure, and the House does not know. Although questions have been asked, honourable members do not know, and the people of this State do not know, which figures in the Budget are the correct figures.

The so-called economic revolutionaries are, in fact, the dinosaurs of the 1980s, and they are now showing themselves to the people of Victoria to be clearly incompetent. The Premier is fond of telling this House and the people of Victoria that Victoria leads the

way. Certainly Victoria leads the way in having a Treasurer who cannot add up. In fact, the Government has been committing fraud of monumental proportions in this State and it is now being seen as incompetent and inept.

The Government's own figures are showing it to be that way. There is an arithmetical conflict in the Treasurer's own Budget Papers that condemns both him and the Victorian Government. When discrepancies and errors totalling $826 million are dismissed as being of no account by both the Treasurer and the Premier, the people of this State must be led to ask: just what the heck is going on here? What is going on is that there is a monumental mess-up which not even the expensive media machine of this Government can cover up.

The people of Victoria are now aware that things are dramatically wrong with the Government and that it is the taxpayers who will be forced to foot the Bill and pay for the Government's incompetence.

I turn to percentage increases in State taxation and the figures that have been produced. Again these figures come from the Government's own Budget Papers and I assume that the Treasurer is prepared to accept that they are correct. I am prepared to use the Treasurer's own figures to make my point.

The figures relate to the increases in State taxation between 1981–82 and 1985–86. A few of them bear comment and a few should be brought to the attention of the people of Victoria because they are important.

Between 1981–82 and 1985–86, payroll tax has increased by 47·1 per cent; stamp duty, that is not included anywhere else, has increased by 75·5 per cent; Tattersall's duty by 48·4 per cent; land tax by 51 per cent; petrol franchise fees by 157 per cent; liquor franchise fees by 51·7 per cent; tobacco franchise fees by 153·6 per cent, and drivers' licence fees by 162·7 per cent. These are the increases in State taxation during the years of office of the Government and are the increases that the Government states are within the consumer price index.

I do not have to remind the people of this State of the promises made prior to the 1982 election and repeated by the Premier prior to the 1985 election that State taxes and charges would not be increased beyond the rate of the consumer price index. As I recall, the then Leader of the Opposition, now the Premier, produced a brochure that made that promise in 1981 and it is a well-documented promise that was made again in late 1984 and early 1985. That promise has clearly been shattered in practically every area of Government activity in this State.

When one examines the figures that I have just quoted, one realises that it is no wonder the people are seriously questioning the Government's financial management of this State and wondering what the Government is doing to their assets and their money. Every one of the taxes and charges that I read out impinges upon the average pay-as-you-earn wage earner and every one of them depreciates the earnings and savings of the people of this State.

Increases in payroll tax, stamp duty, Tattersall's duty, land tax, petrol franchise, liquor franchise, tobacco franchise and motor driving licence fees are but a few of the many hundreds of increases that have occurred while the Government has been in office. That is an indictment of the Government and will be an albatross around its neck when it next faces the people of this State at an election.

I move to local government and comment on some concerns of the Opposition in this area. It is interesting to note that local government, in its own small way, has done its bit to add to the economic shambles that have been so brilliantly exposed by my colleague, the honourable member for Brighton.

Budget Paper No. 3 and the Treasurer's Statement contain variations in the local government budget of $44 111. It would be interesting if the Treasurer would tell the House which figure is correct. Of course, there is nothing new about these kinds of variations between the Appropriation Bill and the Treasurer's Statement because last year

the discrepancy figure was more than $6 million. I suppose the Treasurer has improved slightly from last year because the discrepancy has gone from $6 million down to $44 000. We should be grateful for small mercies and hope that if the Treasurer is still the Treasurer next year—and the honourable member for Mitcham has not taken over that role, as he so desperately desires—he will present an accurate document. It would be an unusual event but, nevertheless, one what should be expected from the Treasurer of this State.

I should like to examine the discrepancy for this year. In relation to Program No. 502, Budget Paper No. 3 shows $2 109 789 and the Treasurer's Statement for the year ended 30 June 1986 shows $2 153 900. Program No. 502 is interesting because it relates to the area from which funding for the Local Government Commission comes. As we all know, the commission has swallowed up a huge sum of taxpayers' money over the past eighteen months or so in its desperate and unsuccessful attempt to enforce the amalgamation of councils in Victoria.

It was an area in which the Premier and the Minister for Local Government managed to waste in excess of $1 million of taxpayers' money in a desperate attempt to nail down targeted councils and to politicise local government throughout Victoria.

If the Government could not get its council amalgamation program right, one cannot expect it to get its figures in the Budget right for the area covering the Local Government Commission.

I should explain that last year Program No. 502, surprisingly, came through clean as a whistle. It was reported on correctly in both Budget Paper No. 3 and the Treasurer's Statement. It was the other three programs that were reported on last year that had major discrepancies totalling $6·1 million.

The 1986–87 Estimate for the Local Government Department is an interesting one because an analysis of the figures throws up an increase in expenditure of 9·2 per cent. That is not the figure that is shown in Budget Paper No. 3.

What we have here is a department that is a shadow of its former self but with continuing increases in expenditure. It is only reasonable that people ask for a reason. I shall explain how I have come up with the figure of a 9·2 per cent increase in expenditure because it is relevant and the Treasurer will no doubt be interested. The expected Estimate for 1986–87 is $6 288 500. If we deduct from that figure the one-off expenditure to relocate the department to its new location at 500 Bourke Street, shown in the figures as $470 000, the net figure is $5 818 500.

In Budget Paper No. 5 on page 224, no allowance has been made for wage award increases. If one applies a wage award increase of $113 518, one arrives at a gross expenditure of $5 932 018, which is less than the figure shown in the Budget Papers.

If one compares that figure with the actual expenditure for 1985–86 of $5 432 170, the expenditure estimate for 1986–87 shows an increase of 9·2 per cent.

The Local Government Department is a shadow of its former self but the question must be asked: why the increase in the allocation? After the State election in March 1985 changes were made to the structure and functions of the Local Government Department, which lost many of its functions to other departments. As a result, staffing in the department fell from 280 to approximately 80.

During the past twelve months the Public Service Board has submitted to the Government a diagnostic review of the department and has recommended some restructuring and changes that have been accepted by the Government. The Minister for Local Government has commenced putting these changes into effect. It is the hope of the Government that the restructuring will be completed and fully operational by the end of the year. The restructuring calls for staff levels to be maintained at their present level of 80 or so personnel in total.

Why does one need extraordinary increases in expenditure in a department whose staffing levels have fallen to such an extent? I turn now to examine the history of expenditure in the Local Government Department to demonstrate how dramatic the increase in expenditure has been.

In 1983–84 the department had a budget of $10·8 million. In 1984–85, after the department was restructured, it had an annual budget of $4·9 million. In 1985–86, its budget was $5·4 million but this year its budget has leapt to approximately $6 million.

The increase in the allocation for the department from 1984–85 to 1986–87 has been 27 per cent, which is an extraordinary increase in a department that has had nearly all of its activities wound down.

The Government obviously believed that it would face heavy expenditure through the increased activities of the Local Government Commission but that has been wound down. Where is the money going; why has it been provided and what is happening?

If an in-depth look was held into the Local Government Department it would reveal that there are areas that require Government restraint in expenditure. This is not one of the better pieces of budgeting by the Government.

I want to touch briefly on another matter that concerns local government and I refer to the situation relating to library grants. Approximately 47 per cent of Victorians patronise public libraries. On the Mornington Peninsula well in excess of 50 per cent of the population patronise public libraries.

Those people well remember the promises that were made by the Government prior to it coming into office in 1982. Those promises were repeated religiously up until the year before last when the Government suddenly stopped making the promise that it would fund public libraries on a 50–50 basis, on a $1 for $1 basis.

When the Labor Party assumed office, 47 per cent of library expenditure was funded by the then State Government and the remainder was financed by local government. Government funding has since slumped dramatically to 30 per cent and local government funding has increased dramatically to 70 per cent.

The Government has pursued the trick of pushing all these functions across to the ratepayers and has walked away from its election promises. There is no greater area of broken promises than that of library grants.

The Government has pulled the pea and thimble trick in this Budget. The total library subsidy in 1985–86 was $18·6 million; this year it is $14·6 million, which has to last until the next financial year.

According to the *Age* editorial on Saturday, 4 October this year, the Government has set itself a commitment to cut $2 million a year in each of the next two years from the annual grant it makes to local government for the operation of municipal libraries. What a disgrace that public libraries will be made to suffer for the poor economic management of the Government!

Grants to public libraries affect 47 per cent of the population of the State and yet this is an area that will cop it in the neck from the Government. There will be a reduction in actual dollars which will mean a monstrous reduction in real terms for library grants over the next two years of the life of the Government. The Government should be ashamed and it should reconsider its allocation to library grants.

I also note with interest that the Government intends to close the State Library for one day a week. In other words, 20 per cent of the opening hours of the State Library will be axed. What a commitment to art, culture and the future education of the community that libraries should be the victims of the Government's mismanagement!

These are the issues on which the Government will be judged at the appropriate time. I suggest that the 47 per cent of the community who use public libraries will no longer be as

friendly towards the Government in the light of its poor and shocking performance and its trail of broken promises on library funding. Yet these are the people from whom the Government will seek support at the next State election.

The Minister for the Arts has done nothing to defend libraries, for which he is responsible. The Government should forget about obtaining the support of public library users in the State.

The Government has produced a Budget that is disappointing. Despite the Treasurer's rhetoric that one hears almost daily in the House, this is a disappointing Budget and, as time goes by, it is being viewed more and more that way by more and more people in the State.

On a daily basis and virtually an hourly basis the Government is losing credibility in its financial management. The Budget is the beginning of the end for a Government that has lost credibility in the State.

Mr Williams—Mr Acting Speaker, I draw your attention to the state of the House because I want all honourable members to hear the speech of the Deputy Leader of the National Party.

A quorum was formed.

Mr HANN —In this year's Budget the Treasurer has continued a practice that he has been developing over the past four years of attempting to ignore the rural sector totally. He does so in the Budget documents but more particularly in his Budget speech. The Treasurer said:

> Mr Speaker, the Victorian economy is performing better than the rest of Australia and we enjoy the lowest unemployment rate in the country.

The Treasurer was talking about the non-farm sector according to the Budget documents.

Budget Paper No. 2 at page 41 shows the Victorian economy is not performing better than the rest of Australia. Under the heading "Gross Product" it reads:

> Gross domestic product in 1985–86 grew by 3·7 per cent for Australia and by 3·6 per cent for Victoria . . .

The figure of 3·6 per cent is below the Australian average. The Treasurer was dishonest to open his Budget speech with a statement that the Victorian economy is performing better than the rest of Australia.

Budget Paper No. 2 acknowledges that the Victorian economy is growing at a slower rate than that for the rest of Australia. Although the non-farm product growth is above the Australian average, the farm product growth is well below the Australian average. On page 41 of Budget Paper No. 2 the following appears:

> Farm product fell by 2·2 per cent for Australia mainly as a result of lower cereal production partly offset by increased output of wool and meat. In Victoria, farm output is estimated to have fallen by 11·3 per cent due to a large fall in cereal production while small declines were also recorded for wool and meat production.

Effectively that put Victoria in a position where its non-farm economic growth, according to the Treasurer's documents, was below that for the rest of Australia.

The Treasurer appears to have deliberately ignored rural Victoria in his speech. In the eighteen-page speech the rural sector was given four lines. A reference was made to an additional allocation of $1·8 million for the new regional program for the Department of Agriculture and Rural Affairs. That was the only reference in the speech to the rural sector.

The rural sector produces more than 40 per cent of the export income of the State—more than $6000 million is produced by the rural sector—yet the Treasurer of Victoria chose to ignore agriculture. We know why: it is because the Budget documents highlight the bleak situation facing rural Victoria. The Government prefers to ignore that crisis and appears reluctant to do anything about it.

At page 30 of Budget Paper No. 2 is a reference to the rural scene:

In Victoria, non-farm activity grew slightly faster than at the national level . . .

But—

. . . farm product for Australia fell by 2·2 per cent and by 11·3 per cent in Victoria; . . .

In more detail the document shows that farm income fell by 30 per cent, which reflected a strong adverse movement in the rural sector's terms of trade. This statement is at page 35 of Budget Paper No. 2.

The message the National Party has been attempting to get through to the Government for some time appears to have fallen on deaf ears. In the appropriation speech the Treasurer has ignored the plight of the rural sector. One should have thought that if the Treasurer had recognised the importance of agriculture to the State, he would have referred to the current situation. More particularly, one should have expected the Treasurer to provide additional support to assist the rural community through the current crisis, to turn around the economic situation faced by farmers throughout Victoria and to provide them with some incentives.

In a press release issued on 18 September by the Minister for Agriculture and Rural Affairs on the Budget allocation for agriculture, the Minister claimed that there had been an increase of $9·9 million in the department's budget. He said that this proved the Government had given rural Victoria top priority. He also said that there had been a 10 per cent increase in the allocation.

If one examines the specific Budget details and deducts a number of items from the document, one finds the picture is nowhere near as bright as that suggested by the Minister for Agriculture and Rural Affairs amd the Treasurer. In a document produced by the Department of Agriculture and Rural Affairs Economics and Marketing Branch the department claims that the recurrent expenditure for the department will increase by $3·6 million or 3·9 per cent. That figure is well below the Minister's claim of a 10 per cent increase.

The departmental document also acknowledges a significant increase in the works and services expenditure, from $11 million to $17·4 million. I invite honourable members to look at where that comes from! A substantial increase in assistance has been provided under the Rural Adjustment Scheme.

I direct the attention of honourable members to the fact that the increase has come from the Commonwealth Government. This year there has been a significant increase in the assistance provided by the Commonwealth Government. At page 75 of Budget Paper No. 4 it is shown that in 1985–86 the specific purpose payments for the Rural Adjustment Scheme were $3·3 million. In 1986–87 that allocation has been increased to $8·5 million; an increase of $5·197 million. That is a significant proportion of the Budget allocation.

Mr B. J. Evans—In the form of a loan.

Mr HANN—It is in the form of a grant from the Commonwealth Government to offset the interest subsidy the Commonwealth provides.

All members of the House will be well aware that on previous occasions when we have had conservative Governments on the Federal scene the allocations for rural adjustment have amounted to tens of millions of dollars, not simply an interest subsidy, which has been provided by the present Government.

There is an increase of $5·197 million under the rural adjustment scheme. There is also an increase under the exotic diseases eradication program from $19 000 in 1985-86 to $989 000 in 1986-87, once again from the Commonwealth Government, so the increase there is approximately $970 000, which is almost $1 million.

Likewise there is an increase in the agricultural research area from $154 000 in 1985-86 to $218 000 in 1986-87. What I would like to highlight is that the claim by the Minister

for Agriculture and Rural Affairs that the Government has increased substantially its allocation to agriculture is in fact nonsense. It is dishonest and incorrect.

There are a number of other factors which need to be taken into consideration, relating to contributions such as the dairy herd improvement expenses, which should be deducted from the Budget as those contributions are made by the farmers themselves. This highlights the fact that the actual statistics show that since the Government has come to power there has been effectively approximately a 15 per cent decrease in the actual contribution by the Government to agriculture in this State. This is probably the reason why the Treasurer in his Budget speech chose to deliberately ignore the rural scene, the agricultural community and the country areas of primary production in Victoria because he would have been highly embarrassed by any contribution.

Honourable members interjecting.

Mr HANN—No, I mentioned before that the Treasurer made reference in four lines in the Budget speech out of eighteen pages to a small allocation for the regional program. He totally ignored the plight of rural industry in Victoria. The people involved in primary industry in this State who produce in excess of 40 per cent of export revenue earned by this State are extremely alarmed at the low priority given to agriculture by the Government.

I also wish to express the concern of the National Party in relation to a number of aspects of the Budget in the educational area. We see in the Budget document reference to the process of devolution of decision making away from what is claimed to be a highly centralised system towards regional and local levels.

The National Party is gravely concerned about the Government's plans in relation to this question of devolution. The Government has prepared a discussion paper entitled *Taking Schools into the* 1990s. It is interesting to note that well in excess of 80 per cent of schools that have responded to that paper have expressed total and absolute opposition to the proposals put forward by the Government in that discussion paper. There is grave concern about what the Government is really on about and what the Minister for Education is on about in the 1990s proposal in suggesting that schools will be granted greater responsibility and school councils will be given block grants. The real concern is that the Government is attempting to reduce the overall contribution available to education and that it will impose greater financial responsibility upon schools in the longer term.

There is grave concern about the extra workload that would be imposed upon school councils under those proposals. There is particular concern that there was a lack of consultation among school councils in the preparation of that document.

Earlier this year, the Minister instructed his task force to prepare a paper which would enhance devolution and, of course, it did so. The proposal in that discussion paper suggests that school councils would receive block grants which would cover all their existing grants, including the maintenance grants for schools and the special needs grants that are presently provided for a range of services. The suggestion is even made that school councils will ultimately receive block grants to cover the cost of salaries. The school principal or administrative officer would then pay the salary cheques direct to the teachers.

If one looks at the sort of bureaucratic nightmare that would evolve as a result of a devolution of powers along those lines, one sees a situation in which immediately the Government would have to employ accountants and professional administrators in all our schools to handle this responsibility. It is estimated that that would cost approximately $20 million alone, effectively taking personnel out of the teaching area and putting them into the administrative area.

Likewise, additional clerical support would be needed for those administrators within the school system; it is estimated that would cost an additional $17 million. That would cover only the larger schools. The task force and the Government appear to have given little consideration to what will happen in relation to smaller schools across the State, who express alarm at the proposal being put forward.

In the whole package, the Ministry task force suggested that it would reduce the number of personnel in the central area of the Ministry of Education from approximately 2000 to 500 persons.

I believe that was a nonsense because a complicated procedure for determining the block grants would have to be introduced by the Ministry of Education and each school council would have to prepare a detailed Budget for the coming year. Those budgets would have to be presented to the Ministry of Education and there would have to be a comprehensive network to peruse the individual budgets and to consider what block grants the schools were entitled to.

Even the Ministry itself admits there would be a complicated formula for each of the schools. I do not believe for a minute that it would have been possible or practical to have reduced the central staff from the present figure of 2000 back to 500. In fact, if one looks at the greatest weakness in our education system in recent years, one sees that it relates to the weakening of the central structure of the Ministry of Education.

Today we have a situation under the present structure in which the Minister for Education has virtually established himself as the Director-General of Education in this State because he has placed himself in the position of accepting the ultimate responsibility for the day-to-day administration of the Ministry of Education. That is a ridiculous situation.

The National Party has argued for many years that the Minister should have an Assistant Minister to cope with the sheer workload involved in the education portfolio, but what has the Minister done with the Government's support? He has established himself as the head of the Ministry and appointed an executive officer immediately under his responsibility and a general manager underneath that.

This means that the Minister has effectively politicised the education Ministry. He has placed himself in what I believe is an impossible position so far as the administrative responsibility is concerned, and it also takes away a degree of independence that has existed in the past within the State public education system where a director-general has been the educational leader of the education Ministry.

The National Party is concerned about what the Government has done. It does not know whether it has done this wittingly or unwittingly. The National Party is concerned that the Government has further weakened the structure of our Ministry of Education and if one looks at the morale within the system at present, it is probably the lowest it has been during the past ten years.

Let us carry that through a little further and look at what has happened in relation to the capital works program within the Ministry of Education. The former Government established the regional education system and provided real teeth within that system approximately ten years ago when it gave regional priority review committees the decision-making powers in relation to the allocation of capital works within those regions.

The system has worked effectively. I entered Parliament in 1973, as you did, Mr Acting Speaker, and for the first three years the bulk of representations I made on educational matters were made to the former Minister of Education. On every occasion when one received a query concerning the capital works program, such as the need for a new classroom, new assembly hall, new library or, in some instances, a new school, one went straight to the Minister and dealt with him.

The Government introduced a regional system which gave regional priority review committees power to make decisions concerning the capital works program. It involved local people in decision making so that decisions were made effectively by local people. They were people who visited the schools and assessed individual applications within their region.

As members of Parliament we responded to the regional directors. This process took the politics out of the capital works system within the Ministry of Education, particularly

at local levels. However, this year the Department of Management and Budget stepped in, because the Government was in desperate financial trouble back in June, and indicated that no projects in excess of $200 000 would be allowed to proceed. All projects involving more than that amount would be reviewed by the Department of Management and Budget with decisions made at the central level. That decision effectively stopped a number of projects which were included in last year's Budget.

Last year, in 1985–86, the Minister announced that he would fund a major reconstruction or provision of new facilities at Rochester High School. The Government called tenders for the project. Tenders were received by the Ministry to the point where a satisfactory tender had been received. Tenders should have been approved in June 1986. All of a sudden, a memorandum was received from the Treasurer stating that the project would not be allowed to proceed and that all projects in excess of $200 000 were to be reviewed from the centre.

This has affected a number of projects around Victoria. A project at Seymour was similarly affected, and I am sure other members of Parliament have had representations made to them about projects in their areas.

The Ministry of Education has determined that only projects less than $200 000 can be determined by the local region and all other projects are to be determined with the approval of the Department of Management and Budget from the central source. It is interesting to look at allocations for the coming year.

The proposed allocation for the South-Central region is $7·769 million, an increase of 6·7 per cent, with no contribution from the Department of Management and Budget; the allocation for the Eastern Metropolitan region is $4·774 million, an increase of 4·1 per cent, with no contribution from the Department of Management and Budget; the allocation for the Northern Metropolitan region, is $7·361 million, an increase of 6·3 per cent, with no contribution from the Department of Management and Budget; the allocation for the Tullamarine region is $5·051 million, plus $10·474 million from the Department of Management and Budget, a total of $15·525 million, which is an increase of 13·3 per cent; the allocation to the Western Metropolitan region is $9·062 million, plus $7·630 million from the Department of Management and Budget, a total of $16·692 million, which is an increase of 14·3 per cent; the allocation for the Western Port region is $9·402 million, plus $6·097 million from the Department of Management and Budget, a total of $15·499 million, which is an increase of 13·3 per cent; the allocation for the Maroondah region is $6·394 million, an increase of 5·5 per cent, with no contribution from the Department of Management and Budget; the allocation for the Barwon South-Western region is $6·179 million, a 5·3 per cent increase, with no contribution from the Department of Management and Budget; the allocation for the Central Highlands–Wimmera region is $4·631 million, plus $4·334 million from the Department of Management and Budget, a total of $8·965 million, which is an increase of 7·7 per cent; the allocation for the Loddon Campaspe Mallee region is $5·465 million, plus $4·995 million from the Department of Management and Budget, a total of $10·460 million, which is an increase of 9 per cent; the allocation for the Goulburn North Eastern region is $6·055 million, an increase of 5·2 per cent, with no contribution from the Department of Management and Budget; the allocation for the Gippsland region is $4·74 million, plus $3·8 million from the Department of Management and Budget, a total of $8·54 million, which is an increase of 7·3 per cent; and the allocation for the Centre region is a contribution from the Department of Management and Budget of $2·128 million, an increase of 1·8 per cent.

It is interesting to note that the total allocations made through the normal processes and approved by the regional boards amount to $76·883 million, and the allocations from the Department of Management and Budget total $39·458 million, so approximately 50 per cent of the regional allocations have been allocated separately under the Department of Management and Budget program.

Mr Gavin—This is boring!

Mr HANN—It might be boring to the honourable member for Coburg, but he obviously takes no interest in local regional boards. Honourable members do not hear the honourable member for Bendigo, who is interjecting, making any comments on the fact that regional powers are being taken away.

The Government has effectively downgraded the role and function of regions in Victoria and it has effectively taken away the powers of regional boards. It makes a farce of the whole concept and, more particularly, makes a farce of the so-called philosophy of the devolution of power and decentralisation of decision making because the Government has gone back to the central decision-making process, particularly in relation to the Ministry of Education where the Department of Management and Budget has been involved in the decision-making process of allocations totalling $39·458 million. That is a matter of grave concern to the National Party.

The final matter about which I express concern is the Government's allocation for prevention of and, more particularly, for the care of persons affected by child sexual abuse. The Premier will no doubt have received a copy of an open letter from Flora Botica, child and family psychiatrist, who works at the Royal Children's Hospital. Her letter states that the New South Wales Government has allocated $6·4 million to the child sexual abuse program, and yet the Victorian Government has allocated nothing in its Budget.

This effectively means that psychiatric support services at the Royal Children's Hospital will literally have to be withdrawn, although there are alarming increases in the incidence of sexual abuse of children. I am sure that the Premier will be concerned about the matter. I find it amazing that the Government has withdrawn funding for vitally important support services of this type. I understand that it is not only the Royal Children's Hospital that is affected, but a number of other hospitals have had funding withdrawn, or no funding has been provided and, consequently, those valuable programs cannot continue.

Victims of child sexual assault suffer extreme trauma. I suppose nobody really understands unless one is directly involved or one's child is involved. The trauma does not last for only a short time; in many cases it lasts for many years. There is a need for psychiatric help, yet the Labor Government has provided no funding support for this vitally important service.

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member has only 2 minutes.

Mr HANN—I appeal to the Premier and the Government to reconsider that decision urgently and provide the necessary financial support to ensure that victims of this insidious crime are assisted, particularly with the psychiatric services that they desperately need.

In summary, once again, I express my disgust at the way in which the Treasurer chose to ignore primary industry and the vital rural sector of Victoria in his Budget speech. I hope there will not be a repetition of that in the future. The honourable member for Mitcham, who is interjecting, probably does not realise that the only reference to rural or primary industry in the Budget speech was four lines. I express my concern at the attitude of this Government to primary industry.

Mr CAIN (Premier)—I welcome the opportunity of making a few remarks on the Budget. I congratulate the Treasurer on what is the Labor Government's fifth Budget. It is our best one and, certainly, the best anywhere in Australia in what is a very difficult climate.

A lot of comment has been made about the documents that accompany the Budget. This Budget is the source of information about the third biggest business in the country. That is what the State is running. The information provided by the Government is fuller and contains far more information than any other Government Budget in the country, and far more than any large corporation.

The result of this is that this Budget is so good that the Opposition really does not have a strategy left. It just did not expect that the Budget would be presented in the way it has been and members of the Opposition are irked at the overwhelming support that the Budget has enjoyed right across the country.

I include in that statement, despite what the Deputy Leader of the National Party said, the farming community and the rural industry, the financial and other journals from all parts of the metropolitan and country media, businesses—there was an overwhelming attendance of business people at the breakfast function that we held the next morning, because it is a terrific Budget—and welfare groups. We have been able to satisfy a wide cross-section of interest groups with that Budget.

The Budget is an achievement that did not come about by accident. It came about, firstly, by the hard work and dedication of the Treasurer and, secondly, by the Treasurer and the Government being meticulous in planning and acting over the past eighteen months to achieve savings through greater efficiency without cutting essential services. We have been prepared to do the work to bring that about. In general, that has been the key to it.

What are the basic effects of the Budget that the Opposition appears to consider so distasteful? Outlays have declined by 1 per cent in real terms; taxes and charges have not increased beyond the level that we said—the consumer price index and economic growth; major savings are being achieved through greater efficiency without cutting essential services; and commitments relating to capital works have been maintained, especially in relation to housing where State funds committed are increased approximately 21 per cent beyond last year.

What this Government has achieved in those four areas is something which Liberal Party predecessors could never achieve. More importantly, we have achieved it more efficiently and more effectively than any other State.

I shall refer to two aspects, firstly, growth in recurrent outlays. Victoria has the lowest figure of all States—6·6 per cent compared with an average of 7·8 per cent for other States. Secondly, on taxes and charges, the average for other States was an increase of 11 per cent, whereas Victoria had a figure of 6·5 per cent. For the benefit of honourable members, I point out that in the only Liberal Party State that remains in the Commonwealth—Tasmania—the increases in taxes and charges was a whopping 22 per cent.

This is the sort of thing that the Opposition would have us believe is what it thinks is good—an increase of 22 per cent in Tasmania's taxes and charges. In relation to those two facts, for the benefit of anyone who is against this Budget, which has those features, I ask members of the Opposition what they are for.

Mr Williams—For small government.

Mr CAIN—I ask the honourable members for Doncaster, Brighton and Kew: are they against more money for housing? Are they against the flak jackets for the police? Are they against more money being available to bring nurses from overseas to meet the requirements of our hospitals? I especially ask the honourable member for Kew: is she against additional moneys for women's health? Are they against any of these things?

I have previously indicated a shopping list of what members of the Opposition want, which totals approximately $1700 million—and that is just for starters. I say to members of the Liberal Party that if they are genuinely in favour of all those things on that shopping list, they must want more taxes to pay for them. Do members of the Liberal Party want State income tax? That is what the last but two of Federal Liberal Leaders, Mr Fraser, suggested—give the States power to impose income tax.

The honourable member for Brighton is in a class of his own on this item—he wants $74 million to make up the shortfall for third-party insurance. He wants an additional $74 million to pay the benefits that motor accident victims are to receive by way of claims for injuries received in motor vehicle accidents. How is he to pay for that? He has the temerity

to hold himself up as the shadow Treasurer. What a shadow! He wants $74 million for just one item—imagine having that shadow hanging over one's head.

I shall make a few more comments with more particularity. The key to this Budget—and the Opposition will not appreciate it—is the savings in the big portfolios of transport, education and health. This Government was prepared to face up to the reality in those three large areas to achieve the savings—in all, $157 million right across the board. The key basis was in those large portfolios.

I suppose the watershed was in transport. For years the previous Liberal Party Government was simply paralysed when faced with the prospect of continuing, growing losses in the transport area. It was not easy. We recognised that work practices in that area were archaic. They were indefensible. They led to totally inefficient services in a number of areas.

We were prepared, through successive Ministers, the Honourable Steve Crabb first and the Honourable Tom Roper second, to face up to that problem and, in the five months before the Budget was brought down, we worked with management and unions to achieve appreciable savings in transport that meant the recognition that there had to be fewer jobs in that area.

There were those who said that it could not be done. I know that it could not be done by any other but a Labor Party Government. It was done with the full recognition of the unions and the management concerned. We were prepared to tackle those hard issues in those three large areas simply because we were very determined as a Government, despite the cake being smaller this year, to exercise choice in priorities of State spending.

The Government wanted to take new initiatives, despite the difficult times that the community faced, but the reason for wanting to take these initiatives is that this Government is different from its predecessors because it cares for people. That is the fundamental difference between a Labor Government and a non-Labor Government.

The old dictum advocated by Barry Jones is absolutely true—a Labor person wants to see the people that he or she is concerned about, cares for and represents. A Labor person goes to the grand final, the Melbourne Cup or walks down Bourke Street to see the great mass of people and speak with them; but if one is a non-Labor person, and one wants to see the person one is concerned about, just look in the mirror in the morning! That really is the difference. Barry Jones said it many times, and it is absolutely true.

Mr LEIGH (Malvern)—On a point of order, Mr Acting Speaker, As a Liberal, I take offence at the Premier's remarks.

The ACTING SPEAKER (Mr Stirling)—Order! The honourable member for Malvern has taken offence at the remarks made by the Premier. The Premier knows the custom of the House, and I ask him to withdraw the remarks.

Mr CAIN (Premier)—If he is so concerned, I will withdraw it, but the facts are that if one is a Liberal, one is concerned about oneself—self interest, me first, second and third. If one is a member of the Labor Party, one is concerned about other people and one cares about other people. That is the difference between this Government and those that preceded it.

Because the Government cares, it was determined to make the hard decisions so it had some capacity to exercise priorities in a way that they ought to be exercised. I point to some of the initiatives achieved by shifting expenditure to what the Government regards as the high priority areas: health services for women, and I draw attention to those; recruiting nurses from overseas, the Western Institute, special needs teachers, more public servants to release police for policing duties; these things were done because the Government believes police should be used for policing duties, not for Public Service duties.

The Government was determined to promote these initiatives and was prepared to make the hard decisions to eliminate spending in some areas where those priorities were

not being met, to do the things that should be done and at the same time—and this irks the Opposition—to reduce the tax burden on the community by $16 million in a full year.

The Government has increased the payroll tax exemption level, increased the threshold for payroll tax, indexed the land tax rate and extended concessions to pensioners.

The Government abolished stamp duty on marine insurance and, in the Budget, removed the stamp duty on the issue of certain private debentures to assist in the development that is occurring rapidly in Victoria in the expansion of the corporate market.

Australia's biggest company, BHP, has already taken advantage of this initiative with the issue of private debentures worth at least $US100 million and it would have gone elsewhere if the Government had not taken this initiative.

In a difficult year, the Government has ensured that those incentives to promote economic growth, such as I have indicated, remain and provide the basis for this State to continue to lead the economic growth across the country.

All honourable members are aware of the leadership role that the Government has taken. The reasons for this role are simple: unlike the Liberal Party, the Government sees Victoria as having a great future. I do not know what the Opposition sees the State as having, but everything it says or does is designed to undermine the growth and development that is occurring in a whole range of manufacturing and high technology areas.

The Opposition seems to delight in doing this and I suppose it is because the Opposition has never had the plans or real strategies to do anything. To the Opposition, Government is about getting into office, patronage and prestige, looking after one's mates and nothing else. I am pleased to say that even the honourable member for Doncaster would realise that Victoria is now poised for even greater prosperity and thus greater security for those who live here, in the 1990s.

The indicators that Victoria is benefiting from the good government it is being given, from the Victorian Government's economic strategy and prudent management, are there for all to see, and the Treasurer referred to some indicators this morning—the increase in retail sales for the year to July 1986 of 15·1 per cent in this State compared with 8·4 per cent for the rest of Australia.

Housing finance commitments increased in Victoria by 25 per cent in July compared with 20 per cent for the rest of the country. Loans from savings banks increased by 29 per cent in July, which was 12·6 per cent higher than in July 1985 and as well, the figure that stands out like a beacon above all others is the unemployment figure. For August, Victoria's unemployment rate was 6·7 per cent, which is well below the rest of Australia at 8·4 per cent.

For 36 consecutive months, Victoria's unemployment rate has been the lowest rate across the country. That did not just happen by accident. The Opposition knows this and that may explain the barrage of inane interjections emanating from the Opposition benches. The Opposition has had an ideal opportunity in the Budget debate to inform honourable members, if it can, how it would deliver and finance the numerous promises it has made.

What would it do about the Victorian economy? As I said before, honourable members have heard promises of spending totalling $1700 million. The Leader of the Opposition had a choice in this situation. He could have either repudiated all those promises, as his Federal counterpart quite properly did, or he could have stated what services would be cut or what taxes would be increased to provide the funds for these promises.

The true measure of what the Opposition is about is contained in the omission. Nothing of that kind was done, it has said neither what taxes it would increase to pay for those services nor what services it would remove to pay for its promises.

As the honourable member for Greensborough has just said, by interjection, instead of coming to grips with the great issues that face the State and the great issues in the Budget,

the Opposition has paraded before this House a whole range of nonsense. It picked one figure out from millions and said it was wrong. As I said earlier during question time, the next nonsense we will have will be spelling and punctuation!

Why does not the Opposition wake up to itself and say what it will do for Victoria? Not one member of the Opposition has done so. The papers provided by the Treasurer, in total, contain more information than anywhere else in the country. Not one member of the Opposition has made a serious attempt to suggest what is wrong with the Budget and the economic strategy that the Government is following because the Opposition does not have an economic strategy. It merely proceeds from pork barrel to pork barrel. It has its arms up to the shoulder every time.

Finally, the Opposition will never be taken seriously in this State until it tells the people of Victoria what its policies are—when it has some—and, most importantly, how it will pay for them.

The Opposition has had 26 hours in this debate but it has not yet told Victorians what it would do for the economic growth of this State.

The Opposition's profligacy is no alternative to hard policies and statements about how it will pay for its promises.

I repeat: the Treasurer should be congratulated by all honourable members for achieving what he has in the Budget. The Budget is an honest, prudent attempt to assist Victorians in the most difficult financial situation they have faced for more than 30 years. The Treasurer is entitled to receive the respect and praise not only of the media but also of businessmen and economic commentators. The Budget has received enormous praise and the only carping criticism has been by honourable members opposite who know nothing better than to nitpick all the time.

The Opposition will have another opportunity tomorrow in the Committee stage to be more expansive of its policies and to say what it would do. Not once has the Opposition attempted to do that. The Opposition should tell Victorians what it would do if it were in government. It is two and a half years away, but tell us what you will do. Now is the time for the Opposition to put its policies together.

The Opposition has not learned by its mistakes. I look forward to seeing whether the Opposition can be resuscitated from being the tired worn-out political party that offered nothing to the State for over twenty years. It is asking a lot from the Opposition but I hope it can offer some policies and a semblance of commonsense. The Opposition will again have that opportunity tomorrow.

I congratulate the Treasurer on this Budget which has been prepared in the most difficult situation faced by Victoria and Australia for many years. It is the best Budget in Australia and Victorians realise that by one simple test: they know they are much better off under this Government and its Budget than they have ever been in the past.

Mr HAYWARD (Prahran)—I wish to focus on the industry aspects of the Budget because some fundamental contradictions are contained in the Government's fiscal and industry strategies.

A principal objective of the purported industry strategy of the Government is to increase competitiveness. However, this Budget has continued to maintain high taxes and charges which add to the costs of Victorian industry and make competitiveness difficult.

I state clearly and distinctly that Victoria has a great future but I differ from the Premier in that I do not see that great future under a Labor Government.

My main purpose in entering the debate today is to demonstrate that the policies of the Victorian Labor Government, which are implemented through the Budget, are inappropriate for Victoria's industrial development in the future. For this purpose, it is necessary for me to outline the future structure of industrial development in Victoria. I

must do that because the Premier stated that the Opposition has no sense of the future, no sense of vision and no sense of where industry is heading.

Victoria is at a turning pont in its history. It is about to enter what Alvin Toffler referred to as "the third wave". I am certain that you, Mr Speaker, are aware of the important book of that name. How Victorians will behave at this critical turning point in our history will affect the prospects and the standard of living of our children, and our children's children.

Mr Speaker, I am certain that you will recall from the reading of that book that Alvin Toffler points out that there are two essential forces operating that one can contrast and compare in *The Third Wave.* The first is microtechnology and the second is changed attitudes towards work. Those two forces are important elements in the debate on the 1986–87 Budget.

It is important and useful in industry terms to draw a distinction between what is known as "the second wave" in Toffler's terms, which is the old industrial society, and "the third wave" which is the post-industrial society. The Budget ought to be addressing these new developments. It ought to be setting the scene or creating the environment under which these changes can occur.

The Budget Papers state that one of the aims of the Budget is to set that environment, but I believe the environment this Budget is setting is totally opposite to those trends.

The essence of second wave manufacturing is the old type and conventional long-run of identical standardised products. By contrast, the essence of third wave manufacturing is the short run of partially or completely customised products or services.

The real significance is the microprocessor, which honourable members see in operation in many firms around Victoria, whether they be large manufacturing firms, such as the Ford Motor Co. of Australia Ltd at Broadmeadows, General Motors-Holden's Ltd at Fishermen's Bend or textile firms, such as the Warrnambool Knitting Mills. The fascinating aspect is that the microprocessor has freed industry from the tyranny of the economies of scale—what Professor Peter Drucker of the Claremont Graduate School in California calls "a reversal of the dynamics of size".

This is particularly important in the Victorian context and in the future economic environment which the Budget will influence.

Since the early years of this century the trend in all developed countries has been towards larger manufacturing plants. The economies of scale greatly favoured them. I had experience of that when I worked at General Motors-Holden's Ltd for many years.

I participated personally in discussions about future manufacturing developments and whether an entirely new plant should be established in Asia, or an engine plant should be established at Fishermen's Bend. The important question being addressed was how to obtain economies of scale. The objective of the engine plant was to obtain economies of scale through a volume run of 300 000 units a year.

Since the advent of the microprocessor, this trend has been reversed with a vengeance because the microprocessor has enabled small enterprises to economically produce a customised product in limited volumes.

At the same time, it has finally been recognised that Victoria's best opportunities in manufacturing are not in the mass production of consumer goods but in filling specific "niches" in markets with innovative, high quality, well-designed products in relatively limited volumes.

The Budget refers to those trends but the tragedy is that it does nothing to facilitate, encourage or support them. It can be seen that a fundamental change is occurring in the structure of our industries and there is emerging a whole new industrial landscape, which has not been understood by those framing the Budget.

The technologies are getting smaller—miniaturising—and so are the industrial structures to which they apply. Instead of a concentration of capital and employment in a few large firms that are consuming large amounts of minerals and energy, we are seeing a blossoming of opportunities for many small firms producing innovative, high quality, well-designed products and services, and that is the trend this Budget should be addressing.

Instead of a concentration of manufacturing in metropolitan areas, we will experience a new growth in small firms in rural cities and towns, in family firms and the self-employed. However, the whole strategy of the Government as portrayed in the Budget is against any assistance to decentralised industry. It is against any recognition of the great growth prospects in country areas. It is against a rapid growth in the self-employed.

The whole thrust of the Government is towards destroying those trends. The Government is against self-employment. It wants every employee of a firm to be a member of a union.

The Government is against small enterprises, self-employment and home-based work but those new trends will continue, not only because people find the new flexible work patterns are more comfortable and workable, but also because, through information-technology, these new small groupings have now gained access to information and power which earlier could be found only through large nationwide institutions.

Therefore, in summary, technology is miniaturising the industrial structure and putting smaller enterprises at the forefront of industrial and commercial advance. In effect, microelectronic technology is forcing work away from the central area, the large conglomerate and the huge State enterprise or organisation. Work is going out to subcontractors, independent contractors and "intrapreneurs"—as distinct from entrepreneurs—often out of factories or office headquarters and into the home.

The Government is against subcontractors. It does all it can to hurt them through the payroll tax policy expressed in the Budget. It greatly penalises independent contractors and subcontractors.

As part of this new industrial revolution, we are witnessing an historic change from heavy materials and energy-intensive products and processes to knowledge-intensive and high technology industries, something which is of critical importance to the Victorian economy. This will result in a reduction in the demand for materials and for energy. There are some dramatic illustrations of this which are very pertinent to industrial growth in Victoria which the Budget is supposed to be addressing.

For example, the raw materials in a semiconductor microchip account for about 1 per cent to 3 per cent of the total production cost. Contrast that with the example of the Victorian automobile industry, where the share of raw materials is 40 per cent. Even to produce pots and pans the share of raw materials is 60 per cent.

Now, a very important example is that 50 to 100 pounds of fibreglass cable transmits as many telephone messages as does 1 tonne of copper wire. I am sure honourable members can see the significance of this in Victoria.

In the past huge amounts of copper wire were used in the telecommunications industry, but with fibreglass cable the amount of material used in the production is greatly reduced. This steady drop in the raw material intensity of manufacturing processes and manufacturing products extends to energy as well. Energy is something that we see as something that is good for Victorian growth. If we want to capitalise on the great value of energy to Victoria, we must do it quickly because the demands for energy will decrease as well.

For example, to produce 100 pounds of fibreglass cable requires no more than 5 per cent of the energy needed to produce 1 tonne of copper wire. I have already given the example of fibreglass cable in the telecommunications industry.

Similarly, plastics, which are increasingly replacing steel and aluminium in automobile bodies—one can see this clearly, whether it is applied to the Ford Motor Co. of Australia

Ltd at Broadmeadows or General Motors-Holden's Ltd at Dandenong—represents a raw material cost of less than half that of steel or alumimium.

These changes in products and production processes are reflected in commodity prices. By early 1986 raw material prices were at their lowest levels in recorded history in relation to the prices of manufactured goods and services—in general as low as at the depths of the great depression and in some cases, for example, with lead and copper, lower than their 1932 levels.

At the same time the production of practically all metals and minerals, including aluminium, has gone up between 20 and 35 per cent in the past ten years, with the greatest increases in less developed countries. A consequence of this in the Victorian economy is brought into sharp focus when one examines the situation with the aluminium prices.

This combination of low prices and excessive production worldwide is especially apparent with aluminium and makes the outlook for the Portland aluminium smelter very bleak indeed. It means that in future it is more likely that the taxpayers of Victoria will be paying a huge subsidy to keep the project going.

Professor Peter Drucker has summed up these new trends with the comment that "the raw material economy has thus come uncoupled from the industrial economy". This situation is of fundamental significance to the Victorian economy and the Victorian Budget in the future.

Likewise, the same can be said for employment. Unfortunately, the statistics show that employment growth in Victoria since the Cain Government has been in power has been low. The Victorian Cain Labor Government likes to say that the unemployment figures are relatively good so far as the rest of Australia is concerned. However, if one examines employment growth as distinct from unemployment, employment growth has been low. This is extremely critical to Victoria because of the significance of the manufacturing industry to Victoria.

Sadly, there has been an uncoupling of manufacturing production from manufacturing employment. Increased manufacturing production, whether it be overseas or in Victoria, has actually come to mean decreasing blue-collar employment. As a consequence, labour costs are becoming less important as a "comparative cost" and as a factor in competition.

This uncoupling of manufacturing production from manufacturing employment is most dramatically illustrated by the experience of the United States of America. Between 1973 and 1985 manufacturing production, measured in constant dollars, in the United States of America rose by almost 40 per cent. Yet, manufacturing employment during that period actually went down. There are now five million fewer people employed in blue-collar work in American manufacturing industry than there were in 1975. A similar decline has occurred in Australian manufacturing industry and Victorian manufacturing industry, in particular.

Still speaking of the American example, in the past twelve years total employment in the USA grew faster than at any time in the peacetime history of any country—from 82 to 110 million between 1973 and 1985. In other words, it has increased by one-third. The entire growth, sadly, occurred in non-manufacturing sectors and especially in blue-collar jobs, mainly in small enterprises.

The other fundamental change which is occurring in the new post-industrial societies, into which Victoria is moving and to which this Budget should be addressing itself, is in people's attitudes towards life and towards work. People are seeking greater self-fulfilment, greater self-esteem and greater dignity in their work.

In this new post-industrial environment, in this so-called third wave, full-time employment on a fixed wage as an end in itself is no longer sufficient for many people. They are looking for a greater say in how their lives are organised. They want a greater stake in enterprise. They want a share in the action and they want to share in the profits.

They want the opportunity of becoming shareholders in the enterprises. These are the types of issues that the Government should be addressing. Workers want more flexible work patterns and greater opportunities for self-employment. As I have illustrated, this Government is against self-employment. It does all it can to undermine and penalise self-employment. People want to organise their work in a way that is more convenient and comfortable for their family and household lives.

In my opinion wider capital ownership of firms must become an absolutely central goal in this State in the future. It would lessen people's dependence on employee status. It would give greater personal dignity and reduce the master servant connotation of formalised employment. In effect, it would mean the miniaturisation of capital in line with the miniaturisation of the industrial structure which I have just described.

The concepts of wider worker capital ownership are not new. One of the world's greatest economists, John Maynard Keynes, in 1940 suggested that the answer to inflationary pressures from excessive wage demands could be through the distribution of shares to workers. It is interesting to see that one of the vital elements in the success of the modern Japanese economy and community has been the existence of what is known in Japan as the share economy.

In Japan the majority rather than a minority are involved with non-wage forms of family and personal finance, whether through the bonus system in industrial plants, whether through stock ownership of firms or through the great mass of small family business enterprises which are the underbed of the whole Japanese economic structure.

The really fascinating historical development in the third wave is the way in which modern technology is complementing human nature and human desires to cooperate on an everyday human scale. This has been given powerful reinforcement through modern technology where industry can now operate competitively on a much smaller scale. Microcomputing technology is proving to be a liberating force and is assisting in the growth of small firms. What we may now have is a world which has passed through the necessary paternalist phases to which Keynesianism gave ultimate and brilliant expression and which, thanks to staggering technology advance, can now operate on a far more deregulated, less organised basis again.

To a large degree we are watching, although not always seeing, the disintegration of the intellectual beliefs on which much of the modern State apparatus was founded. The whole structure of State activity, of central institutions and of procedures which has grown up over about 50 years and which has expanded massively, has now become obsolete. The period of growth in the size of the modern State has now ended and a new era of contraction has begun.

Unfortunately, it has not begun so far as the Budget is concerned, because it makes provisions for even greater Government and greater bureaucracy. It is a process which is obviously without attraction for those who believe that central government should be active and interventionist in economic affairs. It is especially distasteful for Labor Party thinkers in Victoria with their taste for State power, Government intervention as well as State ownership.

It makes the current thrust of the Victorian Labor Government's policy to gain a degree of control of Victorian industry through equity participation especially inappropriate. We now have a Government which, in the Budget, is spending more than $70 million a year in the industry area and much of that expenditure is directed at greater intervention, direction and control of industry.

We have a Government which appears to be following two completely inconsistent strategies. On the one hand, there is the so-called industry strategy, which talks of making Victorian industry more competitive, yet on the other hand, the Budget confirms the Victorian Government's dubious honour of being Australia's highest taxing Government. On a per capita basis Victorians pay more State taxation than the rest of Australia.

Since the Government has been in power, it has increased State taxes by a staggering 86·7 per cent, much of that increase being in the business area. In addition, the Government has imposed some of the highest levels of business charges in Australia. These high Government taxes and charges have added significantly to the cost of industry and have reduced its competitiveness.

The Liberal Opposition believes that Victorians, as individuals and firms, are able to manage their resources and activities better than Governments. This means that Victoria's major priority must be a major reduction in tax in real terms to put decisions back in the hands of individuals and firms.

The centralist planning and intervention as practised by the Labor Government, as illustrated in many parts of the Budget, is going out of favour worldwide. For example, China, with a quarter of the world's population, has recognised and embraced the trend away from central planning towards dispersed, market-based decision making. In the words of a prominent modern Chinese author, Xu Dixin, "When the controllers are in charge, the masses lose enthusiasm". That is what more and more centralist control by Government and more and more bureaucracy in government is doing, a loss of interest at all levels of business.

The Victorian Labor Government's interventionist approach is based upon the assumption that the Government and its army of bureaucrats know best. We all know they do not. We all know they have little exposure and experience in the real world of business. We all know they make their decisions in a vacuum, from a socialist theoretical base, which is counterproductive and which obstructs business in developing economic growth.

The Government's approach is based upon deals between institutions—the Government, unions and business institutions, all of which are becoming less relevant and, to a degree, counterproductive to the third wave and the new post-industrial era. Alvin Toffler said that the fundamental nature of humankind is to be independent, self-reliant and free. The people in the new third wave epoch in Victoria will be striving to break free from the institutional oppression imposed by the Labor Government and its masters in the trade union movement.

Mr Sidiropoulos—Rubbish!

Mr HAYWARD—The honourable member for Richmond says "rubbish". Honourable members now know where this Government stands. It is not interested in people being independent. The Government is not interested in people being self-reliant. The honourable member said "rubbish" to people being free. The Government is not interested in people being free.

This socialist Government jumps to the tune of its trade union masters. Victorians need less government because more government is becoming unnecessary, unworkable and from the Budget one can see it is becoming unaffordable.

The political agenda for Victoria in the new epoch of post-industrial society is clear. Victorians need a reduction in taxation in real terms; a contraction in the size of Government; a roll-back of Government bureaucratic control; the elimination of Government involvement and intervention in industry and the encouragement of small enterprises and self-employment. Nothing in the Budget assists those areas. In fact, the opposite is the case.

The sad fact is that because of its philosophical base and trade union links the Victorian Labor Party is unable to adequately address this agenda. It will increasingly march out of tune with the mood and desires of the Victorian people, until it trudges to defeat, as Napoleon did in the snows of Moscow.

Mr SIMPSON (Niddrie)—I, Mr Speaker, along with those others who came into this place in 1976, have been privileged to witness the introduction of ten State Budgets, five

by Liberal Treasurers, Mr Hamer and Mr Thompson, and five by Mr Jolly, the current Treasurer. During those ten years I have never experienced the spontaneous applause that occurred following the completion of the Treasurer's speech approximately a week ago.

In those same ten years I have no recall of the Opposition, whether it be Liberal, Labor or National Party, not attacking some elements of the Budget forthwith or at least pursuing the subject through question time and during the adjournment debate the following day. The fact that this did not occur, demonstrated one of two things, either there was total support for the Budget or there was total lethargy by members opposite.

Mr Gude—Mr Deputy Speaker, I draw your attention to the state of the House.

A quorum was formed.

Mr SIMPSON—The Budget was so well received that when the spontaneous applause and clapping had come to a conclusion it was obvious that there were attempts to restrain certain honourable members opposite from joining in that spontaneous applause. I shall not name the honourable member for Malvern as the person who had to be restrained.

From the position in which I sit in the Chamber I was able to hear one of the leading lights of the National Party—again I shall not name the person—utter to the Deputy Leader of the National Party, "The little blighter has done it again!". Because there was no response to the Budget forthwith and no attack on it the next day, and from my observations and what I heard in the Chamber, there is no doubt in my mind that there has been acclaim for this Budget.

What has suddenly changed since the Budget was announced? Everyone understands that there is a political happening within the Liberal Party that has caused that turn around, and that is exemplified in tonight's editorial in the *Herald.* No doubt every honourable member has read it, but I shall certainly make some comment on it later.

As I have indicated, I was first privileged to be elected to this place in 1976. For the benefit of honourable members who have recently been elected to this fine institution, I shall outline what the position was with the presentation of the Budget Papers at that time. Two papers were offered to honourable members; one of them was a 52-page document mainly made up of the Treasurer's speech. The other document consisted of 267 pages, which was a conglomerate that not even the most competent accountant in Victoria could properly understand, let alone members of Parliament who do not in many cases have the skills to be able to read those figures properly.

Honourable members who were with me in this place in 1976 will agree that that was the situation. It was a credit to members of the then Government that they realised that more information was necessary. However, they only just started to consider debating some alterations when the change of Government came about in 1982.

Some 319 pages, which made one more confused than enlightened, was the Budget presentation that honourable members had to contend with in 1976 through to 1982. I want honourable members to compare that situation with today's situation.

In 1986, there are five Budget Papers: the Budget speech itself, which is contained in Budget Paper No. 1, the Budget Strategy and Review 1986–87, which is Budget Paper No. 2, the Appropriation (1986–87, No. 1), which is Budget Paper No. 3, Receipts 1986–87 Consolidated Fund Receipts and Commonwealth Payments To or For Victoria, which is Budget Paper No. 4, and Budget Summary and Program Budget Expenditures 1986–87, which is Budget Paper No. 5.

Honourable members should contrast that with 319 pages of a conglomerate that no-one could fully comprehend and understand. Honourable members now get five Budget Papers containing some 770 pages of valuable information so that they can understand and fully discuss the Budget in this important forum.

Following the approval of the Budget by all honourable members when it was introduced, I, like so many others, sought to find out the opinions of those in the finance world, those who hold senior positions within our newspapers. I shall place on record some of the responses by some journalists. This was the comment made by Mr Kenneth Davidson of the *Age* on 18 September:

The Victorian economy is expected to grow faster than the rest of Australia in 1986–87. This is despite a deflationary Budget which was forced on the Government by two things: the contraction in State borrowing imposed by the Loan Council, and the $150 million fall in receipts from Bass Strait because of the collapse in world oil prices.

Mr Davidson went on to state:

The boost to the Victorian growth rate will come from the impact of the 40 per cent devaluation of the Australian dollar over the past 20 months, which will benefit Victoria, the manufacturing centre of Australia, more than other States.

That fact was highlighted by the Treasurer in his Budget speech and he has highlighted it for the past eighteen months. Fortunately, it was put into print by Mr Davidson.

From the same newspaper on the same day is this comment from Mr Claude Forell:

Amid all the gloomy prognostications of a receding economy and stern warnings of impending austerity, the State Treasurer, Mr Jolly, yesterday presented a Budget in the cheerful image of his surname.

Mr Forell went on to detail the points made by the Treasurer in his speech. He completed his statements by writing this:

. . . the present Government deserves praise for having trimmed its latest Budget with greater determination and courage, and with a keener sense of economic and social priorities than most of its predecessors.

There is not a person in this House who, without taking a political stand, would not agree with that. In their heart of hearts, every honourable member, be they Liberal, Labor or National Party, would agree with that analysis, but, for obvious political reasons, members of the Opposition must find something that they can use to attack the Budget. Members of the Opposition were so overwhelmed with the presentation of the Budget that they failed to attack it on the night it was presented and they failed to do so the next day. The Government was asked one question by the Leader of the National Party because he at least had the longstanding experience to be able to offer one question.

The editorial of the *Herald* of 18 September was supportive of the Budget. Likewise the editorial of the *Age* of 18 September was supportive, as were comments by Simon Clarke, two days after the Budget was presented, in the column that he regularly writes in the *Age*.

I shall highlight the reason why the Opposition has failed to attack the Budget, apart from the obvious one that in their heart of hearts members of the Opposition know it is an excellent Budget. On 20 September John Hine, who is my favourite journalist and who will again be nominated as "Journalist of the Year" for the forthcoming twelve months along with many of his colleagues, stated:

The lack of questioning in the Parliament the day after the Budget led many people to assume—and indeed Mr Stockdale fielded a number of hostile questions on radio—that the Opposition had accepted the Budget.

Does anyone disagree with that comment?

Mr Leigh—Down here!

Mr SIMPSON—I note that the honourable member for Malvern also wants to be supportive of that comment from Mr Hine. I thank the honourable member for his honesty and his contribution.

On 20 September Simon Clarke stated under the heading, "Liberals Budget Response Questionable":

Oppositions usually use the morning in Parliament after the Budget to begin their attack on the Government's financial management. But question time in Parliament on Thursday was remarkable for the fact that the Opposition did not put one question about the Budget to either Mr Jolly or the Premier, Mr Cain.

He went on to say:

Thursday was the last sitting day of the first two-week cycle of the spring session of Parliament and the Liberal performance that day illustrated clearly the strange lethargy that appears to have taken over the Parliamentary Liberal Party so far this session.

Does any honourable member disagree with those comments? Again I am delighted to get response from the honourable member for Malvern and his colleagues who are seated in the Chamber.

Mr Clarke went on to say:

A Labor backbencher remarked last week that being attacked by the Opposition in question time this session was "a bit like being savaged by a dead sheep". The Liberals have failed to develop a consistent and penetrating question time strategy and have frequently appeared to have missed the mark . . .

This will continue while the Opposition has sitting, together on its back bench, four former Ministers and two former shadow Ministers. Anyone who has been in this place for as long as I have realises that there was no orchestrated attack on the Budget. Obviously those on the back bench knew what was required; they knew the format. The old timer, "the Possum" as he is affectionately known, the Leader of the National Party, knew that he should go into the attack and he did so, but the new breed on the front bench of the Liberal Party spontaneously supported the Budget. They do not have any political nous, and that will continue.

It does no credit to the Opposition that the honourable member for Polwarth, one of the longest serving members of this Parliament and one of the longest serving Ministers, laments on the back bench. The same thing must be said of the honourable member for Benambra. Although we may have our differences, not one person in this place fails to recognise the qualities of that honourable member, his compassion and his understanding; yet he spends his time lamenting on the back bench.

Mr WILLIAMS (Doncaster)—On a point of order, Mr Deputy Speaker, I contend that the honourable member is not speaking to the Bill and request that you call him to order.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The honourable member has raised a point of order, and I suggest that the honourable member for Niddrie should return to the Bill.

Mr SIMPSON (Niddrie)—To finish on that aspect, Sir, I point out that it has been suggested to me by journalists within this place that the Government must have plants on the Liberal Party's questions committee.

I raise the question of the current position of the Liberal and National parties on the Budget. The honourable member for Brighton is supposed to have found some mistakes that he has been raising both within this Chamber and publicly on the airwaves, on television and in the press. Honourable members in this Chamber today heard the rebuttal by the Treasurer and the detailed rebuttal by the honourable member for Mitcham who went through the particular matters raised by the shadow Treasurer and went on to highlight some disastrous mistakes made by the honourable member for Brighton himself.

The situation is ludicrous. The Budget is clearly supported by all honourable members and by all of those outside this Parliament, as one can judge by the editorials and feature articles in the press. It is clearly the best Budget that has been presented by any Government in this land, yet this amazing situation is occurring. Never since 1976 can I recall such a good Budget. The Opposition is totally deflated by it but at the last minute is trying to come up with something on the basis that not everything added up absolutely correctly; that some of the spelling is wrong—absolute nitpicking, as indicated earlier by the honourable member for Mitcham.

To descend to those depths is an insult to this wonderful institution of Parliament. For goodness sake, let us keep a reasonable standard of debate; let us not indulge in this nitpicking and penny pinching. People within the electorate I represent and beyond are

not talking about that issue. They are not interested in nitpicking. They are saying to me that they are concerned about jobs, jobs and more jobs.

They are satisfied that more jobs have been created under the Cain Government than were created in the last three years prior to our election. In the first 36 months of the Cain Government, as the Treasurer has explained, unemployment in this State was the lowest in Australia compared with only eight such occasions in the last 36 months under the preceding Government.

The Leader of the National Party and the Leader of the Opposition are now saying that a committee should be established, and that matter will have to be debated in another place. I went to the trouble of checking what is provided in an Act of Parliament passed by this institution in 1982. The Parliamentary Committees (Joint Investigatory Committees) Act 1982 provides the power to do precisely what those two honourable gentlemen are requesting, and that Act was supported by all members of this House. Section 4F(2) provides:

> The Economic and Budget Review Committee may, in addition to the powers and duties conferred or imposed on it by sub-section (1), inquire into, consider and report to the Parliament on any matter arising out of the annual Estimates of Receipts and Payments of the Consolidated Fund or other Budget Papers.

That committee is already in place. It has a budget of $330 000 and a staff of eight. Why is it not being used? What utter stupidity and nonsense on the part of the Liberal and National Party Leaders to suggest the establishment of yet another committee! Does the Opposition really think that when people are advised that a committee exists that has power to look into the very questions raised, a committee with a budget of $330 000 and a staff of eight, they will say anything kind about us as Parliamentarians or about this institution if we say that it is necessary to establish another committee? It is an outrage. I completely dissociate myself and the Government from any possibility of another committee being established. The necessary committee is there; the money and the staff are there. It is only a matter of the leadership of that committee deciding whether it should act.

The editorial in tonight's *Herald* newspaper says what everyone in this House really believes. These have been a fascinating half dozen or so days for us as politicians. The Opposition should stop its nonsense and should stop insulting the people out there who elect us to this fine institution.

Under the heading "Smoking gun, or a wounded foot?" the *Herald* editorial makes interesting reading.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The honourable member for Malvern is out of his place and he is out of order.

An Honourable Member—Throw him out.

The DEPUTY SPEAKER—Order! I do not want to have to bring the Speaker in to carry out a recommendation that may be made to him.

Mr SIMPSON—Tonight's *Herald* editorial says:

> There always has been something of the larrikin in Jeff Kennett.

Does anyone deny that?

Honourable Members—No.

Mr SIMPSON—I have always called him a larrikin—a likeable larrikin, but a larrikin. No-one would deny that.

The article goes on:

> True, he has gone over the top more than once, . . .

Does anyone disagree with that? Of course not—

. . . he has made some tasteless remarks, . . .

Now, no-one would disagree with that, and I will not bother pursuing that any further—

. . . and he has at times said much and apparently thought little.

No-one disagrees with that, but one cannot help liking a likeable larrikin—

But there has been an irrepressible energy, all the more noticeable because it survived in a listless Opposition.

I have indicated the listless Opposition and the real Opposition, which sits on the back bench. Of course, if a person has been snubbed, it is difficult. Those honourable members on the Opposition's back bench have been there and done that. However, the difference between the Opposition and the Labor Party is that what is decided within the Labor Party is accepted, and we all work as a team.

However, it appears that some members on the other side of the House might take home their bat and ball. I have already demonstrated in my earlier remarks how the Opposition falls in a heap when it has most of its real members of the Opposition lamenting on the back bench. The article also states:

The man has tried.

Honourable members will note the emphasis on the word "tried". The Leader of the Opposition has tried—he has mucked it up all the time, but we should give him credit because he has tried. He is irrepressible and he has tried, and I give him credit for that. The article continues:

Despite the gaffes, he seemed to be a man who stood by his principles. But now there is reason to think again.

The quotes from Mr Kennett about blocking Supply go back to his election as Opposition leader late in 1982. Until this week they were remarkably consistent.

I can vouch for that—because the Leader of the Opposition and I were both elected to this place at the same time—in regard to many statements he has made in relation to Supply. I believe he read the feeling of the community in Victoria and in Australia after that disastrous division caused by Malcolm Fraser in 1975.

I hope, not only as a member of Parliament but also as a member of the Australian community, that I never have to see that re-enacted because it caused division within this country. If ever there were a time when we need to be a united country, it is at this very moment. We need to be a united country and State because of the economic problems that exist. That is reflected in the way the Government has addressed those problems, and all honourable members need to be united, not divided, and act in the best interests of the people who elected us to this place so that those people can be confident that we have done the job on their behalf. The article continues:

It would be an unprincipled thing to do, he said. His word was his bond, he said.

That is a fairly important point. The Leader of the Opposition said, "My word is my bond". However, if a person changes his word for political expediency, his credibility must be damaged. That is a judgment for other people to make, not me. The article also states:

Any change in the principle would ruin his credibility, he said. Today, Mr Kennett *has* changed the principle, and, despite his convoluted attempts to justify it, he should reflect on what his change of mind has done to the public view of his credibility.

That is something with which the Leader of the Opposition will have to live—

But why has the game suddenly changed? Why has Mr Kennett abandoned such a serious commitment? Why has he sought to destabilise State politics? He has given several reasons, none of which is convincing: he said public opinion was now running in favor of the Liberals, the Budget lacked credibility, and the Government had broken promises to hold various tax increases under the inflation level. Therefore, he saw no reason to abide by a promise of his own. None of this does him credit. It smacks of opportunism.

That is an unfortunate situation. Larrikin and all as he might be, the Leader of the Opposition has tried. He stood with some principles. I do not believe he wanted a re-

enactment of what occurred in 1975. However, for opportunism, he has decided to throw to the wall or out of the window an important principle which every thinking Parliamentarian and constituent should hold dear. The conclusion of the article states:

> There is nothing wrong with the Opposition exploiting *all* parliamentary tactics in the name of honest government and lively opposition. But Mr Kennett, by his own admission, had abandoned a principle to do so. What now must be decided is whether such opportunism is acceptable in an Opposition leader. Is there a possibility that Jeff Kennett, so well known for putting his foot in his mouth, has finally shot himself in the foot?

I should like to conclude my remarks on a note of sincerity and importance to this Parliament and this State. I recall what occurred in 1975. This *Herald* editorial shows that there is again the possibility of that nonsense occurring, but it will never be to the credit of anyone who does such a thing.

Also, if one were ever to attack a Government, it certainly would not be in regard to a Budget, which is looking after jobs, which reflects the lowest unemployment rate, which involves the highest growth factor and which has removed the problem with the $156 million lost as a result of the oil crisis that arose from outside forces.

I should like all honourable members of this House to reflect on this Budget as a top Budget. Let us get behind the Premier and the Treasurer of Victoria, and go out and sell this Budget; let us implement it in the best interests of all Victorians.

Mr WEIDEMAN (Frankston South)—I shall just pause to allow the clapping to fade into the distance! Honourable members have been treated this afternoon to speeches from two members of the Labor Party. The Premier spoke for 20 minutes and the honourable member for Niddrie spoke for 30 minutes. I suggest that they make those speeches to their local branches.

The Premier mentioned for the first time that, obviously, this debate would continue for some 26 hours. He tried to tell the House that it had already been debating the Bill for some 26 hours, but again, he got it wrong. Based on what the Premier said, it might be that this debate will continue for some 26 hours, as many speakers on this side of the House have something to contribute to the debate.

The Premier used a description of politicians in his vicious attack on the opposition parties. He described members of the Opposition in this Parliament as those who are in it for themselves, who should look into the mirror, where they will see that they are not interested in the public or in Victoria.

I suggest to the Premier and others who would take that high office in this land that they should consider members of Parliament in terms of their value to the community. I do not believe any honourable member in this House is in the job for what he or she can get out of it personally. Each honourable member is in it for many reasons, the main reason being to serve his or her fellow man or woman, to make his or her life somewhat easier, and to provide the opportunity of bringing problems to the local member who may be able to succeed in establishing some interest and benefit for constituents in his or her own electorate.

I believe it is disgraceful behaviour on the part of the Premier to attack members on this side of the House in the way in which he did today. Such an attack does him no credit. As reported in a recent article in the press, he attacked members of the Opposition and claimed that the only waste since 1982 has been their travel, their offices and the wages that they have collected since that time. I challenge the Premier to put up or shut up in this instance. If he is not prepared to compare members of the Opposition with honourable members of his own party, I suggest he desists from this line of attack. I am prepared to have my office costs during my time as a backbencher compared with his office costs when he was the honourable member for Bundoora to see who comes out on top.

The Premier has said repeatedly that these projects, initiated by the Opposition, and costing $1·7 billion, are irresponsible. In fact, he has made these claims when answering questions that he has asked his little lackeys on the back bench to ask over the past weeks

during question time. I ask the Parliamentary Secretary to the Cabinet to make available a copy of this wonderful document so that I can see what is in it and also have it printed in *Hansard* for the information of all honourable members.

Three projects were initiated by me as the honourable member for Frankston South, and I was surprised to see two of those mentioned in this rubbery-figured, shonky Budget. The first of those was the Frankston Community Hospital. The Budget figures for 1985–86 showed an expenditure of $5·5 million for that hospital and an estimated expenditure for 1986–87 of $11 million, totalling almost $16·5 million.

I do not find that expenditure irresponsible. That hospital with 100 beds provides services for some 200 000 to 300 000 members of the Frankston community. It has been needed for many years and I have worked hard to get that project off the ground. In fact, the Treasurer came to Frankston and signed the documentation for the building of that hospital. That is one of the Opposition's irresponsible requests, according to the Premier.

The second one was the project for a primary school at the Lakewood estate adjacent to the Frankston centre. That estate is on high ground and is a fast growing area. It has put enormous pressure on the facilities of the Frankston high and primary schools, and another school is desperately needed in the area. As the local member, I wrote to the Minister for Education requesting a planning committee to consider the building of this school. I also spoke to him about it. In the way that Government members play politics, he allowed the honourable member for Chelsea in another place to announce the building of this school. Now the Premier puts that into the Opposition's irresponsible requests area.

The third project is not in the Budget, it is still in the planning process and will cost approximately $2·7 million to $3 million. I raised in the House the possibility of increasing the supply of police equipment, especially breathalysers at a cost of $35 000 each. I notice in the Budget that provision has been made for breathalysers, radar and other equipment for police. Those three matters show the myth circulated by the Premier about the irresponsibility of the Opposition. If the Premier claims these projects are irresponsible, he should have the courage to say so in the House. I have challenged him on three occasions and I have also written to him but he has ignored me. He should print his document for everyone to read.

The Government has also made much play of its unemployment figure being the lowest in all States in the past 36 months. When the Labor Government came to power in 1982, it inherited the lowest unemployment figure in Australia. Since 1982, the Government has never had a lower figure than the one it inherited. It is a fact that the unemployment figure is now higher than when the Liberal Government was in power in 1981. The figure is still more than 100 000. That is 100 000 poor Victorians who have not had the benefits they had when the Liberal Government was in power.

Another criticism I make of the Budget is that it was supposedly accepted by everyone as being the absolute, perfect Budget. I wish to highlight some of the statements that were made in the press. The headline in the *Herald* on 23 September states, "Hospitals may cut services". The article states:

> Victoria's hospitals are on the verge of revolt against the State Government's health budget.
>
> Hospital officials say that the money spent on hospitals has been cut and warn that existing services will have to be reduced.
>
> The executive director of the Victorian Hospital Association, Mr Allan Hughes, said analysis showed there had been a 2·4 per cent cut in real terms in the Budget to existing hospital services. He said the cut totalled $32 million.

Approximately 27 500 people are waiting for surgery in Victoria and this Government cuts services by $32 million.

The article continues:

The Royal Women's Hospital's chief executive officer, Mr Gary Henry, today said the only way savings could be made under the existing budgeting system was to reduce the number of patients treated in public hospitals.

"There isn't any other way," he said.

. . . . .

. . . to reduce the number of elective admissions while others might cut services in other areas.

What an indictment of health in Victoria! Mr Hughes, the director of the Victorian Hospital Association, also released a press statement on 24 September. He made these claims:

Budget estimates indicate an effective 2·4 per cent ($42 million) reduction in funds in real terms to be made available in 1986–87 for public hospitals to maintain existing services and that "even the most supreme optimist could not expect such a reduction to apply without reduction in services".

We shall receive fewer services, as will be clear later. We have had a real reduction in services provided to Victorians who wish to use hospital services since the Liberal Government was in office.

The Premier made comment about the overseas employment of nurses. What Mr Hughes says about that is:

The employment of nurses from overseas will not enable anywhere near as many patients to be treated as the reduction in funding will cause.

I recently attended a meeting at the Royal Children's Hospital and it was mentioned that that hospital had been refused the capacity to employ overseas nurses. It had been recruiting and employing approximately 40 a year. That hospital will now have difficulty with staffing because the Government has decided that the employment of the 500 nurses from overseas will be in other major hospitals.

Mr Hughes goes on to say:

It is unlikely that a 4·5 per cent ($3 million) cut in funding for community health services will be able to be absorbed without significant impact on services offered by community health centres.

The real increase of 2·66 per cent ($3·1 million) to the Health Department primarily for travel, data processing, employment of consultants, "other" and "incidental" has caused considerable resentment among those people who are directly involved in the care of patients who face significant expenditure cuts and are totally inappropriate.

The next point is interesting and I hope the press in the gallery tonight will take note of it because, having attended annual meetings in recent times, I have been amazed at the effect that the Ministry of Health has had on hospitals when it has said that the Royal Children's Hospital, the Royal Melbourne Hospital and others are to carry on giving the same services although operating with a deficit at the end of 30 June 1986. Those hospitals expected, as had happened in the past, that funds would be made available to cover these deficits. I know that the Royal Children's Hospital, the Frankston Community Hospital and the Gippsland Base Hospital all have deficits of more than $1 million. I was surprised to find that the total deficit for the 200-odd hospitals in Victoria was $38 million.

It has been claimed that the deficit is due to overestimates made by the Government. Despite advice to the Government from non-Government sources, the Government has failed to pay accrued grants, which has led to an added burden being placed on the cost of hospitals that must borrow or pay interest on funds required to finance the deficits.

Since 1982 the Government has been involved in plundering the funds of major institutions such as the State Electricity Commission, the Board of Works and so on, which hitherto had a tradition of financially providing for their future. The Government has now turned its attention to hospitals, many of which conduct major fundraising appeals, such as the Royal Children's Hospital, which conducts the Good Friday Appeal. The money raised through that appeal is used to conduct research and provide major equipment in a world of changing technology.

The announcement was made at the last annual general meeting of the Royal Children's Hospital that the money provided through the Good Friday Appeal will have to be used to pay for the everyday running costs of the hospital. However, that should be an area of Government responsibility.

Another major area of criticism has been the Government's failure to disclose all the information behind the framing of the Budget. If such a system were followed by a hospital or a private company it would incur the wrath of auditors. One wonders whether the paucity of information is deliberate; whatever the reason, it is disgraceful. These sentiments are echoed by Mr Allan Hughes of the Victorian Hospitals Association. It is a scandal to think that at the annual general meeting I attended at the Royal Children's Hospital, Professor Kincaid claimed that since the introduction of Medicare hospitals have reached a crisis point.

Approximately 62 per cent of the health budget is directed towards hospitals but 80 per cent of that allocation goes on wages. The major complaint of hospital boards is that they do not have the power to negotiate wages. The hospital boards have simply had to cop what has gone on in recent times in the area of wages. During the recent dispute involving nurses and the Hospital Employees Federation the hospital boards should have had the right to put forward their point of view.

There has been a reduction of 2·4 per cent in real terms in the health budget. In 1985–86, 1000 fewer patients were treated than were promised. The Government failed to spend 11 per cent of its Budget allocation on reducing the hospital waiting lists. That failure was further highlighted recently when a spokesperson for the Royal Melbourne Hospital said that during one fortnight the hospital did not perform one elective surgery operation.

When the Labor Party came to power, the then Minister of Health, now the Minister for Transport, claimed that he had inherited the best hospital system in the world. Victoria now has one of the worst hospital systems in the world.

Victoria has had a long line of broken promises and now has a crisis in health. The policies of the Government have created record waiting lists for nursing homes and hospitals.

Mr Ernst—You do not believe that?

Mr WEIDEMAN—I should like the honourable member for Bellarine to tell me where the Government is going to obtain psychiatrists to staff the mental hospitals. Approximately 1600 beds have been closed down—the equivalent of three public hospitals. What is wrong; does the Government know nothing about proper management? The Government is closing down 138 beds at the Alfred Hospital, 100 beds at Prince Henry's Hospital and so on. Why does the Government not use some management skills to make the health system work?

What has the Government done at the Essendon and District Memorial Hospital? It has claimed it will use that hospital for elective surgery. In the local newpapers circulating in Essendon there have been headlines claiming that the local community has poured millions of dollars worth of equipment into that hospital but that that equipment has been taken away to city hospitals. What right does the Government have to take away from the Essendon community benefits which are the result of the efforts of that community? It is an utter disgrace!

The Budget has been used to push the establishment of district community health centres. In last year's Budget it was envisaged that these centres would cost $4 to $5 million to establish. An inquiry should be held into the establishment of these health centres.

More than 27 000 people are on the waiting lists of public hospitals. What did the Premier say in regard to hospital waiting lists?

The Premier said that millions of dollars would be spent on reducing the hospital waiting list. When the Labor Party came to office only 8000 names were on the waiting

list; now more than three times that number—more than 27 000—are on the list. One can say that that is the result of Medicare but it is also a reflection of the crisis in health care in Victoria.

Hospital Benefits Association Ltd and Medicare Private health charges were recently increased, and this has reduced the number of people who have private health cover from 70 per cent to 50 per cent. Honourable members can well imagine what effect a $4 increase has on the average person. Only those in the older age group will continue with private health cover and it will be harder to encourage young people between the age of 20 and 30 years to keep up private health cover.

The average waiting time in teaching hospitals in January this year was 86 days but in March it increased to 108 days. The Premier promised to cut the waiting list by half; we are still waiting for him to honour his promise. The Budget provided him with the opportunity of cutting back on administration charges which would have helped to reduce the hospital waiting list.

A typical situation was explained to me: a young mother with young children who lives in either Stawell or Horsham came to Melbourne on three occasions trying to get a bed at the Royal Melbourne Hospital. She was told that she could not have a bed. It is difficult enough for those who need to go to hospital to organise themselves to come to hospital to undergo surgery without also having to reorganise the family home to enable those from the country to come to Melbourne for an operation. In some cases hundreds of miles must be travelled only to be told that no bed is available. Often the surgeon is the one who has to make a decision about how urgent the operation is. That problem is unnecessary in our hospital structure.

Many of the beds in the major teaching hospitals are being used to accommodate the aged rather than medical or surgical patients. Approximately 6000 Victorians are waiting for vacancies in nursing homes.

Earlier I mentioned the difficulties faced by mental health hospitals and the needs in that area. Recently those hospitals were told that they would receive no increase in capital expenditure and that no overtime would be allowed. Many of these hospitals and institutions require additional funding. To the credit of the Government, some increase in the funding has been provided but there has been a reduction in the capital that will be provided for health in future.

The Opposition in recent months has carried out some considerable research into the health field. It analysed health expenditure from 1981 until this day. The Government has put paid to the money it has spent on health and made it a high priority. The Victorian Hospitals' Association Ltd made the following points:

Public Hospitals Gross Operating Expenditure has been cut as a proportion of Victorian Government Total Current Outlays each year since 1981/82.

Despite the real cuts, the Government has entered into agreements with hospital unions which have substantially increased public hospital labor costs.

While real Public Hospital total operating expenditure fell by 1·5 % between 1982/83 and 1984/85, the average adjusted bed-day cost increased by 4·2 % in real terms.

Throughput of both inpatients and outpatients fell during the period examined.

The number of Victorians covered by private hospital insurance fell from 72·1 % to 53 %.

Increasing use of the public hospital system for nursing home type patients due to Medicare related changes to the Health Insurance Act worsened the public acute hospital crisis.

From July 1985 to May 1986 an average of 1500 public hospital beds were closed, the two major reasons being funding shortages and nursing shortages.

Only one of eight major initiatives to reduce elective procedure waiting lists had been carried through; and this was a public reporting of the waiting lists.

Those who lack the financial resources to be treated in the private sector are, unless classified as emergency cases, subjected to being put on waiting lists of an unprecedented length.

I condemn the Budget for the Government's lack of understanding in the area of health.

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

The sitting was suspended at 6.27 *p.m. until* 8.4 *p.m.*

Mrs HIRSH (Wantirna)—I am delighted to have this opportunity of congratulating the Treasurer on the Budget. I compliment him on bringing down a balanced Budget in a climate in which there has been a $150 million loss in revenue without having to increase taxes and charges beyond the consumer price index, without introducing any new taxes and charges and with savings in productivity of $157 million. This was a tremendous effort and it is the best Budget produced in the history of this State.

The Budget has been framed to give special priority to the ongoing development of a social justice strategy, which is described in an important statement by the Premier, and I shall describe its aims. The social justice strategy is a blueprint for long-range, far-reaching reshaping of social and economic resources. The Premier's document says that it is a reshaping of access to power, services and rights with a central aim of improving equity and fairness. An important aspect of the Budget, which reflects the Government's thrust for reform, is its formulation within a balanced and efficient climate of economic management.

The Premier's statement also refers to economic management, the key element of which was the development of an economic strategy, a major achievement which focused on job creation through stimulating Victoria's economy and maximising its comparative advantages.

The strength of the economic strategy was that it developed a broad plan across a range of portfolios, which aimed to bring a rational pattern to economic activities in conjunction with the sectors most directly affected—business and the trade unions. The evidence for the success is there for everyone to see and it is clear in the Budget.

The Budget also reflects the reforms in accounting and management that the Treasurer has undertaken. I imagine this is one of the reasons why the Opposition can find nothing of substance to criticise in the Budget.

The Budget is evidence of the success of the economic strategy and an important aspect of it, which is part of the Government's plan to bring equity and justice to the people of Victoria, is the 21 per cent increase in housing. This is an increase of $50·9 million to $290 million. This is an example of the equity, justice and targeting of resources of the Budget.

An increase of this size in a contracting economy has been made possible by the decision of the Government to nominate the maximum allowable proportion of its Loan Council allocation to housing. This has enabled an increase that will produce 3100 new units to be added to the public housing sector in 1986–87 and will help to achieve the commitment made by the Government. This Government honours its commitments made to increase the public sector stock by 12 000 units over four years.

In the home ownership sector, assistance is to be provided to 2282 families in the form of home loans, either directly through the Ministry or as joint ventures between the Government and private banks. I shall say something more about this scheme. It is an innovative scheme and a new scheme.

It replaces the deferred interest scheme which was a successful joint venture over the past year. The new scheme will provide 1000 loans of up to $59 000 each over 25 years. Participants include the ANZ Bank, the State Bank, the Westpac Banking Corporation and the National Australia Bank Ltd. It is a disappointment that the Commonwealth Bank has not chosen to participate in this scheme and one would hope that in the future it will look at the success of the scheme and reconsider its position so that when the next scheme comes up to assist low income home buyers in Victoria, it will also be involved.

The scheme will never seek more than 25 per cent of income from the Ministry in repayments. It is an equitable scheme which will enable people on low incomes to be able to move into home ownership. The Ministry, through second mortgage money, will top up the repayments of 25 per cent of income with the required amount needed to meet total repayments and the participating banks will charge half a per cent less interest than they are charging on standard home loans. It is an excellent scheme which will provide home ownership for 1000 families.

The honourable member for Prahran spoke earlier about independence and freedom. Members of the Opposition and the honourable member for Prahran need to bear in mind the fact that people cannot be free or independent unless they have access to basic, good, affordable housing. There is little point in the Opposition making empty remarks about such matters when it has no idea about this and no policies of making housing available to people who cannot afford it.

The Labor Government, through the Treasurer's Budget, addresses issues of access to resources in a responsible and effective way. Another important component of the housing budget includes $32 million for estate improvement, an increase this year of $8 million. This is an important aspect of the Budget.

Last week the honourable member for Balwyn questioned the need to provide that money for spending on estate improvement. He suggested that the Minister for Housing should be reconsidering the allocation and he implied that public housing money should not be spent on estate improvement. The former Liberal Government spent only $4 million in this area, which is why the Government needs to spend so much money. The housing stock that had not been sold off prior to the Labor Government coming to office was in such a disgraceful state that it was almost falling down.

The honourable member for Balwyn implied that if housing is in a reasonable order it should be sold to anyone who has the money to pay for it. The Opposition would only rent out housing that needs repair as public housing. The Government believes all people have a right to decent housing. The allocation of funds in the Budget to housing contrasts starkly with the allocations made in the period when the Leader of the Opposition was Minister of Housing. He took over as Minister in 1981 and that year proved to be one of the worst years for housing in Victoria.

National Party members should listen carefully because what I say may make them think carefully about with whom they get into bed. The differences are significant and need to be noted. In 1981 a total of 1168 new units were completed, which was when the Leader of the Opposition was Minister of Housing, whereas in recent years, under a competent and efficient Minister for Housing and with efficient and well-planned Budgets, the number has increased. Under the former Liberal Government, as well as the completion of only a small number of housing units, housing was sold off at a record rate without being replaced.

By the end of 1986, a total of 3096 units will have been provided, which is three times more than the amount provided in 1981. That is what happened when the Leader of the Opposition was Minister of Housing.

Earlier today the Deputy Leader of the Opposition said that the Government ignores rural Victoria. National Party members should listen to this point. The figures for new public housing handovers show that it is not the case that rural Victoria is ignored in this Budget. In 1981—the year when the Leader of the Opposition was Minister of Housing—housing completions in rural Victoria totalled 667. In the four years ending 1986, a total of 4500 units will have been completed, which is an average of 1100 units a year in rural Victoria. That is approximately double the amount of housing provided when the Liberal Party was in government.

Another aspect of the Budget is the allocation of almost $4000 for community and tenant support.

Mr Wilkes—And for consultation.

Mrs HIRSH—It is also for consultation, as the Minister for Housing has reminded honourable members. Last week the honourable member for Balwyn suggested that the money was being frittered away. That is an insult to community workers and tenant groups. That money is an important component of the processes of providing good quality, worthwhile public housing. It is an important component of the process that will provide a third sector of housing, other than private and public sector housing—that is, community housing. It is housing, such as common equity rental cooperatives, for groups of people who would not otherwise be able to purchase and own their own housing.

The attitude of the honourable member for Balwyn, which typifies the attitude of the Opposition, is that spending money on tenant consultation and community groups is frittering money away. The Opposition is bereft of policy and bereft of any form of criticism of the Budget, in housing or any other section, to the degree that Opposition members are resorting to desperate tactics of referring to commas and full stops. They are faced with the best Budget that has ever been brought down in this State, and they can make no criticism of statements in the Budget.

Again, I congratulate the Treasurer and the Minister for Housing on a first-class Budget. I compliment them for their work.

Mr B. J. EVANS (Gippsland East)—One of the elements honourable members must consider in the overall picture of the Budget is whether it is being applied fairly to all sectors of the community. One of the aspects that concerns me is the practice of relating the Budget to the consumer price index, as is so frequently done by both the Premier and the Treasurer. I question whether that is a valid and fair basis on which to assess the value of the Budget to all people in this State.

It is interesting to note that in answering the question of what is the consumer price index, a publication called, "A guide to the Consumer Price Index" states:

> The simplest way of thinking about the CPI is to imagine a *basket of goods and services* of the kind bought by Australian households.
>
> . . . . .
>
> The CPI measures price changes relating to a large proportion of *metropolitan employee households*. This group is termed 'the CPI population group'. For this purpose *employee households* have been defined as those households which obtain at least three-quarters of their total income from wages and salaries but excluding the top 10 per cent (in terms of income) of such households. *Metropolitan* means the State capital cities, Canberra and Darwin.

From its very definition the consumer price index specifically excludes costs as they apply in rural areas of this country—anywhere outside capital cities. For a start, that appears a very narrow concept on which to base an index that is of such vital concern to the whole community and one that by the number of times the Premier and the Treasurer have referred to it is a powerful influence on the way in which they determine policies. The definition makes it quite clear that the consumer price index is related to costs as they apply to capital cities and not anywhere else.

Ultimately, that attitude and approach must spell financial disaster for the whole country. A period has been experienced during which the consumer price index has been used as a basis of indexation for wage and salary earners. It has been and it still is one of the greatest confidence tricks that has ever been perpetrated on the people of this country. The Labor Party, trade unions and the whole of the wage fixing network have inflicted a system of wage and salary adjustments that inevitably means that the rich get richer and the poor get poorer, yet these are the very people who claim to be concerned for the poorer people of the community.

For example, if the consumer price index indicates that over a set period there has been a 6 per cent increase and that is passed on fully to wage and salary earners, the wage-earner

on $100 a week receives an increase of $6; the wage-earner on $1000 a week receives $60 and the wage-earner on $2000 a week receives $120. It is a matter of simple arithmetic to work out that those on high wages and salaries are vastly better off as a result of that system than those on the lower levels of wages and salaries, who must inevitably fall further and further behind.

The fact is that the union officials, the advocates for the trade union movement, and the personnel who make up the wage-fixing tribunal at various times in this country, all know that if they agree to this system, they will be the ones in the top bracket of salary earners and they will receive the greatest benefit from it.

It is futile to suggest that the current proposal to bring in a two-tiered system has any hope of succeeding. It will be hard enough for those authorities to work out a point above which a different method of indexation will apply. I do not believe that is capable of being sorted out, particularly when the people making the decisions are affected by being in the top income bracket themselves.

It appears strange that the vast majority of wage-earners in the State who are on the lower level of wages and salaries have fallen for this proposition for so long and may be, one of these days, they will wake up to the fact that there is something fundamentally wrong in relating wages and salaries to the consumer price index.

I do not believe anybody who has been in business would accept that that is a valid basis for such determinations. Indeed, the very fact that ways of varying the system are being examined because of the current economic climate is proof that what I say is true.

Although it is a cosy arrangement that wages should rise with costs, it ignores the fact that incomes of a large number of people in the community are not related to these increases in costs. One significant group in this category, on whom this nation will depend to get it out of its financial difficulties, are the people engaged in export industries, particularly farmers. Their incomes are not increasing in accordance with increases in the consumer price index.

The Government is saying that it is not increasing its rates, charges and taxes any more than the increases in the consumer price index, so everybody ought to be happy, but if one's income is going down in comparison with the increase in the consumer price index, that policy is not very hopeful.

Many people in the community are misled by what is intended by the determination of the consumer price index. They think of it more as being a cost of living index. The belief that is widespread throughout the community is that the consumer price index is a figure that is worked out to cover the costs of a normal family for its normal requirements of goods and services.

Although people in the higher income bracket obtain proportionately more in rises as a result of consumer price index-related increases, they do not pay any more than the lower income earners for their bread, milk and eggs. They may pay more for their clothing but they do not have to pay that much more. As a result of any increase in wages and salaries on the basis of increases in the consumer price index, they become even better off than they were in the past.

There is really only one logical comparative basis on which to establish wages and income, and I was pleased that the honourable member for Polwarth mentioned it in his contribution to the debate. The only logical method is to relate wages and salaries to the country's balance of trade in some way or another because it is the balance of trade that determines the level of prosperity of the nation.

If it is the intention of the wages system to enable all the work force in the community to share the prosperity of the country, it must be related to that prosperity, which is determined by the balance of trade figures. All honourable members know how disastrous those figures are at present.

I have no doubt that the only industries that are capable of lifting this country out of its economic difficulties are the industries that have made this country prosperous in the past—the great agricultural industries and mining industries are the ones that will resolve the problem ultimately. Governments at all levels should be doing everything possible to assist those industries to become more competitive so that they can increase the value of the nation's foreign trade.

Until Governments understand that fact of life, I am afraid we will head further and further down the road of financial difficulty. At this stage in the country's development, I cannot even see on the horizon any glimmer of hope that Governments are understanding the actions that need to be undertaken in order to help our great export industry.

Turning to something more specifically related to the Budget, I express my immense concern and the concern of everybody in Gippsland, and many people further afield, at the decision of the Government to hand over the Thomson dam water supply project to the Melbourne and Metropolitan Board of Works. This decision flies in the face of, first of all, a clear understanding that was entered into some years ago after extensive inquiries had taken place by the Public Works Committee.

The committee continued to function for a number of years and had its origins in a report tabled in September 1962 when the chief engineer of the Board of Works submitted a proposal for the long-term water requirements of the City of Melbourne. In that report, he recommended the diversion of water from the Big River, which provides water for the Eildon weir, and suggested that that river should be diverted for the benefit of the City of Melbourne.

That caused quite a deal of consternation because, naturally, its water was already committed for irrigation purposes in northern Victoria and the then Premier, Mr Henry Bolte, issued an ultimatum or made a promise that the water would not be diverted from north of the divide for use south of the divide; but, unfortunately, he did not make any comment in relation to diverting water from other parts of the State to the metropolitan area.

It is interesting to note when examining its report that, at the time, the Public Works Committee was working on the basis of considering an ultimate plan for a metropolitan population of five million people, for whom the Board of Works expected to be providing water by the year 2000. During the course of that investigation, the committee heard evidence from 129 sworn witnesses who gave evidence in those days and there were 1739 foolscap pages of evidence.

In the report, considerable reference is made to the great interest that was taken in that inquiry by the people of Gippsland. There is no doubt that that arose because the water resources belonging to Gippsland were the subject of the investigation and I had quite a deal of personal involvement with the inquiry at that time.

Indeed, from my own knowledge, I can say that in the late 1950s, a deputation of landowners from the central Gippsland area, who were interested in the development of irrigation from the Thomson River, waited on the State Rivers and Water Supply Commission, as it was then, to put a case for this project; for a dam on the Thomson River, but they were told that there was no suitable site on the Thomson River for the construction of a large storage.

Unfortunately for the Government of the day, there happened to be a councillor from the Shire of Rosedale by the name of Alistair Jones who had previously been an officer of the then Forests Commission and from his own knowledge, he knew that the Melbourne and Metropolitan Board of Works had examined the area and had established a site for the construction of a large storage on the Thomson River; so even going back to the late 1950s, the people of Gippsland were being deliberately deceived by the Government of

the day in relation to the prospect of constructing a large water storage on the Thomson River.

Therefore, the people in that area established their own water utilisation committee and poured over contour maps which had only fairly recently become available. They took calculations from those contours and were able to establish the fact that a dam site was available, and I was a member of an expedition that went up to the headwaters of the Thomson River to have a look at this site.

All of this, of course, preceded the inquiry by the Public Works Committee. The committee indicated that it expected the population of the metropolitan area to be 2·7 million by the year 1974 but, of course, circumstances caught up with the demographic forecast of that time and the growth of Melbourne did not reach anywhere near the level that seemed apparent at the time the investigation was carried out.

At that time, among the very few people who signalled their opposition to this proposal were a group of National Party members representing Gippsland, of whom I was one. We expressed our opposition to any compromise solution in terms of a joint scheme between the Board of Works and the then State Rivers and Water Supply Commission.

Our opposition was based on our belief that when the day came that the metropolitan area wanted that water, it would take it come what may, if it were physically possible to do so and, therefore, there was no point in agreeing to such an arrangement to provide that possibility so that it could be done just at any time with the stroke of a pen. However, I never really believed that I was going to see that day arise in my lifetime, and certainly not while I was still a member of this place.

I was appalled to hear of the announcement in the Budget that the Government had taken this step of literally stealing the birthright of the people of Gippsland, in taking this water which had been agreed should be available for future development in the Gippsland area.

One of the interesting points about this issue is that during the time of that investigation, those concerned heard not one comment from the so-called conservation element in the community in opposition to constructing a dam on the Thomson River, nor to the diversion of substantial flows of water away from one catchment area and into another. If there is any proposition that has serious ecological implications attached to it, it is that question of diverting water in substantial quantities away from where it is naturally supposed to go or where nature has designated it to go.

The flow of water from the Thomson River has a material effect on the quality of water in the Gippsland Lakes—an area that has been designated by the Government as a prime tourist attraction area. The people of Gippsland have recognised the importance of the Gippsland Lakes system as a tourist region not only for people within the State, but also for people from very much further afield. The quality of the water in the Gippsland Lakes has been a matter of growing concern over a large number of years and I do not think there is any doubt that the permanent sea entrance, which was established into the Gippsland Lakes back in the 1880s is one of the material factors in the deterioration of the quality of water in that lake system.

Serious erosion is also occurring in many areas surrounding the Gippsland Lakes. The greatest tragedy is perhaps the serious deterioration in what is acknowledged worldwide as a unique geographical feature—the Mitchell River silt jetties.

It is acknowledged that there is no better example of that type of formation anywhere in the world. Silt jetties on the Mississippi River are larger but are not as distinctive and as easily recognised as those on the Mitchell River. However, those silt jetties are being eroded largely because of the high levels of salinity occurring in the lakes which emanate from salt water from the sea.

One of the counters to salinity is to maintain a high flow of freshwater into the lakes system during summer. The river flows are generally low, during this time and salt water intrudes further and further into the system and causes this deterioration.

As a result of the Government's decision a much larger quantity of water will be diverted from the Thomson River to the metropolitan area.

Mr McCutcheon interjected.

Mr B. J. EVANS—It would be interesting to hear the Minister explain that situation.

The ACTING SPEAKER (Mr Kirkwood)—Order! The Minister for Water Resources is out of order.

Mr B. J. EVANS—I shall await with interest to hear the Minister explain how one can obtain more water out of the Thomson River for Melbourne without having less water going into the lakes system. I am extremely interested in how the Minister will be able to wave his magic wand and bring that about. I do not know where the water will come from to replace the water that will no longer be available to the lakes.

Mr McCutcheon interjected.

The ACTING SPEAKER (Mr Kirkwood)—Order! The Minister should have more respect for the standards and processes of the House.

Mr B. J. EVANS—I agree, Mr Acting Speaker, and he should also have more respect for the intelligence of the people of Gippsland than to expect that they would believe one can take water from the Thomson River for Melbourne and have the same amount of water flowing into the Gippsland Lakes. That does not make sense.

The report of the Parliamentary Public Works Committee is interesting because considerable emphasis was placed on the fact that, if water were taken from the Thomson River to metropolitan Melbourne, it expected further reservoirs would be built on other streams flowing into the Gippsland Lakes to provide compensation water.

There is no shortage of freshwater flowing into the Gippsland Lakes during winter and spring. The Mitchell River has maintained a good rate of flow for some months now, but the problem arises when there is a low flow period in the streams. If there is no storage capacity or reservoir to provide river-freshening water and water to assist in maintaining the quality of water, the Gippsland Lakes will deteriorate even more rapidly.

I assure the Minister that when he visits Bairnsdale next week I shall be able to produce many people who will reinforce my arguments. Gippslanders are perturbed that they should be sold down the drain so completely on this issue.

An exhaustive inquiry was held into the background of the Gippsland Lakes, yet the Treasurer has made a decision without talking to anybody. Commissioners and officers of the Melbourne and Metropolitan Board of Works and the Rural Water Commission had no idea this proposal was in the pipeline. They were shocked when the proposal was put forward, yet the Government says it consults people before making important decisions.

I assure the Minister that groups of people, such as the Combined Pensioners Association of Paynesville, made up of people who have retired to that area because they enjoy their recreation, particularly fishing in the Gippsland Lakes, are concerned about what the future holds for the potential of the lakes in years to come.

When the Minister visits Bairnsdale next week he should talk to those retired people and people who have lived in the area all their lives to ascertain whether they believe he has a magic formula to produce water out of the hat, as it were, to compensate for the water that will be diverted to metropolitan Melbourne.

Mr Wilkes—Will you show him around?

Mr B. J. EVANS—I extend that invitation to all Ministers visiting east Gippsland. I am only too happy to do that because I believe their education has been sadly neglected. I am disappointed that I have not had the opportunity of showing the Minister for Housing around east Gippsland over the past 25 years. Nevertheless, the invitation is always there because people from east Gippsland are hospitable. Even if they are kicked in the teeth by the Government, they are still prepared to extend the hand of friendship and hospitality that is typical of the area.

The patience of the people of Gippsland is being tested on this issue. I suggest to the Government that it will experience a strong reaction. It may take time to build up, but it will be similar to what occurred when the Government proposed to extend the use of the Dutson Downs area for nuisance waste disposal, and eventually an even stronger reaction will occur because of the decision contained in the Budget.

Mr LIEBERMAN (Benambra)—The fifth Cain Labor Government has not been fully recognised for the impact it will have on a section of the community that is probably least able to protect its interests and to fight back. I refer to the elderly and to people on fixed incomes, either because they are on pensions or superannuation following retirement or on low wages because of the work that they do.

Honourable members would accept the proposition that people on low incomes or those eking out an existence in retirement in a nation facing the worst economic crisis since 1974 are least able to withstand pressures that are forced upon them through no choice of their own.

I intend to prove beyond doubt that the Budget will make their burden greater than it is at present and will reduce the standard of living of all Australians, particularly people in the categories I have mentioned. I shall not make those remarks and use simple rhetoric to back them up; in some cases I will use the Government's own figures.

The honourable member for Gippsland East stated that this Government's policy in the Budget is that it will not increase taxes and charges beyond the consumer price index. In saying that, the Government blandly asserts that it is therefore not increasing taxes. That is nonsense because, as the honourable member for Gippsland East said, consumer price index increases are added to the costs of everyone.

The Treasurer and his Premier have said that the inflation rate will be about 7·8 per cent and they have generously claimed that they have told all departments that they are to keep increases in charges below 7 per cent. That is the assertion that has been made.

I shall illustrate to the House what will happen in the next six to eight months in Australia in relation to the cost of living. As honourable members are aware, at present under our central wage-fixing system, which is in chaos and which is entirely inappropriate for Australia's needs, we have an impending hearing of the Arbitration Commission. Some eight or twelve months ago, the Prime Minister, aided and abetted by Labor Premiers, including the Premier of this State, asserted to the Arbitration Commission that the economy and business could stand a full increase in wages based on the then inflation rate—the consumer price index—and further that there could be an increase equivalent to 3 per cent for alleged productivity so that a superannuation scheme could be imposed.

In the space of a few months the Prime Minister and his Premiers—and the Premier of this State—have done an about-face and are now saying to the Australian people that, notwithstanding the fact that the consumer price index will have increased by perhaps 5 per cent or 6 per cent, at a conservative estimate by the time the court hears the case, they intend to put to the Arbitration Commission at its next hearing an argument for discounting.

Mr McCutcheon—Has the Premier said that?

Mr LIEBERMAN—The Premier has not said that he disagrees. I have taken the view that, because the Premier is always in the pocket of the Prime Minister, this will be the case as it has been previously and the Victorian Premier will agree.

Mr B. J. Evans—Are you sure? I think he wants the lot!

Mr LIEBERMAN—He might. The scenario is therefore set for the Arbitration Commission hearing at which—unusually for a Labor Government —we will find the Prime Minister's legal counsel, aided and abetted by the Labor Premiers of the States, telling the court that the wage increase based on the consumer price index central wage-fixing system should not be as they asserted before, and should not include a superannuation increase which they asserted Australians should have, but should be discounted—I presume by 2 per cent or 3 per cent, or maybe more. The figure is not clear, but it will certainly be at least 2 per cent.

In the face of that, I am entitled to ask this House to consider the impact of the Arbitration Commission accepting that position and saying, "Notwithstanding the fact that the consumer price index increase has been 6 per cent or 7 per cent, we will order that wages be increased by 4 per cent or 5 per cent". That decision will depend on the discounting argument that undoubtedly will be accepted.

That means that the group of people I mentioned—the people on low incomes especially, retired people and people on pensions and small superannuation payments—will find that their incomes will be similarly discounted because most of them are attached in some way to the Arbitration Commission decision.

That means that their entitlements for the next twelve months will be reduced by the decision of the Arbitration Commission. One would have expected therefore that this Government that professes to care for people, especially those who are less able to care for themselves, would have been sensitive in its State Budget to ensure that State taxes and charges on the people of Victoria would reflect that discounting.

I find it absolutely unacceptable that the Premier and the Treasurer are proudly saying that they will increase taxes and charges by only 7 per cent when in fact they know that their colleague in Canberra—the Prime Minister—proposes that the flow-on to adjust for the cost of living is not going to be 7 per cent or 8 per cent less the discounting.

That in itself is a manifestly wrong decision, and it is a decision for which the Premier has to accept personal responsibility. There is no way he will avoid the odium that will be attracted to him when the Arbitration Commission decision flows on because those Victorians—the ones I said are less able to speak out for themselves—are certainly trapped because they have been retired or are on pensions or low incomes and do not have the skill or job opportunities to enable them to increase their incomes. They will find that their standards of living have dropped because the economy will cost 7 per cent or 8 per cent more than last year and their flow-on and adjustment will be 7 per cent or 8 per cent less discounting.

Mr Simpson—What is your proposition?

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Niddrie is out of his place and out of order in making interjections.

Mr LIEBERMAN—I accept the fact that that is so, Mr Acting Speaker, but I appreciate the interjection because the honourable member asks what the Opposition proposes. The Opposition proposes that if taxes and charges are to be increased in the State Budget, they should not be increased by the automatic consumer price index; they ought to be increased only according to, as the bottom line, those decisions of the Arbitration Commission and, therefore, take into account discounting.

The Opposition goes further and states that if the Government were running the State correctly, it should be putting a set of strategies into place that would involve no increase

in expenditure that would require an increase anyway in the taxes and charges of this State.

I was particularly interested to study very closely the Premier's undertaking about not increasing taxes and charges beyond the consumer price index, together with a document that dropped off the back of a truck which was issued by the Treasurer—I understand—on the day of the Budget to all Government departments. The document sets out the instructions that have been put into effect to deal with decisions to increase taxes and charges by 7 per cent. Bearing in mind that the Premier and the Treasurer said taxes and charges will not be increased except by the consumer price index, the document from which I shall quote will illustrate that even that public statement is wrong.

The instruction document I have—which I am prepared to table and make available to the Minister for Water Resources, who is at the table—indicates that the Government intends that there be further increases above the consumer price index anyway. The document is entitled *Guidelines covering all fees and charges levied by departments and other Governmental agencies 1986-87*. I claim the document was issued by the Treasurer to all Government departments and agencies. Under the heading "General principles" the document states:

1. New fees and charges in general should be set to recoup the cost of the service.

What that means is that if the cost of service is more than 7 per cent, the department is instructed to recoup the cost of service. The document continues:

2. All existing fees and charges should be increased annually in line with the forecast increase in the consumer price index. 7 per cent is to be used for 1986-87 with some scope for rounding . . .

That is a new word—one "rounds" the revenue bite. The document further states:

. . . for packages of related fees and charges where increases for individual elements may exceed the consumer price increase but the overall increase for the package does not.

Therefore, clearly, under that direction, some taxes and charges will go beyond 7 per cent.

Mr B. J. Evans—Has that document been sent to the Metropolitan Transit Authority?

Mr LIEBERMAN—The document has been sent to every department including the Metropolitan Transit Authority.

The document continues:

Increases for 1986-87 are to be made early in the financial year.

I would imagine that involves retrospectivity in some cases. The document then states:

The processes allow some flexibility, (particularly in the cases of outer Budget sector agencies).

That is the new buzz phrase for those private companies and other organisations set up by the Government that do not have to disclose their full debt and trading position in the Budget, which honourable members will hear more about and which the Auditor-General has commented on.

The instruction relates to those private companies as well, those off-market companies. God help us! The document continues:

to take account of special factors such as:

- economic strategy or other policy considerations;
- commercial considerations where applicable.

So they require some profitability in the fee and charge for the service. The document goes on:

The guidelines should generally be applied by individual Ministers within their own portfolios (see D2), central co-ordination mechanisms being:

- major proposals for major semis to be decided by Cabinet;

- the Treasurer to be informed before any announcement of increases.

No wonder the Treasurer has to be tipped off. The document continues:

new fees and charges proposing restructuring of fees and charges and "special cases" of proposed increases (where not decided by Cabinet) to be subject to agreement by the Treasurer and the Premier.

That implies new fees and charges, because if there were not to be new fees and charges, why would that comment be in the document? The document says that information is to be provided in standard form and says that there shall be a rounding rule. It really means the taking of money from the people whom I mentioned earlier who are least able to pay. The document states that a 7 per cent increase may be rounded up to the nearest 10 cents, 50 cents or $1, providing the increase after rounding does not exceed 10 per cent. The Premier and Treasurer have said increases are not to exceed 7 per cent in the Budget and other documents. The document continues:

Packages of increases in related fees and charges may be proposed for consideration by the Premier and Treasurer as special cases (see D3) where the overall increase in revenue expected from the increased fees or charges (for a given level of activity) does not exceed 7 per cent on a full year basis, notwithstanding that some individual fees and charges within the package may increase by more than 7 per cent.

If one is unfortunate enough to be in the sector of Victoria where the particular charges fall, for instance, in the small business sector, and it happens to be 20 per cent, then one cops it. It is all right so long as it rounds off nicely, neatly and tidily.

I mention one particular example of a dramatic increase under the Treasurer's own hand of 2000 per cent. I refer the House to the stamp duty payable on private superannuation deeds of trust, a very important document, because that is what the people participate in to provide for their future retirement. The stamp duty on those documents, prior to the Budget, was $20, a concession to the industry to encourage people to save for their retirement by contributing to a superannuation scheme. The Treasurer, who has just delivered this wonderful Budget limiting taxes and charges to 7 per cent, has directed the Stamp Duties Office to increase stamp duty to $200 on those documents. The ink is not yet dry on those instructions. I suppose that is rounding off; another broken promise!

Under the heading "Packaged Proposals", the document goes on to state:

For packages to receive serious consideration by the Premier and the Treasurer, no increase in an individual fee or charge in the package should exceed 15 per cent and reasons for all proposed increases above 7 per cent (or 10 per cent after rounding) must be set out in detail.

That increase is double the consumer price index. I suppose there is a form that must set out these matters in detail. This is the internal workings of the Government! Nothing was said about the document in the Budget speech. Nothing was said about it in the tirades of the Premier during question time since the Budget speech. Under the heading, "Processes", another buzz word, the document states:

For major statutory authorities (SEC, MMBW, GFCV and the Transport Authorities) proposed increases in tariffs with widespread impact on business or the community generally are to be considered by Cabinet.

If all Government departments and agencies were allowed only to increase charges by no more than 7 per cent, why would a three-page document be prepared that discusses all the exceptions?

I claim that the Government intends to increase taxes and charges by more than 7 per cent and has started that process already, so long as they keep within a packaged process or within a process formula or rounding rule, whatever that means, and other guidelines.

The document goes on to state:

In cases of fees and charges by departments or authorities (other than those tariffs of major statutory authorities covered by (D1)) where proposed increases are not more than the prescribed percentage increase (7 per cent for 1986–87—subject to rounding and package rules)—the responsible Minister is to take the decision and inform the Treasurer of the new charges and the percentage changes before any public announcement.

That implies to me, as a former Minister of the Crown, that Ministers have been told that if they do not increase charges by at least 7 per cent they had better explain why—they will be on the mat. Nothing else can be read into it.

The final paragraph of the document that I shall quote states:

In cases of proposed increases which have not been considered by Cabinet and where major restructuring of fees and charges is proposed or the responsible Minister considers that the circumstances justify a higher increase the Minister should write to the Treasurer, with a copy to the Premier, seeking approval for the proposed charges as a special case and setting out the reasons, in terms of such criteria as effects on the economic strategy, equity issues, cost recovery and resources allocation.

That is the scenario; that is one of the secret documents of the Budget strategy that has not been disclosed.

The Government has been found out inch by inch, day by day, as to what it is on about.

I refer now to a comment by the Auditor-General that I find frightening and which needs urgent explanation. I was interested to hear the Treasurer, backed by the Premier, talking about his willingness to have the Economic and Budget Review Committee examine the Budget. What is needed is a special committee to urgently investigate the matters that the honourable member for Brighton so ably put in his Budget response.

The ACTING SPEAKER—Order! When and where did the Auditor-General make the comments to which you are about to refer?

Mr LIEBERMAN—I am about to refer to extracts from the Auditor-General's report 1985–86. It is my understanding that that report reveals for the fourth successive year that the Government has been criticised by an Auditor-General, not this present Auditor-General, because he is newly appointed, for failing to disclose public sector debts.

One would have thought that the Premier or the Treasurer would both be seeking to make detailed Ministerial statements in order to fully disclose the information that the Auditor-General expresses alarm about which has not been disclosed. That was not so. In fact, the answers from the Premier and the Treasurer were insulting to the House.

The Auditor-General, in his report, tabulates the gross borrowings and shows an increase of 17·3 per cent for those gross borrowings in the past year. According to the Auditor-General, it means that Victoria's gross borrowings went from $17·9 billion to $21 billion in twelve months.

That in itself is frightening, but when one considers that the Auditor-General has pointed out that, for the fourth year in a row, the debt has not been fully and properly reported it is even more frightening. We are informed of an increase of 17·3 per cent, but are not given details of the increase. It is like a father going home and being told by his son, to whom the father has lent his Bankcard, "Dad, here is your Bankcard; I have charged $1 million to your account but do not ask me what I have charged because I will not tell you". The Government is telling the people and the 50th Parliament of this State that it will not outline the details of its borrowings. Our children will have to pay for those borrowings. It is their future and security that is at stake.

The Opposition correctly believes the people of Victoria are entitled to this information. Depite the abuse and haranguing of the Premier and the Treasurer and the nonsense of the Minister for the Arts—that wounded Hamlet——

Mr Cooper—Old swampgas!

Mr LIEBERMAN—Call him what you like, but despite his nonsense, the Opposition will do its job and continually press the Government until the truth comes out through, if necessary, a committee of inquiry.

The Auditor-General's report states that he has been unable to quantify other State borrowings and financial arrangements, such as deferred payments and other repayable

front-end contributions. The Auditor-General indicates that they are not reported in the Treasurer's statements.

The report of the Auditor-General also reveals that liabilities have been shifted from the inner Budget to the outer Budget. I used the expression, "outer Budget" when referring to the document that dropped off the back of a truck and which the Treasurer circulated to all Ministers and heads of departments. The Auditor-General was on to it and indicated in his report that the liabilities have been shifted from the inner Budget to the outer Budget, and that the Government was using capital funds for recurrent expenses.

Dr COGHILL (Werribee)—On a point of order, Mr Acting Speaker, in accordance with normal practice I ask the honourable member for Benambra to identify precisely from what he is quoting. It would be of great assistance to honourable members listening if he indicated from which pages and paragraphs of the Auditor-General's report he is quoting and I ask him to make available to the House the documents from which he is quoting.

Mr PLOWMAN (Evelyn)—On the point of order, Mr Acting Speaker, it is clear under Standing Orders that an honourable member must identify a document from which he is quoting. However, he does not have to identify the page, the paragraphs and so on. If the honourable member for Werribee had been in the Chamber earlier, he would have heard the honourable member for Benambra indicate from what he is quoting and he would not have had to raise this superfluous point of order.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Evelyn, because of his background knowledge, is correct. An honourable member quoting from a document needs to identify only the document and not the page.

Dr COGHILL (Werribee)—Further on the point of order, Mr Acting Speaker, I ask that the honourable member make the document available to the House.

Mr Richardson—You can't speak on that same point of order.

The ACTING SPEAKER—I did not hear what the honourable member for Werribee said.

Dr COGHILL —On a point of order, Mr Acting Speaker, I make the normal request that the honourable member for Benambra make available to the House the document from which he is quoting.

Mr LIEBERMAN (Benambra)—Not only am I prepared to make the document available, which I indicated before, but also I am prepared to take the honourable member for Werribee through it page by page, word by word, and figure by figure. I hope the Parliamentary Secretary of the Cabinet will give evidence to the Parliamentary committee and explain the figures.

The Auditor-General's report indicates that $254·2 million of operating expenditure has been included in the Works and Services Account and that the split up of that is $156·8 million for interest and finance charges, $67·9 million for repairs and maintenance and $29·5 million for other operating expenses. According to the shadow Treasurer, that means that the Treasurer has used $254 million of capital funds, mainly borrowings, to meet the day-to-day running expenses of the Government. That revelation should be urgently investigated to ascertain whether it is a fact and, if so, what the Government's explanation is.

Abundant evidence is available to indicate that the Budget strategies of the Cain Government over five years have been wrong. The Government has been borrowing more than it should have been; the Government is spending more than the State is able to sustain; the Government is borrowing to pay interest in many cases. The legacy of that will cause great hardship to many Victorians not only today but also for many years to come.

I contrast the rhetoric of the Treasurer and the Premier about how good they are and how they care about Victorians with one area where the Government has cut $8 million from the Budget and has tried to justify it by claiming problems were associated with it. I refer to the stamp duty exemption for the first home buyers, which, incredibly, has been taken away from low income earners. That step is incredible, heartless and totally without justification. In the last year, the Commonwealth and State Labor Governments have spent billions of dollars of taxpayers' money on incredible projects. For example, the Builders Labourers Federation, one of the most militant unions in the history of trade unions in this country, was granted a total of $52 130 by Labor Governments at the same time as the union was spinning so far out of control that it was subsequently deregistered.

Mr WALLACE (Gippsland South)—Honourable members must examine the Budget carefully. Members of the Government who have spoken during the debate have found difficulty in using up the 30 minutes in which they are allowed to speak.

There has been much talk about recession and the crisis in the Australian economy and the manufacturing, resources and rural industries. All Victorians were, therefore, prepared for an extremely tough Budget. So far as I can see, the Budget handed down on 17 September was remarkable for its restraint. However, the belt tightening contained in the Budget is borne by the general community and certainly not by the Government.

I remind the House that payroll tax is a tax on employment and job creation. It is still by far the largest item in the Budget. The Government has claimed that it has granted a generous increase to the payroll tax exemption level. However, the increase of the exemption level from $230 000 to $250 000 will not come into effect until the beginning of 1987 and will return only $3·1 million to small employers in this financial year.

Overall, payroll receipts will rise by approximately 9 per cent to $1·3 billion. It is no wonder that industries are heading offshore when they face penalties of such magnitude in return for their contribution to the Victorian economy.

The Government has claimed generosity in regard to land tax by granting concessions to pensioners. The concessions will cost only $25 million while the total land tax will rise by $9 million to $192 million. In 1983 land tax represented 5·4 per cent of Victorian Government revenue, a much higher figure than in any other State. I predicted at that time that it would be one of the biggest taxes of the 1980s, and that has proved to be correct. Land tax now represents 5·8 per cent of Victorian tax revenue.

Another big grab is the financial institutions duty which will raise $118 million, an increase of 12 per cent on last year's figure. This duty is a penalty paid by anyone who moves money from one financial institution to another. The Cain Administration and its massive media unit have tried to establish the Government as having a wowser image, but it could not survive without gambling. It has no shame about extracting money from punters. TAB revenue will rise 16 per cent this year, and the return from Tattersall's by more than 5 per cent. No doubt the Government is looking to its new Sunday racing scheme to make even more money from gambling.

The fees charged for services provided by Government departments have increased by more than 9 per cent, and the revenue from Crown lands will rise by 10 per cent. Both are additional charges to the taxpayer, and both will rise by more than the inflation rate.

The payment by the Gas and Fuel Corporation to the Government will rise by 17 per cent to $245 million. The corporation has been a real breadwinner for the Government and consumers will pay the penalty for using natural gas.

There is little consolation for the people of South Gippsland, part of my electorate, which has been refused access to natural gas. Many small towns such as Yarram, Leongatha, Wonthaggi, Foster and all those small towns in that area are potential areas for great development, yet they have been denied gas from Bass Strait, which is only a stone's throw from the gas plant at Longford. It is their gas and they get nothing. It is a disgrace that they have been denied that opportunity.

The Government has continued to grab money from every area it can—from the State Electricity Commission, the Gas and Fuel Corporation, the Grain Elevators Board and so on. All of those people pay an enormous resource tax for no other reason than to support this hungry Government, which only last year refused to spend extra money on the gas situation for South Gippsland.

The State of Victoria has been reasonably well treated this year in that Commonwealth payouts rose by 7 per cent, but the State has not trimmed its own revenue raising. The Budget provides no meaningful tax relief, and the size of the Government is unchanged. The amount of Government debt is growing and growing. The total Victorian Government sector will be in debt by almost $21 billion by this time next year, including nearly $3 billion held in overseas currencies. I warn the Government that it is heading for real trouble if it continues on its present path. It is exhibiting a total absence of restraint.

The Budget foreshadowed that proposed legislation will be introduced soon to allow the sale of $50 million worth of properties, and honourable members know where those properties are to come from. They will come from the railways and other areas that have excess property. I am deeply concerned that the sale of some of these properties will cause hardship and possibly loss of livelihood for many lessees of railway properties in electorates throughout country Victoria. The properties concerned are to be sold to the highest bidder; that is the worst aspect of the proposal. People have spent many thousands of dollars in developing those sites, a number of which were virtually rocky, hilly ground. They were cleared, good businesses have been built up and people have erected buildings. Now the Government has decided to offer that land on the open market and not to give those lessees any opportunity of purchasing. I am most concerned for lessees who have spent many thousands of dollars in developing sites and businesses over a long period. They are now faced with uncertainty and could lose those businesses when these sales occur.

I am disappointed to note that the Minister for Water Resources has left the Chamber. I should like to make a point concerning the Budget decision to transfer management of the Thomson-Cardinia water supply system from the Government to the Board of Works. It is a most heartless decision. It breaks the Government's promise to the people of Gippsland. It shows more clearly than anything else that the Government has a deliberate policy of juggling the financial books in its own favour and of transferring Government debts and charges to the community. The Government has traded half the guaranteed flow from the Thomson River to finance its Budget. These agreements were made many years ago; they were agreed to by a previous Government and by the current Government, yet the Cain Government has now broken its promise. The Government will save $60 million a year and has gained 70 000 megalitres of water a year for the metropolitan and Mornington Peninsula areas. I say to those people that the price of their water will rise by as much as $40 or $50 a year because the Board of Works will have to increase water charges to consumers to pay for the extra running costs of the Thomson-Cardinia system. I am concerned about the effect this will have in Gippsland.

As the honourable member for Gippsland East commented a few moments ago, an inquiry some years ago determined that a regulated flow of 149 000 megalitres downstream from the Thomson dam was required, and two Governments promised that this flow would be maintained.

The flow will now be reduced to 78 000 megalitres, which will be insufficient for further urban, industrial and primary industries in that area.

At a time when there has been a bit of a lull in primary industries and when industries in the Latrobe Valley have slackened off a little, the Government has taken the opportunity of grabbing whatever water was available to try to balance its books. It is certainly a serious threat to the environment of the Thomson River and those magnificent wetlands to the south of Sale and the Gippsland Lakes.

The Government believes tourism has great potential in Gippsland and yet it has turned around and now indicates it will take half of the water that has been allocated to flush

those magnificent lakes. The opportunity for future development of that area has also been taken away by the Government.

However, another Minister is running around trying to promote tourism. That is the most stupid thing that one could possibly see. After the introduction of the Budget, all honourable members received a paper from the Minister for Water Resources, which raises serious questions about the Budget decision on the Thomson dam.

The Discussion Paper on the Review of the Water Laws indicates that the working party was being set up just to determine where the water from certain catchments should be allocated. However, we now find that the Minister is prepared to chop off some of that allocation. The paper, which will be open for comment until next February, also emphasises the need to allocate water for environmental purposes, including the maintenance of wetlands and to ensure sufficient flow in a river system.

The Government's decision in the Budget has pre-empted that review. Ministers should get together and examine closely some of the legislation they are introducing, some of the decisions they are making and some of the reports they are presenting, and should try to dovetail them all together.

It is highly likely that the decision will not be consistent with the environmental policy to be set down by the review.

Another interesting point relates to education. I certainly welcome the appointment of special needs teachers and teacher aides for the program to integrate disabled children into the State education system.

A number of schools in Sale required teacher aides. I made representations to the Minister, and it is only in the past few days that those aides have been provided. On behalf of those people, I appreciate this opportunity of saying that is a job well done.

I am deeply concerned that the major savings on education are being made throughout country Victoria over the next year. Only one large school building project has been approved for the Gippsland region, and that is to rebuild the Yarram High School which, as all honourable members will recall, was burnt down last year.

I point out that the funds for that project come from a special fund; it is not as though that money is being made available from anywhere else but a special fire fund. It has always been a policy that those sorts of buildings be rebuilt when their turn comes in the order of priorities.

The two new priority projects chosen by the regional education office have been rejected by a Cabinet committee. That is the most crazy thing one could ever come across.

The regional office suggested the construction of a building at the Leongatha Technical School and the building of the next stage of the Lakes Entrance post-primary school.

I have been informed that projects that have been sought in other country regions have also been refused. It certainly concerns me that the Government is going back on its policy to transfer its decision making to the regions.

It was understood that regions would make the decisions, that they would be able to decide what was required in those regions. However, we now come across a situation where the region has made the recommendations, another committee has overridden the region, and the projects are put back beyond all recall.

I should like to provide just a little of the history of the Leongatha situation. More than $300 000 has been spent on the program surrounding the school. A new road has been developed and a new entrance has been constructed. Much concreting has been done.

I would say that this is the greatest skateboard rink in Victoria, and that is all it will be. It is an absolute disgrace that so much planning has taken place and so many expectations

have been built up among the people in that area, and yet the Government is able to override a regional decision. It is about time the Minister properly examined the situation.

The Treasurer has taken his dollar slasher to country freight services, which means that country people have to undergo a major reduction in service delivery. In order to save $25 million, V/Line will stop making less-than-car-load deliveries of freight to country areas. A large number of railway workers in rural areas will lose their jobs as a result of that decision, and it will cost $50 million to meet their redundancy payments.

I wonder what the Government is really thinking about. Many savings can be made in other areas. There is certainly little evidence of such dramatic cuts in services and employment in the metropolitan area.

V/Line employees recently received a letter from the Director-General of Transport stating that V/Line is in very difficult circumstances and that the Ministry must cut costs because V/Line has been living beyond its means. The answer is to reduce essential services and axe the jobs of ordinary workers.

I cannot follow the reasoning behind that. I have obtained figures that show that under the former Liberal Government the Gippsland region had a district superintendent and a traffic inspector who had one car between them to cover all rail operations in that area. There are now seven managers with five cars to cover a smaller area. This situation is repeated in the four other country regions of V/Line.

Another interesting point is that there used to be 53 managers in the former Victorian Railways under the previous Government, but this Government is employing more than 350 managers for V/Line and MetRail. Therefore, this Government should not be seeking restraint from the rest of the State while this blatant waste continues.

The support under the old decentralised industry scheme will drop from $36 million to $28 million this year as the scheme is further phased out. The Government says it is providing greater assistance under the new economic strategy, but this is not the case. Total incentive payments to industry will fall slightly in this coming year.

Payments from the Department of Industry, Technology and Resources for special development projects in municipalities in the Latrobe region have been cut by almost two thirds, to less than $1·2 million.

In the field of tourism, for which I am the National Party spokesman, the Government is making very slow progress in implementing the State tourism strategy. The amount allowed for special projects under the strategy has increased marginally to $2·4 million this year.

This will allow a start to be made on the development strategies for three of the major tourist resort areas including the Gippsland Lakes. A total development and waste disposal strategy for the Gippsland Lakes region is long overdue.

However, the Government is trying to make local people and industries pay for the discharge of treated waste into Bass Strait. The Government has also made the damaging decision to cut the flow of water from the Thomson River and this will have a bad effect on the quality of water in the Gippsland Lakes.

The Victorian Eastern Development Association has been leading a major self-help program for some years to encourage the development and promotion of the area that Victorians have come to know as the Victorian Riviera. The Government should give high priority to strategies for this area because its community has worked extremely hard over a long time for its development. The Government has gone part of the way towards restoring spending levels in that area.

The Government needs to consider its Budget for agriculture carefully. The Department of Agriculture and Rural Affairs was subjected to severe spending and staff cuts in the two previous Budgets and the decline in farm earnings and income in the past few years has

been a major factor in Australia's economic problems. This is not the time to cut back support services for agriculture. It is to be hoped that the regionalisation of the department and increased spending for rural offices will boost the level of services in the field. The person in charge of the Bairnsdale rural office has already resigned because he was disgruntled and dissatisfied with the cuts that had taken place in previous Budgets.

I welcome the allocation of funds for the implementation of the timber industry strategy which will provide a measure of security for the timber industry and small rural communities that rely heavily on that industry.

Library funds have been of concern to me for a number of years. The Budget allocation has been cut from $17 million to $13 million. The payment of library funds will be transferred to the municipal financial year thus saving the Government $4 million because the remainder of the money will not have to be paid to councils until next July.

The Government is making Budget cuts by fiddling with essential community services. Book stocks in libraries will be reduced because of the cuts in funding. An interesting point that my research has shown up is that council funding for libraries has increased by 92 per cent in the past five years, but the Government's contribution has increased by only 31 per cent. Councils are contributing approximately $35 million a year, whereas the Government is providing only $17 million a year. People are concerned that eventually they will have to pay to use library services.

Municipal libraries are essential to the welfare of our communities and should receive more Government support than they currently receive. Libraries are used extensively by families for educational and occupational purposes. For the low income earners they may well offer the only way of improving their standard of education and ultimate job opportunities.

I am also concerned about roads. Councils are continually losing ground, especially in the Gippsland area with its hilly and wet conditions. Money for roads in other parts of the State goes much further than for roads in Gippsland because of the heavier cost of constructing and maintaining these roads.

The Federal and State Governments have reduced road funding. The only alternatives left for councils are to revert to gravel roads, to put off staff or put up their rates. I do not think that the Government gives a hang about the country roads system.

I am extremely disappointed about the abolition of the stamp duty concession for first home buyers. That concession was of significant benefit to young couples, especially in country areas where houses are cheaper and they were able to receive the maximum exemption from stamp duty. The abolition of the concession will affect the housing market and the construction industry at a time when both are declining.

The Government has continually fiddled and messed around with the books. That is not the way to run a Government effectively. Governments should be run in the same way as families are best run, with trust and understanding.

Dr COGHILL (Werribee)—On a point of order, Mr Deputy Speaker, for your consideration. During the contribution of the honourable member for Benambra, he referred to the report of the Auditor-General. When I asked for the document to be identified, the House was given the clear impression the honourable member was quoting from the Auditor-General's report.

The honourable gentleman subsequently made a document available to the House, and I have a copy of a document provided by him, which appears to be the one to which he was referring. The document does not contain extracts or quotes from the Auditor-General's report but is in fact a news release issued in the name of the honourable member for Brighton, the shadow Treasurer, on Thursday 18 September 1986.

The quotes do not appear to be quotes from the Auditor-General's report but comments about the Auditor-General's report purporting to represent the Auditor-General's views.

My concern is that the honourable member, in responding to my request that he identify the document, gave the House the clear impression that he was referring to a document based on and quoting from the Auditor-General's report, whereas, in fact, the document was not the Auditor-General's report or extracts from it but was a Liberal Party news release.

The DEPUTY SPEAKER (Mr Fogarty)—Order! This debate has been under the control of the Speaker, myself as Deputy Speaker and a number of Acting Speakers. Naturally, each of us does not know the full contents of each honourable member's contribution to the debate.

I do not know what happened because I was not in the chair. However, I have always made it a point that an honourable member should never say anything in debate that he or she does not have the courage to say outside the Chamber. An honourable member should never make a statement that he or she is not willing to back up by tabling the statement or document quoted from. The honourable member for Benambra can answer the point of order raised by the honourable member for Werribee.

Mr LIEBERMAN (Benambra)—I understand your position, Mr Deputy Speaker, as you were not in the chair. The point of order is incorrect because the honourable member for Werribee entered the Chamber after I had commenced my remarks. Indeed, the honourable member entered the Chamber towards the end of my contribution to the debate and, therefore, has no idea of what I said before he entered the Chamber.

I am quite happy for the excerpt of my speech in *Hansard* to be tabled when it is available. It will reveal that I said that statements had been made by the Auditor-General on certain matters. I referred to those statements and the honourable member for Werribee entered the Chamber and took a point of order by asking that I identify the page number of the document to which I was referring.

After further points of order and before I spoke again, the honourable member said that he wanted the document that I was quoting from to be tabled. I have done that. The document that I presume he has in his hand is the news release that I was quoting from.

It is a news release that was issued by the shadow Treasurer. It contains statements by the shadow Treasurer referring to the Auditor-General's report of the year that I quoted. I was quoting from that document and it is that document I have made available.

It is mischievous of the honourable member for Werribee to try to suggest that for some reason or another I was quoting from another document. The document I quoted from is a document he now has and no other document.

I quoted from a further document, which was also made available immediately to *Hansard* and to the Clerks. That was the document that I claimed the Treasurer had circulated to all Ministers, departmental heads and authorities after the Budget. That document should also be available to the honourable member, who has now mischievously tried to introduce into the House.

The DEPUTY SPEAKER (Mr Fogarty)—Order! Does the honourable member for Benambra agree that any documents he has quoted from and had at his disposal during the debate will be made available at all times and will be tabled?

Mr LIEBERMAN—Yes.

The DEPUTY SPEAKER (Mr Fogarty)—Order! There is no point of order.

Mr NORRIS (Dandenong)—It gives me great pleasure to support the Budget. I should like to comment on the contribution made by the honourable member for Gippsland East on an old familiar theme, one that I have got used to, having sat through a great deal of the Budget debate and having heard similar remarks. The familiar theme is that the Government should cut taxes and charges because it is a high taxing Government. In the

next breath the honourable member called for more programs and more money to be spent in his electorate.

It is the old story: one cannot have one's cake and eat it too. If one wants budgetary restraint one has to cop budgetary restraint and one cannot have more money spent in one's electorate.

For the benefit of the honourable member for Gippsland East I should quote some important statistics because they refer to a Government that he greatly admires and reflect on a Premier whom he greatly admires. I am referring to Queensland!

It should be read into the record that the Australian Statistician has shown that the tax increases under the Cain Government are less than in any other State and that since coming to power over four years ago State and local government charges as a component of the consumer price index have increased less in Melbourne than they have in any other State.

The highest increase has been in the City of Brisbane, 56·6 per cent, and the lowest increase has been in the City of Melbourne, 23·8 per cent. I have just thrown those figures in for the benefit of the honourable member for Gippsland East! I remind him that possibly things he may think are not too good in this State are a darned sight worse in Queensland!

This is the fifth Budget brought down by the Treasurer that I have had the pleasure of supporting and once again he has achieved the remarkable. It is amazing that the Treasurer has never had the luxury of framing a Budget in the halcyon days when economies were booming. How easy it must have been to govern in the 1960s through the Bolte era. How wonderful it must have been to govern through the early 1970s, but how difficult it is to govern now in the 1980s. The Labor Party's predecessors must have discovered to their chagrin how difficult it was to govern in the late 1970s and early 1980s when the Liberal Party was in tatters.

Throughout the halcyon days of the 1950s and 1960s the Liberal Party governed when blind Freddie and his dog could have governed the State. The Liberal Party could not go wrong. In fact, blind Freddie and his dog were governing the State!

However, tough economic times arrived and, unfortunately, the great jewel in the Liberal Party crown, which was Victoria, began to become tarnished and eventually it crumbled.

Victoria was the sick man of the Commonwealth; it was on the ropes. That is why the Liberal Party was defeated; it was beaten because things had gone bad in the State.

It was in those very difficult times that the Labor Party came into office. No-one has tried to pretend that it has been easy. I am the first to admit that not everything the Government has done has been right but these are tough economic times not only for this State and Australia but also the entire Western World. Anyone who has been abroad recently would agree with that remark.

I put it on record that the Treasurer is one of the greatest Treasurers this State has ever seen, and I say that without fear of contradiction. The Treasurer may be small in stature but he is a giant in economic ability.

The Treasurer has never had the luxury of framing a Budget in glowing economic times but each time he has produced the goods. Once again in this climate that we all thought might have produced a horror Budget, the Treasurer has produced a good Budget. Unfortunately, to the chagrin and regret of my colleagues in opposition, they did not get a horror Budget. The day after the Budget was handed down during question time honourable members expected to hear from members of the Opposition but they were stunned into silence. They sat like stunned mullets.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Dandenong will refer to the members of the Opposition as the honourable stunned mullets.

Mr NORRIS—Stunned mullets! They were flabbergasted by the Budget and the fact that the Treasurer had once again pulled it off!

The Treasurer had an enormous hurdle to overcome and that was the shortfall of $150 million from the reduction in the oil revenue plus the $42-odd million to settle the nurses' dispute, and so on. Despite that, the commentators in the media have been fulsome in their praise of the Budget.

I shall quote some of the remarks made. One excellent remark was made by Heather Mitchell, the President of the Victorian Farmers Federation. One should have thought she was no great friend of the Government and the Treasurer on the document.

The ACTING SPEAKER—Will the honourable member for Dandenong explain who Heather Mitchell is?

Mr NORRIS—Yes, Mr Acting Speaker; Heather Mitchell is a brilliant woman and a well respected member of the farming community. She is the President of the Victorian Farmers Federation. Mr Acting Speaker, the next time you hear her name mentioned you will know who she is.

Mr Ian Spicer was also fulsome in his praise of the Budget. Again, one might think that he is not a great friend of the Government.

Mr Kennett—What about Brian Powell?

Mr NORRIS—Also, Brian Powell. They are all seeing the light! Mr Les Groves, the Chief Executive of the Housing Industry Association, praised the Government on its Budget.

An interesting comment was made by the Australian Chamber of Manufactures that "Victoria has the healthiest State economy in Australia". It also stated that Victoria has recorded above average growth in employment and business investment. I shall not bore honourable members with any further comments.

Mr Kennett—Who said it?

Mr NORRIS—Brian Powell. The Budget has been received with acclamation the length and breadth of the State. A headline one can pick out from the *Age* is "Jolly meets challenge with amicable flair". That is a typical headline. Housing was the big winner in the Budget.

Mr Ramsay—Tell us about housing! How many more houses are there?

Mr NORRIS—The Budget allocation for housing received a boost of $51 million, an increase of 21 per cent. Like all honourable members I believe housing is possibly one of the most difficult problems that might be faced in future; therefore, I am delighted that it received that boost.

Without a doubt housing in the Dandenong electorate is one of the top priorities. Over the next two weeks there will be an increase of 6000 public housing units. The public waiting list is still long—no one denies that—but the Government is tackling the problem. With all the demands on the Treasurer from his colleagues in Cabinet, I am pleased the Minister for Housing was able to ensure that his portfolio came out on top.

No matter what the Opposition may say about the Budget, the housing allocation has been increased by 21 per cent. I congratulate the Minister for Housing for the tremendous effort he must have put in to gain that increase.

Another interesting aspect is the funding of $32 million for housing estate improvements. Members of the Opposition may not think this is of particular significance or interest but any honourable member who represents an area that has State housing estates would applaud the increase. The Budget provides $61·3 million to purchase new housing stock and properties. Despite the fact that the Leader of the Opposition left housing in a poor

state when he was Minister of Housing and that one of his great plans for overcoming the housing problem was mobile homes——

The ACTING SPEAKER—Order! The honourable member for Dandenong, without assistance.

Mr NORRIS—Once again, thank you for your protection, Mr Acting Speaker. Health is also a matter of grave concern in the Dandenong electorate. I am pleased 500 nurses from overseas will help to overcome the problem and that some of them will go to the Dandenong and District Hospital.

Only two weeks ago I attended a fine annual general meeting of the Dandenong and District Hospital. It had a splendid guest speaker in Professor David Penington who spoke in glowing terms of the tremendous community contribution that is made to the hospital. I was pleased that at the meeting I was made life governor of the hospital for the little contribution I was possibly able to make in the past to that fine establishment.

The reconstruction of the north wing of the Dandenong and District Hospital will be a welcome contribution from the Budget. The hospital board was absolutely delighted that the reconstruction will go ahead. The casualty section is also to be upgraded. Honourable members might be interested to know the casualty section of that hospital is the busiest road trauma casualty section in Victoria. It badly needs upgrading.

Another interesting comment made by Professor Penington at the meeting was that the new Queen Victoria Medical Centre at Clayton will, in the next ten years, be in the geographical centre of greater metropolitan Melbourne.

Mr Kennett interjected.

The ACTING SPEAKER—Order! When the Leader of the Opposition addresses the honourable member for Dandenong he should refer to him as the honourable member for Dandenong.

Mr NORRIS—Thank you, Mr Acting Speaker, for your protection. It is a pity that you must keep rushing in to protect me throughout my speech. Nevertheless, I have broad shoulders and I can take it. Professor David Penington said that in the next 30 years Dandenong will be the geographical centre of greater metropolitan Melbourne.

Then the Dandenong and District Hospital will be playing an even greater role than it currently plays. I put on record my appreciation for the magnificent work being done by the Dandenong and District Hospital and its dedicated staff.

Another interesting aspect of the Budget was the funding for the Child Psychiatric Guidance Centre, which is also in Dandenong and which is under the auspices of the Dandenong Psychiatric Centre and the very splendid Dr David Leonard, who is the medical superintendent. I had the pleasure of sitting on the committee at the Dandenong Psychiatric Centre and this child psychiatric guidance is something that it has been working on for a long time.

We have been fortunate enough to have several child psychologists on the staff as they are as scarce as hens' teeth. I am pleased that the funding has been made available to enable this guidance centre to be continued in Langhorne Street, Dandenong.

Another matter I should like to put on record so far as Dr David Leonard is concerned is the magnificent contribution he made as an adviser during the deliberations on the Mental Health Bill. We are privileged to have a man of his ability and his standing within the area.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Frankston South is out of order and the honourable member for Dandenong should not answer him.

Mr NORRIS—I did not think that I did. It may have been an echo, Mr Acting Speaker.

I also mention the magnificent work being done by the Western Port Drug and Alcohol Service in the area. We are grateful that funding for the service has been doubled in the last financial year. Still, it is not enough but nevertheless we are grateful for that additional funding.

I am privileged to sit on the Western Port Drug and Alcohol Service and like many such services within a vibrant and busy community such as the Dandenong and Western Port area, it is under tremendous pressure. Even though its funding and staffing ratio have been increased, we are, as I said, still hoping for more funds.

One interesting aspect is the initiation of the alcohol and drug service direct line by the Minister for Health under the national campaign against drug abuse. Some $300 000 has been spent to establish that direct line to meet the community's needs for information and drug counselling.

As honourable members know, this 24-hour-a-day, seven-day-a-week direct professional service is vital. When someone rings saying, "I need help; I need assistance", there has to be a person at the other end of the line who has a sympathetic ear. Not only must there be advice available; a service must be offered.

This is an important beginning. I know that my colleagues at the Western Port Drug and Alcohol Service appreciate the efforts of the Minister of Health on their behalf.

One hobbyhorse of mine, as you would well know, Mr Acting Speaker, is in the area of alcohol abuse. As I say once again, never is enough being done because, I repeat, I still believe that certainly in my particular area alcohol abuse still rates as the greatest drug menace where youth is concerned. Of course, at times one does appear to be fighting a losing battle and one can become a little bit despondent. My remarks last week in the House possibly underlined that. When one sees the coming papal tour being sponsored by a South Australian brewer it does make one a little despondent if he thinks of the splendid words that have been spoken by His Holiness many times regarding family life and the value of the family and children and yet we find a large contributor to His Holiness's tour is a South Australian brewer. I often wonder whether the Pope is ever consulted as to who His sponsors will be. So we get to the ugly area of corporate sponsorship, but that is another argument.

Another of my hobbyhorses is a proper television campaign directed at young people, because the kids watch television. I shall continually be at the Minister for Health on this, and I know he is considering it.

The alcohol advertisers have changed tack. They now go to the young sports stars, who have lovely, healthy physiques and so on. My plan is to get the sportsmen and women, who are the kid's heroes, who do not drink and who are healthy, successful and popular, to counter the massive Bond/Elliot beer baron campaign and to give kids an opposite role model, instead of having our television screens awash with grog advertisement.

I know it may take a lot of money, but I believe it is worth trying, and I do not think we have yet put our money where our mouth should be.

I shall go on to the police section of the Budget. I know that our old friend, Inspector Rippon, still believes this is not enough but I believe we should remind Inspector Rippon and honourable members opposite that our Victoria Police has the best police/population ratio in Australia. I defy the Opposition to produce figures that will contradict that statement.

We have the best paid police in Australia; we have got the best housed police in Australia, but still it is not enough.

Honourable members interjecting.

Mr NORRIS—I would be the first to agree with honourable members. It is not enough, but we have better in this State than any other State.

Mr McNamara—We have got good police.

Mr NORRIS—Yes, we have good police and we have got the best Police Commissioner in Australia, without argument. I agree entirely with the honourable member for Benalla; we have been fortunate with our Police Force, and I believe we should support them all along the line but we come back to the old argument of money. At least the police budget has been increased.

It is worth mentioning that 150 extra civilian staff are to be appointed to release police personnel to perform police duties, and that is something. Also there is the purchase at the cost of $900 000 of police flak jackets, which are badly needed. It is a sad sign of the times when we are talking about flak jackets for police; they are badly needed and it will cost just under $1 million to provide those. Just under $3 million was spent to provide the police helicopter. The police may still not be satisfied, and I can understand a lot of their problems, but again, I repeat, so far as the proportion of police power to population in the Commonwealth is concerned, we have the best.

The Neighbourhood Watch program, I am pleased to see, has received a significant increase in funding. It has been an enormous success and I compliment the Minister and the chief commissioner on the way in which they have pushed the Neighbourhood Watch program. It now involves 260 000 households throughout our State. The Neighbourhood Watch scheme has been a massive success and all honourable members would be pleased with the increase in funding.

I shall touch on one of my other hobbyhorses—the arts budget, which has been cut a little. My theory for the arts has always been to be careful where cuts are made but that the arts should be kept lean and hungry. Some areas of the arts are in great difficulty and other areas are fat and can be cut back. The areas that matter are the Victoria State Opera and our flagship theatre companies. I note that $760 000 has been given to assist the Playbox Theatre Company, which is an extremely good repertory company, in purchasing the Malthouse building in South Melbourne. It is a good company and deserves support.

The budget for the arts is $85·3 million, which is a significant amount. I congratulate the Government, the Minister for the Arts, Maestro Menotti and everyone involved who made the Spoleto Festival such a great success. Many people thought that it possibly would not be a success. The galaxy of attractions at the festival included a grand opera, the visiting Spanish ballet, the Australian Dance Company, dramas and the Spoleto Fringe Festival. When one considers the array of attractions offering in Melbourne over the Victorian Football League grand final weekend, one would have to agree that there was not a city of this size anywhere in the world that had the array of international and local attractions that Melbourne had. Added to that was the grand final and a race meeting on Sunday. Melbourne was the international city at last because of the guidance of the Minister for the Arts.

The Government has brought Victoria back to its proper place as the leader of the arts in Australia. We always believed we were the leader in the arts, but we did lose a little to New South Wales. Fortunately, we are back on top.

I close by congratulating the Treasurer on the Budget. I have had great pleasure in standing in my place on behalf of the electors of Dandenong and congratulating the Treasurer on a magnificent Budget document.

Mr DICKINSON (South Barwon)—It is now some two weeks since the Budget was presented to Parliament at a time when the public was probably distracted with the many events taking place in the community, such as the Royal Agricultural Show and the Victorian Football League grand final. This very evening thousands of people have been marching near Parliament House to demonstrate about their fears for the loss of jobs

likely to take place because of the state of the economy of the nation. It is well to put it in the Federal context when we see the Prime Minister of the country seizing the headlines, whether it be by backslapping at the Victorian Football League grand final, pouring money into the America's Cup challenge or promoting those sports-minded activities which all Australians enjoy but which distract us from the real issues that affect our nation.

I am concernced about the lack of tariffs, the pegging of the exchange rate and the lack of import controls preventing cheap imports into this country. I represent an area that, for many years, has had a large manufacturing base. Over the previous twenty years I have seen some manufacturers disappear for all time. If exports are lost, Australia loses money and opportunities for full employment. What frightens most people is that the poor become even poorer and the high taxes and charges being floated by the Government are grinding those people into an even more invidious position.

The headlines in Geelong the day after the Budget was released indicated that Geelong was to be the recipient of some $33 million in capital works and works already in progress. The Geelong and District Water Board was concerned that that did not portray the real position. The money to be put forward will be footed by the ratepayers of Geelong. In due course the people of Geelong will not receive the handout but will have to pay the costs.

Certain matters in the Budget are of significance to me, for example, the injection of $41 million to the establishment of the Barwon prison. It should be noted that the former Minister responsible for the prison renamed the proposed Lara prison the Barwon prison to try to detract from the fact that it was an irritant to the Lara community. The Minister gave it its present broader name and some people may think that it is in the electorate that I represent. One initiative that has taken place following representations I made on behalf of the Geelong community is that $110 000 has been earmarked for the establishment of a crematorium in the South Barwon electorate.

The Budget documents allocate an amount of $8 713 892 for investment in youth apprenticeships and assistance to apprentices. That is important in Geelong because of the large manufacturing base through the Ford Company of Australia Ltd and other places that employ apprentices. I am sure that I speak for many young people when I say that that initiative is welcomed. However, there are no glad tidings when one considers the media machine of the Cain Government and its outlandish expenses of some $600 000 a year in oiling the image that the Government wishes to portray to the people.

Over recent times honourable members have seen the heralded WorkCare program and have noted that reductions have not been forthcoming. We know that Medicare costs everyone more and we know of the new motor car insurance scheme that is now being promoted as the saviour of society. In fact, the lawyers may be the only ones who gain when the Bill is redrafted and presented to Parliament in due course.

It is interesting to note how WorkCare legislation has affected claims lodged with the Accident Compensation Commission. The number of claims rocketed from 2209 last September to 18 305 during May 1986. The figures show that for the nine months from 1 September 1985 to 31 May 1986 a total of 121 568 claims for compensation had been lodged under the WorkCare scheme. The disturbing feature is that there was a steady increase in the number of claims made after industries resumed work in late January following the holiday break. A clear pattern emerges with monthly claims averaging between 15 000 and 18 000. I am concerned that some people view the scheme as an opportunity to make fraudulent and unfounded claims.

The shadow Treasurer has already indicated in his speech that Parliament has been given some statistics that do not portray the full picture for the people of Victoria.

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 DICKINSON (South Barwon)—In the five years in which the Labor Government has been in office taxes have been increased by 86·6 per cent, which is double the rate of inflation of 45·4 per cent. The broken tax promises have been listed already during the debate.

There is a considerable need for a Parliamentary Estimates Committee. It is time that questions on notice were answered honestly so that people do not have to resort to freedom of information requests which are costly and time consuming for the public servants involved.

A video display at a recent agricultural show that I visited informed people that, if they could not find the information they required, they could get it under freedom of information. When asking for a follow-up of information that was not provided in Parliament, I had the experience of being told that my request could not be answered, but that if the computers were reprogrammed the information could be provided at a cost of approximately $18 000.

This exorbitant expense demonstrates the lack of information that is available at the fingertips of the Treasurer for him to be able to provide answers to questions on notice for members of Parliament. It is a shortcoming of the system when freedom of information is seen by some as a "Clayton's" attempt to provide information when one is not receiving information. It should be the place of last resort, and it should be used sparingly and with discretion.

Honourable members have been told that the State had a shortfall in revenue of $200 million largely because of the lack of petrol revenue. Each time that a taxpayer fills up a car with $20 worth of petrol, approximately $16 goes in taxes. Many of the Government's costs have been shifted into the local government area as ratepayers are to bear the costs of additional expenses. I instance the cost of clearing and transferring powerlines, which was an additional cost to the City of South Barwon of approximately $160 000 last year. Library funding and kindergarten funding are also matters of concern to municipalities in my area.

The public authority dividend totals $348 million this year, which is an increase of $62 million. These are the sleight of hand operations in which the Government is engaged. Honourable members will note that approximately $96·5 million will be obtained from the sale of Government assets. Often, some of those assets will be required at a later date and may have to be bought back at considerable expense. One should remember what happened in Geelong with the wool store purchase for proposed housing accommodation and transport and wool museum. What has the State Government done to assist economic productivity in industry and for the farmer who markets his products on world markets at a time when prices are not guaranteed and when he is not sheltered from militant, exorbitant union demands?

One must also consider the cost to our society of the 17·5 per cent holiday loading, which costs approximately $1000 million a year for 93 000 jobs. The recent attempt to introduce Sunday racing was an example of the Government's largess to those people who wish to work on Sunday—of course receiving penalty rates for the period worked.

Honourable members should note that the $3521 million collected in taxes represents approximately $859 for every man, woman and child, which is the highest figure recorded across Australia. It is a 14 per cent increase since the Labor Party came to office.

One must criticise the Government at this time for its abolition of the stamp duty concession for first home buyers. The Government reduced that concession to young people who, for the first time, would be stabilising their family in the purchase of a home. However, the Budget documents indicate that the Treasurer has allowed $300 000 for refunds of stamp duty on land transfers to disadvantaged persons. In the area of housing the Budget provisions are $3·301 million for pensioner housing and $4 429 500 for home ownership assistance.

I direct the attention of the House to concern recently brought to my attention in my electorate in Geelong where the Ministry of Housing provided boarding house accommodation in Aberdeen Street. This illustrates the waste which can occur when proper management is not employed. The house was originally purchased for $120 000 by the Ministry of Housing, and the Minister admitted earlier this year that renovations exceeded $160 000. The total cost of the house so far is $280 000 and the Minister for Housing is providing ten beds from that expenditure.

The *Geelong News* on 2 July highlighted a program where 25 beds were provided for a cost of $308 000. The property will produce an annual income of $5000 a year and the gross return from the public money is estimated at approximately 2 per cent.

Given the obvious need to provide low-cost accommodation, it is a shame that in this time of restraint the money that was allocated cannot be used more efficiently. Many more properties could have been bought in other areas of Geelong to assist more people.

This week the Anglican synod of the diocese of Melbourne held a meeting where the Right Reverend P. J. Hollingworth and the Venerable D. H. Chambers moved a motion of the synod calling on the State Government to promote and support the establishment of common equity housing cooperatives as a significant addition to existing programs of non-profit rental housing by granting relevant tax exemptions to such bodies, specifically land tax and sales tax exemptions.

I direct this matter to the attention of the House because in recent weeks I, too, have been concerned that the churches themselves hold some real estate which may not be in use and, although the bishop in Geelong has indicated that there are no vast tracts of land available, I assure Parliament that there are odd parcels of land in the county of Geelong, in areas such as Lethbridge, Batesford, Bannockburn and Inverleigh, which would provide building sites for cottages for elderly couples or a home site for unmarried mothers. Those parcels of land could be made available at reasonable cost and be used for the community. It would assist the church, as it may not have future use for those parcels.

It concerns me that a building such as Lathamstow at Queenscliff, which is of historical significance, is falling into decay because the Anglican Church is not in a position to spend needed funds to refurbish the building. The Budget documents indicate a cutback in assistance being given to historical buildings from $600 000 to $300 000. I hope the honourable member for Bellarine may offer support in this area, especially as Lathamstow is a beautiful building on the waterfront at Queenscliff next to the Ozone Hotel.

It is some 100 years old. The sister building to it was Raheen, which was formerly the home of Archbishop Mannix, who was then the Catholic Archbishop of Melbourne.

The Budget documents reveal that Victorians are among the highest taxed taxpayers in Australia. The honourable member for Brighton indicated to Parliament the current level of taxation per person in each State with Tasmania at $570; Western Australia at $687; South Australia at $649; Queensland, the lowest at $554; New South Wales at $833 and Victoria at $850. Victorians have to dig deeper into their pockets to pay the current level of State taxes and charges.

State taxes and charges have risen from $562 a head in 1981–82 to a record $850 in 1985–86. Over the same period, State Government taxation rose from $2246 million to $3521 million. Victoria is way out front in the taxation stakes, and that is not to the advantage of those living in this State; it is a matter of concern to many in the community.

Concern has also been expressed at the spending blow-out which is revealed in the Budget documents—in particular, in the education area. Salaries for the services of the Ministry of Education have risen from an estimated $318 000 in last year's Budget to an estimated $1·6 million, an increase of 400 per cent. The estimate for consultants to the Ministry and to its corporate services division this year is $647 000 compared with $120 000 last year, an increase of 450 per cent. The corporate services division intends spending some $500 000 more in the coming year than it spent last year on phone calls,

postage and letters. Postal and telegraph expenses are, of course, always on the increase in this country and the figures represent an increase of $2·5 million for the current year. Against this the Government has allowed only an additional $200 000 for work associated with the introduction of the Victorian certificate of education, which affects students in Years 11 and 12.

I am concerned to find in the documents an allocation of $4·838 million for accommodation of Ministry officers in the Rialto building. The existing facilities that had been used for many years could have continued to be used, but there is a tendency for public servants to want the best, and this move has cost the taxpayers of Victoria dearly.

I am mindful of the purchase by the State Government of the building formerly owned by Clark Rubber Ltd, which is located next to St Paul's Cathedral, at a cost of $1 million. That building will require refurbishment at considerable expense to enable it to be put to use after a delay of twelve months.

Mr Shell—Don't you want it?

Mr DICKINSON—In response to the interjection by the honourable member for Geelong, I would have preferred to see that building remain in the hands of the Anglican Church for free enterprise to put its money up front and develop that structure.

It is not always possible for Governments to meet all community demands. I am vitally concerned in the area of agriculture, especially in the declining climate of markets for rural products. People on the land are concerned that the specialist staff who provide expertise in such areas as soil sampling and scientific assistance is not forthcoming. In my electorate some officers travel vast distances and often vehicles cannot be provided to enable them to attend clients. The Government has massively increased the burden on agriculture, and this is being felt in all rural sectors. Some 170 taxes, charges and fees are levied in agricultural areas. Governments must be mindful not to impose hindrances where people want to get on with their work.

I would hope to see in the Budget restraint on unnecessary bureaucratic growth, and greater support given to salinity control in rural Victoria. Salinity costs some $50 million a year in lost production. I fear the Government has forgotten the report tabled last year and may be paying only lip-service to the national problem as it affects not only Victoria but also New South Wales and South Australia.

We as a Parliament must be conscious of the growing road toll; of the fight against drugs, pornography and permissiveness; and of the maintenance of those specialist forces that assist our Police Force in its work.

There is a need for the proper use of Parliamentary Estimates and for debate and disclosure of full figures to Parliament. It is easy to see in the documents all sorts of projects that are highlighted, and these can be misconstrued when there is much worthy work to be carried out and when many interest groups have to be assisted. It is disturbing to note that the Auditor-General's report indicates that the Government is sometimes coy about setting out the community's total liabilities.

The Budget Papers indicate some $100 000 outstanding in fees in the local government area and in salaries that had to be met arising out of the inquiry by the Local Government Commission. I am concerned at the waste of staff and time on submissions by the various municipalities which spent thousands of dollars in preparing submissions to fight the amalgamation issue. The people in Geelong saw signs in the municipal parks and gardens saying, "Hands Off. The City of Geelong West opposes amalgamation." I am sorry to say that the honourable member for Geelong did very little in Parliament to constrain the Government's haste in the inquiry; and many facts and figures that would have enabled people to draw sensible conclusions were not presented to the people. The Minister supported his socialist friends' dreams in advancing too hasty amalgamations on all fronts at once. The former Minister, Mr Wilkes, might have taken it step by step and, having put one amalgamation in place, it might have been found to be acceptable and other

communities might have seen good reason to follow suit. It is unfortunate that questions on notice were never answered fully. Some councils are still left asking: what carrots will the Cain Government hold out to induce them to reconsider their boundaries or improve their performance?

The community has seen a decline in rural exports with sheep property incomes down to $6604; beef properties down to $9880; sheep and beef properties at $22 423; wheat properties at $16 422; dairy properties at $9807; horticultural properties at $9000; and sugar properties, which do not affect this State, at some $4000. That shows the delicate balance of our rural exports. Thousands of people in rural Victoria depend on viable export markets. Unless the Government puts in place the necessary assistance and concessions to enable them to market their products on world markets and gain the best results, the flow-on effect will be felt throughout Victoria.

I draw attention to the Budget allocation of $350 000 for land purchases by the Geelong Regional Commission. I request the Treasurer to inform the House and the people of Geelong what will happen to the Railway Pier wool store, the Dalgety wool store and the old Myer property sites. These developments are important to Geelong and it is important also that private enterprise be allowed to contribute to this development.

The Budget documents state that $1·8 million has been allocated to the building of plant for the flouridation of the Geelong water supply, work on which has come to a halt. Several questions were placed on the Notice Paper regarding this issue and they have remained unanswered for some two and a half years. They are still unanswered. On 2 September, the honourable member for Geelong wrote to the Premier indicating the concern of the Geelong community about compulsory fluoridation of the water supply. I wonder why the Government has proceeded with this program when the trade union movement has placed bans on the connection of fluoridation plants to water supplies of Geelong, Ballarat and Bendigo, work on which has ceased. On 4 August, I forwarded a telegram to the Premier asking:

> In view of the bans places on the connection of flouridation plants to the Geelong water supply by the Municipal Employees Union, will the Premier enforce the Essential Services Act in an endeavour to break the union's bans, so that fluoride can then be connected if, in fact, the State Government believes fluoride is such an essential additive to our water for the benefit of the health of Victorians.

I reiterate that the Minister for Transport, who is the representative in this place of the Minister for Health, has not answered the questions that I have placed on the Notice Paper. That says a lot for the forthrightness of this Government in putting the truth before the people. The Government has nothing to fear from telling the truth to the people.

The Government is embarking on many and varied projects. Some that catch the eye include an allocation to the Baptist Church, Frankston, which is a reimbursement of $367 000 for a loss that occurred when a gentleman ran away with funds associated with a retirement village; $5000 has been allocated this year towards the restoration of Sage's Cottage, an historic home; last year, a $50 000 allocation was made to Sage's Cottage for the installation of a toilet system, which reminds me of the endeavours of the President in another place to obtain an allocation of $50 000 for toilets for nudists at Point Impossible, to honour an election commitment given to that community which has not been forthcoming.

It is important that politicians cease point scoring and get the priorities right. If all honourable members started working together we would achieve the realistic goals that are important to all people in this community. I reiterate that the economy of this nation is not in order. That is the first priority on which everyone in Victoria should set his sights.

On the motion of Mr REMINGTON (Melbourne), the debate was adjourned.

It was ordered that the debate be adjourned until next day.

HOSPITALS (POWERS) BILL

This Bill was received from the Council and, on the motion of Mr ROPER (Minister for Transport), was read a first time.

RETIREMENT VILLAGES BILL

Mr MATHEWS (Minister for the Arts)—I move:

That this Bill be now read a second time.

The Bill seeks to:

(1) ensure that prospective residents are made aware in advance of the implications of entering a retirement village;

(2) ensure that the rights of residents are unambiguous and enforceable;

(3) ensure that the actions of management do not infringe the rights of residents;

(4) avoid undesirable marketing practices by the promoters of retirement villages.

The Bill seeks to achieve these objects by setting out the basic rights of residents, the standards which are to apply to all dealings in relation to retirement villages caught by the Bill and to the ongoing relationship between the owner, the manager and the residents of the village.

There has been considerable growth in the demand for specialist housing for the elderly in the last decade. Resident-funded retirement villages have developed to satisy that demand.

The type of organisation promoting each village, and the size and operation of each village vary immensely. A retirement village may be a small simple cluster of units designed by a church or local charitable group to meet a local need or it may be a large commercial village which actively promotes its activities and offers a variety of features and specialist facilities.

The diversity of villages and the manner in which they operate has led to uncertainty about the rights of promoters and residents. That uncertainty has prompted the Government to introduce this Bill.

Resident-funded retirement villages are presently regulated under the prescribed interest provisions of the Companies (Victoria) Code. As these provisions have been regarded as an inappropriate means of regulating the types of activities conducted by retirement villages, an amendment to the Companies Code to operate from 1 July 1987 will completely exclude these villages from the operation of that legislation from that date. It is anticipated that during the next twelve months most States will initiate legislation to regulate their retirement village industry.

The Bill has been the subject of considerable consultation with community groups since its introduction in another place during the autumn sittings. Officers of the Law Department and the Corporate Affairs Office have sought views on the Bill from residents, developers and owners and other interested groups. A number of seminars has been held to explain how the Bill is intended to operate. It has been pleasing to see not only the level of interest shown but also the relative uniformity of the goals pursued by each of the interest groups involved. The Bill has been warmly welcomed as a worthwhile initiative by every group it affects.

Honourable members should be aware that several amendments were made to the Bill in the other place to take into account comments and submissions made during the consultation process. Honourable members can be confident that the Bill in its present form achieves each of its intended goals while meeting many of the concerns of the community groups it affects.

DEFINITIONS

The Bill applies to retirement villages:

(1) in which a majority of residents are persons either over the age of 55 years or who have retired from full-time employment and their spouses;

(2) which provide accommodation and services to such persons;

(3) in which any resident is required to make a payment, whether by lump sum or by instalments, in consideration of becoming a resident.

Certain types of accommodation are specifically excluded from the operation of the Bill.

Existing and new villages are given the opportunity to seek exemption by the Corporate Affairs Office from any of the provisions of the Bill. This has been done to ensure that the Act will apply flexibly through the range of retirement villages and to enable interstate promoters to advertise their village in this State under appropriate circumstances.

The criteria for granting these exemptions are being developed by officers of the Corporate Affairs Office and the Law Department in consultation with promoters, owners and managers of villages and with various religious and charitable organisations.

The major features of the Bill are the following:

LODGEMENT OF RETIREMENT VILLAGE NOTICES

Part 2 of the Act requires the owners of retirement villages to lodge a notice with the Registrar of Titles or, where appropriate, the Registrar-General in respect of land used for a retirement village before entering into contracts which entitle residents to take up their place in a village.

Once entered on the relevant certificate of title, the notice will indicate to prospective owners, residents and financiers that the land described in the title is used as a retirement village and is subject to not only the provisions of the Act but also to the rights of residents under residence contracts.

Failure to lodge such a notice is an offence which attracts a penalty of 200 penalty units and entitles residents to rescind their residence contract within six months of becoming aware of the failure to lodge the notice.

A retirement village notice may be cancelled only where the Commissioner for Corporate Affairs is satisfied that the land is no longer used as a retirement village and the owner has served a notice of its intentions on all residents, former residents and their legal personal representatives.

PROTECTING OCCUPANCY

Part 3 of the Bill introduces the notion of a "residence right" in the land on which the village is located. A residence right is a right to use accommodation and services provided for a retirement village, and is created by contract entered into between the resident and every owner of the land.

Part 3 of the Bill will ensure that the residence right will bind every subsequent owner and mortgagee of the land on which the village operates until the contract giving rise to the right either expires or is terminated. It will ensure that each resident will be able to stay in the village on the terms of the residence contract until the contract expires or terminates, even if the village is sold to a new owner.

Under Part 3 the contract may be terminated in a number of ways, such as where a resident is in breach of the contract or where two medical practitioners, one of whom is nominated by the resident, certify that the resident's needs are not adequately provided for by the village.

DEALINGS

Part 4 of the Bill regulates the practices of promoters, owners and managers in buying and selling units in villages.

The provisions of the Fair Trading Act are expressed by clause 18 to apply to dealings in relation to a village.

Considerable community concern has been expressed that people entering retirement villages are not fully aware of their rights.

To overcome this, clause 19 requires an owner to provide a prospective resident with certain documents 21 days before signing a contract to enter the village. The documents include a statement which sets out particulars of the name, location and ownership of the village and the interests which take priority over a resident's interest.

The other documents to be provided include the by-laws of the village, residence and management contracts and a check list of important questions a prospective resident is asked to consider before entering a village.

The provisions of this clause ensure a prospective resident has the opportunity of carefully considering all aspects of the decision to enter a village.

In recognition of the importance of this clause, it is an offence for an owner not to supply these documents. The offence attracts a penalty of 200 penalty units and entitles a resident to rescind a residence contract within six months of becoming aware of the contravention giving rise to the offence.

To ensure that the right to rescind a contract is not exercised capriciously or unfairly, an owner or manager can ask a court of competent jurisdiction to determine whether the rescission of a contract was justified. A court of competent jurisdiction can also make orders about the refunds a resident is entitled to receive where the contract is rescinded.

To further protect prospective residents, clause 24 ensures that a three-day cooling-off period is available after the residence contract is entered into.

A resident is also protected from the unscrupulous promoter by being able to recover an ingoing contribution on leaving a village where an incorrect representation is made before a residence contract is entered into that the contribution will be recoverable.

CHARGES

Part 5 provides that ingoing contributions to be refunded to a resident are, in certain circumstances, a charge on the land on which the retirement village operates.

A charge will be created only where the ingoing contribution made by any resident is $10 000 or more. The threshold was set so that the charge would not apply to those genuine charitable villages for which resident funding is not a significant source of funds.

The charge will apply to all the land that is used by the villages. The charge will protect the repayment rights of not only residents in occupation at the commencement of the Act and all subsequent residents, but also ex-residents and their estates, until such time as the repayment obligation is discharged.

The charge is to be a first charge over the land for villages which enter into residence contracts for the first time after the Act is proclaimed. In the case of existing villages, the charge will take priority over interests created only after the retirement village notice over the land is lodged. In the case of new villages, an owner will be required either to discharge any encumbrances which may exist over the land or to enter priority agreements in relation to those encumbrances.

An owner of land subject to a charge under the Act must notify either the Registrar of Titles or, where appropriate, the Registrar-General of the charge within fourteen days of the date on which it is created.

The enforcement of a charge is to be treated as a last resort. The Bill requires a resident to exhaust debt-recovery procedures to recover any refundable ingoing contribution before taking steps to enforce the charge.

Proceedings to enforce the charge must be taken in the Supreme Court. The Corporate Affairs Commission is entitled to intervene in those proceedings. An order for enforcement of the charge will be made only if the Supreme Court is satisfied that it is in the interests of the residents to make the order. In balancing the rights and interests of the unpaid former resident against the interests of the continuing resident, it is envisaged that the court will consider the view of the Corporate Affairs Office.

Although an order for enforcement means the village may be sold, it is nevertheless possible that the village be sold as a going concern. The charge may be extinguished either by agreement between all parties, by enforcement, or with the consent of the Corporate Affairs Office.

RESIDENT PARTICIPATION IN THE AFFAIRS OF THE VILLAGE

Part 6 of the Bill ensures that residents in a retirement village will be fully informed of developments in the village of a financial nature, will have some say in the operation of the village and will be protected against unreasonable increases in maintenance charges or the unreasonable imposition of special levies.

A manager is required to call an annual meeting at which a statement in relation to maintenance charges must be made. The manager must also provide estimates of spending on goods and services and details of anticipated increases in maintenance charges in the next year and details of any proposed special levies. At the same meeting the owner is also required to advise residents of the financial viability of the village.

Part 6 also provides that disputes between the residents and the manager of a village which cannot be resolved internally, may be determined by arbitration.

RESIDENTS COMMITTEE

Each village may establish a residents committee. It is envisaged that the main purpose of the committee will be to act as a focal point of communication between residents and the owner and manager of the village. The committee has power to summon a meeting of residents, to settle disputes between residents and to approve increases in the maintenance fees in excess of increases authorised by the Act.

CHANGING THE BY-LAWS

By-laws relating to a retirement village can be made, revoked or altered only if agreed to by at least 75 per cent of all residents living at the retirement village and voting at any meeting. This requirement ensures that by-laws, which affect the day-to-day running of a village, will be varied only if there is substantial agreement by residents. By-laws which affect only a special class in the village can be voted on only by residents in that class.

MAINTENANCE CHARGES AND SPECIAL LEVIES

Clause 38 protects residents by restricting the manager's ability to increase maintenance charges to residents and to impose special levies. Residents whose only source of income is a pension have expressed concern that difficulty is experienced in meeting substantial increases in these fees and paying any special levies.

Clause 38 provides that maintenance charges are not to increase by more than an amount which will be specified by regulation. The regulations will allow for quarterly increases in maintenance charges equivalent to increases in the consumer price index. However, increases in statutory charges, such as municipal rates and increases in award wages, can be passed on to residents in full. Increases in excess of those permitted by regulation may be passed on only if agreed to by 75 per cent of all residents living at the village. Clause 38 also provides that a village will be able to impose a special levy only

once a year, and then only if the residents agree or if one of the special circumstances set out in clause 38 applies.

Where a manager cannot reasonably provide goods and services without such an increase and the residents do not approve the increase, clause 38 ensures that the manager will not be civilly liable for failing to provide those goods and services.

CONCLUSION

The Bill will add certainty to the industry by clarifying the rights of residents, owners and managers, and by providing minimum standards to apply to dealings between the parties in the village.

By imposing obligations on the owner and manager of a village and by providing substantial criminal and civil sanctions, the Bill ensures that the rights of residents will be protected.

The Government believes the Bill will generate a climate conducive to the establishment of retirement villages in Victoria, while providing clear and unambiguous protection for the citizens of this State who wish to retire to such villages.

I commend the Bill to the House.

On the motion of Mr E. R. SMITH (Glen Waverley), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 21.

ADJOURNMENT

School health services—Broken River irrigation scheme—Alleged loss of jobs in Bendigo—Geelong woolstore—Steele's-Glacier Freezers and Food Service (Vic.) Pty Ltd—Montpellier Primary School—School council ancillary staff—Harrison House Youth Services

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House do now adjourn.

Mr E. R. SMITH (Glen Waverley)—I raise a matter for the attention of the Minister for Health, in another place, concerning school health services. It is a matter I raised in March of this year. In the Glen Waverley electorate and the North Dandenong area, a number of schools have been deprived of school medical services. I could be wrong about the North Dandenong area, but the deprivation is certainly taking place in the electorate that I represent.

The Minister for Health has received a petition to which he has responded and, in fact, he has indicated that he would advertise for the positions that were not filled. In fact, there are three particular positions covering the eighteen schools in the area about which I am speaking.

One of those positions has been filled continuously but the other positions, while advertised, have not been filled because, from what I can gather, the financial situation has not been viable enough to allow the finance to be made available for these two particular positions.

The school councils of two of the schools I visited in the last week are adamant that the positions play a necessary and important role within their school life. They said that they have had numerous occasions where children have been suspected of having impairments, such as hearing defects and sight defects, and without making them into urgent cases, the children have to proceed with their schooling without the benefit of any type of treatment at all.

They are particularly angry that the Minister has not fulfilled the promises that he made earlier. They have said that if the Minister has been able to allocate current staff, has been

able to advertise and to recognise the need, then surely the money can be made available so that those children—whom I gather are prep grade children and grade 4 children—can be completely screened.

The children attending the Mulgrave Primary School and St Justin's have not had a screening. There has been no attempt at screening, because of the lack of staff, and one cannot blame the health authorities for that if there is no staff; but members of the school community are almost at their wit's end as to what they can do to rectify the position.

As I said, two people have not only been found, they have actually been interviewed and at this stage they are waiting to take up their employment, but there is no money. I am sure it is not something that the Minister has done deliberately, but out there people are saying, "You are claiming to have a Statewide system; you are providing that system throughout the State but you are not giving it to us. What can be done to raise the money?"

If the Minister would only indicate the guidelines or let the schools know what the position is then perhaps the schools themselves or the school councils could assist but at this stage, one of the school councils has, in fact, indicated that it has not even had a letter which would give them an indication of when the positions could be filled.

I know from the Minister for Education that this is considered to be a mundane matter. However, it is not a mundane matter for those in the schools who feel that the children in the area have been neglected.

This situation began at the end of the last school year. It is now ten months into this year and the position is becoming desperate. I make a plea on behalf of the schools in the area that these two positions be filled to allow the community once again to have confidence in the health system and feel that their children are not being disadvantaged simply because they are attending schools in that area.

Mr JASPER (Murray Valley)—I bring to the attention of the Minister for Water Resources the concerns of members of the Broken River Irrigation League whose scheme to utilise water from Lake Mokoan for irrigation in the Dookie-Tungamah area has been rejected by the Rural Water Commission.

Honourable members interjecting.

Mr JASPER—The Minister can pooh-pooh the idea and dismiss it as an unimportant scheme but it is an extremely important scheme to the people in the Dookie-Tungamah area who have been involved with it for many years.

The Broken River Irrigation League put forward a proposal to the then State Rivers and Water Supply Commission of Victoria many years ago, subsequent to the formation of the Public Works Committee, that consideration should be given to this irrigation scheme for a number of farmers in the Dookie-Tungamah area.

The commission investigated the project and expressed some concern about its viability, cost and water availability. However, with the development of Lake Mokoan, a larger amount of water is available which could be used for this scheme.

The Public Works Committee also undertook investigations of the league's proposals and provided an assessment of the scheme. The consultants to the league had presented detailed investigations to the commission and to the Public Works Committee and challenged the conclusions of the commission and the Public Works Committee that did not support the irrigation scheme.

Because the league believed that the proposal was not given proper assessment, I arranged a deputation to the Minister some months ago. The Minister listened to the representatives of the league and their consultants on the proposal and stated that the Rural Water Commission should be made aware of all the facts and figures surrounding this proposal. He indicated that the commission had investigated all aspects of the proposal and the decision not to proceed with it was possibly the correct decision, but, to the credit of the

Minister, he indicated that he would make officers of the commission available to meet with representatives of the league and consultants so that they could put their case to the commission.

However, while the matter is under consideration, a decision has apparently been made by the Minister that the commission should proceed with diverting extra water from Lake Mokoan through the Broken River into the Goulburn River district.

The cost of this project is $2·6 million and I understand that $600 000 has been provided in the 1986–87 financial year for a weir to be built on the Broken River as part of the diversion of water from Lake Mokoan through the Broken River into the east Goulburn irrigation channel.

I ask the Minister to inform the House and the people concerned whether that is the case, whether he will instruct the Rural Water Commission to wait until a further investigation of all information is available, or whether he will allow the scheme to proceed as it will be of benefit to all people in that area.

Mr KENNEDY (Bendigo West)—I direct my comments to the Minister for Industry, Technology and Resources and request him to give consideration to maintaining the high priority in economic development that the Bendigo region has received since the Government came to office.

Some spurious comments have been made by local members of the Liberal Party in Bendigo in recent days. They have peddled bogus figures designed to give the impression that an alleged 1200 jobs have disappeared in the manufacturing sector in Bendigo since the Labor Party came to office.

I ask the Minister to examine those figures and to rectify them because I believe they are false and have been vastly exaggerated. They have been used to blame the Government for some situations that occurred under the previous Federal Liberal Government. One such firm, McNiece Bros Pty Ltd was known to be on the way out in Bendigo, unfortunately, when the Fraser Government was in power in Canberra.

If one examines those figures, one discovers that four of the six firms mentioned involved a smaller number of employees than claimed by the Liberal member for Bendigo Province who said that 1050 employees were involved but it was actually more likely 630. So the figure is well out.

Liberal members of Parliament representing the Bendigo area are the authentic "merchants of menace". They are negative prophets of doom who thrive on peddling bad news, and, if news does not exist, they create it.

In 1984 when the Government changed its economic policy and developed a sound scheme for rural Victoria, claims were made by the Liberal member for Bendigo Province that because of the changes Bendigo would lose large numbers of industries due to poaching from interstate and Melbourne. That never happened.

Claims have been made in recent times by the honourable member for Bendigo East that Bendigo would lose 2000 to 3000 jobs because of the Government's change of economic policy. However, the opposite was true because in some specific areas firms in Bendigo have not lost but have increased the number of jobs.

I have a document which indicates that up to 1700 employees lost their jobs in the ten years until 1977 in some fourteen firms which were operating in the Bendigo area but which closed down or moved elsewhere.

From 1976 to 1981, which was the period leading to the demise of the Federal and State Liberal Governments, the construction industry in Bendigo lost 562 jobs, and the manufacturing industry lost 178 jobs but should have increased jobs by 555, and more than 600 State public sector jobs were lost.

Mr GUDE (Hawthorn)—On a point of order, Mr Speaker, the honourable member is obviously quoting from a document. I ask him to identify it and make it available to the House.

The SPEAKER—Order! I uphold the point of order and ask the honourable member for Bendigo West to identify the document and to make it available to the House.

Mr KENNEDY (Bendigo West)—Yes, but I have the names of firms which disappeared over that period.

The SPEAKER—Order! I have already asked the honourable member whether he will identify the document and make it available to the House.

Mr FORDHAM (Minister for Industry, Technology and Resources)—On the point of order, Mr Speaker, the usual procedure is for you to ask whether the honourable member is quoting from a document or notes. I would suggest that the honourable member is quoting from his own notes which is a little different from quoting from a document or a file under the Standing Order, of which I am sure you are well aware.

The SPEAKER—Order! I thank the Deputy Premier for his assistance. I do not uphold the point of order that has been raised. However, the point of order raised by the honourable member for Hawthorn was: would the honourable member identify the document he is quoting from and would he make it available to the House. The honourable member has yet to answer that question.

Mr KENNEDY (Bendigo West)—The document I was quoting from was a research paper prepared in 1977 by a research assistant of Senator George Georges.

The SPEAKER—Order! The honourable member's time has expired.

Mr RAMSAY (Balwyn)—I direct a matter to the attention of the Minister for Housing or, in his absence, the Minister for Education, concerning the woolstore situated near the railway pier in Geelong. It is a bluestone building approximately 100 years old located on the waterfront in Geelong.

Three years ago the building was acquired by the Ministry of Housing with the intention of converting it into low-cost housing for the Geelong region. It was an ambitious and adventurous proposal that an ancient, bluestone woolstore could imaginatively be transformed into some form of modern housing accommodation which would be available for occupation by young couples and single people and provide an important housing need in the Geelong area.

However, were the Minister for Housing here, he would not be surprised to learn that the cost of converting such an old building was a prohibitive and unrealistic way of attempting to provide low-cost housing under any circumstances.

As a result the project has been abandoned but the woolstore remains in the possession of the Ministry of Housing. I ask the Minister to indicate to the House at the earliest possible opportunity what he proposes to do with the building.

There are some plans for the building to be added to the 4 acres that are already owned by the Ministry of Transport on which it proposes, one day, to establish a transport museum. Why a transport museum would require more than 4 acres is something that may well be debated on another occasion.

It is completely inappropriate for the Ministry of Housing to continue to hold an old bluestone woolstore when there is an urgent need in the State for additional houses to be made available to enable the Government to make some impact on the enormous waiting list for public housing that has developed over the past few years.

The Ministry of Housing would well be advised to sell the property at the earliest opportunity. If the Ministry of Housing is going to dispose of the property to the Ministry of Transport I seek an assurance that the correct amount of money will be made available

to the Ministry of Housing for use in the housing area because one of the good aspects of the past two years is that property values in Geelong have escalated significantly.

It may well be that the funds that will be made available from the sale of the woolstore could be put to good purpose by the Ministry of Housing and used to increase the number of new houses that the Ministry is proposing to build this year from the very modest figure of four that was indicated in the Budget Papers.

Mrs SETCHES (Ringwood)—The matter I direct to the attention of the Minister for Consumer Affairs concerns the recent collapse of Steele's-Glacier Freezers and Food Service (Vic.) Pty Ltd which provided a home-delivered frozen food service to people who entered into a contract under a range of financial agreements. As well as home deliveries, the firm also provided appliances, often including a large freezer or a microwave oven. Clients paid a membership fee of $1295 and $300 for a three month's supply of food plus the cost of the appliances. For the membership fee charged people received frozen food. A telephone service facility provided advice on freezing, cooking, re-ordering and replacement of the food in case of freezer failure and transfer of the membership to another Steele's outlet.

I understand the Ministry of Consumer Affairs has always felt that the charges, especially the membership charges, were exorbitant and that little was received in return.

I refer also to the advice the Ministry offered when the firm collapsed in July for people to terminate all payments because no service was offered by the firm and that consumers should write to the Ministry asking for specific investigations about the financial arrangements that had been entered into between the firm and consumers.

Apparently up to 1000 people could have been disadvantaged by the collapse of the firm. Because of the arrangements where frozen food was delivered to the home it seems that a large proportion of aged or disabled people might have entered into these sorts of arrangements because personal shopping was not involved and a telephone ordering service had been instituted.

It seems that 1000 people may have been left in the lurch by the collapse of this trader and might require special attention from the Ministry because of the hardship they may be facing. I ask whether the Minister could pay special attention to the plethora of financial arrangements that the firm entered into with membership holders because those financial arrangements seem to have been changed, absorbed and re-entered into so that the people who took out membership were not really clear as to whom they owed money in the future. I ask the Minister to take up the matter urgently.

Mr DICKINSON (South Barwon)—I raise a matter for the attention of the Minister at the table, the Minister for Education, to take up with the Minister for Transport. I note that the Minister for Education will be visiting the Montpellier Primary School at Highton on 12 October for the opening of school buildings.

For some time the school has been concerned about the inadequacy of the school crossing and has made representations continually for the allocation of a lollypop lady to assist in the supervision of small children crossing the busy road. The school has even produced a video demonstrating the density of the traffic. The school has made repeated representations to the Minister as well as conferring with Mr President in another place.

I ask the Minister to confer with the Minister responsible and the President in another place about the urgency of this matter and maybe he can bring good tidings to the school when he visits it on 12 October.

Mr WEIDEMAN (Frankston South)—I direct a matter to the attention of the Minister for Education regarding an article published in the *School Bell* of September 1986, headed "Ancillary staff to transfer to the PS", which means the Public Service. The article states:

> The Government and the Victorian Public Service Association have agreed on arrangements for auxiliary staff to transfer to the Public Service.

The necessary changes to legislation will be prepared for the spring session of Parliament.

Betty McKenzie and Norma Corr, active members of the Schools Section of the Public Service Association, are to be congratulated on the successful conclusion to a long campaign.

In 1984 the Minister established a working party to examine and make recommendations on terms and conditions of employment. After extensive interviews and consultations with school-based staff and interested organisations, the working party recommended a number of improvements to conditions.

VICCSO supported the staff proposals on the condition that selection of staff remained in the hands of school councils.

That condition has been agreed and included in the new arrangement.

I understand the Premier and the Minister reneged on that proposal.

On 16 September a meeting was held with the Premier and the Minister for Education. The Premier said at the meeting held last week that the school council clerical staff:

. . . are expendable nice little Mums out of the school community, not interested in a career.

Mr Jim Young, General Secretary of the Victorian Public Service Association, said:

The objection raised by Mr Cain regarding the transfer was in relation to the fact that the Government is not employing any more public servants. Also, even though we are paid by the department and fall into all other Public Service categories, he does not want the figures to appear inflated.

. . . . .

At the moment there are 2600 clerical positions. Six hundred of these are public servants, the balance of 2000 are employed by the school council. These girls all thought that their jobs were secure until last week when Mr Cain stated that these positions are only "TEMPORARY". This means that the 2000 public servants that are to be redeployed from the transport authority can step into these "temporary" positions.

I also have a letter from the Ministry of Education that was sent to all schools by Mr M. K. Collins, acting chief executive, about the recruitment freeze. The letter discusses the matter of not advertising positions of cleaners, typists, stenographers and so on. The council-employed staff are feeling threatened.

A letter from the Ministry of Education dated 4 August 1986 dealt with the employment of youth. Under the Youth Guarantee Scheme the Government has requested that traineeships be given to Clerical Assistants Grade 1A and Clerical Officers Grade 1 who are employed by school councils. If they are appointed, they become permanent officers in the Public Service. More than 2000 people have served school councils throughout the State and have been promised permanent appointments to the Public Service. Now they are being denied that right.

This matter was raised with me by the Derinya Primary School, which has written to the Premier in these terms:

I have been instructed by the Derinya School Council to write to you expressing our concern over the proposed reclassification of the school council appointed ancillary staff, as temporary employees of the Ministry of Education.

In order to clarify the situation, could you kindly provide the council with the information of the Government's long term plans in regard to such action taking place.

Negotiations over this matter have been undertaken over the past three or four years and people have been promised permanent employment. I ask the Minister to explain the situation.

Mr GUDE (Hawthorn)—I raise a matter for the attention of the Minister for Labour and, in his absence, the Assistant Minister for Labour. The matter I raise relates to the Harrison House Youth Services, a group that provides employment to young offenders through the Government's employment access program. That service has made application for assistance for funding through the Department of Labour and may have been turned down.

I ask the Minister to reconsider the application made by this group, which does a worthwhile job in the community, and to do all that is possible to allow for the continued funding of the valuable work the group undertakes.

Mr FORDHAM (Minister for Industry, Technology and Resources)—The honourable member for Bendigo West raised his concern at statements made by the member for Bendigo Province in another place concerning industry in Bendigo and what the honourable member saw as a mis-statement of the actual achievements and record over recent years within that city.

I understand the concern of the honourable member for Bendigo West because it is deplorable to witness the lengths that the Liberal Party is prepared to go to misrepresent the reality of the state of the manufacturing industry.

The Government has been delighted with the response from industry to its economic strategy and to its industry assistance measures. Slowly but obviously the community is seeing a significant reinvestment in manufacturing industry in the State well ahead of the rest of Australia. The figures being published make that quite clear.

That record has been outlined by the Australian Chamber of Manufactures. I realise some members of the Liberal Party do not see the chamber as a bedfellow any more.

Mr Williams—They are ALP fellow travellers.

Mr FORDHAM—I take up the interjection of the honourable member for Doncaster that the chamber is a fellow traveller of the Labor Party. Is that the view of the Liberal Party?

Mr Gude—I do not agree with it.

Mr FORDHAM—The honourable member for Hawthorn interjects that he does not agree with it. I can direct honourable members to industry after industry, factory after factory in Victoria where there has been investment and a real commitment by manufacturing industries to the State and Bendigo is to the forefront of that committment.

The honourable members representing Bendigo for the Liberal Party ought to know that, ought to recognise it and, above all, should be supporting that policy.

The honourable member for Bendigo West is clearly doing that and I am delighted at the support he has shown to the Government and myself in particular, as Minister for Industry, Technology and Resources.

The Government has introduced a publicly stated ten-year plan. The City of Bendigo has been categorised as a strategic growth centre of type A category. The Government has funded a study of the need for industrial land and has helped the Borough of Eaglehawk in developing an industrial estate as well as assisting the Bendigo Development Committee in drawing up a development strategy.

I appreciate the endeavours of these bodies in representing local industry and, in conjunction with Government, providing for future generations. Bendigo ought to be supported rather than maligned, as has occurred in the past.

The assistance measures being provided by the Government are best exemplified in Bendigo than in any other part of the State. This is in part due to the assiduous work by the department's employees in that area, the industry in Bendigo itself and the endeavours of the honourable member for Bendigo West, as the local member.

Some 54 firms have been approved for help from the Government for "business planning" and, since 1984, some sixteen companies have been approved for industry assistance packages under the Government's industry program. These forms of aid are worth approximately $6 million all told.

Honourable members would be interested in a recent supplement of the *Bendigo Advertiser*, which outlined these firms and some of the initiatives they have undertaken in conjunction with my department. They include, for example, Stafford Ellinson Manufacturing Pty Ltd, a great example of the clothing industry in this State and a company that is determined to reinvest, to use modern technology, to work in conjunction with its work force and indeed is expanding its operation in the Bendigo area; Crestknit Aywon Pty Ltd, again another in that area; Bendigo Woollen Mills; Pacific Textiles Bendigo Pty Ltd; JPB Designs Pty Ltd; Interskin Products (Australia) Pty Ltd; Argus Clothing Pty Ltd; Carlile Wool; Perfectfit Clothing Co. Pty Ltd; EMI Constructions; Cooper and Cook (Ceramics) Pty Ltd; Industrial Conveying Pty Ltd; Sandhurst Dairies Ltd; Bendigo Recycling Centre; Bendigo College of Advanced Education and its consulting and research activity; B. Keogh and Sons; and Dick Hazeldene's Chicken Farm Pty Ltd.

That is a litany of recognition by both the community and the Government of support for Bendigo industry. I am sure that the Liberal Party will not be able to point up a similar record in its earlier terms of office.

This is only one aspect of the Government's support within the Bendigo area. I am pleased, for example, when as the Minister of Education the initiatives I was able to take were followed up by my very hard working successor. They were the Whitehills Primary School and the redevelopment of Violet Street Primary School, which are major school projects put forward to and refused by previous Governments, but accepted by this Government and now being brought to fruition.

We have the new Bendigo regional library towards which the State is paying approximately $2 million; there is the new Bendigo police station, and the new fire station. These are all indications of the real commitment by the Government to the Bendigo community, in complete contrast to the nonsense that the Liberal Party has been putting forward in this area.

The Central Deborah Mine in Bendigo is a tourist attraction which I am delighted that the Victorian Tourism Commission was able to assist substantially to enhance Bendigo's opportunities within this very important area. I am delighted with the Government's record; it is something we are proud of and I know that view is shared by the honourable member for Bendigo West.

Mr CATHIE (Minister for Education)—The honourable member for Glen Waverley raised an issue for the attention of the Minister for Health concerning two particular positions that have not been appointed in the School Medical Service to screen preparatory children and children in grade 4 for hearing and sight defects. I shall refer that matter to the Minister for Health.

The honourable member for South Barwon raised an issue with the Minister for Transport concerning the inadequacy of a school crossing and the need for a supervisor. I shall raise that matter with the Minister for Transport.

The honourable member for Frankston South quoted both from a letter from a primary school in his area and from the *School Bell* for September 1986 concerning the issue of the proposed transfer of ancillary staff to the Public Service. I do not intend to comment on the letter at this stage or even on the issue except to indicate that it is not yet finally determined. There is still a working party between the Premier's Department and the Cabinet and the Ministry of Education and not until I get the report from the working party will we be in a position to make a final decision.

Mr McCUTCHEON (Minister for Water Resources)—The honourable member for Murray Valley raised the question of the Broken River Irrigation League and its proposal for irrigation development in the Dookie/Tungamah area. There was a deputation to me, as the honourable member reported to the House earlier this evening. The question of the proposal and its economic viability has been looked at by the Rural Water Commission, particularly in terms of the rate of return and the alternative uses of the water from Lake

Mokoan, the alternative being to strengthen the security of the supply in the Goulburn Murray Irrigation District areas.

I am happy to give a more detailed answer to the honourable member and I shall do that as soon as possible.

Mr WILKES (Minister for Housing)—The honourable member for Balwyn raised a matter regarding the wool store in Geelong owned by the Ministry for Housing. The Ministry has offered the wool store to the Victorian Tourism Commission as a project. The commission is in the process of examining the feasibilty and economics of that project. Should the commission desire to purchase the wool store, it will do so at the Valuer-General's valuation, and the money raised from the sale will be used for public housing in the Geelong region.

Mr SPYKER (Minister for Consumer Affairs)—The honourable member for Ringwood raised with me a matter regarding Steele's-Glacier Freezers and Food Service (Vic.) Pty Ltd. On the surface, the scheme offered by that company seems reasonable, especially for elderly or disabled people. The scheme allows a person to purchase a freezer and/or a microwave oven and, through his membership, meat is delivered to the home.

The Ministry of Consumer Affairs has been concerned about the exorbitant prices charged for the meat and the inability of the consumer to shop for better prices. The Ministry has been informed that, although the membership is $1295, by the time the consumer purchases a freezer and microwave oven, he is up for an initial outlay of $3000. That is an exorbitant amount of money for low income earners.

I would prefer consumers to buy a freezer and microwave oven separately and shop around for the cheapest prices for meat. The Ministry is aware that a number of butchers make home deliveries, anyway. If people wish to purchase their meat in bulk, they are able to do that.

Approximately 1000 customers are involved in this scheme. Although Steele's-Glacier has been taken over by the Valley Pride company, there is doubt as to how long Valley Pride will survive. Obviously Steele's-Glacier operated a suspect scheme about which the Ministry of Consumer Affairs has been extremely concerned.

Mr Kennett—Destroy another businessman!

Mr SPYKER—I shall take up the interjection of the Leader of the Opposition. The Ministry has worked carefully to ensure that ethical businesses and traders have the full support of the Ministry. The Ministry will not stand by and let rip-off merchants continue in business. People who run ethical businesses are harmed by the fly-by-night sharks who come into an industry and damage a specific business. If the Leader of the Opposition wants to protect fly-by-nighters who damage industries, let him say so.

I am concerned about the way the finance company has operated with the Steele's-Glacier scheme. The Ministry of Consumer Affairs has warned the finance company that it was concerned about the nature of the scheme. The Ministry has been informed by some of the 1000 customers involved that they were not even aware with which finance company they had a loan. They believed their loans were with Steele's-Glacier and they were not aware that when the company ran into difficulties they would have to continue making payments.

We advised the people concerned in July, when Steele's-Glacier Freezers and Food Service (Vic.) Pty Ltd collapsed, that they should stop making payments immediately and that my Ministry would negotiate with the finance company to determine what could be done. There were many legal complexities and a large proportion of the contracts have been reassigned from the original finance company to others.

Under the Credit Act, my Ministry is able to make those sorts of decisions and recommendations to ensure that the loss that a particular person suffers is minimised. Some of the other companies have decided to continue with the Valley Pride company.

My concern, again, is that the finance companies seem to be too ready to make advances of cash payments and loans, and that people do not check companies carefully. My Ministry has had some concern about a company for some period.

The warning I give is that before people enter into those type of schemes they look carefully at the amount of money they have to pay as $3000 is a considerable additional expense. I am certain that if people shop around first for a freezer and then for meat supplies and microwave ovens, they will have a greater choice and will get a much better deal than originally proposed, particularly as those schemes were targeted at people who were disabled and housebound, and mostly at people on fairly low incomes.

I thank the honourable member for Ringwood for raising the matter. It demonstrates the continued vigilance that she exercises as a local member of Parliament.

Mr WALSH (Minister for Public Works)—The honourable member for Hawthorn raised a matter concerning Harrison House Youth Services that helps young offenders. I shall have the matter checked to see whether a decision has been made about funding. I understand it is a costly program.

Mr Kennett—Not as costly as a Greek newspaper.

Mr WALSH—It is better than not being accepted by 55 per cent of the public. I shall check whether it is a worthwhile program to help young offenders, and I shall inform the honourable member of the outcome.

The motion was agreed to.

The House adjourned at 11.58 *p.m.*

Wednesday, 8 October 1986

The SPEAKER (the Hon. C. T. Edmunds) took the chair at 11.6 a.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

BUDGET EFFECTS ON RECURRENT OUTLAYS

Mr STOCKDALE (Brighton)—I refer the Treasurer to the Government's use of accounting gymnastics in an attempt to mislead Victorians——

Honourable members interjecting.

Mr STOCKDALE—For those honourable members who have difficulty in hearing while their mouths are open, I shall repeat the question: I refer to the Government's use of accounting gymnastics in an attempt to mislead Victorians about expenditure restraint and I ask: does the Treasurer now admit that when the proper adjustment is made for expenditure, which he tried to disguise by moving from the Current Account to other areas, then the 1986–87 Budget increases the current outlays in real terms by more than 8 per cent in nominal terms and not by the 6·6 per cent nominal increase he claims?

Mr JOLLY (Treasurer)—This claim is just absolute nonsense, once again, and I wonder why the honourable member for Brighton did not turn up to the Economic and Budget Review Committee meeting this morning. I suggest that he is extremely embarrassed about his Budget presentation in the House.

The facts are that the recurrent expenditure growth in this financial year of 1986–87 is the lowest that has been recorded in approximately 25 years.

If the honourable member for Brighton were prepared to be involved in the Economic and Budget Review Committee and if he took the opportunity to be briefed by Department of Management and Budget officers on this issue, he would understand that the Estimates in the Budget presentation of the current expenditure are prepared by Department of Management and Budget officers on the same conventions and criteria that have been used for Governments for years, including the Liberal Government in this State. I can understand why the honourable member for Brighton is embarrassed about these issues, he does not like them.

Secondly, if one takes the criteria which, last year, the honourable member for Brighton relied on in his Budget reply—that is, the national accounts estimates—strangely enough this year, he made no reference to them in his Budget tables; that is because he did not want to get any one right. This year he made no reference to them at all. If one looks at Government consumption expenditure on that basis—and the increase is 6·9 per cent—one sees that it is a low rate of increase indeed.

There is no doubt in the minds of people who understand Budget Papers and conventions that the rate of growth in recurrent expenditure is extremely low this financial year and in real terms is a reduction. The Government has achieved that through the introduction of program budgeting.

The honourable member for Brighton continues to mumble. He is obviously embarrassed and is afraid to be involved in a Budget and Economic Review Committee examination of the Budget because he knows his deficiencies would be exposed. The Opposition must have another shadow Treasurer upstairs because this shadow Treasurer is afraid to be involved in the work of that committee.

The Economic and Budget Review Committee has undertaken invaluable work for Victorians in a bipartisan approach. Superannuation was a major issue of concern to many Victorians. The committee was involved in basic foundation work in that area which led to fundamental reforms being made to superannuation.

There is no doubt about the committee's bipartisan approach. The unwillingness of the honourable member for Brighton to participate in that committee highlights the fact that he is embarrassed about his errors and misreading of the Budget Papers.

One chapter in the Budget Papers refers to social development and explicitly to Budget appropriations. If the honourable member for Brighton had asked officers of the Department of Management and Budget about that issue, he would have recognized that he misunderstood the position by $386 million.

There is no doubt that on proper examination of the Budget one would recognise that recurrent expenditure growth in Victoria is the lowest it has been for 25 years; there has been a reduction in real terms of 1 per cent; and the Budget has been strongly supported by the business community and the community at large.

FRINGE BENEFITS TAX

Mr ROSS-EDWARDS (Leader of the National Party)— I refer the Minister for Industry, Technology and Resources to the concern expressed by businesses in Victoria and across Australia about certain aspects of the fringe benefits tax and ask: will the Minister take up that concern and confer with industry on some of the real problems involved, as the Prime Minister has now stated that the Federal Government would be receptive to changes?

One of the many changes that has come to my notice involves female employees who finish work late at night and are sent home by taxis, sometimes because of the awards under which they work, but more often because of concern for their safety by their employer. It is asking too much for employers to pay a 50 per cent tax on that.

The SPEAKER—Order! The Leader of the National Party has been a member of this House long enough to recognise how he should frame a question. The honourable gentleman is attempting to make a speech. Has the Leader of the National Party asked his question?

Mr ROSS-EDWARDS—I shall round off my question.

The SPEAKER—Order! There is no round-off period.

Mr ROSS-EDWARDS—Having given the Minister for Industry, Technology and Resources an example of the real problems facing industry, can he give an undertaking as a matter of urgency to take up some of these anomalies with the Prime Minister?

Mr FORDHAM (Minister for Industry, Technology and Resources)—That is certainly the longest question I can recall for some years. The Premier has stated on a number of occasions, both in and outside this House, that the State Government strongly supports the principle behind the fringe benefits tax. There is no doubt that that is the view of the vast majority of Victorians, including many industry leaders, because many rorts and practices need to be re-examined and quite properly should be subject to appropriate taxation.

However, the Premier has also stated that certain aspects of the implementation of the fringe benefits tax—and I agree with the interjection of the Leader of the National Party that that is the aspect with which he is immediately concerned—that have been voiced to the Federal Government, and will continue to be raised, require further examination.

I note with interest that the Prime Minister yesterday conceded that point. The matter is now very much on the agenda for the Federal authorities and I hope it will be resolved as quickly as possible.

ECONOMIC AND BUDGET REVIEW COMMITTEE

Mr ROWE (Essendon)—Will the Minister for Industry, Technology and Resources advise whether the Economic and Budget Review Committee was able to investigate and report on aspects of the Victorian wine industry within its charter as determined by this Parliament? What action has his department taken in relation to the report?

Mr FORDHAM (Minister for Industry, Technology and Resources)—As a member of the Economic and Budget Review Committee, I am sure the honourable member for Essendon will be interested in the success and continued operation of that committee. The honourable member made reference to the charter of the committee which is set out in the Parliamentary Committees (Joint Investigatory Committees) Act.

I refer interested honourable members to sections 4A and 4F of Part I of that Act as determined by Parliament and, I might add, supported by parties on all sides of the House. For example, section 4F provides that the Economic and Budget Review Committee may consider and report to Parliament on any matter arising out of the annual Estimates of receipts and payments of the Consolidated Fund or other Budget Papers.

In other words, Parliament has specifically given the Estimates function to the Economic and Budget Review Committee. It is a matter of some concern and interest to me that the honourable member for Brighton, for example, who sought appointment and was appointed to the committee, did not and has not used his opportunity for that committee to take up that responsibility.

The question is most opportune because the charter of the committee is certainly in public focus at present. I am appalled at the attitude of the Opposition in not allowing the committee to embark on the opportunity created by Parliament itself.

The Opposition is now suddenly concerned about this issue. The opportunity has been there for four years. However, the Opposition never took up that opportunity despite its avowed concern for that Estimates function to be handled by a Parliamentary committee. I am very disappointed with the sorts of opportunities being demonstrated by the Opposition in another place for very shadowy political motives.

It is impossible to take the Opposition seriously in terms of the Parliamentary system of this State. The long tradition in this Parliament—the honourable member for Rodney reminded the House of this when the particular Act was put together—is for joint Parliamentary committees, as agreed between the parties. That has been the tradition of this party.

I might add that prior to the establishment of the Economic and Budget Review Committee, that function was undertaken by the former Public Accounts Committee, and the Legislative Assembly insisted for years that that was a responsibility in which the Legislative Council should not be involved. That was not under this Government but under the former Liberal Government.

The arrant hypocrisy of the Opposition is there for all to see, both in the community at large and in Parliament. The Opposition is desperate and is ignoring the traditions of the House.

The particular reference to the wine industry was able to demonstrate that the Economic and Budget Review Committee can work satisfactorily on a bipartisan and consensus basis. The honourable member for Prahran was an active and involved member on that reference. The committee presented a detailed report and the key recommendations have been taken on board by the Department of Industry, Technology and Resources.

Mr Speaker, it is to the credit of the joint Parliamentary committees that they can and do work satisfactorily. The Opposition is prostituting the Parliamentary system of the State.

PORTLAND SMELTER UNIT TRUST ANNUAL REPORT

Mr RAMSAY (Balwyn)—I refer the Treasurer to the advice he gave the House in answer to a question on 1 October when he indicated that he had received the annual report of the Aluminium Smelter Unit Trust, but had not tabled the report because it had not yet been audited.

As the certified report of the trust auditors was, in fact, a printed part of the report the Treasurer had received, will the Treasurer now explain to the House the real reason why he has not yet tabled that report?

Mr JOLLY (Treasurer)—As I indicated earlier, it is a matter of days before the report will be tabled. The performance outlined in that report will show once again how good the investment in the Portland aluminium smelter is and it is about time members of the Opposition put their weight behind the aluminium smelter.

Honourable members interjecting.

Mr JOLLY—I indicate again to honourable members that it was an unaudited report and will be tabled in accordance with the requirements of the Act. I assure honourable members that the report was unaudited when I answered the particular question.

Mr Kennett—You are wrong.

Mr JOLLY—The Leader of the Opposition opens his mouth on so many occasions that Tandberg cannot draw him any more because his mouth does not fit on the page.

I have clearly indicated the position to the House and I indicate to the honourable member that the report will be tabled in a matter of days.

INCREASE IN WATER CHARGES FOR VICTORIAN IRRIGATORS

Mr HANN (Rodney)—Is the Minister for Water Resources currently considering a 9 per cent increase in water charges for Victorian irrigators? If that is a fact, will the Minister give an assurance that he will reject the recommendation from the Rural Water Commission to increase water charges in light of the promise that the Minister and the Rural Water Commission gave to irrigators when the financial package was agreed to that their overall increases in the next four years would be no more than 18 per cent in total?

Mr McCUTCHEON (Minister for Water Resources)—The fixing of water charges for irrigators is a process that is discussed by the board of the Rural Water Commission, which then presents that advice to me. The financial management package does require the irrigation water sector to move towards full cost recovery. In that process the board will be considering prices that enable growers and irrigators to substantially meet the cost of providing irrigation water.

As the honourable member is aware, the advisory board, in considering the matter, takes into consideration the capacity of irrigators and growers to meet those charges and their ability to move towards full cost recovery. I am awaiting the report from the advisory board in the next few days.

STATE TAXES AND CHARGES

Mr SEITZ (Keilor)—I ask the Premier to give details to the House of the latest figures on taxes and charges in Victoria compared to other States of Australia and the Commonwealth Government and what effect that has on jobs in Victoria?

The SPEAKER—Order! I intend to call the Premier, but I advise the House that the question is particularly broad.

Mr CAIN (Premier)—I believe the honourable member for Keilor is concerned about the comparative increases contemplated in respective Budgets that have been brought down in the various Parliaments in Australia over the past month or so. I would have thought that that is information to which the House is certainly entitled.

Honourable members interjecting.

The SPEAKER—Order! The House should respect the fact that an honourable member on his feet cannot be heard when other honourable members continue with a barrage of interjections. I ask the House to come to order.

Mr CAIN—The Government's estimated increase in tax receipts for this year is 6·5 per cent. That figure, if necessary, again explodes the myth that has been passed around this place and elsewhere that the Government has not honoured its promise in respect of taxes and/or is a high taxing Government. When that figure is compared with what is occurring in other States and with the Commonwealth Government, it is again clear that the achievements of the Treasurer of this State far exceed the achievements of any Treasurer right across this country.

I shall give the House the figures by way of a comparison of the average increase in taxes of other States that have brought down Budgets. The average increase is 11 per cent. In the case of the Commonwealth Government, the increase is 11·1 per cent; New South Wales has an increase of 11·9 per cent; the increase in South Australia is 10·3 per cent; and in Queensland, where a State election has recently been announced, the increase is 5·7 per cent.

I shall not be uncharitable about Queensland. That State has an election due and I suppose the National Party Government will do what the former Liberal Party Government did in Victoria—leave a deficit for the Labor Party. The Queensland Government can make the increase 5·7 per cent, 3·7 per cent or 2·7 per cent—it would not matter. That Government is trying to win an election. I notice that even the Liberal Party up there says that there is a cloud of sleaze over the National Party Government; it is not impressed by the Government. I am not saying that yet, but that is what the Liberal Party believes. I am relying on what the Liberal Party says.

I invite members of the Liberal Party to take note of this: the gem of all the increases is in Tasmania where the increase in taxes will be a whopping 22 per cent. The only Liberal Government in Australia has an increase of 22 per cent.

As well as these figures that make Victoria's position abundantly clear, a decline has occurred over the past two years in Victoria's taxation receipts as a percentage of non-farm gross domestic product from 5 per cent to 4·8 cent. Those two sets of figures again explode the myth that has been created by members of the Opposition and others about this State.

The last figure that I mentioned is even acknowledged in those dodgy sets of figures that the honourable member for Brighton put out—even by him. I do not say that that adds more credibility, but even he had to concede that.

The Government in this State will go on giving the people the best value for their dollar in Australia because Victoria has the best Treasurer in Australia. That is one reason. The other reason is that Victoria has the best Government in Australia.

These figures show that the Victorian Government produced the best Budget in Australia this year. That was acknowledged by the silence of the opposition parties on the Thursday following the Budget—the opposition parties did not say a word and did not ask a question. The Deputy Leader of the Liberal Party was left speechless. He is speechless now. He could not believe a Treasurer could do such a good job. His Leader talked about levels of tax increases. Members of the Liberal Party all thought that taxes would be increased on tobacco and cigarettes, that this would be increased and that service withdrawn. The Liberal Party is so dopey at times that it does not realise what a good

Treasurer can do. The Liberal Party could not do it. It had four Treasurers in two and a half years when in government.

Mr WHITING (Mildura)—On a point of order, Mr Speaker, you will be aware of Standing Order No. 127; you noted earlier that the question asked of the Premier was very broad. I believe the Premier is now debating the question—and he would not even know what the question was that he was asked.

The SPEAKER—Order! I uphold the point of order; I understand Standing Order No. 127. I ask the Premier to round off his remarks.

Mr CAIN (Premier)—I shall round off by saying that the Government is determined to go on giving that kind of government and that kind of value for the dollar to the people of Victoria.

VICTORIAN ECONOMY

Mr STOCKDALE (Brighton)—I refer to the Treasurer's claim that the Government has restrained spending and to his statement that the State economy is expected to grow more slowly this year. Will the Treasurer now confirm that these statements mean that the Government has abandoned its so-called counter-cyclical economic policies—or, is the Treasurer's first statement false?

Mr JOLLY (Treasurer)—Question time is being reduced to a joke when the honourable member for Brighton asks those sorts of questions. It shows that the lawyer has no understanding of the economic propositions that are dealt with in the Budget. I shall make clear the performance of the Victorian economy.

As honourable members will be aware, and, certainly, it was recognised by the Deputy Leader of the National Party yesterday, in regard to non-farm gross domestic product growth, the Victorian economy is growing faster than the national economy. That was demonstrated clearly in the full financial year 1985–86. The honourable member for Brighton has great difficulty in appreciating those sorts of issues.

It is important also to realise that the employment statistics—obviously a significant economic indicator—for 1985–86 have demonstrated that Victoria's employment growth rate was better than the national average—again, a very good performance.

It was only three weeks ago that the Liberal Party said, "We inherited the lowest unemployment rate of any State". Members of the Liberal Party all parroted that statement. They are not saying it any more because they were wrong and they know that they were wrong. They will never mention it again. The reality is that the unemployment rate—another significant economic indicator—which is obviously an important assessment of the State's economy, has demonstrated that over the past 39 months Victoria has had the lowest unemployment rate of any State in Australia.

The honourable member for Brighton should listen to this one, too. We know that he has not been in this place too long; we know that he is a lawyer; we know that he is not numerate, but he should listen. He may have trouble with reading at times—I think that is why he takes so long when he makes his speeches in this House. He should not get upset. The honourable member for Brighton has told us that he is not prepared to go on the Budget Estimates Committee. He is afraid to face that scrutiny.

The SPEAKER—Order! The Treasurer will address the Chair.

Mr JOLLY—I was pointing out that in the last 36 months of Liberal Government in this State, there were only eight occasions on which Victoria had the lowest unemployment rate compared with the unemployment rate over the last 39 months under a Labor Government. They are both right. The Leader of the Opposition does not realise that they are both right. What a joke!

I shall go to 1986–87. I mentioned some economic statistics yesterday which highlighted that Victoria was doing relatively better in terms of retail sales, the housing industry and

the motor vehicle industry. Also, we are quite confident that the projections about 1986–87 will once again show that in terms of economic growth, as measured by non-farm gross domestic product, Victoria is outstripping the national average growth rate. There is no doubt that the Budget Papers have been excellent in providing very good projections in the past. I believe their projections will stand up and highlight at the end of this financial year that once again Victoria's economic performance has outstripped the rest of Australia.

PAPERS

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

Motor Car Traders Committee—Report for the year 1985.

Physiotherapists Registration Board—Report for the year 1985.

Town and Country Planning Act 1961:

Sherbrooke—Shire of Sherbrooke Planning Scheme 1979 (Rural Areas), Amendment No. 37.

Shire of Sherbrooke Planning Scheme 1979 (Urban Areas), Amendment No. 47.

Yea—Shire of Yea Planning Scheme 1979, Amendment No. 9.

SOUTH MELBOURNE LAND BILL (No. 2)

Mr CATHIE (Minister for Education) moved for leave to bring in a Bill to make provision for the redevelopment of part of the south bank of the Yarra River and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

TRANSPORT ACCIDENT BILL (No. 2)

For **Mr JOLLY** (Treasurer), Mr Fordham (Minister for Industry, Technology and Resources), moved for leave to bring in a Bill to establish a scheme of compensation in respect of persons who are injured or die as a result of transport accidents and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

MOTOR CAR TRADERS BILL

Mr SPYKER (Minister for Consumer Affairs) moved for leave to bring in a Bill to provide for the licensing of motor car traders and the regulation of their operation and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

ORDER OF BUSINESS

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That Standing Orders and Sessional Orders be suspended so far as to allow Notices of Motion, General Business, Nos 4 and 7 to be called on and considered during the conduct of business this day.

In explanation, Mr Speaker, we earlier received two reports from the Legal and Constitutional Committee, which are on the Notice Paper for consideration. Where they

are listed currently under Orders of the Day, General Business, it could mean that it may be some time before the matters are dealt with in the House.

Therefore, it was believed appropriate, and the Government is generously allowing for them to be brought on during the time usually made available for Government Business. I shall make arrangements with the mover of the motions relating to both those Orders of the Day for the appropriate time for that brief debate to take place.

The motion was agreed to.

HOSPITALS (POWERS) BILL

Mr ROPER (Minister for Transport)—I move:

That this Bill be now read a second time.

This is a small but important Bill in the context of the progressive policies of this Government aimed at promoting and capitalising on this State's technological achievements. Its primary purpose is to give Fairfield Hospital the capacity to market its scientific knowledge and expertise.

The Queen's Memorial Infectious Diseases Hospital at Fairfield, to give the hospital its official title, was established more than 80 years ago.

It is required under the Health Act to be "a hospital for the care and treatment of persons suffering from infectious disease". This rather brief statement of objectives is long out of date. It does not take account of the modern role of the hospital, particularly in teaching and in the dissemination of information on or about infectious diseases, nor does it reflect the important research and investigative work carried on at the hospital's virology laboratory and its clinical pathology department.

This work is of international status and has resulted in approaches to the hospital from both Australian and overseas corporations to carry out work on their behalf.

Legal advice given to the hospital is that its board of management does not have the power to enter into commercial arrangements for the use of its laboratories.

In other words, the Health Act acts as an effective barrier to the hospital participating with private enterprise in the development of its facilities for commercial and research purposes.

This is a nonsense and the Government takes the view that, in the present economic climate, the hospital should not be precluded from realising the full potential of its laboratory services.

The conduct of such research will not only enhance the scientific knowledge of the hospital, but will also advance the interests of science and medicine generally.

The amendments to the Health Act proposed in this Bill extend the powers of the board of management of Fairfield, which, some honourable members would recall, has occasionally gone through a bit of trauma.

These amendments include a specific responsibility for teaching and the provision of information relating to infectious disease. They will also vest in the board power to patent or copyright its intellectual property, to market its discoveries, and to enter into contracts for the commercial exploitation of its research.

The opportunity of the Bill is also being taken to amend the Hospitals and Charities Act, and the Cancer Act, to enable public hospitals, other subsidised incorporated institutions, and the Cancer Institute to benefit from their technological discoveries.

The amendments contained in the Bill lay the groundwork for the participation by the research arms of our public hospitals in promoting this State as a centre of medical research.

It represents a key initiative towards bridging the gap between the world-class research carried out by Victorian institutions and the development of its commercial and industrial potential. I commend the Bill to the House.

On the motion of Mr WEIDEMAN (Frankston South), the debate was adjourned.

It was ordered that the debate be adjourned until Tuesday, October 21.

APPROPRIATION (1986–87, No. 1) BILL AND WORKS AND SERVICES (FURTHER ANCILLARY PROVISIONS) BILL

The debates (adjourned from the previous day) on the motion of Mr Jolly (Treasurer) for the second reading of these Bills were resumed.

The SPEAKER—Order! I call the honourable member for Melbourne.

Mr Simpson—That is what happens when the honourable member for Bennettswood does not get the call.

The SPEAKER—Order! The honourable member for Niddrie is out of order.

Mr REMINGTON (Melbourne)—The Opposition is certainly in disarray. The honourable member for Bennettswood did not even know that I, the honourable member for Melbourne, had the call because I moved the adjournment of the debate last night.

There is no doubt in the mind of the Government, and there is certainly no doubt in the minds of the media, that, progressively and without question, the people of Victoria are developing the attitude that the Opposition is in a total shambles. It is in total disarray. It simply does not know from one minute to the next what it is doing.

The Government should be grateful for the position taken by the Opposition on the Budget, because the Budget has been highlighted—despite the attitudes and approaches the Opposition has taken—and has been heralded throughout the media as, without doubt, an excellent Budget.

Nobody from the Government side looks upon the press of Victoria as being necessarily sympathetic to a Labor Government, but newspaper after newspaper has in its reports and in its editorials high praise for the excellent Budget brought down by Treasurer Jolly for the Cain Government.

What is the position of the Opposition? That is the very critical question that ordinary electors throughout Victoria would be asking themselves. They would be asking whether the Opposition will block Supply, whether it will let the Budget through, or whether it will do a Kerr–Fraser act.

What will the Opposition do in regard to the fate of the Budget? The Opposition does not know, and neither, apparently, does the Leader of the Opposition.

We are witnessing the great Moscow retreat. One day the Opposition intends to block Supply, the next day it is forming some pseudo committee in the Upper House to delay the Budget. The Opposition will not vote it out, it will just slow it down. The Government will run out of Supply and will be forced into an election, is that the Opposition's objective?

One moment the Opposition wants to block Supply, the next moment it wants to form a committee and the next moment the Leader of the Opposition decides that there are not enough elections.

Mr Roper—Especially for the Liberal Party.

Mr REMINGTON—Yes, especially for the Liberal Party. Maybe for the honourable member for Hawthorn, so I was told today. I wonder what Andrew Hay's ambitions are about the seat of Hawthorn.

The Opposition wanted to have an Upper House committee stacked with its old geriatrics to slow down the Budget. The Opposition does not know what it is about. It forgot one thing: that is, the legislation that its members supported. I refer to the joint investigatory committee established by the Government with legislation passed in both Houses to do precisely what the Opposition claims it wants to do in a different way in another place. It simply forgot about this in the excitement of the moment.

Perhaps the honourable member for Doncaster should take a seat and listen and learn because he was obviously in the party room when this brilliant strategy was discussed. He forgot that he voted to bring in legislation. I wonder whether the honourable member for Doncaster supported his incompetent Leader on this crazy ploy of his to delay Supply and bring about an enforced election. I shall not embarrass the honourable member for Doncaster further because he would have known or should have known or, if he forgot, he should be ashamed of the fact that he forgot, about the very mechanism of the joint Parliamentary committee.

Mr Williams—I direct the attention of the Acting Speaker to the state of the House.

A quorum was formed.

Mr REMINGTON—That is a persistent ploy, one with which all honourable members will be familiar. The Opposition uses that ploy when its members are taking a hiding.

Mr WILLIAMS (Doncaster)—On a point of order, Mr Acting Speaker, I take exception to the reflection cast on my reputation by the honourable member for Melbourne and I ask that the statement that I was deliberately trying to cut short the honourable member's speech be withdrawn.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Melbourne knows what is required.

Mr REMINGTON (Melbourne)—I shall certainly withdraw the remark, Mr Acting Speaker. I was really intending to say that that ploy has the effect of interrupting an honourable member when he is inflicting enormous embarrassment on the Opposition. The calling for a quorum has the effect of slowing down the debate. Naturally, I withdraw the sensitive matter to which he objects but it is on the record. The honourable member for Niddrie interjects that the formation of a quorum was perhaps designed specifically for this purpose.

I return to the sensitive issue of the joint Parliamentary committee. What are the functions of the Economic and Budget Review Committee as spelt out in the Act? They are as clear as crystal and the honourable member for Doncaster, as he scurries out of the House, knows full well what they are. He is an old Methodist Sunday School teacher caught with his hand on the plate, one might say.

The functions of the Economic and Budget Review Committee are to inquire into, consider and report to the Parliament on any proposal or matter connected with public sector or private finance or with the economic development of the State where the committee is required or committed to do so under the Act.

Mr Weideman interjected.

Mr REMINGTON—It is even more specific, for the benefit of the honourable member for Frankston South. I can understand his frustration. He was an effective Minister in the previous Government. However, the Leader of the Opposition has relegated him to the back bench. When he becomes excited and interjects, I can understand because I know how I would react in the same situation. If I had been a good Minister in a Government

and I had been overlooked for some reason in the shadow Ministry, I would experience the same frustration.

The honourable member for Frankston South has many intelligent colleagues with him on the back bench. The front bench of the Opposition is weak and has been ineffective in the Budget debate and the people with real talent and ability have been relegated to the back bench.

Mr LEIGH (Malvern)—On a point of order, Mr Acting Speaker, the performance of the Opposition has nothing to do with the Bill being debated.

The ACTING SPEAKER (Mr Kirkwood)—Order! There is no point of order.

Mr REMINGTON (Melbourne)—The poor old honourable member for Malvern does not know that the ineffectiveness of the Opposition's front bench has enormous bearing on the debate. It can be only for personal or political reasons that a former Minister, the honourable member for Polwarth, is languishing away on the back bench, never putting an oar in the water on major or substantial debates in this House, let alone the Budget debate. Sitting up there beside him is one of the most intelligent members in the House, the honourable member for Berwick, who has the respect of every member of this side of the House. He is not wanted on the front bench by the Leader of the Opposition. Some might say he is too smart.

Mr LEIGH (Malvern)—On a point of order, Mr Acting Speaker. I know you have just made a ruling and I do not wish to defer from that, but I must object that this Bill relates to Supply, not to the Opposition and its performance. That subject seems to be the entire content of the speech by the honourable member for Melbourne.

The ACTING SPEAKER (Mr Kirkwood)—Order! There is no point of order. The Bill is wide. It encompasses all members of the House. The honourable member for Melbourne is correct.

Mr REMINGTON (Melbourne)—If the Opposition had a talented front bench comprised of people such as the honourable members for Frankston South, Polwarth, Berwick and Benambra and if they had been participating in the shadow Ministry's discussion on the Opposition's approach to the Budget, the debate would have been much better.

It would have been more advantageous for Victorians to have had objective, intelligent members of the Opposition contribute to the Budget debate. However, there are many lightweights on the Opposition front bench—they are a lot of cream puffs!

The honourable member for Malvern is getting excited. He knows that I was not going to include him in the definition of "heavyweights" who sit on the Opposition back bench. Indeed, when the Leader of the Opposition called for a division late in the evening last week, the honourable member for Malvern, their party Whip, could not get the numbers. If the honourable member did that in the Labor Party, it would drop him straight away.

The Opposition has adopted the attitude of raising minor matters in its contribution to the Budget debate. What is its alternative Budget and the alternative economic strategy? Nobody in the House can reply to that question because the Opposition simply does not have an economic strategy. Opposition members have been unable to say in the Budget debate what a Liberal Government would do in the areas of transport, housing, health and in the Department of Management and Budget.

The Opposition front bench consist of a bunch of lightweights who do not understand the Budget. The Opposition front bench is a group of "Yes" men. The Leader of the Opposition would not include the back-bench heavyweights in his shadow Ministry because they would challenge him for leadership.

Would any member of the Opposition feel proud of the editorials that have been written about the present Leader of Her Majesty's Opposition in this State? I refer to the editorials

that appeared recently in both the *Herald* and the *Age* newspapers. Would any member of the Opposition take pride in being portrayed in the manner that the media has portrayed the Leader of the Opposition?

The Treasurer has outstanding credibility and I am proud to support the Budget, which is the result of a total exercise undertaken by all people involved in the Cain Government. The Budget is not simply the result of the work of the Treasurer, although he is the grand architect of it, it is also the work of Ministers and backbenchers. Unlike the shambles of the Opposition, the Labor Party is a political movement which has policy committees, close cooperation with the union movement and good dialogue with private enterprise.

Nobody would doubt that I am a strong supporter of the free enterprise system, as is the Premier, the Treasurer, and other members on the front bench and the back bench. No Government has done more to advance the private enterprise system in the State than the Cain Labor Government.

The Government wants a healthy, vigorous and competitive private enterprise sector because if the private enterprise sector does not function properly, the economy suffers.

What is the greatest achievement of the Treasurer not only in this Budget but also in the four preceding Budgets? The Treasurer has stimulated in Victoria the greatest growth in economic activity of any State and created the lowest level of unemployment of any State. Those are the factors upon which the State thrives.

Victorians want strong economic growth and a low rate of unemployment. When the Labor Party assumed office it faced the disgusting situation of Victoria having a record number of bankruptcies.

Honourable members interjecting.

Mr REMINGTON—The Opposition should examine the statistics which reveal that when the Labor Party assumed office Victoria had a record number of bankruptcies caused by the former Government's bad economic management which forced many small business operators to the wall.

Since the Treasurer assumed office he has been at work every day of the week. One cannot telephone him at home after 7.15 in the morning and one cannot telephone him at home until 9 o'clock at night because he is totally involved and committed.

When the Labor Party assumed office there were a bunch of bookkeepers at Treasury—now the Department of Management and Budget—and the Government established proper business practices, brought in people from the free enterprise system and seconded some excellent economists to help put the economy of the State on its feet.

When the Labor Party assumed office officials at the Treasury said that the previous Treasurer used to call in at 2 p.m. on a Friday to sign the cheques. That is the way the previous Liberal Government operated the most important aspect of Government influence on the economy of this State!

The Labor Party has given the State excellent government. Indeed, the recent Gallup poll indicates that the Premier's approval rating is 60 per cent of the voting population. What is the approval rating of the Leader of the Opposition? It is 31 per cent, which would consist of the old, blue rinse set of the Liberal Party who, even if they had Billy the Goose to vote for, would say, "We will support Billy the Goose".

Mr Gude—Tell us about the RACV.

Mr REMINGTON—The honourable member for Hawthorn will hear much more about that. Yesterday I had discussions with some of my former colleagues down there—the president and chief executive officer, to be precise.

If by chance at some stage in the future there is a change of Government, the Liberal Party would revert to its old practices. Having referred to the approval rating of the

Premier and the Leader of the Opposition taken by the Gallup poll at the end of September this year, one should wait to see what the figures will reveal in the next Gallup poll!

A recent editorial in the *Herald* referred to the Leader of the Opposition under the headline, "A smoking gun, or a wounded foot?". However, the article did not indicate whether the Leader of the Opposition had his foot in his mouth when he shot it.

Victorians are more responsive to responsible leadership as provided by the Premier and his Ministers, and Victorians are entitled to believe they should get responsible leadership from someone who is Leader of the Opposition. Victorians want honesty and consistency in their political leaders.

I return to the vexatious question that is causing the Opposition greater problems than it is causing the Government; that is the attitude of the Leader of the Opposition on the question of Supply. I have always said that one should not take too much notice of a politician's promises; one should look at his record of achievement.

Where does the Leader of the Opposition stand on the issue of Supply? An article appeared in the *Age* newspaper under the headline, "Kennett threatens to force Premier to repeat history". The article went through the history of the remarks of the Leader of the Opposition on whether he would block Supply. The article states:

> 11 March 1985: Mr Kennett says that if the Liberals eventually win the disputed Upper House province, there would be "very real" doubts that the Government would run its full four-year term.

Some of the mates of the Leader of the Opposition rang him up and said, "Cut it out, Jeff; that will cost votes!"

On 27 March 1985, sixteen days later the Leader of the Opposition has again changed his mind. I suppose they say a woman is entitled to change her mind and the same must apply to some politicians. Mr Kennett said that as long as he is the Leader of the Liberal Party, its policy of not blocking Supply will stand. A short time later in the run-up to the Nunawading Province by-election, the Leader of the Opposition repeated his promise that he would not block Supply if the Opposition gained control of the Legislative Council. Were the electors of the Nunawading Province deliberately hoodwinked?

Mr Weideman—They were!

Mr REMINGTON—The honourable member for Frankston South will never get back on the front bench if he supports my speeches like that! On 14 August the Liberal Party decided to reject moves by the Cain Government to suspend the powers of the Upper House to block Supply.

What a turnaround! A few weeks earlier he had said that the Opposition would not block Supply. Where is the Leader of the Opposition who is caricatured by Tandberg to look like Luna Park, which is the place with the big open mouth?

Mr Simpson—Was his foot in his mouth when he did the somersault?

Mr REMINGTON—I do not know. Was his foot in his mouth when he shot it? Again, we have the famous Farmer tapes that were reported in the *Bulletin*. On those tapes the Leader of the Opposition repeated his promise not to block Supply. What a disgraceful performance!

When members of the Opposition are in their party room, they should seriously consider where the Liberal Party is heading. They are not taking their party on to government. They will not govern after the shenanigans in which they have been involved. I shall again quote their famed Leader:

> I have said consistently and repeatedly.... that while I remain Leader, the Parliamentary Liberal Party will not block Supply or Budget Bills...
>
> He (Mr Cain) knows I have given a commitment not to block Supply. My word is my bond...

Some people are fickle. The Leader of the Opposition must have received inspiration from the Lord and this must have struck him down like lightning because he then said:

> I can't give any undertaking on passing the Budget Bills...in my opinion, there can never be too many elections.

What sort of leadership is that? What credibility does the Opposition have? Parliament needs a strong and objective Opposition. The Labor Government has brought down an excellent Budget

Mr Simpson—Here is a good Leader!

Mr REMINGTON—Yes, the honourable member for Benambra has the capacity and ability to be on the front bench.

The ACTING SPEAKER (Mr Kirkwood)—Order! The honourable member for Niddrie should not try to lead the honourable member for Melbourne in the debate.

Mr REMINGTON—Members of the Labor Party are very proud of the Budget that was brought down by the Treasurer. It has been well received as were his previous Budgets. Even Mr Boyle approved of the 1985–86 Budget.

Will Andrew Hay seek preselection for the Hawthorn electorate? The honourable member for Hawthorn is a friend of mine. He would make a good Leader but he will not get there. The situation was set up this week for him to make a move but he did not. Neither did the honourable member for Polwarth.

When the Treasurer delivered his Budget speech I noticed the look of unhappiness that fell upon the faces of members of the Opposition when they realized with terrifying fear that the Budget was excellent. The Opposition cannot take good news.

Mr Weideman interjected.

The ACTING SPEAKER (Mr Kirkwood)—Order! I inform the honourable member for Frankston South that the Chair may not recognize him the next time he wishes to debate in this House.

Mr REMINGTON—Mr Acting Speaker, I can understand your feelings but, as I pointed out earlier, a man with such ability is rotting on the back bench and is bound to be frustrated. That frustration is vented from time to time. The Opposition cannot take good news but the Budget was all good news.

Mr Shell—They do not like success, especially when we have got it.

Mr REMINGTON—That is right. This Budget is one of a series that the Treasurer has designed for the common good of Victoria, for industry and for ordinary men and women in difficult circumstances. The Labor Party has introduced an unprecedented Budget.

I shall not read all the editorials, which honourable members have read and which have been included in their speeches. The welfare of all Victorians is in excellent hands. The State has an understanding Premier and, without question, the most understanding Treasurer it has ever had.

Mr PESCOTT (Bennettswood)—The honourable member for Melbourne made a most amazing contribution. He is always saying that certain people on the back bench of the Liberal Party should be on the front bench when he has been in this place long enough to be on the front bench of the Government. He is not, yet he keeps attacking people who, in their Parliamentary careers, have achieved Ministerial office.

I shall raise several aspects of the Budget that relate to ethnic affairs, consumer affairs and tourism. I regret that time will not permit me to comment fully on each of these matters or to comment more generally on the State's economic situation, which is in rapid decline and which the Budget has done nothing to address.

The Government claims it is proud that no dramatic increases in expenditure have been made but the Opposition disputes that claim. Even if it accepted that position at face

value, the reason the Government might have been finding it difficult to raise expenditure is that the community cannot take any more. The community is broke and is living on credit.

The State debt has doubled in the relatively short period of the Cain Administration. We know the Budget contains hidden factors which mean that the State debt is actually higher than we have been told. The Auditor-General has commented on the hidden debt in last year's Budget. He has been ignored by the Premier, the Treasurer and the Government as a whole.

The disdain the Government attempts to show for anyone who dares criticise it is one of the most dangerous aspects of life in Victoria at present. Government propaganda is pumped out to the community at an unparalleled rate. The fact that much of the Budget lacks real substance is not only an insult to the electorate but also it is the other side of the unhealthy coin that the Government has for covering up and protecting gross mistakes at a level that is unacceptable to Parliament and the people of Victoria.

In the area of tourism, there has been a spectacular case of covering up and a spectacular case to illustrate that the Budget is not worth the paper that it is printed on.

The Budgets of last year and the year before that provided no allocation whatsoever, apart from $300 000, to the Museum of Chinese Australian History. This year evidence has emerged that more than $1·3 million was spent by the Government in addition to that $300 000 and not 1 cent of that money was for any Budget allocation for the museum. How did that happen; what does it mean?

I shall answer the second question first. The case of the Museum of Chinese Australian History means that the Government is not in control of the way that money is being spent by the Victorian Tourism Commission. More particularly, it has no control whatsoever over the way in which the Chairman of the Victorian Tourism Commission, Mr Don Dunstan, behaves with the taxpayers' money.

Whenever I have criticised projects which have gone wrong under Mr Dunstan's administration, the Government has been quick to point to the contribution of that well-known South Australian to tourism in this State. I acknowledge that Mr Dunstan has qualities which include a vision for this State which we can all share. That is a vision of growth, but at this stage it is only a vision.

In his own way, Mr Dunstan has helped others to see how new ideas about potential tourism infrastructure in this State can be improved. But visions—some of them more like dreams—are one thing; financial accountability is another. I am now convinced that the actions of this man, the Chairman of the Victorian Tourism Commission, went so far in his use of Government funds on the Museum of Chinese Australian History that he should be sacked for the simple reason that he has caused large sums of money to be spent completely without approval.

I come now to the question; how did this happen? The story is amazing and it reflects badly on the Minister responsible, the Deputy Premier, as well as on Mr Dunstan. Undoubtedly Mr Dunstan was the prime mover; unquestionably he completely disregarded the Government's wishes. He has disobeyed instructions consistently and at a breathtaking level. I am pleased that the Minister responsible has now entered the Chamber.

In July this year, I released documents which showed that the Premier approved spending of $250 000 on the purchase of the museum building on the explicit instructions that no money be spent on the establishment costs or the ongoing costs of the museum. I can make available to the House a number of documents which show that Mr Dunstan knew of this instruction. He also knew that the museum had to be established on the Government's instruction as an incorporated association, specifically so that the Government would not be able to put any funds into its ongoing costs.

Mr Dunstan knew this but he was not interested in Government rules or the Premier's instructions. He had plans of his own and he proceeded to spend more than $1 million without approval, and for this he should be sacked!

Mr Fordham—That is absolute rubbish; you know the truth. It has never bothered you in this House before but it is bothering you today.

Mr PESCOTT—I can produce the documents which back up what I am saying.

Mr Fordham—You tell a lot of half-truths.

Mr PESCOTT—I regret I do not have the time to go into all the details about how these moneys were made available, but we notice that the Minister responsible is very sensitive on this subject.

Suffice to say that Mr Dunstan was the Chairman of the Chinatown Historic Precinct Committee. He was the Chairman of the museum and he is Chairman of the Victorian Tourism Commission. On each body I believe there were fellow committee members who assumed that if Mr Dunstan, the Chairman, said money was available. They did not imagine that it would have been available without correct authorisation.

Who would have believed that a former Premier of South Australia would be spending money against Cabinet instructions? Some of the money went from the Victorian Tourism Commission direct to the museum and was later retrospectively approved by the Chinatown Historic Precinct Committee. When that approval was given it was given on the express condition that the money was a loan. There was $900 000 in that category but, of course, it was a loan which could never be repaid.

Tens of thousands of dollars of the Victorian Tourism Commission were spent on an unauthorised project and then Mr Dunstan obtained approvals so that the moneys could come from the precinct fund. He knew that he could not spend money directly on the museum but the precinct fund could. He was chairman of the committee and all he needed to do was to give that fund that money and then the committee could pass it on to the museum. This is called laundering money.

The chairman of those three bodies is guilty of laundering taxpayers' funds through several committees to complete a project the Government did not want to spend money on.

Financial support from the Chinese community was not as good as Mr Dunstan had expected, but before he went in so deeply he had an obligation to tell the Government of the problem, to recommend a deferral or to even recommend that the project should be stopped.

I suggest that he did not take that course because he knew that it would not be approved since it had earlier been specifically disallowed.

When this matter received some publicity in July, I called on the Deputy Premier to show reasons why the Chairman of the Victorian Tourism Commission should not be removed from office, and I believe the Deputy Premier made no attempt to satisfy me or the public on this point. I am being more explicit today. Yesterday I received under the Freedom of Information Act a concrete example from the Victorian Tourism Commission of what I have been saying. I received a copy of a memorandum from Mr Dunstan to the finance manager, dated, I believe, in August last year, in which he states:

> Due to delays with fundraising at the Museum of Chinese Australian History there is a cash flow problem to fund the salaries of the Museum staff.
>
> At its meeting this morning the Commission agreed that the Victorian Tourism Commission should advance the sum of $40 000 to the Museum of Chinese Australian History until such time as their situation has been resolved.

Here is a simple example of the Chairman of the Victorian Tourism Commission getting approval from the commission to pass the money across to the Museum of Chinese Australian History because it was short of cash.

However, there was an express instruction from the Premier that no money should be spent on the ongoing costs of that museum. The memorandum shows exactly how Mr Dunstan used his position of authority to pump cash into his pet project. The reason Mr Dunstan should now be removed from office is that there are no guarantees that he will not do the same again; if he goes unchecked it is an appalling example to the rest of the Public Service. His removal from office will warn those who are reportedly looking for a job for him in South Australia that his economic management is an absolute disgrace.

In recent weeks I have been seeking further information under the Freedom of Information Act from the Auditor-General. This follows the release by him of a minute from the Auditor-General's office dated 28 May this year expressing major concern over the lack of accountability of the funds which had gone to the museum.

I now inform the House that in late July or early August this year the Auditor-General's office completed a special report on the Museum of Chinese Australian History because the Auditor-General's earlier concerns had become worse, not better, as time passed. This act by the Auditor-General's office is completely contrary to a press release put out by the Deputy Premier in late July stating that the Auditor-General's office was satisfied that there were no problems with the museum.

Recently, I have made unsuccessful attempts to gain copies of this report. The reason I have not been shown the report is that the Auditor-General believes the Chairman of the Victorian Tourism Commission should have an opportunity of answering the case that has been put by the Auditor-General.

It is now eight weeks since the Chairman of the Victorian Tourism Commission was first asked to reply to the Auditor-General. He has not been able to give a satisfactory account of where the money has gone and why. My inspection of the commission's files reveals no evidence that Mr Dunstan had approval to apply all the money spent on the museum in the way that he did. He did have authority to grant money to the Chinatown Historic Precinct Fund, which in turn passed it to the museum. The current Minister was subsequently forced to approve money to help bail out the museum or, more particularly, to help keep it afloat, but what Government would tolerate the spending of money in this way? What Government would tolerate the direct payment of moneys from the Victorian Tourism Commission without the Minister's approval?

I further allege that Mr Don Dunstan lied to me in a letter dated 22 July in which he listed payments of moneys which had passed from the Victorian Tourism Commission to the museum. In that letter he listed payments totalling $442 000. He did not tell me that money was also paid direct from the Minister's department, namely, $170 000 extra, which first appeared in the recently published Auditor-General's report.

It was a cover-up of a further $170 000, approved by the Minister in May this year, paid under a heading in connection with the development of industry, and paid to the Chinese museum. What a scandal! What an outrage that the Victorian Government should be propping up the museum, putting the allocation under funny headings in the report. It took the Auditor-General some time to ascertain from where the money had come. I am not sure that anybody knows at this point how much money has gone to the museum. Perhaps the Auditor-General knows. I would like to be able to see the amount in his report.

It is clear that Mr Dunstan proceeded with the project knowing that he did not have money to spend officially. He proceeded on a path which, in his view, meant that money had to be spent, and he found it by merely getting his various committees to rubber stamp his wishes. He thought he was wiser than the Premier.

I call on the Deputy Premier to ask the Auditor-General's office to release the report, or for the Minister to release any other documents to prove me wrong. I ask to be proved wrong by the release of documents because, as I said, I have made freedom of information requests, talked to officials around Melbourne and have been unable to obtain any proof that the money was spent with authority.

There is much more I could say about the museum and the fact that it is losing money. I could talk about the potential cost of the building, which will be the subject of a court case involving a legal claim of more than $4 million; the scandalous seizure of the building by the Government; the use of wrong powers and wrong Acts; and the use of dummy $2 companies to obtain the building.

I also have a memorandum in which Mr Dunstan has admitted that many of the errors are largely his fault. It is curious that when he heard about that document I received another letter from the department that released the document saying that there was a disclaimer to it. That disclaimer was unconvincing.

As my time is limited, I do not have time to do justice to the other matters of concern in the Victorian Tourism Commission and the Alpine Resorts Commission. I have already mentioned the part-time chairman of Victour Properties Pty Ltd receiving a sum of more than $30 000 for part-time work over and above his salary as a full-time employee of Australian Airlines—another example of the Victorian Tourism Commission spending money like water.

I could mention the large increases in spending in the Victorian Tourism Commission in the past few years which have led to no increase in the overall number of visitors to Victoria. It is true that the number of overseas visitors to this State has increased in recent years, which is largely due to the good work done by the Australian Tourism Commission, but the number of overseas visitors to Victoria represents less than 10 per cent of the total and the overall number of tourists to Victoria has been declining.

It is interesting to note that this year's annual report of the Victorian Tourism Commission does not provide visitors statistics, whereas in the report of the previous year there were eight pages of visitors statistics. This shows that the Government is embarrassed by the fact that the number of tourists visiting Victoria is declining. I could also speak about the increases in money that have mainly gone to head office, whereas it is the regional offices that need more money because the potential for growth in tourism is in the regions.

I shall now deal with the area of ethnic affairs where this Government's Budget has produced more of the same. Some $4 million is spent each year on the Ethnic Affairs Commission, which has done nothing to assist ethnic communities except to regurgitate migrant statistics and to knock at the edge of the issues.

Mr Sidiropoulos interjected.

Mr PESCOTT—I ask the honourable member to explain to me whether the needs of the ethnic aged or the migrant youth or the special needs in education of the children of migrants are being met through the commission. He will not be able to say that they are.

Nevertheless, the Minister has given wholehearted support to the Australian Greek Media Co-operative Ltd of which the honourable member for Richmond is a member and which was used by him to promote his own cause. That organisation received $166 000 from the Government to promote the labour movement. It had support not only from the honourable member for Richmond who gained from the publication, but also from the Minister for Ethnic Affairs.

Other questions arise concerning the commission—for instance, the simple administrative problem that there are only eleven cars to look after a staff of 80 officers at the commission. Can you imagine, Mr Acting Speaker, if each department had that number of cars available?

There is wastage in the commission and prevarication about where the future lies. There is the mess concerning the review of the Government's interpreter and translator service, which is a waste of money. A recommendation was made by the review but the Minister was incapable of acting on it because it was no good, so the money for the review was wasted, just as the current review of the commission is likely to be a waste. It is a window-dressing exercise to justify an annual cost of $4 million, which is of only marginal benefit to the ethnic communities whom it is supposed to serve.

Under the next Liberal Government, the commission's role will be changed to make it more effective in helping the ethnic communities that need to be served.

Finally, I return to the role of Mr Dunstan, because his role at the Victorian Tourism Commission has been too devastating to allow it to pass unremarked. His actions have been so damaging to the credibility of the Government that he should not be kept in that position. He has been unable to answer the Auditor-General, and I call on the Deputy Premier to sack Mr Dunstan for his unauthorised use of money and to persuade the Auditor-General to release his report and prove me wrong.

Mr JASPER (Murray Valley)—I want to comment particularly on the statements made by the honourable member for Melbourne who did not discuss the Budget but attacked the Liberal Party Opposition and indicated how poor it was. He said that many of the Opposition backbenchers should be up front.

It is interesting to hear that remark from the honourable member for Melbourne who entered Parliament at the same time as I did in March 1976. The Labor Government came to office in 1982. If the honourable member for Melbourne is such a great performer he should now be on the front bench and possibly the Premier or the Deputy Premier of this State. Apparently he is just a shadow shadow of somebody else. Some members of the Government party made it and some did not, but obviously the honourable member for Melbourne was seen by the Labor Party to be wanting in 1982 or perhaps he did not belong to the right group. Perhaps that is the answer. If he had belonged to another group, he might now have been up front like the Minister for Ethnic Affairs. If a Labor Party member belongs to the right group, he is in the right place at the right time.

I was also interested in the honourable member's comment about the Labor Government's support for private enterprise and about private enterprise being important to Victoria. I was interested to hear this newfound attitude from a person with such strong socialist leanings that the strength of the Victorian economy will be boosted by private enterprise. I am amazed at a member of the Labor Party recognising that that is where the strength of the Victorian economy will be in the future.

Like that of many other honourable members, my original reaction was that the Budget presented by the Treasurer was sound and would be acceptable to Victorians, and that perhaps it should be described as a "steady as she goes" Budget with expenditure increasing in line with expected inflation. I recognise, as would many honourable members, that there are many good features within the Budget Papers which indicate increases in expenditure in specific areas and contraint in others, but I particularly noted the increase in capital works expenditure in the most important area of housing.

I am delighted that the Minister for Housing is in the Chamber. The allocation for capital works in housing is increased from $239·4 million to $290·3 million, an increase of $50·9 million or 21 per cent over the allocation for the previous financial year. Housing is one of the most important areas in Victoria, and I am delighted that the Minister has made the necessary strong representations to Cabinet to gain recognition that expenditure in that area needs to be increased. Not only will that enable urgent housing needs to be met for Victorians throughout the State; it will also help to boost the economy because many people are involved in employment in the housing industry and the increased allocation will assist private enterprise.

Over many years I have made strong representations to the previous Government and to the present Government on the need for increased expenditure on housing.

The Honourable Ivan Swinburne, a long-time member of this Parliament and a former Minister of Housing in a Country Party Government in the early 1950s, strongly supported extensive development of housing in country areas because he believed people would go to those areas where housing was provided. He indicated that it was a question of: which comes first, the chicken or the egg. It was a question of whether Governments should promote decentralised industry in country areas and then provide funds for housing, or whether funds should be provided for housing across the whole of Victoria, especially in country areas, thus encouraging people to come into those areas with the consequent development that follows.

The Shire of Rutherglen has seen an enormous expansion in industry, particularly with the venture by Best Foods at Wahgunyah. However, we have an enormous housing shortage in the Shire of Rutherglen and surrounding areas. I hope the Minister will respond to my recent representations for more housing funds to be spent in country areas, particularly within specific areas of demand such as the increasing demand being experienced within the Shire of Rutherglen.

There are long waiting lists for housing in many areas of Victoria and I highlight again to the Minister for Housing a shortage of housing in Wangaratta and Yarrawonga where there are two-year waiting lists for people seeking housing or seeking funds for housing.

These funds are needed not only for houses being built by the Ministry of Housing, but also for cooperative housing societies which have been highly successful, particularly in the country areas, and within the electorate of Murray Valley. I strongly support the expansion of spending by the Government on the provisions of housing.

Another area worth examining concerns the increase in the exemption level in the payment of payroll tax. The increase in the exemption level that is to be considered by Parliament before payroll tax becomes payable is an increase from $230 000 to $250 000. That increase is only in line with current levels of expenditure. The National Party would have thought that the Government would have been looking to extend the exemption levels for small businesses, recognising that the Government has on many occasions expounded its views on how strongly it supports the small business sector in Victoria; how strongly it supports the expansion of small business and employment within the State.

The increase in the exemption level from $230 000 to $250 000 is really only just maintaining the increase in inflation and wage levels and will only maintain the exemption level for those businesses currently being exempted from the payment of payroll tax.

I note the increase in the higher rate from 5 per cent to 6 per cent, where that is applicable. The total payroll will rise from $1·2 million to $1·3 million before the 6 per cent rate of payroll tax becomes applicable. However, it is interesting to note, in referring to Budget Paper No. 2 on page 53, the movements in the exemption level before payroll tax becomes payable since the Government came to office in 1982 right through until 1987. It shows the exemption level increasing from, initially, $125 000 to the current level, which will be enacted in legislation during this sessional period, of $250 000.

The most interesting point is that the table shows the number of employees within a business who would be exempted under the new level of payroll tax exemption. It shows that back in 1982, the number of employees with payroll at the maximum exemption level, was eight and that figure has increased over the years to the 1984 figure of ten employees with the 1985 and 1986 figures being twelve employees. However, with the 1987 exemption level of $250 000, that will maintain an average employment of twelve employees.

Therefore, the Government is really not going far down the track in exempting the number of small businesses from the payment of payroll tax, when it is recognised that many people believe the interpretation of a small business could mean a business that

employs up to 100 people in the manufacturing area and approximately 50 people in a service industry.

A situation now exists where the Government is raising the exemption level for the payment of payroll tax but it is paying only lip-service to the number of small businesses that will be exempted from the payment of that tax.

It should be made quite clear that although the payment of payroll tax is a major income earner for the State Government, it is an iniquitous tax in that it is a tax before any profit is made by the small business.

A business may be making a loss but at the same time may be subjected to the payment of payroll tax; there needs to be further investigation of this imposition on businesses and industry throughout the State, and consideration should be given in the future to introducing a new form of tax that will be more equitable and take into account whether a business is, in fact, profitable or whether it is operating at a loss.

I indicate those sentiments again, as I have on previous occasions to the Liberal Government when it was in power in Victoria. However, having mentioned those areas where there has been some assistance from the Government—and certainly there are many areas that could be highlighted—closer investigation and thought needs to be taken into account when examining the Budget Papers.

The Government should have acted to reduce expenditure. The climate is right in Australia, particularly within Victoria, for the Government to have undertaken substantial cuts. It has missed out on a golden opportunity to reduce costs and reduce Government expenditure. The economic situation in Australia and in Victoria demands tough action by the Government in addressing this problem but all honourable members have seen is other Governments throughout Australia reducing expenditure while the Victorian Government has increased expenditure.

I shall highlight a point which, of course, has been highlighted by the Leader of the National Party in his address to Parliament in the Budget debate. In 1986–87, it is projected that the total Government expenditure in Victoria will be $10 393 million, which is an increase of $707 million or 7·3 per cent over the 1985–86 figures and that bears out what the Treasurer said—that the increase in expenditure is in line with inflation—but honourable members should compare the increase in Government expenditure since it came to office in 1982 with the years since then.

In 1981–82, the then Liberal Government in Victoria budgeted for an expenditure in that year of $5408 million; the increase since the Labor Party came into office has been quite dramatic. From that $5408 million in 1981–82 the total expenditure proposed by the Government in this financial year of 1986–87 is shown as $10 393 million. That is an increase of $4985 million or 92 per cent. This is almost a 100 per cent increase in Government expenditure since coming to office and it is over five years since the last Budget was presented by a Liberal Party Government.

This highlights the fact that the Government should be reducing and curtailing expenditure and looking to where it can obtain greater efficiency and accountability.

The Treasurer spoke about being tough and slashing public sector expenditure but he really only reduced that expenditure, as indicated in the Budget Papers, by $156 million. That is not being tough. The Victorian people expected that the Government would be tougher when introducing this Budget. Where have the reductions been made?

Looking through the Budget Papers, one can find some areas where expenditure has been reduced. In the transport area, there has been a reduction in spending of $25 million—a mere pittance of the money spent throughout the whole transport system and particularly by V/Line, when one takes into account the huge loss in that area.

The Education Department has shown a reduction of $20 million in expenditure out of a total budget for education of $2335 million. That is not really what should have been

done. In many areas, a stronger approach could have been taken by the Government to reduce expenditure. A reduction of $12 million was made in the area of health.

The sitting was suspended at 1 *p.m. until* 2.4 *p.m.*

Mr JASPER—Prior to the suspension of the sitting, I indicated to the House that the Government should have considered curtailing and reducing expenditure. Since the Labor Government has been in power, Victorians have witnessed a 92 per cent increase in expenditure from $4985 million in 1981–82 in the last Budget delivered by the Liberal Government—to $10 393 million in 1986–87.

I further informed the House that the Treasurer regarded a reduction of $156 million in expenditure to obtain better productivity in the Public Service as being a tough decision.

I highlighted that the reduction in transport expenditure was $25 million; in education, $20 million; in health, $12 million; and in other Government departments, a further $20 million, and that those reductions were a modest decrease in expenditure and accountability for the Public Service.

The Government should have opted for major and substantial reductions which could have been undertaken without reducing Government services. Major capital works programs amount to approximately 10 per cent of total Budget expenditure. If the Government had bitten the bullet, it would have received enormous kudos from Victorians for taking a strong stand. The climate was ripe for such action and Victorians were prepared to accept substantial cuts.

Mr Remington interjected.

Mr JASPER—It is all right for the honourable member for Melbourne to interject because only this morning he denigrated the Liberal Opposition.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The honourable member for Melbourne has had an opportunity to make his contribution.

Mr JASPER—The honourable member denigrated members of the Opposition and stated that some members on the Opposition's back bench should be on the front bench. However, I inform the House that the honourable member for Melbourne was elected to Parliament in 1976 when the Labor Party was in opposition. Despite the Labor Party being in government for four years, the honourable member's record remains the same: he is still on the back bench. Perhaps that is because he is guilty of misleading Parliament. In fact, he misled Parliament only last week.

The DEPUTY SPEAKER (Mr Fogarty)—Order! I sincerely hope the document the honourable member has before him touches on the Budget.

Mr JASPER—Yes, Mr Deputy Speaker, it does. The honourable member for Melbourne denigrated members of Parliament in the Budget debate and stated that their credibility was at stake. However, his own credibility is at stake when one reads what he said about the Budget Papers.

The President of the Royal Automobile Club of Victoria in a letter of 18 September stated:

> The RACV categorically denies the accusation and statement made in Parliament by Mr K. H. Remington on 10 September 1986, which is false in every respect, and misleading in that the RACV Insurance Company did not go bankrupt and he (Mr K. H. Remington) was never a director of that company.

The credibility of the honourable member is at stake when one considers those comments and his contribution to the Budget debate.

Mr Remington interjected.

Mr JASPER—The Premier, who is now in the Chamber, has often accused members of the National Party of saying that they want increased expenditure for their electorates.

That is correct for specific issues involving capital works. The National Party wants to see development in country Victoria. Members of the National Party believe country Victoria is often not given the same opportunities as metropolitan Melbourne. That is why Ministers of the Crown are asked to visit country Victoria to obtain a better perspective of development in the State.

A reduction in expenditure could occur if the Government decided to do something about various departments and Ministries, but it does not want to do anything. The Government wants to continue expanding its expenditure base and that is where it has gone wrong.

The Government could have reduced expenditure dramatically if it had been serious about it. For the benefit of the Premier, I again state that the National Party wants to maintain funding for capital works projects, which amounts to less than 10 per cent of the total Budget.

The Government should examine other areas of expenditure to ascertain where reductions can be made. Some 60 per cent of the Government's expenditure is on salaries and wages of public servants.

That is an area that should be examined with a view to making improvements. How can this be done? The answer is by greater accountability. The Government must examine the accountability of the people who work for it—the public servants.

The National Party believes there is too much fat in the Public Service. There could be a marked reduction in the number of public servants. The Government should place a demand on each individual department to examine what its employees are doing and how accountable they are for their actions. Public servants should have to accept responsibility for what they do. It should be a priority for each individual department to reduce expenditure.

Mr Sidiropoulos interjected.

Mr JASPER—I shall be interested to hear what the honourable member for Richmond has to say about how $166 000 was lost on a publication for which he should be held accountable. That is the sort of accountability the National Party is looking for. The Government should come into this place and tell us what happened to the money. That is one way the Government could save money.

In terms of the Budget, 60 cents in every $1 is spent on wages for public servants. I shall highlight some facts and figures which demonstrate the increase in employment in the public sector. According to the Australian Bureau of Statistics figures the number of employees in the Victorian public sector increased from 272 000 in April 1982 to 302 400 in March 1986. That represents an increase of 30 400 over the four-year period. Therefore, based on those figures, there has been an increase, on average, of 7600 extra public servants each year since 1982.

Surely that highlights what is going on. The Government is trying to overcome unemployment by employing more people in the public sector. Of course, the figures will look good, but the Government must realise that it cannot employ everybody.

It is important to make comparisons. The Government is always keen to make comparisons. The Premier is always comparing Victoria with other States and making comparisons with Queensland. That is precisely what I will do. I am pleased to note that the Minister for Education is in the Chamber because my comments apply especially to the field of education.

In March 1984, 281 000 people were employed in the Victorian public sector. By March 1986 the figure had risen to 302 400, an increase in those two years of 21 400 people. Therefore, there has been a 7·6 per cent increase in employment in two years in the public sector. I shall now compare that Victorian figure with other States. The percentage increase in Queensland over the same two years was 4·4 per cent. The percentage increase in South

Australia was 3·7 per cent and in Western Australia the percentage increase was 4·6 per cent.

I now come to the New South Wales figure. The Premier is always throwing up New South Wales as a comparison and saying that, with its Labor Government, it has to be right because the Labor Government has been in office for so long. In the same period the number of employees increased by only 6200, which represents an increase of only 1·7 per cent.

Therefore, Victoria has added more people to the payroll—both absolutely and proportionately—than any other State in the Commonwealth. The rate of increase in Victorian public sector employment is twice the average rate of other States.

Some 47 per cent of all new employees in the last two years joined the Victorian public sector. That is the highest of any State. Those are the sorts of issues the Government should be addressing. I should like to think that the Premier, who comes into this House and makes statements—especially during question time—highlighting the comparison between Victoria and other States would examine the number of public servants employed and make some reductions.

I hope the Minister for Education follows up many of the things he has been saying. I support the Minister in his statement that employees in the Ministry of Education should provide more accountability for their actions. The Government should be reducing employment and adopting cost-cutting measures, particularly with respect to employment. The Ministry of Education is a typical example.

I highlight an event that occurred when a former Liberal Minister of Education, Mr Lindsay Thompson, was interviewing a deputation of teachers from the electorate I represent who were asking for an increase in the number of teachers at a particular school. Mr Thompson listened with interest to what the deputation had to say and at the end of the remarks he made some rather prophetic comments. He said, "Have they ever thought about working harder?" Those comments surely highlight what the Minister for Education should be doing today.

The Government must ensure greater accountability and we must look to the public sector to provide a lead. The Government has to provide that lead.

With respect to V/Line, the Government sought to reduce the number of employees from the 22 000 currently employed. Do honourable members know what the Government did? The former Minister of Transport borrowed $60 million to reduce employment in V/Line! The Minister wanted to reduce the number of employees by thousands. I said to the Minister, "How effective was it?" The Minister said, "We have the same number of employees as when we started." He said, "As we are putting them off, they put more on". The Minister went further than that and said, "We even put some on that had been put off already". That is how ridiculous the situation is. If private enterprise adopted such bad management practices, firms would go out of business.

The Premier must examine the number of public servants employed. The Premier talks about accountability—let him put his words into practice. I have grown up in private enterprise and I know accountability is an area that should be examined. I have highlighted V/Line and the Ministry of Education as areas where greater accountability could be introduced to reduce costs as well as maintaining services and maintaining the public works program. If the Government acts, the people will respond.

During my remarks, I have let the Treasurer off the hook. However, the National Party is looking for the Treasurer to take note of the need for accountability. Time does not allow me to go into the necessity of the Government examining work practices within the public sector. If the Government does so, it will be able to reduce expenditure for the good of the future of the State.

Mrs SETCHES (Ringwood)—I support the fifth Budget of the Cain Government and congratulate the Treasurer for putting together the Budget in a most humane and creative way. The Treasurer has been able to grapple with and overcome a number of challenges.

The challenge facing the Government was to present a Budget that would provide an environment for sustained economic growth and employment in the private sector while at the same time balancing the Budget in the face of a $150 million loss of revenue resulting from the dramatic drop in world oil prices.

In doing this important balancing trick and providing an environment for economic growth as well as balancing the Budget with the loss of revenue—not projected revenue, but an actual loss—the Treasurer has done a remarkable and skilled job.

Unprecedented Budget restraint was required and it was imperative that this was achieved without cutting back on essential services. The Government has done that. It has been successful in meeting these challenges and in achieving its objectives. It has done that in a creative and humane way.

The Budget puts into place some of the social justice principles of the Government and is meeting the principles of access, equity, representation and accountability.

The Government has not created any new taxes or charges and there have been no revenue increases above the consumer price index, which will assist the projected economic growth. No cuts have been made in essential services, but at the same time, more services have been provided to the community.

One of the continuing benefits has occurred in the small business area where the exemption under the payroll tax requirements has been increased from $230 000 to $250 000. This will provide 4700 employers with a benefit and is a cost to the Government of $3·7 million for 1986–87 and $9 million for a full year. The Government has adopted a sensible approach to enable small business to compete and to continue to fulfil its job in the current economic climate.

Further concessions were made in land taxes. The Opposition has talked at great length about the imposition of land taxes, but honourable members on that side of the Chamber have not examined the situation. In 1982, 180 000 people paid land tax. The first Cain Government Budget reduced that number to 80 000 people. The Government has continued in successive Budgets to relieve the burden on those people who pay land tax and it has focused the payment of land taxes onto those people who have large land holdings.

Further relief has been provided in the Budget for those people who have pension health benefit cards, who automatically pay no land tax on their family homes.

The Government, in the Budget, has allocated $21·5 million for home and community care, for services for the elderly and mentally impaired, for the women's health program, for the recruitment and retraining of nurses. It is a large allocation for community service initiatives.

Mr Perrin—Mr Deputy Speaker, I draw your attention to the state of the House.

A quorum was formed.

Mrs SETCHES—The Government has increased the funding of community services. In particular, the intellectually disabled will receive $2·6 million for the implementation of the Intellectually Disabled Persons Act over a full year. The Labor Government is providing child protection units in two extra regions of the State bringing the number of regions to have child protection units to sixteen out of a possible eighteen regions.

The Budget provides for the rental of new premises of Community Services Victoria for the outer-eastern region. I am delighted that next Friday morning the Minister for Community Services will open those new premises which are situated in the central

business district of Ringwood. Clients of that service will find it most convenient to attend because it is situated close to train and bus services.

The Budget provides for a large increase in resources for the provision of extra sessions in the infant welfare area. An allocation of $200 000 has been made for increased sessions, which will be $400 000 in a full year. The Ringwood electorate will benefit greatly from the increased services, especially such growth areas as Bayswater North and the northern parts of Ringwood.

The Government is also continuing to wholeheartedly support joint Federal–State Government programs such as the Home and Community Care Program, which will receive $6·7 million for capital projects such as meals-on-wheels kitchens and senior citizens centres. That program will continue to provide services which will enable people to stay within their homes as they become older and will provide domicillary services for those people.

Another joint Federal–State Government responsibility is the supported accommodation assistance program. Additional funds have been allocated to that program making a total allocation of $15·2 million for 1986–87. That is a huge increase over the financial year 1985–86, more than $8·4 million for the joint program. The program covers accommodation services for homeless people, youth and women's refuge programs, which have been well served by the introduction of this program in the past few years.

Another area of joint responsibility which comes under the umbrella of Community Services Victoria is the child care program. The Government continues to provide join funding for much needed child care services throughout Victoria, which relieves the pressure on young families and allows women to return to work knowing that their children are left in good hands and in community-based programs in which they themselves have some input.

The Budget provided $950 000 for the poverty action program and that amount has been provided on a continuing basis for a policy announced prior to the 1985 State election. Twenty specific projects have been allocated $372 000 in the Budget for the half year until 30 December 1986 and this further allocation will allow the poverty action program to continue so that people who are on low incomes can be provided with a range of programs which will help them to meet their financial requirements.

I shall now refer to preschool education, especially the amount of money allocated in the electorate I represent to capital works for new preschool facilities. Some $30 000 has been allocated for relocation of the Ellie V. Pulien Kindergarten from its current accommodation in the City of Ringwood to a site adjacent to the Eastland shopping centre. With the proposed development of the shopping centre, the preschool will be relocated in the north Ringwood area. The North Ringwood Preschool Action Group conducted a survey of the area and has determined that a need exists for a preschool in that area. The Government is happy to provide $30 000 towards the capital requirements of that preschool.

The Budget provides a further $30 000 for a preschool to be built in the same premises as the Arrubri Community Centre in Bayswater North in the Canterbury Gardens estate. The City of Croydon, Community Services Victoria and the Canterbury Gardens community are arranging for that preschool to be built. I am pleased that it will go ahead.

I am also pleased that there will be a further allocation of funds under the health minor works program to the Manvantara Public Hospital in north Ringwood. Some $26 000 has been provided to the centre for security improvements. I am sure the nursing staff will be pleased to learn that almost the full cost of the security works will be met by that allocation.

A grant has been made from the hospital minor works program of $28 000 to the Maroondah Hospital for the audiology clinic to be situated adjacent to the hospital. That has been a project of the hospital for quite some time and the grant will allow the project to proceed.

All honourable members will be pleased to note the expansion of the Maroondah Hospital by 100 additional beds. A hard-working group at the hospital comprising the committee of management, the administration and staff, is working in conjunction with the Health Department Victoria capital works team. They are developing a final brief for plans for the expansion of the hospital including 100 additional beds, new operating theatres and new kitchens and ancillary services. I look forward to that proceeding as quickly as possible.

I shall now refer to equal opportunities. I am pleased that the Department of Labour has seen fit to continue to fund the affirmative action program under the group apprenticeship scheme which has been sponsored by the Outer-East Municipalities Association. That funding will continue for another two years with matched funding from the Federal Department of Industrial Relations so that girls can be placed in non-traditional jobs.

I understand that Judy McNamara, the affirmative action officer for the outer-eastern region has been successful in placing up to eleven people in jobs in that region. She should be congratulated for her work and for making further job opportunities available to young women in non-traditional areas.

I shall now refer to education. The Government has increased its financial commitment to students, even in the face of declining enrolments, to the projected number of 17 000 in 1987. The Government has still managed to spend more money per school student than the national average. Victoria still has the smallest class sizes and the best student-teacher ratio in the country.

The Government has fulfilled its commitment to the high school sector by providing 200 special needs teachers in 1987. There will also be an increase of 90 special needs teachers to compensate for the 206 special needs teachers who were previously funded by the Commonwealth Government. The State has done its best to meet some of the needs that the termination of the Commonwealth program has caused.

I am pleased that 3487 special needs teachers are available. That represents an increase of 292 since 1983, which is significant.

I am pleased about the increased allocation for clerical assistants in primary schools in 1987. That brings the number to 840 effective full-time positions, an increase of more than 300 effective full-time positions since 1983.

The Government has continued to provide resources for integration and teacher aides for disabled and disadvantaged students to take part in their neighbourhood schools. The integration and teacher aides will be increased by 40 effective full-time positions in 1987. That brings the total number of effective full-time positions within that program to 1162, an increase of 614 since 1983.

I am also pleased that the Budget makes resources available for two equal opportunity resource centres in two further educational regions. It is essential that we address the issues of sexism within schools. Those resource centres will assist with that, as the resource centre in the Maroondah region has tried to address the disadvantages of sexism within schools. For the first time, the Budget provides resources for staff support for the Ministerial Advisory Committee on Women and Girls. That committee has a wide-ranging brief to address discrimination against women and girls across the education portfolio and it requires many resources to address that issue.

I am pleased that the Government will provide $800 000 in 1986–87 for the computer program. That allocation is despite the fact that the Commonwealth Government has withdrawn funds in that area. The Budget makes available an additional $200 000 for the Victorian Curriculum Assessment Board.

I was disappointed that Norwood High School, which is in the electorate I represent, was not funded. I have made strong representations to the Treasurer and the Minister for

Education about the works upgrading that is required at that school so that students who have been placed in temporary quarters in readiness for the upgrading are not further disadvantaged.

In the overall health budget, $2·3 billion is provided for health services through the State Budget alone, which is $554 for every man, woman and child in the State. The Budget provides for new initiatives to be taken in health services that will result in more people being able to manage their own health requirements.

For example, through the hospice program, which also covers palliative care, the allocation of $300 000 will further assist in the care of the terminally ill. The Government has allocated $700 000 to the Royal District Nursing Service, which will enable the service to employ more nurses for its worthwhile program. This service assists the aged, the disabled and the ill to stay in their own homes with the provision of adequate domiciliary care.

Elderly people will be further assisted in this Budget by the expansion of the geriatric assessment teams from four to seven. These teams help to keep aged people in their own homes. They ensure that the appropriate people according to their health needs are placed in nursing homes rather than people being placed inappropriately in nursing homes.

An allocation of $1·3 million has been made to community-based mental health programs. I was pleased that the Halcyon group, which has been successful in providing excellent care for people who come out of mental institutions and assisting them take their places in the community, presented an excellent submission to the Government on that group's needs.

In this Budget, the Government has recognised the health needs of women and has acted promptly on an interim report presented to the Minister for Health in May this year recommending an increase in funding for women's health services.

This year, of an allocation of $400 000 for women's health projects, $200 000 will be allocated towards the provision of a women's clinical service in Melbourne and $200 000 will be allocated to provide a women's health information centre. This allocation will assist health services in providing specific information about women's health needs. Particularly, the women's health information centre will act as a "second opinion" service.

Women are the major users and the major providers of health care services. Women in their reproductive years are the major group hospitalised and using hospital services. The women's clinical service will assist women in managing their own health needs and will offer women an alternative to existing health services.

I am pleased that within existing resources of Health Department Victoria, the Minister for Health will provide a further sexual assault unit at the Royal Women's Hospital and a further child sexual assault unit at the Royal Children's Hospital. These will be in addition to the Queen Victoria Medical Centre sexual assault unit. That centre will shortly relocate to Clayton.

I am pleased also that this Budget will allow the printing of the report of the Women's Health Policy Working Party. This will occur in the next few months.

I shall refer honourable members to an analysis of the Budget and its provisions for women's services made by Rosemary West in an article in the *Age* of 19 September under the heading, "Budget boost for women's health service". The article states, inter alia:

> Two new women's health services are to be established in Victoria.

It says:

> This is welcome news for the hard-working women's health lobby.

This is welcome news for women in Victoria. The article states:

> Altogether this must be something of a lesson.....in how to stick with social justice in tough times.

Rosemary West commented on the positive approach the Government has taken to address the social justice needs of some groups in the community who have not had a fair deal so far. An article in the *Age* of 18 September, written by Claude Forell, states, inter alia:

> Like the Cain Government's previous Budgets, this year's is more than an exercise in prudent housekeeping, being framed also to further the Government's long-term economic strategy and social policy objectives.
>
> New spending initiatives in the Budget reflect these admirable priorities. Money has been found to encourage international tourism development and technology research development through matching grants, and to provide more places in higher education, apprenticeships and work-study opportunities.
>
> . . . . .
>
> The most cheerful news in the Budget is that while the National economic outlook is far from rosy, things will not be quite so bad in Victoria, with lower unemployment and (very marginally) lower inflation, higher economic growth (both farm and non-farm), higher investment (especially in buildings) and greater job growth than the forecast national average.
>
> Well, we shall see, whatever the arguments advanced for more stringent restraints of public spending and taxation, the present Government deserves praise for having trimmed its latest budget with greater determination and courage, and with a keener sense of economic and social priorities, than most of its predecessors.

This Budget is a paragon. It is an extremely effective Budget delivered in very tough economic times. It should be supported strongly by the Victorian community, as predicted by economic analysts' newspaper articles following their assessments of the Budget when it was released.

Mr CROZIER (Portland)—Unlike the honourable member for Melbourne who earlier today treated this House to one of the most extraordinary Budget speeches that I have ever heard, I actually intend to refer to a document or two relating to the Budget. In the interests of allowing some of my colleagues a little more time in a debate, which I understand will be truncated by this Government, I am endeavouring to compress my remarks to about half the time allotted to me. No doubt some honourable members will welcome that.

I shall refer to Budget Paper No. 5 at page 243, which deals specifically with the allocation to the Victoria Police of some $427·2 million. More specific proposals are made on that page. One proposal relates to the allocation of $900 000 for ballistics jackets and, while I could find no specific reference in the Budget Papers to this, I assume that it is included in item 372 under the heading, "Personal equipment, uniforms, clothing and bedding."

Members of the Opposition and colleagues of the National Party will be very pleased that at long last the Government has taken note of the compelling arguments of the Chief Commissioner of Police, the Police Force, the Victoria Police Association and the opposition parties to equip the force with this lifesaving equipment. In our opinion, it is long overdue.

The other item to which I shall refer at this point is the first of the so-called major developments. It states that one of the major developments for 1986–87 is:

> . . . the recruitment of an additional 150 Public Servants at a cost of $1·44 which will maintain the actual strength of the Force at 8958 but increase the operational strength of the Force by 50.

I am not blaming the Treasurer for this minor aberration in arithmetic. It is perhaps not of any great moment, but I should like the Minister for Police and Emergency Services to explain to honourable members in the Committee stage whether that figure is correct or whether, in fact, the figure should be 150 rather than 50. I shall refer to the question of police strength a little later.

The evaluation of a Government's Budget has to be taken in the light, firstly, of the commitments of that Government in relation to any specific program and, secondly, against a backdrop of the perception of community needs.

In relation to the police budget, I remind the House of what the Chief Commissioner of Police had to say, as reported in *Police Life* of February 1984. He said:

> The crime rate continues to rise, armed robbery is an accepted fact of everyday life, everyone's home is vulnerable to burglary, it's not uncommon for women to be raped in their own homes, elderly women are routinely victims of handbag snatchers, it's becoming increasingly unsafe to walk the streets at night, and the motoring mayhem continues on our roads.

That was in February 1984, and I ask the House whether the situation has improved in the interim. I suggest to the Deputy Premier and his absent colleagues, let alone the other two or three who are present, that the situation has deteriorated.

Let me remind the House of a few of the salient statistics. Major crime in this State has doubled in the past ten years. There is a major crime, as defined in police statistics, committed in Victoria every 2 minutes and 23 seconds. In the past year, according to the recently-released statistics of major crime, the actual increase is a staggering 11·8 per cent.

The main growth area is housebreaking, and the value of property stolen or criminally damaged was of the order of $200 million. This is in spite of the undoubted success of the Neighbourhood Watch scheme, which is part of a very comprehensive package of community policing, an initiative of the Victoria Police, and one which I am sure has the full support of all honourable members in this House. However, in spite of the undoubted success of that scheme, those are the dismal facts.

Those statistics are bad enough, but when one takes into account those statistics as against the clearance rate, the situation is even more depressing. The clearance rate for housebreaking is 17 per cent; and for all crime, the chance of being caught is therefore about one to five.

Even when offenders are caught and sentenced, the chances are that before very long they will be back on the streets again and up to their old tricks. There is considerable concern in the community at large that, for the more serious crimes, the present custodial sentences being imposed, particularly for drug-related crime, are not nearly severe enough.

I turn now to the added elements of police responsibility, about which I make the point that our Police Force has an increasingly difficult, dangerous and complicated task to fulfil. Unfortunately, Australia is no longer immune from the scourge of international terrorism.

Articles such as that which appeared in the *Herald* of 29 April this year headed, "We are now a terror target", remind us that we can no longer assume that we will not be afflicted at any time with this sort of activity.

Indeed, in an article in the *Canberra Times* of 31 January this year, one of the experts in this field—a Mr Richard Jennings, director of the Sydney-based firm, Websters Corporate Security—pointed out that there are representatives of overseas terrorist organisations; that these representatives are already responsible for some of the crime that has been committed here; and that they have been sent here deliberately as what he calls "sleepers" while others of this ilk have chosen Australia as a safe haven and a soft touch.

To confirm those remarks, I remind the House of what I found to be a very ominous prediction in an article that appeared in the *Age* as recently as 29 September, which was headed, "Police fear the triads are moving in". As the article points out, the triads are recognised as probably the most ruthless criminal organisations in the world.

The reason why we have to be particularly concerned in Victoria is that, with the termination of the present sovereignty of Hong Kong in 1987, clearly, before that happens there will be an exodus of Chinese citizens. Most of them will be people without any

connection with any criminal element, but there will be those who do have such a connection. The article states:

> These people are going to have to get out of Hong Kong before China takes over and they are already looking for fertile areas.

I mention all this simply to point out that the job of our police, the task facing them and the dangers and risks they run, are increasing.

If anyone is inclined to dismiss as alarmist any predictions of that order, let me remind them of what a document, which was tabled in this Parliament quite recently—and I refer to the Australian Police Ministers' Council annual report—had to say about the incidence of organised crime.

I shall quote just two paragraphs of this document. It states:

> A recently commenced research project has revealed illicit activities by an organisation that is believed to be involved in the importation into Australia of approximately 250 kg of heroin per annum with a street value of $450 million. Other activities by the group include gun-running, extreme violence, prostitution, illegal immigration and marihuana cultivation.

I do not know what else one would want to add to that list, but it is a fairly formidable one. The report continues:

> An ongoing ABCI project has involved the illegal activities of outlaw gangs with overseas connections. The concerted efforts of Australian Police Forces working on this project have resulted in hundreds of arrests for possession of drugs, assaults and thefts. The more important arrests have included 44 arrests for seven murders, 25 arrests for possession and manufacture of amphetamines, and 50 arrests for possession and manufacture of firearms including submachine guns and an M60 machine gun.

Therefore, whether we like it or not, it is quite clear that we are being dragged by these graduates into a different dimension of crime and violence.

I turn now to the forecast in the Budget on the police strength, because so much of the capacity of our police to fulfil the function that our society expects of them depends, firstly, on the manpower and the personnel and, secondly, on the powers and equipment available to them.

On page 243 of Budget Paper No. 5 that I mentioned earlier, it forecasts a strength of 8958 police. Curiously enough, the actual strength yesterday—and I assume, today—was 9055.

I might point out to the House again—as has been pointed out by other colleagues including, of course, the honourable member for Benalla—that before the Labor Party took office in 1982, an unequivocal commitment was given that in its first three years of its first term in government, the Victoria Police would be increased in strength by no less than 1000.

I point out that the strength of the Victoria Police on 31 March 1982 was 8116. It is now 9055. Therefore, after four and half years—let alone after three years—that promise has still not been honoured and, for the reasons I have mentioned and for other reasons, the task of the Police Force is growing.

There is a wastage of approximately 360 police members a year. The implementation of the 38-hour week also meant that another 360 members of the force should have been found; they never were. Another factor now is early retirement. I can find no reference in the Police Pensions Fund to indicate that the Government is anticipating an increase in early retirement, resignations or retirements as a consequence of this new package which will be introduced into legislation to give effect to the Government's agreement with the Police Association and other emergency service workers.

Curiously enough, under Program No. 582, Item 3316, Police Pensions Fund Contribution, the payments for 1985–86 are actually $61 000 more than the anticipated allocation in the current fiscal year. I do not understand that and I would like my concern to be conveyed to the Minister for Police and Emergency Services for his explanation.

Perhaps the Treasurer or the Deputy Premier who are present in the Chamber may be able to explain it.

However, I do not detect in any part of the Budget that this erosion of police strength was anticipated. The only possible reference to that might be the forecast of the actual strength of the force being maintained at 8958. I understand that the police operational line is currently approximately 360 members under-strength of which the traffic operations group is 139 members down.

The Neesham report commissioned by the Government and presented to Parliament just over a year ago had some precise things to say about the need for increasing police strength. I had intended to read out the section but I shall simply make reference to it. It is the paragraph entitled "Recent developments" under chapter 2 of the executive summary of the Neesham report. It begins:

Recent developments which call for increased manpower include:

(*a*) the rise of organised crime (especially drug trafficking) and the deployment of police in intelligence gathering activities, task forces and witness protection;

The time that I have allotted to me, because of the totally inadequate opportunity that has been given to members of the opposition parties for debate in this important measure, is nearly up, but I remind the House that, although the police Budget has shown an increase, that increase is not being reflected in a sufficient increase in police manpower to measure up to the recommendations of the Neesham report and, indeed, to the recommendations of successive reports from other people and to the opinion of senior police and, I would imagine, almost every member of the Victoria Police at the moment.

I conclude by reminding the House of what the Chief Commissioner of Police said in February 1986 in a document quoted in Parliament by my colleague, the honourable member for Benalla, in relation to the skullduggery over the threatened closure of one-man police stations.

Mr McNamara—The Government was caught out there!

Mr CROZIER—It certainly was and I give the honourable member for Benalla full credit for his part in exposing this shoddy deal which, fortunately, has now been at least arrested although not in the case of every police station—the Marnoo police station has closed.

Mr Miller said:

Imposition of the arbitrary productivity factor means a reduction in personnel in an already seriously undermanned Police Force. I express my concern at the consequential effects upon the work-force and the inevitable public reaction. Therefore, these proposals are submitted as a last resort in accordance with the direction from government.

In conformity with my assurance at the outset of my remarks I shall now conclude on that note.

Mr McNAMARA (Benalla)—The Budget before Parliament today continues the charade enacted by the Treasurer in the presentation of Budgets over the past four and a half years. The Budget Papers probably conceal as much as they reveal. The new Auditor-General should be congratulated for they way he has exposed so much of the rorts and chicanery that have become too much a part of the Budgetary figures presented by this Treasurer. The honourable member for Gippsland East interjects that if the Government were a private business, it would be bankrupt, sold up.

The Government is moving away from direct taxation by pushing for taxation through various statutory authorities and public utilities that are being attacked by the Treasury, such as the Gas and Fuel Corporation of Victoria, the Grain Elevators Board, the Melbourne and Metropolitan Board of Works, the Port of Melbourne Authority and the State Electricity Commission of Victoria. Phenomenal increases in the levy placed on those institutions by the Treasurer have occurred.

Who will pay for that level of taxation in the long run? It will be the poor bunnies who buy power from the State Electricity Commission or the Gas and Fuel Corporation and use the services of the Board of Works and the ports of Victoria. However, the most iniquitous tax is that placed on the Grain Elevators Board. The National Party is totally opposed to the introduction of that tax and its opposition is well documented.

There is absolutely no evidence that any of the tax revenue of this State was placed in the assets of the Grain Elevators Board, yet the Government had the audacity to suggest that those were State assets. As we well know, every asset of the Grain Elevators Board has been paid for wholly and solely by the grain growers of this State. They are being taxed on the value of their own assets. That is an absolute disgrace.

The sooner the section of the Public Authorities (Dividend) Act that deals with that is wound up and that burden lifted from the grain growers who are already suffering perhaps the worst cyclical moment in their history, the better for the welfare of Victoria.

I ask the Treasurer to reconsider placing that tax on the Grain Elevators Board. We all know what is happening with world wheat prices and that the dumping of wheat by the United States of America and the European Economic Community is forcing Australian grain prices to almost record low levels. Taking inflation into account, it is time for a reassessment of that totally iniquitous tax.

It was interesting to hear some of the rantings and ravings of the honourable member for Niddrie. I cannot remember a more deserved condemnation from this House than that of the honourable member for Niddrie. He quite deliberately and sarcastically mentioned various members of the Opposition. As we all know, National Party members are extremely capable and should be on the front benches because of their ability. However, the members of his own party woke up to him, they got rid of the deadwood when they got rid of the honourable member for Niddrie from the Cabinet. He did not even fight; he knew he was hopeless. Even the honourable member for Greensborough fought to try to be re-elected to Cabinet. At least she had some confidence in her own position, but the honourable member for Niddrie did not; he took his marching orders. He knew he was not up to it. Here he is today leading the little "s" for Simpson faction.

He makes very little contributions to the goings on in the Parliament when he is not being sarcastic. I would not say he has a biting wit; his is a fairly blunt, dullheaded and mule-like wit that contributes nothing to Parliamentary proceedings.

The House then heard from the honourable member for Melbourne and all honourable members know his record. Recently the National Party received a copy of a letter from the Royal Automobile Club of Victoria totally repudiating the comments made in the House by the honourable member for Melboune. At a recent party meeting the Leader of the National Party commented that in his time as a member of Parliament he could not remember an honourable member being so criticised and castigated by an organisation as was the honourable member for Melbourne. If the honourable member for Melbourne is going to make statements in the House he should first research his facts.

At least the Minister for Local Government is a survivor. All honourable members know the Premier wanted to dump that Minister; the Premier said, "Get rid of him", but he survived. I suppose the Minister survived as a result of his rat-like cunning.

The Auditor-General makes some telling and critical points on the presentation on the Budget, which has been deliberately presented in a manner that makes it extremely hard for the layman to follow. The Budget has been presented in a manner more to confuse than to illuminate. The Auditor-General makes a number of suggestions, which, if implemented, would make it easier for the layperson to understand figures contained in the Budget.

Fortunately for the public of Victoria, the Auditor-General has gone through the Treasurer's figures and has highlighted the various rorts, chicanery, conniving and the way the Budget Papers have been presented.

The Auditor-General comments that many assets and legal obligations are not currently taken into account in reporting the financial transactions of the State. For example, land and buildings; capital works; debtors; unfunded liabilities for Government superannuation funds; accrued cost of servicing borrowings and accrued employees' benefits such as long service leave and annual leave. The Auditor-General makes the point that in the future those matters should be properly accounted for in the Budget Papers.

The Auditor-General makes some interesting revelations on the balance of the consolidated revenue, where he suggests that corrections should be made. At the moment the situation is unchanged because the Treasurer has not even responded to similar criticisms that were made by the previous Auditor-General.

The Auditor-General suggested that action should be taken to include in the Treasurer's Statement information showing the total public debt of the State. The Treasurer has failed to act. Is it any wonder the Treasurer does not want to show the total public debt of the State—it is absolutely horrific! I shall deal later with the total public debt of the State; the overseas borrowings and other matters that the Government has tried to conceal from the public.

The Auditor-General comments that legislative action should be introduced to enable Parliament to be provided with regular financial information on the State's participation in the joint venture for the development of the Portland aluminium smelter and such information should be subject to audit by the Auditor-General. The position is again unchanged because the Treasurer has done nothing.

The Auditor-General said these matters should be brought before the public, but again the chicanery of the Treasurer will not allow those matters to be publicly scrutinised.

The Auditor-General referred to the State Management Accounting and Financial Information System and commented that it needs to address auditability issues, greater user involvement, availability of an automatic interface of data between departments and central agencies and a proper training program. That is a serious matter but, according to the Auditor-General, the position is substantially unchanged. The Treasurer has been asked to review the matter but he has done nothing.

I turn now to deal with the sale and lease-back of the State's assets. It is an area of major concern because there has been a huge accumulation in the State debt. I seek leave to have incorporated in *Hansard* the table on page 47 of the *Treasurer's Statement for the year ended* 30 *June* 1986 *and the Report of the Auditor-General.*

Leave was granted, and the table was as follows:

Table 3·4E

Sale and Leaseback of Assets

	Book Value of Assets Sold $m	Proceeds of Sale $m	Lease Commitment 1 July 86 on $m	Schedule of Lease Commitment Payments 1986–87 $m	1987–88 $m	1989–91 $m	1991 on $m
Metropolitan Transit Authority	189·8	204·5	391·0	37·9	38·5	110·0	204·6
Port of Melbourne Authority	7·7	9·1	15·9	1·4	1·8	7·7	5·0
State Transport Authority	191·9	251·7	544·9	43·1	43·2	130·0	328·6

Table 3·4E

Sale and Leaseback of Assets

	Book Value of Assets Sold $m	Proceeds of Sale $m	Lease Commitment 1 July 86 on $m	Schedule of Lease Commitment Payments 1986–87 $m	1987–88 $m	1989–91 $m	1991 on $m
State Electricity Commission	85·8	133·9	185·5	22·2	26·5	56·6	80·2
State Lease Facility	N/A	N/A	54·4	8·2	9·1	25·1	12·0
Total	475·2	599·2	1 191·7	112·8	119·1	329·4	630·4

Mr McNAMARA—The Auditor-General details the long-term leasehold commitments of the State at $1223 million. It is interesting to read his comments which relate to the sale and lease-back of assets:

In recent years a number of public bodies have raised funds to finance capital works through the sale of assets.

That appears to be a short-term measure taken by the Government. His comments continue:

Such assets have included trams, trains, buses, container cranes and coal dredges. As the assets sold are required for the day to day operation of the public bodies concerned, the public bodies arrange to lease back the assets. These leasehold liabilities are not disclosed in the Treasurer's Statement although they are reported in the financial statements of the individual public bodies.

If a company secretary did that, he or she would be up for fiddling the books and sent to gaol. However, the Treasurer has been put in charge of the finances of the State when he should be in gaol. Nowhere in the Treasurer's Statement is there any details of these matters.

The table I have incorporated in *Hansard* details the sale and lease-back of assets. It is interesting to note that the value of assets sold was $475·2 million and they were sold for $599·2 million. However, on 1 July 1986, which is at least two years since the assets were sold, probably nearer three years, the lease commitment amounted to $1191·7 million, which is more than double what the assets were sold for.

The trains, trams, buses and so on cost more to lease-back than what they were sold for. Much of the railway rolling stock has been leased for periods of up to 50 years. The leasing commitment is twice the amount obtained from the sale of those assets. Victoria does not even know whether it will own those assets at the end of the leasing period. One would be better to put the Minister for Local Government in charge of the assets of the State!

The sale and lease-back of assets is creating a major financial disaster for any future coalition Government that will have to run the State. The sooner there is a change in government the better it will be for all Victorians, irrespective of the circumstances of the change in government. Victoria is reaching the stage where the Government's actions are becoming reprehensible.

I turn now to deal with the foreign exchange losses, which the Government has attempted to conceal. The modern, economic managers have been at work again!

The Auditor-General reported that the foreign exchange losses incurred during 1985–86 were $198 million, yet in 1984–85 they were $373 million. The amount is cumulative.

I seek leave of the House to have incorporated in *Hansard* table 3·4F on page 49 of the report of the Auditor-General.

Leave was granted, and the table was as follows:

TABLE 3·4F

Overseas Borrowings

	State Electricity Commission $A million	State Transport Authority $A million	Melbourne and Metropolitan Board of Works $A million	Port of Melbourne Authority $A million	Total $A million
Total overseas borrowings at 30 June 1986	1 311	179	189	136	1 815
Unamortised foreign exchange losses at 30 June 1985	266	30	26	29	351
Foreign exchange losses incurred during 1985–86	130	26	17	25	198
Written off during 1985–86	53	5	6	7	71
Capitalised during 1985–86	27	-	-	-	27
	316	51	37	47	451

Mr McNAMARA—The table shows horrific losses incurred by the Department of Management and Budget and the mismanagement of funds by the department. The Treasurer has tried to conceal the facts from the Victorian public. I commend the Auditor-General for bringing the matters forward. It is obvious why the Treasurer has attempted to conceal this information.

On page 48 of the report of the Auditor-General are details of foreign currency transactions. The borrowings by various public bodies were based on preliminary figures—obviously, they will be higher now—and amounted to $1815 million. As I said, the foreign exchange losses were $198 million for this year and $373 million for 1984–85 and were mainly as a result of the fall in the Australian dollar.

The National Party has had the opportunity of consulting other major overseas borrowing instrumentalities, including the Australian national airline, and they, like anyone else who knows anything about foreign currency exchange, said that when one borrows from overseas, one hedges against the rise and fall of overseas currencies. Our whiz-kid Treasurer did not know that! Victoria has incurred a loss approaching $600 million in only two years. That money has gone down the gurgler. The Government is crying poor and saying that it had a revenue shortfall of $200 million, yet it lost $600 million on its undertakings by not taking the usual precautions that would be taken by anyone who had an ounce of understanding of foreign currency market undertakings.

Mr Micallef interjected.

Mr McNAMARA—I am not worried about the Afghans who giggle and interject.

Mr MICALLEF (Springvale)—On a point of order, Mr Speaker, I find the racist terminology used by the honourable member for Benalla offensive. It is out of place in a Chamber like this.

The SPEAKER—Order! The honourable member for Springvale is expressing an opinion. Does he want the expression used by the honourable member for Benalla to be withdrawn?

Mr MICALLEF—Yes, Sir.

The SPEAKER—Order! The honourable member for Benalla has used an expression that the honourable member for Springvale finds offensive. I ask him to withdraw it.

Mr McNAMARA (Benalla)—If the honourable member for Springvale finds being called an Afghan offensive, I withdraw it. The honourable member for Springvale bounces up and down for the slightest reason. He is up and down more often than a toilet seat at a mixed party!

Table 3·4F deals with overseas borrowings, the total of which is $1815 million; $71 million of that was written off in 1985–86. The foreign exchange losses incurred during that time were $198 million.

I should have thought the $71 million written off during 1985–86 would have been included in the foreign exchange losses. The Government has capitalised on the $71 million. Unamortised foreign exchange losses at 30 June 1985 were $351 million. They have not been capitalised on. Honourable members should consider that fact.

The report of the Auditor-General raises many serious questions. Victoria is fortunate that in another place the conservative parties are taking appropriate measures to establish a committee to examine these matters. That should have been the role of the Economic and Budget Review Committee in the past four and a half years. As the Government controlled the committee, it frustrated any attempt to hold an investigation of this type. Only after the suggestion made by the conservative parties in another place to establish an Estimates Committee to examine these serious questions has the Government thought about the possibility of using the Economic and Budget Review Committee. The Government has missed the boat.

The Estimates Committee must examine those matters and report to Parliament. Some hard decisions will have to be made about the veracity of the Budget. The Government has managed to conceal many of the taxes and charges by forcing its responsibility for them onto the statutory authorities. The ratepayers and subscribers to those authorities will carry the burden of those taxes.

Another area of concern is the growth of the Public Service by 34 000 under the Cain Government. In the past four and a half years the growth of the Victorian Public Service is almost equivalent to the total growth of every Public Service in Australia, including the Commonwealth. The Government must address that matter.

The honourable member for Portland detailed the increase in crime in the State. It has become rampant. The Government should address the problem along the line of the suggestions made by the Victoria Police. Without spending a cracker, the Government can give the police the proper powers they need to attack the crime rate. Honourable members are aware of the limitations placed on police by section 460 of the Crimes Act. The 6-hour rule is ridiculous, particularly when police are dealing with major crimes. It is impossible for the police to carry out their functions properly with one hand tied behind their backs.

Chief Commissioner of Police, Mr Mick Miller, regularly cites powers that police should be given. I support his suggestions, particularly the suggestion that police be given the opportunity of demanding the name and address of a suspect. At present the driver of a motor vehicle who is pulled over by the police must provide his or her name and address if requested to do so, but a person on foot and leaving the scene of a crime is not compelled to provide his or her name and address to the police when requested. That discrepancy needs to be addressed immediately.

Police should be able to take fingerprints to record every suspect. I cite the example of the Heywood-Madill murders in the Murchison area. A young couple was murdered in that area twenty years ago. Almost nineteen years later a person was picked up in Albury on a minor charge. His fingerprints were taken and, as most honourable members know, they were sent through the central registry in Sydney. Through the diligent work of some Victorian detectives who were keeping tabs on the case, the fingerprints taken from the car at the scene of the crime in Murchison twenty years ago were matched with those from Albury.

They also matched those prints with those at the scene of five rapes in Melbourne and several other serious crimes over a period of twenty years. That person was pulled in on several occasions by the Victorian Police but he was never able to be fingerprinted because the police did not have the power to do so.

Many women in this State could have been saved from being raped by that individual and obviously we could have prevented many other serious crimes. It is certainly no intrusion on civil liberties for this to be done, and people who comply with the law have nothing to fear. I urge that immediately those powers be legislated for to enable the police to carry out their proper function.

The police are struggling under many difficulties. They have had a 1 per cent productivity factor applied to them and they will have a 1·5 per cent productivity factor applied this year. Let us be straight about it; this is no more than a 1·5 per cent cut. I do not object to a cut in the numbers of public servants, because as we know they have ballooned out in certain areas, but the Government must provide resources where they are required, not just to make cuts across the board.

We know that the Neesham report identified that the police are undermanned; they need approximately a 9 to 10 per cent increase in their force numbers. We know the nursing area is understaffed, and other departments are certainly overstaffed. Mr Reiher, the head of the transport Ministry until recently, identified that the railways were up to 35 per cent overstaffed. There are 22 000 staff in the railways and it was identified that the railways could be run with 15 000 employees. The "fat cats", particularly in a lot of the Melbourne departments, have billowed out and the Government is getting into many areas which would be better covered by the private sector. That is where the severe cuts should be made.

It is basic that people should be given the surety that they will be safe in their homes and in the streets. That is the prime responsibility of Government. The manning and resources of the Police Force is one of the first issues that has to be addressed in any Treasurer's Statement. I support the comments made by the honourable member for Portland and at this stage I shall conclude my remarks.

Mrs WILSON (Dandenong North)—I support the Budget and I shall comment on a number of matters contained in the Treasurer's speech which I believe are important to the State of Victoria. Prior to the Budget speech there was a general acceptance and recognition throughout the State that the economy had temporarily slowed down, and there was an expectation that the Budget would reflect the sane, sensible, sound financial management practices that have become a hallmark of this Labor Government over the past four and a half years.

The people of Victoria did not expect massive spending in the Budget and neither, we know, would they have accepted enormous increases in taxes and charges. The Government did not disappoint them on either count, with the exception of a few adverse comments from the Opposition benches, I believe that the Budget has been well received overall.

At this point I should like to pay tribute to the Ministers of the Government and in particular to the Treasurer who, despite the enormous loss of revenue to the State of $150 million through a fall in world oil prices, worked long and hard to make sure there was no disadvantages to the people of Victoria and made sure that the reductions of expenditure

took place in appropriate areas. In my opinion it is nothing short of a miracle that the Budget contained no new taxes and that there were no tax increases above the level of the consumer price index. Perhaps even more surprising were the number of additional tax concessions and the ability of the Government to fund some new programs.

I should like to mention several areas in the Budget that I believe are important to the people of Victoria. I should like to start, firstly, by mentioning the area of tourism. I was particularly pleased to note that there was a $3 million allocation for a campaign to expand international tourism in Victoria. I have had the opportunity, during the past few weeks, to visit Japan. Most of my time was spent in Osaka while I was Japan. That prefectural Government is spending many millions of yen in an attempt to attract tourists from all over the world to their area.

Osaka, for those honourable members who know anything about Japan, has a similar relationship to Tokyo as Melbourne has to Sydney in that most of the international tourists go to Tokyo rather than Osaka. Osaka obviously has a similar interest to ours in attracting international tourists. I was pleased at the amount of interest in the State of Victoria I received everywhere I went in Japan. People were intensely interested in what we are doing in Australia and in particular in Victoria.

This is probably because the City of Melbourne has a sister city relationship with Osaka. The people there wanted to know all sorts of things about our State, ranging from housing, to food, to clothing, to our education system, to our kangaroos and koala bears.

I spoke to various people while I was overseas and I was very interested to speak to one person who said how surprised he was that Australia had not tried to attract many more tourists in the form of honeymoon couples coming from Japan. At present there are enormous amounts of money being spent by Japanese parents to give their young people overseas trips following the most delightful weddings. Unfortunately, the overseas trips are to places such as Hawaii and to the west coast of America. Once again we are missing out because this is an area that we have not tapped yet.

There are many thousands of tourist dollars that could be attracted to the State of Victoria from Japan and I hope the Victorian Tourism Commission will look at this particular area in the context of its campaign to try to attract overseas visitors. I believe it is possible with expert and aggressive marketing techniques for Victorian hotels and tourist precincts to offer package deals to couples from Japan. I should like to see the commission come to some arrangement with many of the large wedding reception centres in and around Osaka to see whether we can do something for the tourist industry in that regard.

Another area I noted with particular interest when I was in Japan was the lack of fresh fruit and vegetables. When one considers the wonderful produce we have in this State, particularly from the Shepparton and Mildura areas, I believe this is another area we should look at closely in an attempt to gain some overseas markets for our produce.

I was interested to read an article in the *Herald* on Friday night which outlined just what a great job the Department of Agriculture and Rural Affairs was doing in promoting Victorian produce. It just shows what a cooperative effort between producers and a Government that is really interested can do for the people of this State.

We hear so often that the Labor Government does not really care about country Victoria. This is just one example that this is not the case. We do care very deeply and we are willing to assist in whatever way we can.

The real winner in the Budget is the housing area, which has received a 22 per cent increase in funding. That is good news for all Victoria. The Government has been particularly fortunate to have had two of the finest housing Ministers that any State could possibly have had. The previous Minister and the current Minister for Housing have had an enormous commitment to this area of Government responsibility.

As we know, the most constant problem that faces any member of Parliament and the most constant problem that honourable members deal with in their electorate offices is the issue of housing. How often do we sit at our desks facing young couples on low incomes who have two or three small children? To those people housing has reached a crisis point. Many of those people are bringing home low wages. I am glad that the Government is doing something for them.

I congratulate the Minister for Housing for obtaining such a substantial increase in his budget. Not only will the allocation house far more families than the Government has been able to do so far, but it will also continue the Government's program of housing elderly people. The added spin-off means that more jobs will be available in the housing sector and in many other areas as well.

Protection of the community has become increasingly important in recent years with the escalation of crime at all levels. No doubt the Police Force warmly welcomes the provision of an extra 150 public servants to replace an equivalent number of officers in clerical and administrative areas. This will also complete the staffing arrangements for a 38-hour week for the Police Force.

Most politicians have a sincere regard and sympathy for the stress experienced by members of the Police Force. Many of the jobs that police officers are required to do are stressful. I hope the provision of extra public servants will go some way towards relieving the strain of the long and tedious hours which those officers often have to work.

It is also commendable and worthy of note that the Government has made a significant allocation for the provision of bulletproof jackets in each squad car. Those of us who live in the Noble Park area and were subjected to the "Mad Max" incident last year, as well as those who heard about the death of a police officer in Castlemaine recently, will realise that these garments can provide a degree of protection that has not always been available. I hope the Government will continue to review safety procedures for Victoria's excellent Police Force and that it will continue to review the allocation of safety aids to the police.

Perhaps the most gratifying part of the Budget is the Government's continued commitment to youth. The Government has a particular commitment to those who have difficulty in obtaining satisfying permanent jobs. In addition to the continuation of the youth guarantee traineeships, the Government has allocated $8·9 million, which will include provision for a further intake of 220 apprentices in 1987. The Government is also providing funds for 1300 additional places at tertiary institutions for the 1987 financial year.

Although my electorate will benefit generally from a range of measures in the Budget, such as health, education, housing and transport, I am particularly indebted to the Minister for Sport and Recreation for his recognition of the need in the Dandenong North area for a multipurpose community centre. The grant to the City of Dandenong to assist in the provision of this facility acknowledges the efforts of a large number of voluntary groups in my area who have worked hard over many years and who deserve recognition. It will provide a home for the Dandenong North Youth Club, the Dandenong North Drop-In Centre and the community church. It will provide a focal point for our community to consider a range of activities that have not been able to be considered until now because of the lack of such a facility.

The Dandenong North Youth Club in particular will benefit from the provision of a community centre. The club was formed five or six years ago and currently is using limited accommodation in one of the high schools in the area. It has tremendous community and parent support and has continued to grow over the years. It is bulging at the seams in its existing accommodation.

The Dandenong North Drop-In Centre is also worthy of support. I am glad the Government is recognising its contribution to the community because most of the centre's participants are women who are raising families at home. Many of those women do not

have access to a vehicle to allow them to participate in social activities during the day. A range of programs is being entered into by the drop-in centre and the more ample accommodation and facilities will enable it to expand its activities to a wider community. I hope the community centre will also cater for the needs of many migrants and aged people in my electorate.

People rarely remember many of the details of a particular Budget. However, this Budget will be remembered because it is an appropriate Budget for this time. It addresses the need for a continuation of stable and reasonable financial measures. Perhaps it has not created some of the euphoria that previous Budgets have created, but these are not times of euphoria.

The Government has set itself on a financial path for the next twelve months which is the right path for Victoria. It will lead to steady financial growth and employment growth. It is a good Budget, and the best possible Budget for this State.

Mr RICHARDSON (Forest Hill)—The Budget, which is currently being considered by the House, is a corrupt document issued by a deceptive Government which is noted more for its duplicity than for its honesty. It is a Government which has set new standards in political manipulation and in financial skulduggery.

This Government cooked the books, shifted figures around and was bent upon doing everything it could to make the false figures look legitimate, but that falsification of the accounting methods was exposed first of all by the Auditor-General, and then by the Liberal Party spokesman on financial and Treasury matters.

The Government is therefore totally discredited and this corrupt Budget document is equally discredited. It has been further discredited by the disclosure of errors that has been made by the honourable member for Brighton on behalf of the Opposition—not one, not two, but a multitude of errors, amounting to more than $800 million. He also exposed a whole range of charges that have been shifted from the Budget to other institutions and Government instrumentalities, so the document is not only corrupt but fraudulent as well.

Victorians remain the most highly taxed of all Australians. It is instructive to note that State taxation in Victoria has increased by 77 per cent since the Cain Government came to office. On a per capita basis, State taxation is now $930 compared with $525, as it was in the last year of Liberal Government; that is an extra $405 for every man, woman and child in Victoria. The family of four is now paying $1620 more every year than it paid under the Liberal Government, an increase that is far in excess of the consumer price index increases.

Despite the claims by the Treasurer that no increases have occurred in taxes and charges, a multitude of hidden increases have been imposed. One of the most blatant is the Cain water tax. The Government's own documents reveal that the new domestic water pricing policy for Melbourne will not only increase the cost of water to consumers but also that it will cost an extra $1 million a year to administer and $1 million for extra staff in the current financial year alone.

Among the documents that have been obtained relating to this matter is a most extraordinary memorandum that was sent to the Government by the water authorities. It reveals how the Government intends to go about the process of adding this tax to the bills of the ratepayers of the Melbourne and Metropolitan Board of Works and, furthermore, how to disguise it in such a way that people will not realise that it is being imposed on them. A document headed "Financial implications" states under the subheading "Community impact":

> The total system must be in place by 1st July 1987 so that accounts can be forwarded as soon as practicable after meters are read from July 1987.

Here is the crucial sentence:

. . . substantial delays will reduce the impact of the pricing policy in that the public will not be able to relate the consumption during the previous twelve months to the size of the bill.

We learn from that document how the Board of Works proposes that the Government should disguise this new tax so that it can in fact hoodwink the public into thinking that there has not been any increase in taxes at all.

I shall now deal with the level of incompetence in financial management. One of the gems of the Government's financial management was the famous Crabb plan to reduce employment in the railways. Honourable members will recall that this scheme cost millions of dollars and led to an increase in the number of railway employees. The Government now has to go through the whole process again because, instead of reducing the number of railway employees by several thousand, as intended, it finds several millions of dollars later that it has an increase in the number of railway employees, so it has decided on a further reduction of 2000 railway employees. So much for that piece of financial and administrative incompetence!

I shall now deal with the Government's inability to ascertain the cost of the services it provides. One is faced there with revelations that are positively mind-boggling. No wonder the Budget itself is not only fraudulent but incompetent and full of mistakes!

Honourable members will be aware of an explosive policy that was put forward by the Ministry of Education called "Taking education into the 1990s and beyond", which was released with a great fanfare and was to be the blueprint for education in the future. The proposition was that, instead of all schools being responsible to the central administration of the Ministry, they would become private, self-managing entities: they could hire and fire their own staff; they could run as independent schools. However, they would receive Government funding by way of block grants to enable them to carry out their educational activities and meet their responsibilities to their various communities.

That presupposes that the Government knows how much it costs to run a school. The staggering revelation came to me on 11 August this year when I received an incredible letter from the Ministry in response to a request for information on the operational cost of each school in my electorate. The Ministry of Education does not know. The letter says:

I refer to your request for access to documents under the provisions of the Freedom of Information Act 1982, in relation to school operating costs.

Advice provided by the Schools Division's Principal Finance and Budget Officers, Mr L Gowan, is that such a dissection of the accounts is not presently possible, though enhancements to the accounting system computer program are currently underway.

A further piece of information advised that:

. . . Such enhancements—

a delightful euphemism—

. . . were at least 12 months away.

So much for the grand plan to provide block grants to every school in Victoria to enable it to conduct its own affairs! The Ministry does not have a clue how much it costs to run a school and it will not know for at least twelve months. That is the official view so, for a real view, I suggest that honourable members should add another couple of years, by which time the Ministry may know but probably will not.

Neither has the Government the faintest idea of how much it costs to attend to various police activities. Honourable members have been concerned—as, indeed, has the community—by the diversion of police to so many incidents relating to industrial disputes and to the activities of certain unionists and unions. The cost of attending those disputes and disturbances that have been caused by the union masters of the present Labor Government has been enormous.

It was acknowledged by the Government through the annual reports of the Police Force, that those costs are substantial; but the Government has no idea of the actual cost of

attending those disputes. I quote from a letter forwarded to me and dated 26 August from the Victoria Police. It states, inter alia:

A great number of industrial disputes are attended:

Unless overtime or other costs (over and above salary) are incurred the cost of this type of police response is absorbed in normal operational costings.

The cost of attending, in the interests of community safety, these disturbances caused by militants, is not known. An exception is when there is advance notice or an expectation of a significant event occurring, in which case the incident is referred to as a "special event" and the attendance of police can be planned in advance.

The cost of these special events is known and it has been staggering. In 1985–86, operation "Bluestone" cost $1082; operation "BLF Stand-down" cost $113 439; operation "Milk dispute" cost $134 485; operation "Hereford" cost $4671; and operation "5th Court" cost $17 437. The 1984–85 operation "Light Tower" cost $310 444; operation "Milk dispute" cost $161 974; operation "BLF Stand Down"—1986 to 1987—cost $23 547. Operation "Longford Gas Plant" cost $17 939; and operation "Crossbreed" cost $3240.

The cost to the community because of the necessity to divert police from useful duties to protect the public from the ravages of criminals has been enormous. It is a grave misuse of taxpayers' funds that the Government has created and allowed an environment to persist where it is necessary for police to be diverted in this way.

However, it is scandalous that the police are diverted so frequently and at such enormous expense. The Government does not have the faintest idea of how much those diversions cost. The profligate spending and handouts to fellow travellers has forced curtailment of vital services, particularly in education.

The shortage of funds has occurred despite savage increases in taxation and despite the fact that the Government is flogging off everything in sight—flogging off all the property it can lay its hands on. For example, it is selling off the land that was reserved for the Healesville Freeway because it needs the money to make up for what it has wasted in other areas.

If the Government had enough backbone to connect its wagging tongue and flapping tail, people may take some notice of it.

The Government has now curtailed the emergency teacher program. It is cutting services in regional offices of the Ministry of Education and the appointment of curriculum consultants has been reduced by 50 per cent. There are reductions in specialist services also.

The Government's record of administrative incompetence and financial irresponsibility is there for all to see. The Budget is a disgrace; it is a scandal. The Treasurer is incompetent and the Government stands condemned.

Mr WHITING (Mildura)—I express my disappointment that the area of agriculture is continuing to be downgraded in the eyes of the Government.

The Treasurer, in his Budget speech, spent just four lines on page 13 of the Budget speech, on agriculture and rural affairs. He said:

A special allocation of $1·8 million has been made for the Department of Agriculture and Rural Affairs towards the costs of regionalisation of the department's operations and the strengthening of its position in rural areas on a long term basis.

That is all very well but we have already seen the lack of results of regionalisation in the education field, especially in the more remote parts of the State.

The regional boards that are expected to administer the functions of the department that have been transferred to those areas are unable to adequately complete the task. The

distances between centres are far too great and it is impossible for individuals to spend time coping with the situations they have been involved in through the actions of the previous Government and now, to some extent, this Government.

The same thing has happened with regard to Health Department Victoria. Consequently, we now see the same happening in agriculture and it is unfortunate that this should be taking place because, under the new proposals, the ridiculous situation exists whereby the extension services and the number of Department of Agriculture and Rural Affairs offices that are now located in various towns, such as Mildura and Swan Hill, will be reduced to some extent so that a regional office can be placed in Horsham, which is again a greater distance from those centres; in fact, it is more than halfway to Melbourne. Therefore, the Government is making a massive region for the officers of that department to cope with.

The total budget for agriculture and rural affairs is $114 071 000. That is an increase of some $10 million on the previous year's actual expenditure and probably it will not handle the inflation rate expected in the forthcoming year.

Because of that minimal allocation, gradually agricultural services are being run down in this State to the detriment of the producers of the produce that the Government hopes will get them out of the financial mess in which it now finds itself.

In a local Mildura newspaper, *Sunraysia Daily*, a large headline recently read, "Government's horticultural export boost". The extent of that boost was to produce a booklet entitled, "Growing Exports: Victoria's Horticultural Potential". The potential has always been there. The exports, at the present time, have been largely because of the entrepreneurial expertise of individuals within those districts, who have gone overseas to Asian and European markets and established markets for themselves for products such as fresh fruit and table grape varieties that are suitable for those markets.

Of course, there is a vital time factor involved which makes it difficult for those people who are producing the product in that, if unfortunate climatic conditions prevail, there is a slot when the market is reasonably bare, but when those two large markets are available overseas, it is difficult for the Australian market to cope with that situation.

Therefore, the whole value of the project to the State and to Australia is at some risk because of the climatic conditions and, unfortunately, the Government does not seem to realise that. Although the last season was an extremely good one, both climatically and in terms of the quantity of export grapes, there is a possibility that this will not always be the case and the Government will have to find someone else to blame or some other area from which to raise funds to cover its huge State debt.

Although it is interesting that the Government points out that 27 000 tonnes of horticultural products were exported from Victoria and earned $19·1 million, which represents 17 per cent of the nation's export income from horticulture, it did not include the fact that there is still, in spite of a downturn in the dried fruits industry, some $60 million export income for the 1985–86 season.

That amount flows into the Victorian economy but more particularly $110 million flows into the economy of the local Sunraysia district.

It is all very well to refer to the $19 million from vegetables and fresh fruit development, but by far the largest income earner in that district, which will probably continue for a number of years, is the dried fruits industry. The Treasurer should have provided greater assistance through the Department of Agriculture and Rural Affairs to agricultural districts for such industries. This is one of the few real export income earners in Victoria because of the parlous financial situation of the State. I hope the Treasurer will take notice of that in future Budgets.

Finances for health services are also not good. Victoria still has long waiting lists for people who wish to have elective surgery. That waiting list is increasing despite a promise of the Government two years ago to dramatically reduce it. The desired effect has not

taken place, but the health budget has increased rapidly because of problems currently confronting the Government.

Some $1574·9 million has been expended on health this year, which indicates that health services are costly, but there are still significant problems in obtaining sufficient and adequate services for people forced to use State Government health services, particularly in country areas.

Recently I wrote to all members of Parliament asking that they assist in making representations to the Minister for Health about the shortage of staff in physiotherapy and occupational therapy areas and other paramedical services in the more remote parts of Victoria, and particularly in the electorate of Mildura. I received a good response from honourable members on that matter. Some 30 wrote back and informed me that they had written to the Minister personally or taken some other action, which I appreciated.

The final upshot was that the Minister for Health wrote to the Minister for Transport who forwarded the letter to me. The Minister stated:

> There is a shortage of staff in the various allied health services within country Victoria, and the Health Department is well aware of the difficulties facing residents of areas which are not regularly provided with such services as physiotherapy or occupational therapy.
>
> Unfortunately attracting staff and retaining them in country-based positions is a major problem and a direct cause of limited services in many areas. In this regard I have noted the disadvantages experienced by staff in country positions which are highlighted in the Sunraysia Human Services Group Report.

That was the instigating document I used to direct this problem to the attention of honourable members. The only answer provided by the Minister for Health was:

> The department's regional director for the Loddon Campaspe/Mallee Region, Dr Ian Cumming, has already established a committee to review physiotherapy services within the region and its report will be presented shortly. It is planned to undertake similar reviews of other services such as occupational therapy and, in each case, special consideration will be given to means by which staff can be attracted to country-based positions. Each review would seek to have as wide range of local participation as possible.

Victoria is still in the investigative stage of trying to provide adequate health services in country areas, and that is an untenable position for any Government. It is time that the Government and other service providers sat down together and discussed the problems occurring in the health field. The health field is overdue for more urgent concern and control than that which has occurred in the past.

The Minister also said that further reviews of the cost of various Victorian hospitals would be undertaken. It is amazing that the Government is continuing with reviews and surveys when that information has been available to all hospitals, particularly when they were closely monitored by the former Hospitals and Charities Commission over many years. Bed day costs and other factors affecting the economy of large hospitals are well-known. There should be no need for further investigative services to take place which will delay the implication of answers to some of the problems facing the health industry.

Another area to which I shall refer involves transport and freight services. I wonder whether the Government has the ability to overcome the rail freight difficulties and the recent program implemented by the Government for the rationalisation of the delivery of small freight lots around country Victoria and the use of freight gates. After having established freight gates at many provincial centres, those facilities are being slowly reduced.

I shall refer the House to what occurs in Ouyen, which is 100 kilometres south of Mildura, and on the same railway line. All freight for Ouyen and the surrounding district is carried through Ouyen to Mildura and then is taken off the rail transport and road freighted back 100 kilometres to Ouyen.

In a recent press release issued by the Minister for Transport, he stated that six freight centres would close: Ouyen, Echuca, Korumburra, Warragul, Wangaratta and Orbost. It might well be that some of those centres do not warrant the retention of a freight gate centre because they are on the end of a spur railway line. However, when the freight has to

be transported through Ouyen and then brought back 100 kilometres by road, it makes no sense. I fail to understand the thinking of V/Line management and the Minister for their decision to close the Ouyen centre.

It is interesting to read the figures available on metropolitan passenger services. The total recurrent and works and services expenditure this year is an estimated $487 075 000, which is an increase of $5 million on last year. The amount for country, provincial and interstate corporate services is only $87 million. I admit that is a reasonable increase on last year's figure but the Government continues to subsidise passenger services in the metropolitan area.

I do not disagree that a rail service should be available, particularly during peak hours, but there must be an overrun of costs on some of those services which should be reduced during the day so that the subsidy is not as high. If that were done, the subsidy currently being used for metropolitan services could be transferred to country services where no alternative is available.

That is a matter about which I have spoken on many occasions in the past. The Government speaks about how no group should be discriminated against and yet, if ever country people were disadvantaged in any respect, it must be with respect to rail freight and passenger services when compared with their metropolitan cousins.

Although the Budget does not project increased State taxation, the Treasurer and the Government have created an illusion and I believe the chickens will come home to roost, if not next year, certainly the year after, and that will be near the time for the re-election of this Parliament. It will be a most interesting situation to observe at that time.

Mr JOLLY (Treasurer)—I have pleasure in closing the 1986 Budget debate. I thank honourable members for participating. I must make the comment that it is the first time I have been involved in a Budget debate in this place when the Opposition has not put forward any budgetary policies at all.

I am amazed that the Opposition is bereft of any Budget policy. I should emphasise—I know honourable members opposite do not like it—that it is about time the Opposition held a meeting and decided on a budgetary policy because, to date, we have not seen one.

Obviously, not only is the Opposition in disarray on a number of matters, but also it is extremely difficult when the Opposition has a gaggle of shadow Ministers who want to spend money everywhere. It must make it difficult for the shadow Treasurer to come up with any semblance of policy on expenditure. One would have thought there would have been some attempt to explain how the Liberal Party would handle the Budget in the unlikely event of it being elected to government.

Not only has hundreds of millions of dollars of expenditure been suggested by members of the Liberal Party, but also the shadow Treasurer has proposed that some $74 million should be taken out of the Consolidated Fund to fund the so-called Motorcare proposals of the Liberal Party, and the Leader of the Opposition, in recent times, has proposed that there should be an abolition of land tax on principal residences. Again, that would be a cost to revenue. The Opposition does not say which taxes it will increase. I believe the onus is on the Liberal Party to explain to this State what taxes would be increased in order to meet its expenditure promises and to meet promises in respect of third-party insurance and land tax.

What do we hear? Absolutely nothing. Clearly the Opposition has not been able to develop a budgetary or financial policy. At least—I must say—the National Party has come up with some alternatives. The National Party suggested there should be a freeze on public servants.

The Government has rejected that because it would lead to inefficiencies in government and would be likely to lead to essential services being cut off to the people of Victoria. The Government believes the approach it has adopted in the Budget is appropriate; that is, in

the context of program budgeting, productivity savings and efficiency savings where the Government has been able to achieve a rate of growth on expenditure on the Current Account of 6·6 per cent.

Clearly that demonstrates how tight the Victorian Government Budget has been. Firstly, we have been able to do that without cutting out any essential services in the State and, secondly, we have done it in the context of introducing a wide variety of new initiatives.

In the area of community services, it is important for the Government to continue its program of home and community care. Additional State funding in the Budget amounted to $6·2 million. The Budget contained important social programs for legislation affecting intellectually disabled persons.

In the health area the Government is concentrating on preventative health measures, including projects involving women's health, mental health and improved care for the elderly. They are all important social initiatives.

A number of initiatives have been introduced in the economic area, one of which relates to tourism. Everyone recognises that there is an opportunity in Victoria to boost employment in the tourist industry. As a consequence, the Government has allocated money for an international marketing strategy to take advantage of the relatively low value of the Australian dollar to encourage tourists to come to Victoria. A sum of $2 million has been allocated out of the Budget to meet with matching funds from the private sector to promote tourism.

I should also point out that additional money has been provided in the Budget this year to provide an additional 1300 tertiary education places this year.

Those figures show how the Government has had the ability not only to restrain the current expenditure to 6·6 per cent, but also, in that context, to introduce important initiatives in both the social and economic areas.

Another initiative I should mention, because the Deputy Leader of the National Party is especially interested in the subject, relates to salinity. There has been increased State funding for new projects in 1986–87 of $1 million. That amounts to a full year effect of $1·8 million.

The Budget is very tight and represents the lowest rate of growth of recurrent expenditure for about 25 years. When one compares that with information obtained from other State Governments, one finds that the recurrent expenditure this year in New South Wales is expected to be 7·9 per cent. In Tasmania the figure is 7·1 per cent; in Queensland 7·1 per cent; and in South Australia 8·7 per cent. That shows that the recurrent expenditure—the Consolidated Fund Current Account—in this State will grow at a lower rate than in any other State in Australia which has so far brought down a Budget. The figure of 6·6 per cent in Victoria compares with an average in other States that have brought down Budgets of 7·8 per cent.

Honourable members interjecting.

Mr JOLLY—The honourable member for Brighton is an interesting fellow at times, but not lately. In relation to recurrent expenditure, the Government has performed exceptionally well indeed. As I mentioned in answers to questions, if one examines the national accounts statistics one finds that with consumption expenditure there is an increase of 6·9 per cent. That represents, again, a low rate of interest indeed.

I shall now comment on the so-called errors in the Budget that were highlighted by the Liberal Party.

Not one of the errors that the Liberal Party has referred to relate to the Appropriation Bill in any case. Two matters were identified by the Liberal Party as being omissions or errors. One related to a figure of $17 million in the works and services area of the Department of Management and Budget. As I indicated earlier, the figure as shown in one

of the appendix tables to the Budget Papers was incorrect, but it was, of course, correct in relation to the Appropriation Bill. That has been explained to the House. That item was the only matter that related to the financial year 1986–87.

The public authority dividend in relation to the State Bank was correct. Those matters were recognised by the *Australian Financial Review* the day after the Budget.

The facts are that the honourable member for Brighton, assisted by his cohorts, found one table that was out, a new table; one of the 95 new tables in Budget Papers that contained approximately two million numbers. That is all the Liberal Party came up with.

The honourable member for Brighton, who is continually interjecting, tried to create the impression that there were $836 million worth of mistakes and that that amount of mistakes related to the 1986–87 Budget.

I take the House to one claimed error to which I have referred on several occasions, but the honourable member seems to have difficulty in understanding the point. The claimed error referred to Budget Paper No. 2, table 6.1, which shows "Expenditure on Major Social Services", 1983–84 to 1986–87. The honourable member said that except for the housing figures every total in that table was wrong and that the total error was $386 million.

Mr Stockdale interjected.

The SPEAKER—Order! I warn the honourable member for Brighton for the first time and if the honourable member continues to ignore the Chair then I will take action against him and he will not be in the Chamber for the rest of the debate.

Mr JOLLY—The honourable member for Brighton obviously did not prepare his speech so he is upset that he has been led astray by his new research assistant. The table does not understate the expenditure by $836 million. I shall match up the figures in one area alone so that the honourable member has a better understanding in the future. I suggest before the honourable member for Brighton opens his mouth again that he should receive a briefing from officers of my department. Under the heading "Education", table 6.1 shows estimated expenditure for 1986–87 as $2 631 923 000. That is the figure appearing in the Budget Papers as shown in the Appropriation Bill. The same situation applies for health, housing, transport and community services.

The honourable member for Brighton believed there was a $386 million error because he misread the table. The honourable member has done the same thing in a number of other areas. I do not blame him for having difficulty in understanding these tables, because they are reasonably complex. The Appropriation Bill is complex but the supporting documents are even more complex.

The honourable member made a number of other claims relating to the allocation of capital funds. I refer the House to one other example that occurs in table 4.1, page 64 of Budget Paper No. 2. The honourable member said there was an error of $29·5 million in that table. Again, if the honourable member had referred to table 4.1 he would have recognised that under "Public Authorities" there was a figure of $3·3 million and under "Capital Development Fund" a figure of $26·2 million; coincidentally, those figures add up to $29·5 million. There is no error at all; it is just that honourable members opposite have misread that particular table.

The Budget is very tight with 6·6 per cent increase in recurrent expenditures and only 6·3 per cent increase in taxation receipts. A number of important taxation initiatives have been commenced, especially relating to stamp duty insurance concerning the transport of goods external to the State and also in certain debentures. Those concessions will open up new market opportunities. It is no wonder that with a series of long-term economic policies, plus a Budget that has produced a degree of restraint and taxation relief, which assists the economic strategy and development, the Government once again will achieve a growth in non-farm products that will be faster than the national economy. Victoria will be in a position of having the lowest unemployment rate of any State of Australia.

APPROPRIATION (1986–87, No. 1) BILL

The SPEAKER—Order! I shall deal with the Appropriation (1986–87, No. 1) Bill first. The question is: That this Bill be now read a second time.

The motion was agreed to, and the Bill was read a second time.

It was ordered that the Bill be committed later this day.

WORKS AND SERVICES (FURTHER ANCILLARY PROVISIONS) BILL

The SPEAKER—Order! I shall now deal with the Works and Services (Further Ancillary Provisions) Bill. The question is: That this Bill be now read a second time.

The motion was agreed to, and the Bill was read a second time.

It was ordered that the Bill be committed later this day.

APPROPRIATION (1986–87, No. 1) BILL

The House went into Committee for the consideration of this Bill.

The CHAIRMAN (Mr Fogarty)—Order! I advise honourable members that the debate on the programs will commence at clause 4. Each program will be called in order and honourable members can then speak to the detailed items listed under that program.

Clauses 1 to 3 were agreed to.

Clause 4

PARLIAMENT

Mr GAVIN (Coburg)—As honourable members are aware, the Legislative Council does not have a good reputation. The Legislative Council does not sit very often and its hours of sitting are far less in comparison with the Legislative Assembly.

The Legislative Council, traditionally, has sat at least ten days less than the Legislative Assembly and its sitting hours are approximately half that of the Legislative Assembly. The Legislative Council has a poor record as a representative of the people of Victoria. It does not seem to have any definitive function. It is not a House of review.

Mr WILLIAMS (Doncaster)—On a point of order, Mr Chairman, I put it to you that the honourable member for Coburg is reflecting on another place and is going very close to breaching the Standing Orders.

Mr JOLLY (Treasurer)—On the point of order, Mr Chairman, the honourable member for Coburg is clearly referring to the functions undertaken by the Legislative Council and is commenting on the expenditure associated with that.

The CHAIRMAN (Mr Fogarty)—Order! I do not accept the point of order, but I remind the honourable member for Coburg that he is treading close to the line and should not reflect on the other place. At this stage there is no point of order.

Mr GAVIN (Coburg)—I was going to make the point that the standard of debate in the Legislative Council is not as high as the standard of debate in this place. I hope the honourable member for Doncaster will not take offence at that because he is a good debater.

Question time in the other place, which is supposed to be the House of review, is extremely poor. To take only 15 minutes every day for question time is extremely

superficial. That is another indication that the Legislative Council is not fulfilling its functions as a House of review. It is an irrelevancy.

The Upper House has a dreadful record of rejecting proposed Government legislation which has been well debated in this House.

The CHAIRMAN—Order! I remind the honourable member for Coburg that he is getting close to the bone with his remarks about the Legislative Council. He is referring to the way in which the business of that House is conducted, and I suggest that he get off that track.

Mr GAVIN—To a large extent, the amount of money spent on the Legislative Council is wasted. The Upper House is not fulfilling its function as a House of review. The standard of debate is dreadful. Victorians are wasting considerable money on that House given that it has a dreadful record of rejecting proposed legislation without any real review.

Mr Hann—Are you on the right Bill?

Mr GAVIN—If the honourable member for Rodney had been listening, he would have heard that I am discussing the Legislative Council.

The CHAIRMAN—Order! The Committee is discussing the Legislative Council and the honourable member for Coburg is getting close to the bone in debating the procedures adopted in the other House.

Mr GAVIN—I am making the point about the waste of taxpayers' money on the Legislative Council, which is a party House and not a House of review. Liberal Party members in the other place do not use that forum to review proposed legislation. I shall list some of the proposed legislation that has been rejected and that will show quite clearly that Victoria should not have an Upper House.

Mr Harrowfield—Queensland does not have one.

Mr GAVIN—As I am reminded by the honourable member for Mitcham, Queensland does not have a Legislative Council. The Premier of Queensland does not complain about that state of affairs. The National Party Government in Queensland is delighted that there is only one House of Parliament and I believe that should apply in Victoria. I hope I can attract some comments from members of the National Party to discover whether they hold the same views as their colleagues in Queensland.

The Legislative Council has rejected out of hand a large number of Bills. I see nothing wrong with the Legislative Council establishing committees to review certain Bills to try to improve them.

The CHAIRMAN (Mr Fogarty)—Order! Once again I remind the honourable member for Coburg that it is not customary for honourable members in one House to criticise the workings of another place. I suggest that the honourable member get off the track of referring to certain practices carried on in the other place.

Mr GAVIN—I shall not refer to proposed legislation that the Upper House has rejected, but it has rejected a large number.

It appears that the majority of members of the Upper House wish to abuse that place to establish an Estimates Committee. That notion should be rejected by all members of the Legislative Assembly. A number of members of the Upper House were elected in 1982, four years ago, and they wish to establish a process to try to reject Supply for this year.

Mr RICHARDSON (Forest Hill)—On a point of order, Mr Chairman, I direct your attention to Standing Order No. 95, which states:

> No member shall allude to any debate in the other House of Parliament . . .

The CHAIRMAN—Order! I uphold the point of order. I ask the honourable member for Coburg to get off the track of alluding to the workings of the other place.

Mr GAVIN (Coburg)—I was not referring to any specific debate in the other place.

Mr Richardson—You were referring to the Estimates Committee which is being debated, you twit!

The CHAIRMAN—So that members of the Committee know what is going on, I shall read Standing Order No. 95, which states:

> No member shall allude to any debate in the other House of Parliament, or to any measure pending therein, except that wherever a Member of this House believes himself to have been seriously misrepresented by statements made in the same Session in the other House of Parliament . . .

Let us get down to business and to the Legislative Council.

Mr GAVIN—It is disappointing that all members of the Legislative Council are not elected at the same time as members of the Legislative Assembly. If that were the case, an argument could be made for the existence of the Upper House. However, the fact that some members of the other place were elected in 1982 and are now trying to impose their will in many ways is one of the arguments for getting rid of the other place.

Mr RICHARDSON (Forest Hill)—On the point of order, Mr Chairman, I direct to your attention Standing Order No. 97, which states:

> No member shall use offensive words against either House of Parliament . . .

The honourable member for Coburg, despite your requests, Mr Chairman, on a number of occasions, is continuing to reflect on the other House of Parliament in a way that can only be described as offensive. I put it to you, Sir, that the honourable member should no longer simply be warned but should be ruled out of order and, if he persists, should be no longer heard.

The CHAIRMAN (Mr Fogarty)—Order! I uphold the point of order. The honourable member for Forest Hill has quoted Standing Order No. 97. I request the honourable member for Coburg to get off the track which he is currently going down. I am trying to be nice about it.

Mr Gavin interjected.

The CHAIRMAN—That statement was a reflection upon the Chair and I ask for it to be withdrawn immediately.

Mr GAVIN (Coburg)—In deference to the Chair, I withdraw.

I believe the only way one could possibly argue for the existence of the Upper House as a body and as an institution would be if all members of the Legislative Council were elected simultaneously with members of the Legislative Assembly. As this does not occur and the Upper House is trying to abuse its powers, there is no justification for the existence of this body.

Mr E. R. SMITH (Glen Waverley)—I refer to Program No. 103, item 2502, "Expenses of Select Committees", for which an allocation of $48 500 is made. This allocation distinctly refers only to the Mortuary Industry and Cemeteries Administration Committee— a committee that is very close to the heart of the honourable member for Preston. That this very small amount of money is to be expended on the committee should indicate its efficiency.

I suggest that another Select Committee be appointed, a Select Committee that will be self-supporting and self-funding. It would be called the "PAGUT" Committee—the Political Advocacy Group Utilising Taxes Committee. No doubt members of both Houses have seen a recent article in the *Institute of Public Affairs Review* called PAGUT, which stands for Political Advocacy Groups Utilising Taxes. If this Select Committee were formed, the "PAGUT" Committee, it would examine many different forms of waste in Government expenditure.

Through the honourable member for South Barwon I have extracted from fourteen departments several Victorian Government fundings for non-Government organisations. These items include various amounts of money and this is what the suggested "PAGUT" Committee—a Select Committee that would be self-funding——

Mr REMINGTON (Melbourne)—On a point of order, the thrust of the honourable member's contribution I do not believe relates in any way to item 2502, which is an amount of $48 500, which was specifically placed in the Appropriation Program No. 103 relating to the Legislative Council at the request of the Treasurer for the Mortuary Industry and Cemeteries Administration Committee.

It has no relevance whatsoever to whatever fantasy the honourable member might like to see occur. His remarks are not relevant.

Mr RICHARDSON (Forest Hill)—On a point of order, item 2502 relates to expenses of Select Committees—committees plural—and that is a figure which is related to projections for the future. I submit that the honourable member for Glen Waverley is perfectly entitled, and is indeed, being quite relevant in talking about the way in which he believes the financial resources of the Government could be properly and appropriately applied to expenses of Select Committees. Therefore, the honourable member has raised a spurious point of order that should not be entertained.

The CHAIRMAN (Mr Fogarty)—Order! There is no point of order. I accept that the word is "Committees" and I take it that the honourable member for Glen Waverley is arguing that if a certain amount is spent on one committee, there may not be enough for other committees. Therefore, there is no point of order.

Mr E. R. SMITH (Glen Waverley)—This "PAGUT" Committee would be self-funding because the types of items to which I refer now are selected figures from fourteen departments—these figures have been obtained through questions on notice to which fourteen of 22 Government departments have replied.

In the years 1983–84 and 1985–86, for example, the Victorian Association of Peace Studies has received $35 864; the Young Women's Housing collective has received $45 250; Friends of the Earth, a left wing conservation group, has received $125 506; Gay Publications Co-operative—and I could go on, but the point is that these expenses amount to $540 019 and if there was a "PAGUT" Committee, a committee that would examine the Political Advocacy Groups Utilising Taxes, it would be seen that these are funds expended on groups whose existence divides Australian society. They are intensifying the political conflict. They are in no way dealing with the mainstream Australian values.

For example, in the peace studies section it would be seen that throughout the period there is an amount of $20 000 for the Australian Nuclear Free Zone Secretariat, another amount, as I said before, for the Victorian Association of Peace Studies of $35 864. If these moneys were necessary, and if mainstream Australia considered that peace studies were to be one of these remarkable programs that had to be studied, all Victorians would be crying out for peace studies, but I believe the word "peace" in mainstream society generally has connotations of——

The CHAIRMAN (Mr Fogarty)—Order! The honourable member is wandering a little too far now.

Mr E. R. SMITH—I am sorry, Mr Chairman. To finish the definition, everyone normally thinks of peace as a concept that concerns the community—a lack of aggression, a cessation of hostilities or, perhaps an internal peace, whereas if one is to study the Soviet Union's encyclopaedia of philosophy it would be shown that the pursuit of peace——

The CHAIRMAN—Order! This line of argument has to be related to Parliamentary Select Committes, and, once again, I stress the word "Committees".

Mr E. R. SMITH—I am saying that this is the type of expenditure that would be picked up by a "PAGUT" Committee and, hence, honourable members would be able to utilise

moneys that from time to time are needed in their electorates that we ask for and are told by the Treasurer we cannot have.

For example, through the Minister for Labour I recently asked the Treasurer for $35 000 for the Waverley Youth Resource Centre. When this request came in—and this was for a mainstream type of activity— —

Mr HARROWFIELD (Mitcham)—On a point of order, again this is a specific item in the Appropriation Bill.

The CHAIRMAN—Order! I uphold the point of order and suggest that the honourable member stick to the item dealing with committees and expenses thereof.

Mr E. R. SMITH (Glen Waverley)—Right, Mr Chairman. As I was saying, everyone is in the business of trying to save money. The point that I am making is that by having a committee such as a "PAGUT" Committee, areas of Government expenditure that are considered to be wasteful would be pinpointed. As examples I have quoted organisations and figures from a list that I am happy to table. The total amount is nearly $500 000.

That amount could be saved and could be reallocated into programs within electorates. For example, it could be used for programs such as the one I mentioned previously, the Waverley Youth Resource Centre. Recently, I received a letter from the Minister for Transport concerning the Glen Waverley interchange. I had asked the Minister for a number of improvements to be effected.

At this stage, the Minister for Transport said, "No, this amount would come to some $2 million". Through the local bus company, I have ascertained that it would be possible to save——

Mr GAVIN (Coburg)—I raise a point of order, Mr Chairman. The honourable member's argument seems to be that if one spends $2 million on a certain facility or project and lists a few items, one would have to cut the $48 000 provided for the expenses for the Mortuary Industry and Cemeteries Administration Committee.

That is not much of an argument to present in addressing this program. In fact, if the honourable member for Glen Waverley is to be allowed to use that sort of argument, clearly, every other honourable member could also speak on any particular matter in his or her electorate on which he or she believes more money should be spent, which would replace that item.

I seek your ruling on that matter, Mr Chairman.

The CHAIRMAN (Mr Fogarty)—Order! These points of order are going too far. The debate on the Appropriation Bill is a serious business.

I must uphold the point of order because the honourable member for Glen Waverley was very much straying from the matter with which the Committee is now dealing. I therefore suggest that he relates his remarks to the expenses of Select Committees.

Other avenues and opportunities are available for him to comment on works programs in his electorate, but he must now relate his remarks to Program No. 103, as he is very much straying from it at this stage.

Mr E. R. SMITH (Glen Waverley)—Thank you, Mr Chairman. The $48 000 spent by the Mortuary Industry and Cemeteries Administration Committee is money well spent. I was trying to say that if a committee such as the "PAGUT" Committee were set up, it would be another worthwhile Select Committee of this Parliament that would be able to identify areas of Government waste.

That committee would be self-funding. In fact, as I said before, it would be a money-saving, self-funding committee. It would not be a committee like the Mortuary Industry and Cemeteries Administration Committee. The money saved through a committee like the "PAGUT" Committee would be able to help pay for the cemeteries committee.

The point I am trying to convey is that, if it were possible to identify and pinpoint exactly where the waste was occurring, it would then be possible to take that money away from areas which were considered to be wasteful. I have tried to name some of those areas.

I have nothing against the particular organisations to which I referred, as such, but I do not believe they have mainstream Australian values or represent the mainstream of Australian thought. I believe they represent vocal minorities that should not be receiving Government funding.

The point I make, which I am trying to relate to the Mortuary Industry and Cemeteries Administration Committee, is that that is a worthwhile committee and that a committee similar to the "PAGUT" Committee would be a Select Committee of this Parliament that could operate efficiently and be able to pinpoint areas of Government administration where waste is occurring.

Honourable members know that Government departments that have allocated this sort of funding would then have this matter highlighted to them. In many cases—when the mainstream of Australian people were able to say, "That is not money that we consider to be well spent"—that money would be able to be returned to the electorates. It would be money about which the Premier or the Minister for Transport could write to local members and say, "This is the money which, unfortunately, we have had to cut from our program". Earlier I mentioned three areas: the bus area, the youth resources——

The CHAIRMAN (Mr Fogarty)—Order! The honourable member will have the opportunity at a later stage to raise those sorts of matters.

Mr E. R. SMITH—These are areas in which there would be no difficulty in pinpointing and accurately showing where money was being wasted by Government departments. The last thing we would want is for money to be allocated to minority groups, because that would cause divisions and would intensify political conflict, which is occurring at present.

The CHAIRMAN—Order! The honourable member is again straying from the matter before the Committee.

Mr E. R. SMITH—Apart from being able to indicate the specific cases, if I were allowed to illustrate my point on the item to which I referred before—the justification for the committee—I believe you, Sir, would understand the direction in which I am heading.

I shall read from an article on the "PAGUT" Committee, which I mentioned earlier. The winter 1986 edition of the *Institute of Public Affairs Review* states:

> Governments justify tax-funding "community" groups and giving them privileged access to advisory councils in the public service by claiming that the power of producer groups in our society is excessive and needs to be counterbalanced. Governments currently argue that promoting and resourcing "community" groups helps ensure that the public interest prevails over special private interests. Government patronage, it is said, enables the community to organise against commercial exploitation of consumers, racial and sex discrimination, unequal access to the law, and threats to the environment. . .

The CHAIRMAN—Order! The honourable member is again straying from the point. Of the two speakers who have contributed to the debate on this item, each has strayed from the point. The matter relates to expenditure on Select Committees, and I ask the honourable member to confine his remarks to that aspect.

Mr E. R. SMITH—As you can see, Mr Chairman, there are areas of Government expenditure that we do not believe should be spent in areas such as those I have mentioned. That money could well be spent in areas such as Program No. 103, item 2502, which relates to the Mortuary Industry and Cemeteries Administration Committee.

The value of Select Committees such as that is not questioned in this House. The work carried out by that committee and its reputation spread far and wide. If we were to set up a second committee along the lines of the "PAGUT" Committee, we would be able to have another worthwhile committee in Parliament and would find great value for money and great justification for such a committee.

I urge the Committee to take heed of my recommendation because there is much merit in it.

Mr WEIDEMAN (Frankston South)—When speaking about Program No. 103, which relates to recurrent expenditure in the Legislative Council, the honourable member for Coburg raised the issue of the right of the Legislative Council to exist.

The CHAIRMAN (Mr Fogarty)—Order! I remind the honourable member, as I reminded the honourable member for Coburg, that he is treading on very dangerous ground. Two specific Standing Orders exist which govern the rights to debate the other place. I therefore give the honourable member the tip: he is on dangerous ground.

Mr WEIDEMAN—I do not wish to go against your ruling, Mr Chairman, but I believe one or two comments should be made in reply to the remarks of the honourable member for Coburg about the right of the Legislative Council to exist.

The CHAIRMAN—Order! I ruled the honourable member for Coburg out of order. Therefore, having ruled him out of order at a particular time, I cannot allow debate on a matter that I have ruled out of order.

Mr WEIDEMAN—In view of the manner in which the debate has proceeded against the Legislative Council, I should like to point out to the Committee——

The CHAIRMAN—Order! In the opinion of the Chair, the debate is not proceeding at all—the Committee is still dealing with Program No. 103.

Mr WEIDEMAN—But you are not allowing me to say anything, Sir. It is amazing that the honourable member for Coburg did not refer to a document entitled "The Abolition of the Victorian Legislative Council—How to do it!" which was produced by the Labor Party. It states:

The Victorian Branch of the Australian Labor Party has as one of its platform objectives——

The CHAIRMAN—Order! I advise the honourable member that the Committee is not dealing with the Victorian Branch of the Australian Labor Party. It is dealing with Select Committees.

The reason why the honourable member for Coburg was ruled out of order related to his remarks on the operations of the Legislative Council. This item deals with committees and not the Victorian branch of the Australian Labor Party.

Mr WEIDEMAN—Sir, I am referring to the whole section relating to appropriations or money made available for expenditure on the Upper House, the Legislative Council. I make the point that it has been Labor Party policy to abolish that House.

The Premier yesterday accused members of the Opposition of not being genuine, of being thieves, of taking and not giving. I refer honourable members to this document which states that some potential obstacles——

Mr SPYKER (Minister for Consumer Affairs)—On a point of order, Mr Chairman, the honourable member is obviously defying your ruling. You have ruled the document out of order and the honourable member continues to refer to page after page of the document.

The CHAIRMAN—Order! I have not heard the thrust of the honourable member's argument at this stage. The message should have come to him loud and clear that he is not to debate any issue dealing with the other place.

Mr WEIDEMAN—Program No. 103 relates to funds that have been allocated to the Legislative Council. Comments have been made about the Upper House being unnecessary. It was also suggested that the National Party in Queensland was instrumental in removing the Upper House in that State. That was achieved by a constitutional amendment in 1922. I am in favour of retaining the Legislative Council and I am happy to table this document.

The CHAIRMAN (Mr Fogarty)—Order! The debate should centre around expenditure, not whether some other place should exist. Would the honourable member confine his remarks to expenditure relating to the Legislative Council.

Mr WEIDEMAN—If the House accepted the concept put forward by the Government that the Legislative Council should not exist, the expenditure for that place would not be needed.

The CHAIRMAN—Order! The reality is that the Legislative Council does exist. The debate is on appropriation expenditure. Does the honourable member wish to debate the estimates in the Budget Papers?

Mr WEIDEMAN—Yes, I am delighted to support the expenditure of money to cover the expenses of select committees in the Legislative Council. However, I also wish to mention the abhorrent idea put forward by the honourable member for Coburg who is trying to get rid of the Legislative Council.

Mr ROWE (Essendon)—I direct my remarks to the total recurrent expenditure of $740 000 in Program No. 103. That is not an inconsiderable amount of money and I am sure the view of many people in the community would be that that money could be better spent. In view of the activities of the Upper House over recent times and especially the suggested establishment of select committees, the community would wonder whether our taxes and charges are being well spent and whether we would be better off without a Legislative Council.

The actions of the Council today in attempting to gain an Estimates Committee of the Upper House are completely irresponsible and undemocratic. For that reason the recurrent expenditure in Program No. 103 should not be allocated. Significant savings in the Budget would be made by changes to the operations of Parliament.

The management of Parliament should be considered in a more global sense than the separate allocations to the Legislative Council, the Legislative Assembly, the Library and *Hansard*. The operation of Parliament is broken down into artificial areas with administration costs associated with each area. It could perhaps be more sensibly arranged with a corporate approach to the management of Parliament. In that way, significant savings would be made in its operations.

Mr REMINGTON (Melbourne)—I take up the matters raised by the honourable member for Essendon because it is obvious that there is a sincere desire among all parties in the House to reduce the overhead cost of running Parliament.

The costs mentioned in Program No. 103 are misleading in some respects. The recurrent expenditure total for the Legislative Council is $740 000. I do not want the shadow Treasurer to become confused about the four or five lines contained in Program No. 103 and think that that is the total cost of running the Legislative Council. Program No. 103 is simply part of the Parliamentary support services for running the Council. The total cost is approximately $17 million. In fact, the total cost of running both Houses is $29 300 000. It must be clearly understood that Program No. 103 is a minute proportion of the total cost of running the Legislative Council.

If honourable members were sincere about wanting to cut out duplication and waste and reduce costs, they would support the removal of the expenditure in Program No. 103.

The honourable member for Glen Waverley, in a flight of fantasy, said that a special select committee should be established. Perhaps it could examine the operations of the Legislative Council with a view to eliminating Program No. 103 because there might then be funds available to carry out the items about which he is so concerned.

Budget Paper No. 5 deals specifically with Program No. 103 and it sets out clearly the responsibilities of the Legislative Council. As someone who has worked in the banking industry, I state that if we are sincere about cutting costs, we should look at the total cost

of running Parliament and it would be possible to save an amount in excess of $10 million by eliminating the Upper House.

Mr MACLELLAN (Berwick)—The honourable member for Melbourne has made a most telling point and has placed issues in clear perspective. He has especially thrown into perspective the remarks of the honourable member for Essendon because he has now told us that the overall cost of running Parliament is $29 million.

I do not have to remind the House that it was this Government that decided to increase the size of this House with additional members at the last redistribution and the cost of that far exceed the $740 000 about which the honourable member for Essendon was complaining.

Indeed, in an overall allocation of $29 million—to quote the honourable member for Melbourne more accurately—$48 000 is a small price to pay for making the Government face the music and perform honestly.

Honourable members know that the Budget documents are riddled with inaccuracies. It is a shonky Budget supported with shonky documents.

The Estimates Committee proposed to be established in another place—hopefully the amended motion will succeed in another place—will call the Government to account and will make future Governments far more honest in their presentation of Budget documents to Parliament and to the people of Victoria. If the cost of doing that will be $48 000, that is less than the salary and electorate costs of one honourable member of this Chamber. The Government increased the number of members of this place after the last electoral distribution.

The honourable member for Niddrie interjects by saying, "The Parliament did". If the honourable member wants to be reminded of the exact position, the Opposition opposed the increase in numbers in both Houses, which was supported by the Government and the National Party. Therefore, it is not inappropriate for me to remind the honourable member for Niddrie and other Government members that it was the Government's proposal to expand the size of the Parliament, and the cost involved——

Mr GAVIN (Coburg)—On a point of order, Mr Chairman, the honourable member for Berwick is debating the increase in the number of Legislative Assembly electorates which comes under Program No. 104. The Committee is debating Program No. 103 and, therefore, the honourable member is out of order.

The CHAIRMAN (Mr Fogarty)—Order! The honourable member must relate his remarks to Program No. 103.

Mr MACLELLAN (Berwick)—The provision for the Legislative Council is proper and ought to be supported because $48 000—the cost of the proposed new Estimates Committee—will make the Government answer for the errors which it has not been prepared to frankly admit in the Chamber.

I cannot imagine why the Treasurer was unwise enough not simply to come into the Chamber and to correct the figures that were inaccurate in the Budget Papers, but he has chosen not to do so. He has chosen, with his usual intellectual arrogance——

Mr ROWE (Essendon)—On a point of order, Mr Chairman, the honourable member is flouting your rule. The Committee is dealing with the allocation under Program No. 103, which deals with the Legislative Council. The honourable member is not debating the expenditure for the Legislative Council; he is speaking in a general way about the Treasurer and the Budget documents. It is a very narrow debate on the allocation for the Legislative Council.

The CHAIRMAN (Mr Fogarty)—Order! All honourable members should realize that the debate is narrow. I ask the honourable member for Berwick to confine his remarks to Program No. 103.

Mr MACLELLAN (Berwick)—I am putting the argument on why the Committee should support the provision of funds for the Legislative Council, namely, because there is urgent and important work for the Legislative Council to do in keeping the Government honest. The reason it needs to be kept honest is because it has not made an honest disclosure to the Parliament on the mistakes in the Budget.

The Treasurer's arrogance in not doing that is justification enough to provide the Legislative Council with funding to establish an Estimates Committee to examine the Budget documents and to ensure that those documents are properly corrected.

The honourable member for Essendon, who appeared almost on the brink of voting against the provision for the Legislative Council, was in part supported by the honourable member for Melbourne, who made a very telling argument that out of an allocation of $29 million to cover the costs of running Parliament, $48 000 is a small price to pay to keep the Government honest.

I should be interested to see whether Government members who, after all, are rumoured to still have a majority in the Chamber, are going to vote against the provision for the Legislative Council or whether they are merely grandstanding to make an argument.

Government members should know that neither the Opposition nor the National Party will be voting against the provision for the Legislative Council; however, it will be of some interest to determine whether the honourable member for Essendon absents himself from the Committee when the matter is put or whether he decides that there is no problem or difficulty for him in saying one thing and voting against it.

Mr RICHARDSON (Forest Hill)—I refer to Program No. 103, Sub-program 1, item 2502, "Expenses of Select Committees". I draw the attention of the Committee to the way the Government has attempted to pervert the Parliamentary committee system.

The way the Government has acted has been a disgrace and an assault upon the institution of Parliament.

The Parliamentary committee system which, prior to 1982, existed to serve Parliament and not the Government, now exists to serve the Government and acts simply as an instrument of Government policy.

The CHAIRMAN (Mr Fogarty)—Order! Is the honourable member referring to the Legislative Council committees?

Mr RICHARDSON—I am referring to the Legislative Council Select Committees and the way those committees are being used by the Government.

In speaking of the Legislative Council committees, they are joint committees, which also contain members of the Legislative Assembly. However, I am speaking of the way the committee system is operated and manipulated by the Government.

Prior to 1982, for many years I served as a member of then Public Accounts Committee, which existed to serve Parliament. Its function was to scrutinise the actions of the Government. I recall that that committee would regularly call before it the Auditor-General and there would be an intense scrutiny of the Treasurer's Advance. There would be a regular calling before the committee of heads of departments and hard and telling questions were put by both Government and Opposition members. I might add that in that Public Accounts Committee the most telling questions and the harshest reports were made by members of the Liberal Party.

Mr HARROWFIELD (Mitcham)—On a point of order, the honourable member for Forest Hill is referring to the operations of various Standing Committees of Parliament. This particular appropriation refers to the operation of Select Committees. Mr Chairman, I draw your attention to the fact that Standing Committees are funded from a special appropriation not contained in this Bill.

The CHAIRMAN (Mr Fogarty)—Order! The honourable member for Forest Hill is wandering somewhat.

Mr RICHARDSON (Forest Hill)—The honourable member for Mitcham is so confused that he has made things difficult for the Chair. I am referring to the way the committee system did work and the way the committee system works now. It has been perverted by the Government.

The Government uses the committees as instruments of Government policy rather than as servants of Parliament. This is an assault upon the democracy of the State. It is an insult to Parliament and it shows the depth to which the Government is prepared to sink.

I draw attention to the way the Minister for Transport has misused the workings of the Social Development Committee and has, indeed, placed the children of Victoria in great danger.

In reality, if the Government were interested in democracy and the institution of Parliament, it would cease the politicisation of Parliamentary committees and cease to attack the freedom, independence, supremacy and sovereignty of Parliament, and allow it to be the Sovereign and supreme body and not the instrument of a perverted Government.

Mr WILLIAMS (Doncaster)—Mr Chairman, you are aware that money is approved in this House. Of all people, Mr Chairman, you would disapprove of another place dealing with money.

I am disappointed that the committee system that has existed jointly between this and another place has not given adequate attention to the scrutiny and control of Government expenditure since 1982. The Public Accounts Committtee was instituted in 1895 and has continued since then until the present Government decided to do away with the Public Accounts and Expenditure Committee to establish the Economic and Budget Review Committee.

In my inquiries I have discovered how disappointed the previous Auditor-General was with the operations of that committee, so much so that he resigned from the State Public Service. Regrettably, with the small amount of time that the Economic and Budget Review Committee has been able to devote to its proper activities, that is, scrutiny of the public accounts, it has become more and more involved in investigations into wine, bush nursing, dry docks and superannuation schemes which are not in the true tradition of public accountability review.

A proper Public Accounts Committee such as that which exists in the Mother of Parliaments, the Westminster, and which has existed since 1861 is needed to review and to check the administration of Government programs, as the committee is attempting to do now without the benefit of officers of the Crown, heads of departments and so on who can be interviewed on expenditure.

The committee system that exists today is a mockery of everything in any Parliament worthy of the Westminster tradition, that is, the scrutiny of the accounts with strangers present. The public accounts committee in Westminster meets at least one day each sessional period for debate in the House. I find it reprehensible that a considerable amount of work is performed by committees without strangers being present. The work of the committees and cross-examination of public servants is not revealed for the benefit of Victorian taxpayers.

I understand the public accounts committee in the Commonwealth Parliament conducts its activities with strangers present.

Anyone can spend money but we, as members of Parliament, are the representatives of the people and we should ensure that money is spent wisely. Without regular examination of the activities of Government departments to ensure they are adopting sound financial procedures, and avoiding waste and extravagance, inefficiency will occur. The only channel

through which Parliament can ensure departmental accountability to taxpayers is through proper investigative committees.

Not one of the investigating committees of Parliament, one of which I have the honour of being a member, is properly scrutinising the accounts of public departments and checking their activities to ensure that taxpayers receive value for their dollars. The past decade has witnessed an unprecedented growth in public expenditure.

In the press and throughout the community concern has grown over the inadequacies of the Parliamentary machinery to control the Executive and the public purse. The presentation of Budget Estimates in Parliament has sunk to the lowest ever level in the history of the State. Honourable members are not even permitted to debate the Estimates properly.

I have been a member of Parliament since 1973 and have served under various Governments; this is the first occasion in which I have not been able to make a speech during the second-reading debate on expenditure of well over $10 000 million of public money. The way the debate is heading, I do not think I nor any other honourable member will be able to speak at great length on any item in the Budget.

The CHAIRMAN (Mr Fogarty)—Order! I should like the honourable member to speak at length on Program No. 104.

Mr WILLIAMS—Not only are the Select Committees important but also the staff and the back-up services are important. Subject to correction, I put it to the Chair that Program No. 104 provides for the spending of money on resources and salaries for the back-up staff.

The staff are most necessary for organising the meetings of committees and, above all, their diplomatic skills are important. Their knowledge of traditions of the House and the conduct of committees is significant. If economy and accountability is to mean anything and if a high standard of public morality is to be maintained, we must ensure that adequate meetings of Select Committees are held with the people who matter, particularly the Auditor-General and heads of departments. The committees should regularly report to Parliament with key recommendations so that at least once a year honourable members can debate them.

It is obvious from a succession of annual reports by former Auditor-Generals that departmental reporting has been defective. Time and again the annual report of the Auditor-General shows that the departments cannot fully account for their assets: therefore, they cannot adequately provide for the depreciation of those assets. This happens in far too many cases compared to the standards achieved in private enterprise. The expenditure review in this place leaves much to be desired.

In the last annual report of the Auditor-General, he reports that up to $3000 million of expenditure in this place is subject to risk because much of that money——

The CHAIRMAN (Mr Fogarty)—Order! I remind the honourable member again that the debate is very narrow at this stage on Program No. 104.

Mr WILLIAMS—I put it to the Committee, in all sincerity that $3000 million is at risk, and this is stated on page 59 in the latest report of the Auditor-General, because too much is being handed over to non-Government organisations for their expenditure without Parliamentary scrutiny.

Mrs TONER (Greensborough)—On a point of order, the honourable member for Doncaster would appear to be defying your ruling, Mr Chairman. In fact, he is talking generally on the Budget and is not mentioning Program No. 104 which, as you, Mr Chairman, rightly said, is a very narrow area. I believe the debate should be confined to that.

The CHAIRMAN (Mr Fogarty)—Order! I uphold the point of order. The honourable member for Doncaster has the Budget Papers before him. Program No. 104 is limited; would the honourable member please relate his remarks to that and not to the Auditor-General's reports and other things.

Mr WILLIAMS (Doncaster)—I am putting to the Committee that the joint investigatory committees are vital indeed to the activities of the House. The provision for funds for backup staff is most important and if, as the Auditor-General says, $3000 million at least of our expenditure is not subject to audit, this is a disgrace. Someone should attend to this matter.

I call on the Minister for Consumer Affairs who is at the table to persuade his colleague, the Treasurer, that we should have a proper public accounts committee in this place as we had for almost 100 years, to call the people who spend this money to account and see that we have regular conferences with the Auditor-General.

I know the previous Auditor-General regarded his duty and responsibility as being only to Parliament and to the Public Accounts Committee. It is my understanding that he had very little time for the present committee because he did not regard it as concerned exclusively with his jurisdiction, the auditing of the accounts of Government departments, which through their Ministers owe allegiance to this place.

Mrs TONER (Greensborough)—On Program No. 104, I should like to take up some of the comments made in relation to that area by the honourable member for Doncaster. In so doing I indicate that the committees of Parliament are very important and the expenditure associated with staff and printing is important also.

I, like a number of other honourable members of this House, the honourable members for Forest Hill and Doncaster, served at one stage on the previous Public Accounts Committee and I believe that was a waste of time. It just went through various items, singling out aspects, and indeed the Economic and Budget Review Committee has the capacity to investigate particular items in the same way as the Public Accounts Committee did, within the Auditor-General's report, but also has a broader brief.

Considering the amount of money that is put forward in tight times for those committees I believe it is tragic that members of the Opposition have failed to turn up to carry out their important functions and duties. They have an obligation in difficult times to carry out those functions that are part of their brief and about which they spoke in Parliament when the current committee system was established.

However, instead of that, they willingly and knowingly chose to boycott a meeting this morning, which was called specifically for the purpose of carrying out the task of examining the Budget. Instead, the Opposition is proceeding in support of what its colleagues in the Upper House are doing, instead of using the excellent committee system that we have which has arisen out of the great success of the Public Bodies Review Committee under the former Government. It was the success of that committee which caused the Government to model the committee system on the successful applications that it had made.

The former Public Accounts Committee had its limitations. I am glad we have moved to a new system, but it is up to all honourable members of all parties to make the Parliamentary system work or we will find that in future years the allocation within the Estimates is not there to provide the backup for the investigations that are undertaken. I urge the Opposition to reconsider its position and to see the all-party Parliamentary committees as important.

The committee of which I am chairman does function extremely well. We have the cooperation of all parties and we are doing important work investigating marketing boards, and the work that we are undertaking will be to the benefit of all Victorians. The Opposition could take a lesson from the behaviour of the members of the Opposition on that particular committee as well as those on the Social Development Committee and the Natural

Resources and Environment Committee, and could be using the very extensive powers that they already have and the resources that are provided for them in a much better way than they are currently doing.

Mr STOCKDALE (Brighton)—I also support the expenditure in this program for the Parliamentary committees. Their work is invaluable in providing proper accountability and scrutiny of the actions of the Executive Government and in performing by way of extension, the functions of Parliament in protecting the interests of the Victorian people.

I want, however, to dispute the rather grandmotherly lecture that we have first received from the honourable member for Greensborough on the question of the actions of the Economic and Budget Review Committee. Notwithstanding the fact that today the Opposition precluded the Government from putting into effect a shabby stunt by way of the Economic and Budget Review Committee, the reality is that in the eighteen months or thereabouts that I have been a member of that committee, it is the Opposition which has invariably tried to make the committee work. The Opposition parties' representatives work under greater difficulties than those of the Government on that committee. Two members of the National Party reside in the country. It has not been uncommon for them to make trips to Melbourne to attend meetings of that committee only to find that the Government members had failed to provide a quorum for that committee, so that their expenses had been incurred, inconvenience had been caused to them and the committee was unable to transact its business.

Indeed, if we look at the whole period I have been on that committee I doubt that anybody, with the possible exception of the chairman, has a better attendance record than I have.

Mrs Toner—You have not been in for a month.

Mr STOCKDALE—That is a lie, that was publicly repeated today by another Government member. I have checked today with the Secretary of the committee. The cretin from Coburg comes into the room to back up what——

The CHAIRMAN (Mr Fogarty)—Order! I ask the honourable member to withdraw that word.

Mr STOCKDALE—I should have thought that the honourable member for Coburg would have regarded that as a compliment. I not only withdraw but I apologise to any cretins in Coburg.

The assertion made is not correct. I have checked today with the Secretary of the Economic and Budget Review Committee who confirms that I last attended a meeting on 18 September, not a month ago; indeed, it was a very significant day.

The CHAIRMAN (Mr Fogarty)—Order! The honourable member has gone a long way to try and justify some statement that may have been made today, but I ask him to get back to Program No. 104 and relate it to the expenditure.

Mr STOCKDALE—I am speaking precisely on the Bill in order to support my contention that that committee is performing valuable work and that the community and Parliament is getting value for every dollar spent there.

I am responding directly to the attack by the previous speaker on the attendance at meetings by the Opposition members who are members of that committee. The point I am making is that the assertions she made, which other members of the Government have made publicly today, is not accurate and that if they checked the facts, let reason override prejudice and attacked the matter honestly, they would have reported that I had last attended a meeting on 18 September, not even one month ago. That was a significant day because it was the day after the State Budget had been delivered.

I advised members of the committee at the time that I would be unable to attend meetings which had been scheduled by the committee and various subcommittees because

of commitments associated with my responsibility in connection with the Budget, and I give primary standing to my obligations to this Parliament. I have not failed to discharge obligations to that committee. It met in the knowledge that I would be unable to attend, and, so far as I am aware, my office has made an apology for each meeting at which I have not been in attendance.

The CHAIRMAN (Mr Fogarty)—Order! I have given the honourable member latitude to make what amounts to a personal explanation, but I think he should now return to the Bill.

Mr STOCKDALE—In closing, I can only say that it does not denigrate the functions of the Economic and Budget Review Committee, or any other Parliamentary committee, to point out that other Parliaments which also have such committees have Estimates Committees, and it is entirely appropriate, and indeed complementary to the work of the Parliamentary committees of both Houses, that an Estimates Committee be established in the Legislative Council.

Mrs TONER (Greensborough)—In speaking on the recurrent expenditure of the Parliamentary Library, I commend the staff who provide such an excellent service to all honourable members. Progressive improvements have been made over the past nine years that I have been in this Parliament and the staff are performing in a way that money cannot buy. They are helpful and generous of their time and endeavours.

They work in difficult circumstances with the physical facilities of this building, which are not quite what one would desire for modern equipment in an up-to-date library. The expenditure cited in the Budget is worthwhile and I congratulate the Library staff for their excellent work.

AGRICULTURE AND RURAL AFFAIRS

Mr AUSTIN (Ripon)—I direct my remarks to Program No. 122, corporate services of the Department of Agriculture and Rural Affairs and in particular subsidiary expenses associated with the employment of personnel. The estimated expenditure in 1985–86 was $1 million, and actual expenditure for that year was $2·597 million. The estimated amount for 1986–87 is $2·842 million. I ask the Treasurer why there was such a tremendous increase in that allocation, which includes payments in lieu of long service leave, payroll tax and State Employees Retirement Benefits Board funds. I hope the Treasurer will comment and give me an answer on that query at some future date, because the House deserves an explanation.

I now refer to the Rural Finance Commission lending under Part III of the Rural Finance Act. The payments for 1985–86 were $1·7 million, and the estimate for 1986–87 is $1·2 million, a decrease of $500 000. I ask the Treasurer to explain why there has been a considerable reduction, particularly as this will occur across rural Victoria which, to put it mildly, from an economic point of view, has been in an extremely difficult situation.

It would appear that as the general lending allocation has been cut by nearly one-third, the slack has been taken up by special purpose grants or by increased Commonwealth allocations. If my interpretation of that is correct, it appears that the Treasurer is moving towards phasing out the general lending, as recommended recently by Professor Lloyd.

In the item dealing with Rural Finance Commission expenditure pursuant to section 35 of the Rural Finance Act, payments in 1985–86 were $150 000, and the estimate for 1986–87 is $2·7 million. That is a large increase, and although I realise that section 35 of the Act provides for the Treasurer to be able to direct the commission to take charge of the administration of any moneys provided in the public account for any special purpose, in inspecting the item I can find no reference in the Budget Papers to this special purpose. It seems likely that the increased allocation will not be ongoing, so I ask the Treasurer if he will explain the situation.

In the item relating to salinity, irrigation and dry land, and capital loans under the Rural Finance Commission, the estimate in 1985–86 was $1 million and actual expenditure in that year was $400 000; the estimate for 1986–87 is $600 000. It seems that the Government, for all its rhetoric and skiting about what it will do for salinity control, has provided less for the Estimates in this year's Budget than was provided in the Estimates of the 1985–86 Budget. .

Recently, Government Ministers have been hurtling around the countryside in central and northern Victoria. I will be interested to hear an explanation, with the Treasurer indicating what a good job Ministers are doing with salinity control, giving the impression that the Government is doing better than previous Governments, and that there are greater things to come, when the reality from the Budget figures is that last year the Government was not able to lend half the amount that had been allocated.

That seems to be another example of where the Government gives the appearance of working, through its press releases and propaganda in the country media, when the truth is that it is simply a lot of words and very little action.

I hope the Treasurer can provide an explanation of the matters that I have raised.

Mr JOLLY (Treasurer)—I understand that the reason for the increase in item 1150 is primarily wage costs. If I am able to obtain additional information while the clause is being debated, I shall provide it to the honourable member.

In respect of item 5303, there is a reduction of $500 000 in allocations for young farmer finance and normal lending by the Rural Finance Commission to the community. This lending would clearly be affected by at least two factors—firstly, interest rates; and secondly, the availability of finance from other institutions.

The allocation to item 5304 represents an increase of $2·55 million. These funds are provided to assist growers to remove vines and to undertake soil and water conservation projects on their properties and particularly to provide special assistance to the dairy industry. The assessment of the impact of those programs in 1986–87 has resulted in that rather large increase.

In respect of item 5308, the honourable member has noted an increase of $200 000 on last year's allocation. When one examines the total components of the salinity program in 1986–87, the expected increase is in the order of $1 million; and I think it is a full year impact of $1·8 million.

Mr W. D. McGRATH (Lowan)—I had intended to address some of the points raised by the Deputy Leader of the Opposition in relation to increased allocations to the Rural Finance Commission in some areas and reductions in other areas, but the Treasurer has explained those points and I thank him.

Item 5308 deals with the Rural Finance Commission—Salinity—Irrigation and Dry Land—Capital Loans and the allocation is increased from $400 000 to $600 000. Honourable members often hear about salinity problems in Victoria's irrigation areas but salinity problems are also occurring in dry land areas of Victoria. I speak specifically of the Marnoo, Donald and Lake Buloke areas. A coordinated committee, headed by landowners, is working with officers of the Department of Conservation, Forests and Lands and the Department of Agriculture and Rural Affairs in an effort to come to terms with dry land salinity in that region. Increased allocations are needed through both of those departments. I am not sure whether they would be put through the Rural Finance Commission or some other area, but there certainly needs to be a proper allocation of financial and physical resources through those departments to enable those dry land salinity problems to be dealt with.

You, Mr Chairman, would know from your time as shadow Minister of Agriculture the importance of land as a resource in this country, bearing in mind our dependence on rural exports from Victoria.

I should also like to address the matter of non-wetting sands in the Telopea Downs region of north-western Victoria. I visited that district not long ago with some farmers who are extremely concerned about the peculiarity that water will not absorb into the soil, with detrimental effects on the productive capacity of the land. The South Australian Department of Agriculture is doing a lot of work on its side of the border but a matching contribution by the Victorian Department of Conservation, Forests and Lands and the Department of Agriculture and Rural Affairs has not been forthcoming.

I appeal to the Government, through the Treasurer, to ensure that the resources made available through the Horsham regional office of the Department of Agriculture and Rural Affairs is adequate to enable it to carry out the experimental work, provide the necessary information and work in cooperation with the farmers in that region. A further allocation of both financial and physical resources to that regional office is necessary. Those officers are already overloaded and are doing a magnificent job in agricultural promotion and in the vital research work, but an expansion of their role into the Telopea Downs region is necessary so that the problem of non-wetting sands can be addressed.

If the problem can be overcome, that will help not only the farmers in the region but also the economy of Victoria as we achieve better soil structure and productivity capability in respect of both grain and wool.

Dr WELLS (Dromana)—In addressing Program No. 122 I say by way of introduction that, although at first sight agriculture and rural affairs appears to have received increases commensurate with those of other departments, when one examines the expenditure in those areas a different story emerges. Although the total increase of $9·8 million on $104 million is in line with other departmental increases, one finds that $5·8 million of the $8 million increase has gone into Rural Finance Commission adjustments. Further, one notes under item 2000, operating costs, an increase of $1·9 million, taking us to $6·9 million, a total of $9·8 million for the whole department.

I ask the Minister to explain the extra $1·9 million in operating costs. Did it go to salaries? If so, did it go to head office salaries or to new regions or to the Rural Affairs Office? Will it assist farmers or other people associated with agriculture and rural affairs? When one sees that so much of the $9·8 million has gone into the corporate sector, it is not surprising that little is left for later sections.

I should like to comment later on Program No. 123 and Program No. 124, where allocations have not been increased.

If there are scattered throughout Program No. 122 other areas of affairs relating to rural production, the increases they have been allocated are very little indeed because the total allowance under Program No. 122 is $26·7 million and it is almost certain that none of the other areas that might be productive have received increases that would keep pace with inflation or even with the Government's claim to have made a general increase of 6.6 per cent this year.

As we proceed through it, we find that the situation worsens distinctly, as other undoubtedly productive areas have had virtually no increase at all in their allocations.

Mr HANN (Rodney)—I welcome the opportunity of commenting on Program No. 122 covering the corporate services sector of the Department of Agriculture and Rural Affairs. During the Budget debate I highlighted the fact that a large portion of the increase in the funding for the Department of Agriculture and Rural Affairs in the Budget came from the Commonwealth Government.

Under this particular program, one sees under rural adjustment an amount of $8·5 million. As I understand it, that sum is a grant from the Commonwealth Government under the rural adjustment program. The figure last year was a little more than $3 million and I understand that this year there has been an increase of $5·297 million.

As the honourable member for Dromana has pointed out, that amount represents a fairly significant portion of the increase in the Budget for the Department of Agriculture and Rural Affairs and there are a number of other areas where the Commonwealth Government has provided similar increases.

The reality is, in the current expenditure allocation for the Department of Agriculture and Rural Affairs this year, the actual overall percentage increase is something like 3·6 per cent, which is well below the 10 per cent claimed by the Minister for Agriculture and Rural Affairs.

I drew the Treasurer's attention during the second-reading debate to the National Party's concern at the low priority given to agriculture in the Budget. A significant reduction in personnel has occurred within the Department of Agriculture and Rural Affairs since the Labor Government came into office. There is something like 185 fewer people today than were employed in the department back in 1982.

It is interesting to examine the figures relating to salaries, wages and allowances and discover that $4 915 662 was paid out in 1985–86 but this year there has been an increase of only approximately $50 000 in that allocation for salaries: the figure is $4 967 910. It is interesting to note that hardly any extra provision has been made for any sort of increase in overall salaries and I suspect that a saving has been gained in that allocation because there has been a reduction in the number of people within the Department of Agriculture and Rural Affairs.

One thing that is pleasing to note in this program is an increase in the allocation to agricultural and pastoral societies from $108 000 in 1985–86 to $125 000 in the current year. Those grants, of course, are used to provide facilities at our agricultural showgrounds throughout Victoria and have been very useful in providing pavilions and display areas and in assisting our show societies. I certainly welcome that increase but I wish to highlight the fact that the rural adjustment component of this program of the Budget has been provided by the Commonwealth Government.

One sees that the allocation for the Rural Finance Commission to be used in helping to overcome salinity problems and to provide for the irrigation of dry land areas is in the form of capital loans. These loans are granted in the irrigation areas in the form of land forming loans to encourage farmers to improve their land lay-out. That form of assistance has dramatically improved the efficiency of irrigation and has had beneficial effects on salinity problems experienced throughout much of northern Victoria, and I shall deal with that in more detail later on.

I express my continuing concern at the Ministerial Council that has been established. The current structure appears to be ineffective in finding the appropriate solutions to our salinity problem. Only in the past few days, the inadequacy of that Ministerial Council has been highlighted as well as its inability to draw together appropriate departments effectively. A Select Committee of this Parliament recommended, after three years of deliberations, that there should be one single lead agency directing and coordinating salinity control in this State and that agency was to be the Department of Agriculture now known and the Department of Agriculture and Rural Affairs.

The Government in its wisdom—or not necessarily wisdom, but more because a power struggle was ensuing between the individual Ministers—rejected that notion and now has this one coordinating Ministerial Council and each of the individual agencies is still doing its own thing. It means that there is a lack of effective coordination in the salinity area.

There is duplication and waste in the whole area of salinity control. I hope the Government might ultimately see the error of its ways and grant the total responsibility for salinity management and control to the Department of Agriculture and Rural Affairs.

Mr JOLLY (Treasurer)—I should like to make one point clear in relation to the wages and salary allocation for corporate services under Program No. 122. As the honourable

member may appreciate, the wage levels that are taken into account in determining the assessment for 1986–87 in relation to item 1100 relate to the wage rates prevailing at the time that the Appropriation Bill was drawn up. Therefore, increases in wage rates that occur from now to the end of the financial year will result in a larger actual expenditure for the department than shown in the Budget Papers. That is part of the normal budgeting process that occurs not only in this place, but also elsewhere.

The Budget Estimates are prepared on the basis of wage rates prevailing at the time that the Appropriation Bill is drawn up and, so far as future wage increases are concerned, the Deputy Leader of the National Party should take note that the expected increases are allowed for in the Treasurer's Advance, rather than in the specific appropriations for each particular department.

Mr STOCKDALE (Brighton)—Program No. 123 is an important program, because it covers the provision of a number of services provided by Government and by Government agencies that affect the prices of food products in the community. I address a question to the Treasurer, representing the Minister for Agriculture and Rural Affairs in this House, in relation to that point. This program provides for virtually no increases in nominal terms and, therefore, involves a substantial reduction in funds in real terms.

Given the number of fudges that have been involved in this year's Budget, including items being removed from the Budget, I ask the Treasurer whether any items have been moved from this program and placed in other programs. In particular, is there any proposal currently under consideration by the Government, which would involve transferring any costs in connection with the delivery, treatment or any other aspect affecting the provision of sound milk to the Victorian community? Is there any proposal that any such expense be tranferred from where it is presently borne by Government to enable it to be met by anybody else and, if so, what is the extent of the effect of that move on this year's Budget?

Mr JOLLY (Treasurer)—In view of the honourable member's comment, I will certainly draw that to the attention of the Minister for Agriculture and Rural Affairs in another place.

Mr HANN (Rodney)—There is one item that I want to raise in relation to livestock industry services and it relates to the expenses incurred in connection with meat inspection services. It is interesting to note that there is a significant reduction in expenditure in this area from $2 184 399 back to $1 797 200. The Treasurer may or may not be aware that considerable debate is going on outside Parliament in relation to the possible transfer of meat inspection services from the State Government to the Commonwealth Government.

The reason why Victoria wants to transfer the service is that it has been costing approximately $2 million a year but according to the estimate for 1986–87 it will not cost that amount at all: it will cost only $1 797 200. Therefore, there is quite a reduction there already and I will be interested to learn whether the Treasurer can explain why there is a significant reduction between what it cost in 1985–86 and what it is estimated to cost for 1986–87.

Mr JOLLY (Treasurer)—I make it clear that wage increases would account for increases in the allocation of expenditure in 1986–87. As I understand it, the funds are provided to allow for the complete operation of the services, including wages, travelling expenses, equipment, running costs of vehicles and the expenditure increase by the Victorian Abattoir and Meat Inspection Authority.

If there are any other matters——

Mr Hann interjected.

Mr JOLLY—I am speaking about the difference between the figures as they appear in the Appropriation Bill. If there is a wage component, that is allowed for in the normal way in Budget Papers; there would be expected, by the end of the year, to be a larger figure than

that allocated under item 2545. In view of the interest of the honourable member in the matter, I shall draw that to the attention of the Minister in another place.

Mr STOCKDALE (Brighton)—I reiterate the point I raised earlier and state that the Treasurer's purported answer is insufficient and displays a contempt for the Committee. The Treasurer is not only responsible for the Budget but is also the representative in this place of the Minister for Agriculture and Rural Affairs. I should have thought that the Committee was entitled to a better answer than that given by the Treasurer.

As I understand the Treasurer's answer, it is not that he will provide the information to the Committee or to me or anybody else, but that he will simply direct to the attention of the Minister the issue that I raised. I seek from the Treasurer an assurance that the Government does not have under consideration any measure that will shift costs currently borne by the Budget off-Budget in a way that will increase the retail price of milk.

I seek an assurance from the Minister for Agriculture and Rural Affairs that no such item is under consideration. If it were, it would represent a subterfuge to impose a tax on consumers of milk in this State and, furthermore, to give an apparent reduction in the cost borne by the Government for this program. I ask the Treasurer to provide an assurance from the Minister for Agriculture and Rural Affairs.

Dr WELLS (Dromana)—Program No. 123 has an estimated expenditure for 1986–87 of $47·765 million, yet the actual increase in dollars from last year is a mere $50 000. That represents an 8 per cent reduction due to inflation.

That amount must be compared with item 2543 which provides expenses for the eradication of brucellosis and tuberculosis of $2·7 million. That might be reasonable because the brucellosis and tuberculosis program is winding down and so less money is required.

However, that sum is available for allocation to other items within livestock industry services. It is unfortunate that there has been an increase of only $50 000, which is a net reduction of 8 per cent.

Last financial year livestock industry services suffered severely. Although there was an increase in staff at head office, the number of technical staff was reduced. The Budget did not pay due attention to the needs, responsibilities and potentials of that section.

The Government makes great play on its commitment to expanding industries, science and technological achievements in Victoria. However, it should be pointed out that Government laboratory services and research facilities of the Department of Agriculture and Rural Affairs and especially its livestock industry services have been world leaders in past years. It is not so well known outside the professional area that there is a malaise, discouragement and enormous dissatisfaction among the most valuable asset of the department and its divisions—its staff.

One can see from these figures why that is so. It has been apparent for some years now that livestock industry services have been singled out by the Government for disadvantageous attention. The livestock industry services section will cease to be able to do the things it has done in the past as a world leader. That will mean that Victoria will fall behind at a time when the greatest technological revolution that the world has experienced is occurring and the Government's much vaunted comments about biotechnology in its own laboratories will be non-existent.

It is a matter of significant concern to me that this section should have suffered so badly. This will be an important judgment of the Government's stewardship in this area over the past four years. It is appalling that this important area of Victoria's agricultural community has been allowed to deteriorate.

Although the department's allocation has increased this year, moneys have been provided for facilities which do not improve productivity or are for research and technology.

I acknowledge the contribution towards salinity but it is too meagre to attack or control the problem. I acknowledge the contribution towards financing young farmers to commence new programs, but I point out that the Government has done nothing to improve the reputation of Australian products on the world market where they are not as popular as they were. The Government talks about turning primary products into secondary products before sale, but that is only lip-service. One does not see evidence of that in the items listed in the Budget.

This program is likely to prove the success or failure of the Government's stewardship more that any other Budget item unravelled in this debate.

Mr PERRIN (Bulleen)—I wish to raise a matter under Program No. 123 for the attention of the Treasurer, but as he has now left the Chamber after having been asked some embarrassing questions by the honourable member for Brighton, I hope some other member of the Labor Party will provide the answer.

The honourable member for Brighton made a telling point when he spoke about recovery of services provided by the Department of Agriculture and Rural Affairs under this program which may be effectively passed on in the price of milk. It was significant that the Treasurer did not provide an answer to the Committee, and it is important that I should expand the proposition put forward by the honourable member for Brighton.

Either the Treasurer will transfer those costs from the Budget sector out of this program to some other non-Budget sector or, alternatively, he will attempt to recoup those quality assurance services currently provided by the department for the dairy industry. One example is item 2544 for dairy herd improvement expenses, which have increased from $242 000 to $483 000, which is a significant increase.

I should have thought, given the extent of the increase, that the Treasurer would have provided ways of recovering costs by increasing the size of the market. However, he has attempted to do that in a number of ways. The Treasurer has increased dairy licence fees and has claimed that the licence fees are to pay for the increased quality assurance services provided by the Department of Agriculture and Rural Affairs and that is one way the dairy farmers are paying.

However, I have reservations that other programs or facilities are in the mind of the Treasurer in terms of attempting to recover some of the costs currently being expended under the program for quality assurance services. Perhaps he is attempting to receive a fee for services from some section of the community, whether they be consumers or some other area, which will effectively increase the price of milk.

I am concerned about that because it appears that the Government has a commitment to, and from time to time puts forward, the user-pay principle. That is all right to an extent, but honourable members must remember that the consumer benefits from these quality assurance programs provided by the Department of Agriculture and Rural Affairs and the Health Department Victoria. Therefore, the user-pays principle might by employed for something that this Government believes is an attractive idea.

It is regrettable that the Treasurer was not in the Chamber to answer the questions. There are serious matters to be examined and I hope that after the suspension of the sitting the Treasurer will be back at the table and the Opposition might be able to get some answers.

The sitting was suspended at 6.30 *p.m. until* 8.5 *p.m.*

Mr WILLIAMS (Doncaster)—I have some comments with respect to Program No. 123 dealing with livestock industry services, which is your old area, Mr Chairman. I am very concerned at what is going on with the price of milk. Again the Government is up to some activity to delude the milk-consuming public of Victoria that if this House agrees to certain legislation, the price of milk can be reduced.

I doubt very much whether that will be possible because it is my conception that once one interferes with the present marketing structure and reduces the price of milk, where a substantial proportion of milk is sold by small corner stores and the small operators, they will go out of business and the gap will be taken up by the big supermarkets.

Knowing what I know about the supermarkets, I know that two or three of them virtually monopolise the trade in those commodities. In the case of big operators they have their own large milk tankers and their own big operations so it will not be too long before the whole marketing structure is in the hands of these operators.

Mrs TONER (Greensborough)—On a point of order, Program No. 123 to which the honourable member for Doncaster refers, deals with livestock industry services, and I believe he is stretching the subject to talk about the price of milk. On glancing through the items listed in the program I cannot see any reference to the price of milk or the involvement of the Government.

Mr STOCKDALE (Brighton)—On the point of order, the honourable member for Greensborough does not seem to have learnt very much about the activities of Government in her brief stay in the Cabinet. This program deals with Government expenditure in relation to services associated with livestock. Of course the dairy industry, as is quite evident on any reading of the item headings under the program, is relevant. The program covers the Government's activities in the dairy industry, which includes quality surveillance of milk. Therefore, even if this were a point of order instead of a bogus attempt to interrupt the honourable member for Doncaster, it would be erroneous.

The CHAIRMAN (Mr Fogarty)—Order! There is no point of order. Item 2000 dealing with operating expenses is extremely wide. The honourable member for Doncaster knows he has certain restrictions that he always abides by—sometimes!

Mr WILLIAMS (Doncaster)—You and I, Mr Chairman, are very long in the tooth and I think we know a great deal about how the real world operates! If I may be allowed to elaborate, big money is involved and if the Government were able to proceed with its intentions, there is no doubt in my mind that it will use this line item to divert financial resources to the dairy industry under the guise of funding livestock industry services.

I ask the Treasurer for an assurance that no funds will be redirected from this line item into assisting the marketing of milk. It is a simple request and I want a straight answer.

Mr PERRIN (Bulleen)—Prior to the suspension of the sitting—when the Treasurer fled the House—the Treasurer was asked a similar question by the honourable member for Brighton to that asked by the honourable member for Doncaster, and he gave a non-committal answer.

The Treasurer is the spokesman in this House on agricultural matters and should have some understanding of agriculture and should be able to provide an answer to the Committee. The request is simple. Is there any expense under Program No. 123, or any other program, that will transfer some of the costs of the Budget sector, which the Treasurer is well known for doing in the Budget, or is the Treasurer intending to have some recurrent costing recovery for the dairy industry.

Dr WELLS (Dromana)—Program No. 124 is similar to that of Program No. 123. It is tantamount to saying that there is a reduction in funds of approximately 8 per cent. The increase in the plant production provision is $90 000 out of a total of $26·6 million. The plant industry produced a significant income for the State. There is a continuing need for research, as there is in other areas and there is particularly a need at this time for new research to convert some of our plant products to other products that may be sold both here and overseas. It is an indictment on the Government and shows a lack of appreciation of the importance of agriculture.

I am not trying to play party politics, but I fail to see how a Government, which has so much to say about science and technology and about the capacity of its laboratories and

scientists, can trot out a Budget such as this. The Government must be unaware of what is going on in its own backyard. It is apparently unaware of the dissatisfaction amongst its staff, the most precious asset it has, and is unaware of the work going on in both the animal and plant industries and the potential there for new products.

I have some contact with those areas and I know that the State could reap a rich reward if it were to service those areas properly. I cannot understand how this situation can occur in a Budget of $10·5 billion, because primary industry is a major source of income for the State.

The animal and plant industries are productive services and the community and corporate service areas are not in the same league. I express my great dissatisfaction on this matter and indicate that the Government needs censuring for cutting back on the funds for productive work in the plant industry services by approximately 8 per cent.

The Government could have justified maintaining the real dollar value in that division.

Mr HANN (Rodney)—I express concern about the reduction in funding for the Victorian Young Farmers Association under Program No. 125, Community Services. The contribution for 1985–86 was $229 600, which has been reduced in 1986–87 to $200 000, a reduction of $29 600.

Those honourable members who have taken a close interest in the Victorian Young Farmers Association over a number of years will know that the figure has remained static over the past few years, having been reduced when the Labor Party first came to office. The Victorian Young Farmers Association is an organisation of young people in the age bracket of 16 to 25 years and it has been one of the most effective youth organisations in the State. It involves not only young people of the land, but also young people from the provincial centres of Victoria, and from a wide range of activities, professions and occupations. It is a worthwhile cultural, social, recreational and educational organisation. The organisation provides leadership training for young people. It provides the social focus in many communities for young people, particularly in rural areas and smaller towns. Those young people, over the years, have been able to provide support to their communities, but obviously the Labor Government does not recognise the importance of the young farmers' movement. It believes it is not performing a worthwhile task and is reducing the funding for that organisation.

The honourable member for Greensborough says it is a tough Budget, but in the next item the Royal Society for the Prevention of Cruelty to Animals has received an increase of almost $20 000. The honourable member for Greensborough interjects that I do not like dogs and cats. My question is: does not the honourable member like young people? That is a good question to put to the Treasurer.

The Treasurer, on the one hand, has increased the funding for the Royal Society for the Prevention of Cruelty to Animals, but, on the other hand, has cut back the funding for the Victorian Young Farmers Association.

The reduction in funding for the movement means that the Royal Agricultural Society of Victoria will have to increase the generous financial support that it provides to the movement and effectively means a cutback in the number of personnel who are employed by the Victorian Young Farmers Association.

I register a strong protest on the cutback in the Budget allocation. I suspect it is because the Victorian Young Farmers Association is not a political lobby. It is completely apolitical. If the Budget were reduced by this percentage the Treasurer might have a legitimate argument, but to cut the funding back in this way highlights the lack of priority given to agriculture, rural affairs and the interests of country people.

Mr Jolly interjected.

Mr HANN—The Treasurer has not only cut back the funding for this organisation, but is attacking young people. As I indicated it is because the organisation is not a powerful

lobby, as is the Royal Society for the Prevention of Cruelty to Animals. The Victorian Young Farmers Association is an organisation that covers people of all political interests and activities and is an important part of the rural scene. It should not be political.

I ask that the Treasurer give more sympathetic consideration to that movement in the future. He may recognise the real benefits of encouraging young people, especially in rural areas, to develop their particular skills and talents not only in agricultural activities but also in cultural and recreational activities.

A number of references are made to the salinity coordination program. A significant increase has occurred in the expenses of coordinated salinity control from $291 000 to $843 000. There is also an increase from $206 000 to $209 000 for salinity control in the Goulburn Valley.

I learned today that the Government is having second thoughts about a pilot program in the Goulburn Valley where an evaporation basin is to be constructed in the Glengarry area on the property of Mr Vegter. The evaporation basin was first mooted approximately four or five years ago because of the serious salinity situation in that area; saline water was actually coming to the surface. Much research has been carried out to find a possible solution to the problem.

Agreement was reached by the Department of Agriculture and Rural Affairs and the Rural Water Commission about the establishment of a pilot project, and part of Mr Vegter's property was to be purchased for the establishment of an evaporation basin. However, because of a conflict between the Department of Water Resources and the Rural Water Commission, the project now appears to be in jeopardy.

I ask that the Treasurer do his utmost to ensure that the project proceeds. If it does not, the Government will lose credibility with its salinity program and will lose credibility with the land-holders in that area. A decision not to continue with the project will also place in jeopardy much of that very rich agricultural land in the Glengarry and Tongala areas.

I express concern about the possible abandonment of that program and I ask that the Treasurer meet with his colleague, the Minister for Water Resources, to ensure that the project proceeds.

Mr PERRIN (Bulleen)—I shall address my remarks to Program No. 125, item 3996, which deals with the European wasp campaign. The grant to that campaign has been increased from $653 to $20 000. It may surprise the Treasurer to know that agriculture and rural affairs, especially the matter of European wasps, are of some interest to me and people in the eastern suburbs.

The European wasp has taken hold in that area. I remind the Treasurer that the pest has been introduced into Australia. It is a particularly vicious little insect and repeatedly attacks and stings anybody who disturbs it. Numerous instances have occurred in the eastern suburbs of a European wasp attacking and stinging people.

The increases in funding from $653 to $20 000 is astronomical. Unless the Government changes its policy to eradicate the European wasp rather than to control it, there will be a similar increase in next year's Budget in funds required to control the pest. I am concerned that that call will be made on consolidated revenue.

I ask the Treasurer to seek from his colleague, the Minister for Agriculture and Rural Affairs in another place, an undertaking to change the policy of the Government to provide a program of eradication of the European wasp. People in the eastern suburbs would welcome that as they are being inundated by these pests.

I have had discussions with Dr Sutherland from the Commonwealth Serum Laboratories about this matter. He has examined the toxic sting of the European wasp. He believes in the near future someone in Victoria will die from a wasp sting. That eminent gentleman is aware of the consequences of allowing this pest to expand throughout the eastern suburbs.

The wasp is not only spreading from the beautiful gardens of the eastern suburbs to other suburbs but also it is spreading to the country. I was accosted by one of the insects in Ballarat. As the pest spreads throughout Victoria, an increasing call will be made on consolidated revenue to control the spread. If the Government invested a bit of money now, the pest could be eradicated.

A gentleman from Warrandyte, which is not in the electorate I represent, disturbed a nest of wasps and was severely stung. I would have thought that all honourable members representing eastern suburbs would be prepared to ask for increased measures to eradicate the wasp.

I am aware that the agricultural centre at Burnley has produced a brochure for the general public, but that is not enough. The Government is prepared to allow local government, such as the City of Doncaster/Templestowe, to pick up most of the costs. However, unless the Government is prepared to spend money now to get out into the bushland around the Yarra River to find the wasp nests and wipe them out, the wasps will spread and spread. Eradication is preferable to control and is an investment for the future.

The wasp was first introduced into Australia from Tasmania and it has now spread to Victoria. At some stage it spread to Western Australia. However, to the eternal credit of the Western Australian Government, it undertook a program of eradication and successfully wiped out the European wasps in that State. That is the way Victoria should go.

Many children have been stung by wasps that have crawled into cans of drink. They are social insects and tend to gather around barbecues where people congregate and where there are sweet substances. When disturbed, the wasps get agitated and repeatedly sting the disturber.

I am concerned, as is Dr Sutherland, that a death will occur because of the insects. The investment now of more than $20 000 will pay off in the future. As this pest spreads throughout Victoria, $20 000 will be chicken feed. We will eventually be talking about hundreds of thousands of dollars to do nothing more than to control the wasp. It is worthwhile for the Government to change its policy to one of eradication rather than control. I ask the Treasurer to consider that, and I would appreciate a reply from him.

Mr JOLLY (Treasurer)—I shall deal firstly with one of the issues raised by the honourable member for Rodney about salinity control. Clearly the Government has given that a high priority, and that is shown by the increase referred to by the honourable member for Rodney of $291 766 to $843 000.

The Government is concerned to ensure improved co-ordination in salinity control and will be examining the effectiveness of various programs. The Government wishes to ensure that there is effective expenditure in this area rather than simply increasing the allocation for the sake of it. There will be close monitoring of the effectiveness of salinity control.

I inform the honourable member for Bulleen that the funds to which he referred are provided towards the European wasp eradication program. These funds are not intended just to modify the problem; I am advised that it is an eradication campaign. The increase in the amount allocated this financial year is significant. Again, the Government will monitor the effectiveness of those methods to determine whether it is necessary to take further steps.

Mr W. D. McGRATH (Lowan)—I support the remarks of the Deputy Leader of the National Party on funding for the Victorian Young Farmers' Association. The movement has a valuable role. Recently I attended a meeting of the Kaniva branch. Approximately 25 to 30 young people were involved in activities not all of which were directly related to farming. Members of the movement also hold positions with commercial interests such as banks and other organisations.

As my colleague, the honourable member for Warrnambool, points out by interjection, their motto is that, "You do not have to be one to be one". Young people from all aspects of life join the young farmers movement not only for its social purpose but also to learn about the conduct of meetings, and so on.

Much of the allocation of $200 000 goes towards funding field officers around the State who keep the organisation together. As I said, the organisation plays a valuable role in the lives of young people in rural Victoria.

Both the Treasurer and the Minister for Agriculture and Rural Affairs in the other place would benefit from attending the State demonstration, which is an annual event at which young farmers throughout the State participate in many activities. It is an event at which young people are able to get together and communicate with their peer group and cultivate ideas amongst themselves on the various aspects of their lives, whether they are directly involved in farming or in some other profession.

The decline in funding from $229 600 to $200 000 this year indictates that the Government is not really receptive to the need of young people in rural areas. If there is any further decline in funding, the Government will not hear many cries from the young farmer movement because its members believe in getting on with it, but it will behove members of Parliament who see the value of this organisation to ensure that the Treasurer and the Minister for Agriculture and Rural Affairs realise the concern that will be experienced at any further decline of funding for the movement. When framing the Budget next year, the Treasurer and the Minister need to give greater priority to this funding.

Dr WELLS (Dromana)—Program No. 125, the community service program of Agriculture and Rural Affairs contains a strange mixture of items. Budget Paper No. 5 at page 33 states:

> The key objectives of the program are the protection and enhancement of all agricultural resources to ensure long term economic and social viability. The program also seeks to involve rural people in planning and implementation of policies—

and so the introduction goes on.

Mrs Toner—What is wrong with that?

Dr WELLS—I shall get to the point. The program contains a mixture of many things and I cannot see any rationality for these items to be grouped together other than that perhaps they are bits and pieces that were left over and needed to be slotted in somewhere. That would be fair enough if it were acknowledged by the Government. An alternative might be that many of these things are put under this program so that they can just be mixed in with something else.

Many of the items are good and they are needed for agricultural production. For instance, I commend the Government on the initiatives it has taken in salinity control. Salinity is the greatest time bomb affecting rural production. The salting of the soil is a far greater problem than the community realises.

At present, the extent of salinity is recognised by the rural people who are affected by salted land. Not only advanced areas have been alienated from production but also smaller areas throughout the State are affected. This problem will require more money allocated to it than has been allocated so far. As the Treasurer said, if the work is monitored and the money is used effectively, it is desirable to pursue that program.

It is difficult to determine why salinity control should be followed by other items relating to ill-defined projects which I believe do not belong in this area of the Budget. There is an amazing mixture of programs. For instance, I refer to the Garden Advisory Service, the China Aid Project, Overseas Aid—a new entry this year to the tune of $200 000 in a departmental vote which overall did not increase at all in productive services and research areas. Why is it that overseas aid programs are included in the agriculture portfolio and why are they included in this mixture of items?

The list continues: the Australian Arbo-Encephalitis monitoring program—I have some knowledge of that group of viruses and I have only support for that work because it must be done. However, I do not understand how it came to be placed in Program No. 125. The list continues: Contribution to joint Commonwealth/State programs; the Lost Dogs' home; the Young Farmers' Finance Council; the Australian Plague Locust Commission—all rural people are aware of the need to constantly monitor the locust situation; Commonwealth Tobacco Industry Trust Fund; Kerang Agricultural Research Farm; Royal Agricultural Society of Victoria; and so on. This is a hotchpotch of programs that should not have been placed under this category.

I am concerned at the potential for growth of the so-called Rural Affairs Office about which the Premier is so keen. No one really knows what is going on in that section, yet funds are being committed to a department of that sort when funds are very much needed for productive research. It appears that many of the items in Program No. 125 have been written in to try to justify the sort of program the Government wants—that is the Government's prerogative, but it should include these expenses in their own philosophical categories to avoid the confusion surrounding such a mixture of expenditure allocations.

I ask the Minister at the table, the Minister for the Arts, either to explain or seek explanation as to why line items 3820, 3830 and 3850 are included in this section of the Budget.

The Government has made much of its wish steadily to rationalise the presentation of State accounts, to improve their presentation and to make them easier to bespeak. If that is the case as the Government claims, on the information available to me, I fail to understand why the expenses for veterinary research stations and laboratories, research institutes and stations, and the research and experimental program should be included in this section of the agriculture budget rather than in the sections of animal industries or plant industries. It may even be that those items belong to the section relating to corporate services, but I believe it would be better to include them in the animal industry section.

I also seek an explanation as to why the expenses in line item 3850 have jumped from $41 000 to an estimated $449 000 for this financial year. Is that item dealing with research and experimental program expenses a transfer from somewhere else? It is a relatively large sum of money compared with the amount expended last year.

There is certainly much need in this area, and I point out that even the estimated expenses under that line item are not a great amount when one considers the total amount involved for programs and the fact that the budgets in these research areas have not increased this year. However, there is a need for an explanation as to why that item is there in that state.

It is high time that the Government gave a better outline of what it is attempting to do with the Office of Rural Affairs. The Budget contains reference to the design of model computer programs to sort out this or that. I would have thought it would have progressed past that point. Honourable members should have more of an explanation of what the Government is intending in that rapidly-growing area.

Mr WILLIAMS (Doncaster)—I am dismayed that in Program No. 125, the Government confines tens of millions, hundreds of millions—and, if the Auditor-General is to be believed, even $1000 million—to way-out fringe groups, all sorts of peace movements and so on. The Auditor-General has said that about $3000 million is being handed out in grants to various organisations in Victoria for which he cannot obtain proper audit certificates.

However, the Government is taking it out on the cats and dogs of our society. The allocation to the Lost Dogs' Home in 1985–86 as a subsidy towards injections for unwanted animals was $21 400. When one considers that the inflation rate is increasing at about 8 per cent per annum, one realises that the real value of that grant to the Lost Dogs' Home is appreciably reduced.

One would think, at first sight, that an increase from $199 600 to $220 000 in the grant to the Royal Society for the Prevention of Cruelty to Animals is not bad. However, I remind the House that when the Liberal Party was in government, it allocated more than $250 000 to the society. In 1982–83, the grant to the society from the Cain Government was $255 000. In the next year, 1983–84, the grant was cut back to $199 600, at which level it remained for the years 1984–85 and 1985–86. There was no increase in that grant for three years, and the increase for this year will not make up for the loss of real value of the grant made in 1981–82.

The society is largely independent and raises approximately 80 per cent of its funds from donations and its own fundraising efforts. Some 20 000 stray animals are sent to the Royal Society for the Prevention of Cruelty to Animals by municipalities, but only the Preston and Waverley councils contribute to the massive costs of the centre at Burwood.

I trust that the Minister for the Arts, who is at the table—who, I know, is a compassionate man—will realise that if the Government were to take on the owners of cats and dogs at the next election, it would get wiped out, particularly in the eastern suburbs. So far as I am concerned, I hope my Leader and his colleagues have ingenuity enough to make a big issue of the welfare of cats and dogs in our society and to not squander and fritter away the taxpayers' money on all these idiotic grants to all these idiotic organisations that seem to have a close affiliation with the Australian Labor Party.

Mr PERRIN (Bulleen)—I should like to take up a comment made by the Treasurer in answer to a matter I raised earlier this evening in relation to item 3396 of Program No. 125, which relates to the grant of $20 000 for the European wasp campaign. The Treasurer clearly implied that that allocation was for an eradication program, that it would be used to wipe out the European wasps in this State.

I should have though that $20 000 would have been chickenfeed towards achieving that objective. Indeed, having examined files in the Parliamentary Library, I discovered that the Minister for Agriculture and Rural Affairs, as reported in the *Age* newspaper of 11 March 1986, talked about some research being carried out to produce a wasp that would prey on the European wasp and its larvae. That Minister was talking about only a controlled campaign, not an eradication campaign.

That is the point I am trying to convey to the Treasurer and the Government. If the Treasurer believes $20 000 will do anything to eradicate the European wasps in the eastern suburbs of Melbourne, he had better think again. The article to which I refer stated:

> The Minister for Agriculture and Rural Affairs, Mr Walker, announced this yesterday when he said the State Government would spend $18 700 to continue its public education campaign against the European wasp for the rest of the financial year.

Those are the purposes for which the $20 000 will be used: to produce a videotape and to fund an education campaign. As I understand it, some other part of the Budget probably contains some allocation for the research that will produce this other parasite wasp that will, it is hoped, have some effect in eradicating the European wasps.

However, I do not believe the Treasurer correctly stated the situation in this House when he said that the Government's policy is to eradicate the European wasp. According to the facts I have discovered, its intention is not to eradicate but simply to control.

I again state that Dr Sutherland of the CSIRO and I are of the strong view that it will not be long before someone will die from the sting of the European wasp.

Every honourable member representing the eastern suburbs who is conscious of these wasps would be of a similar view. My electorate office receives a number of calls about this parasite. It is not native to Victoria or something that we want in this State. It was not introduced to this State; it just came here, and we do not want it. We want to eradicate it by adopting the same sort of policy that was implemented by the Western Australian Government to get rid of the European wasp altogether.

I place on the record that it is an investment to try to stamp out all the nests that exist mainly in the eastern suburbs. They are in the gardens, in the Yarra River area and in the bushland. The Government must send people out to those areas to find the nests and wipe them out. That is what I would like to see happen because, if we do not even attempt to do that, the situation will be worse next year.

I am prepared to stand up in this place next year in the Estimates Committee—I mean, in this Committee—and examine what will be the allocation for that year. I predict it will be well in excess of the $20 000 allocated this year.

We shall simply be paying out more and more money to do no more than control a pest that this State does not want. The Government should have a policy of eradicating this pest, not simply controlling it.

Mrs TONER (Greensborough)—The honourable member for Bulleen has shown enormous ingratitude when one considers the generous increase in funding by this Government for the eradication of the European wasp, from $653 last year to $20 000 this year.

The honourable member for Bulleen is not the only one who has read about the European wasp or is aware of Dr Sutherland's concern. This is a problem with which the community must come to grips. In the electorate I represent, service clubs have taken on this issue and have set up a service to rid people of the European wasp. Pensioners receive this service free of charge and a small fee only is charged to the rest of the community.

Agnotes provides a succinct and useful account of the life cycle of the wasp and the best means of eradicting it. I have distributed numerous copies of that article from my own office. The Department of Agriculture and Rural Affairs has been obliging in forwarding these copies to me.

Mr B. J. Evans—Did you pay for them?

Mrs TONER—No, they were supplied by the department as a result of the concerns of numerous constituents who were having problems with wasp infestation. The Natural History Museum has also prepared material on the life cycle of the wasp, and people can go to the museum and see the wonderful exhibition on display.

I agree with the honourable member for Bulleen that it is an extensive problem in Victoria. It must be tackled by the whole community with local government taking an interest, service clubs becoming involved and people being properly educated.

If the community is properly educated about the dangers of the European wasp, it is hoped that the death forecast by the honourable member for Bulleen will be averted. Some people develop allergies, whether it be to bees or European wasps.

In this tough Budget, the Government has still taken an issue like Europeans wasp and provided funds for its eradication. It is an extremely persistent pest and one that is difficult to deal with. I believe the department is moving in the right direction.

Dr COGHILL (Werribee)—I also wish to comment on Program No. 125 and commence my remarks by referring to the European wasp. Unlike most other speakers, I have actually had experience in that the wall of my home was infested some months ago. Fortunately, the wasps were reasonably easy to eradicate.

Wasps have also been seen at Werribee Park although, fortunately, they are no longer there. However, that highlights the point that the wasp problem is not peculiar to the eastern suburbs or even isolated to Victoria. In those circumstances, it presents enormous practical difficulties with eradication. It is not just a matter of eradicating one infestation, from the wall of my house, from someone's garden or from a bit of bushland in the eastern suburbs; it is a matter of eradicating the potential sources of re-infestation in those areas.

Practically insurmountable problems arise in such a fertile area as Victoria and more especially in the high rainfall areas of the eastern suburbs, the alps and Gippsland.

The honourable member for Bulleen claims by way of interjection that the European wasp was eradicated in Western Australia. I direct his attention to the severe climatic limitations on the spread of the European wasp in the Perth area. The honourable member for Bulleen may not be aware that rainfall in Perth is concentrated over a short period of the year, mostly the winter months. That limits the opportunity for the wasp to feed and breed during other parts of the year. That in turn makes it easier to locate and treat individual nest and colonies.

The rainfall in Victoria is spread over a longer period of the year so that the environment is moister and offers a larger range of food supplies for the European wasp for the greater part of the year and, in some places, for the whole of the year.

What the honourable member for Bulleen wants is an enormous increase in public expenditure to achieve his ideal. It is indeed the ideal of all of us to eradicate the European wasp. However, his request is another example of the Opposition's proposal for further expenditure without a thought of where the money will be diverted from or how revenue will be raised to meet that expenditure. He has not made a single suggestion as to the programs that might be cut to accommodate additional expenditure for this item. He does not suggest increasing a tax, even by 0·1 per cent. Neither he nor any member of the Opposition has any idea about the source of funds for this proposal of a massive expansion of the European wasp eradication campaign.

The Opposition cannot have it both ways. Either it wants public expenditure cut back or it must address the issue of resources to fund such a public activity as has been proposed by the honourable member for Bulleen.

If one were to attempt the eradiction of the European wasp in Victoria, the eradication would need to be undertaken throughout the whole of the State. Some more arid areas may be successful in eradicating infestation. However, the large proportion of the State is sufficiently fertile to enable the European wasp to sustain its existence. The campaign to eradicate the wasp would not stop with Victoria because the wasp could come in on the wind or in other ways from New South Wales or even South Australia.

The European wasp could easily re-establish itself in Victoria through imported material.

As the honourable member for Bulleen conceded, there has never been a deliberate introduction of the European wasp into Victoria. Its introduction has occurred through some unintended means. No one would have any accurate knowledge on how the European wasp first established itself in Victoria. Any guess would be nothing more than idle speculation.

It is not known how the European wasp first arrived in Victoria. Even less is known how one could stop the reintroduction of the European wasp into Victoria were an eradication campaign to be successful, That is the sort of insurmountable obstacle posed by the option put forward by the honourable member for Bulleen.

I refer to item 2571, "Salinity Control Goulburn Valley—Expenses". It is regrettable that yet again there has been no acknowledgement, indeed no interest, shown by the Liberal Party in the problem of salinity control. The Labor Government is the first Government that has seriously addressed the problem of salinity control in Victoria.

Dr WELLS (Dromana)— On a point of order, Mr Acting Chairman, presumably the honourable member for Werribee was not present when I commended the Government on its salinity control program. The claim by the honourable member that the Government has had no commendation from this side of the Chamber is wrong.

The ACTING CHAIRMAN (Mr Kirkwood)—Order! The honourable member for Dromana is giving an explanation.

Dr COGHILL (Werribee)—I am delighted to learn that there is one lonely backbencher on the Opposition side who at long last has taken an interest in salinity. It is regrettable that the Opposition front-bench members, and, with one exception, its back-bench

members, have not taken an interest in a serious problem which has been threatening thousands and thousands of hectares of productive agricultural land.

The Opposition ought to recognise that the Government has an impressive record on salinity control, commencing with the appointment of the Salinity Committee in the life of the last Parliament.

The Deputy Leader of the National Party played a valuable role in supporting the honourable member for Sunshine who led that all-party committee which came down with some valuable recommendations on salinity control.

The regrettable aspect of those recommendations was that the Liberal Party took no interest whatever in them. At the last State election there was not one shred of evidence in the policy statements of the Liberal Party that, had the Liberal Party been elected to Government, it would have done anything about salinity control in Victoria.

To give the National Party its due, it did have a policy printed on the level of expenditure on salinity control it would follow. However, the would-be coalition partner of the National Party would not even commit itself to supporting the proposals put forward by the National Party even though the Liberal Party had plenty of opportunity to do so.

I well remember attending a public meeting held in southern New South Wales, but intended for people from Victoria, to which invitations were issued to all of the political parties to send representatives to put their views on salinity control so that the people present could make their own judgments in readiness for the forthcoming State election.

That meeting was boycotted by the Liberal Party. Not one member of the Parliamentary Liberal Party had the courtesy to send an apology, much less turn up and indicate what the policy of the Liberal Party was on salinity control. That was a disgraceful attitude!

The Government was re-elected after it had undertaken significant initiatives in acting on those recommendations of the Salinity Committee.

It ought to be acknowledged that the Government has successfully acted on those recommendations.

Item 2571 is but one example of how the Government had been acting on salinity control. The Government elected to establish a pilot region—the Goulburn Valley—for salinity control not so much to test the technical solutions to the problem of salinity—because those solutions have been fairly well described—but more importantly to test the administrative arrangements, especially the participatory arrangements whereby the local community in the Goulburn Valley could participate in developing and implementing salinity control measures for that area.

Having developed and refined those administrative and participatory arrangements, the Government could extend those arrangements to other areas of Victoria affected by salinity. It ought to be on the record that that process has been successful.

The pilot program consultative committee has been providing valuable advice not only to the Ministerial task force on salinity but also to the officers from the various departments responsible for delivering the services on salinity control as part of the pilot project.

So far as the Public Service is concerned, the success of the pilot program has been getting the various departments to cooperate in a successful way for the benefit of the whole community.

Especially important has been the way in which the public servants involved have been brought together in a participatory arrangement to work with the landholders and other community interests in the Goulburn Valley in developing and implementing proposals for salinity control in that area.

Complementing that activity has been a host of other activities. Honourable members are probably aware that there is a Statewide salinity strategy now in the course of preparation

which will draw heavily on the experience of the Goulburn Valley pilot program. More important for the future of the whole south-east of Australia is the establishment of the Murray-Darling Ministerial Council.

The council arose from the recommendation of the Victorian, South Australian, New South Wales and Commonwealth Labor Governments because salinity was a serious problem, which in one way or another affected the entire Murray Darling basin.

There could not be a successful program limited to one geographical area within the Murray-Darling basin. There had to be cooperation and coordination between the four Governments each playing its own special part.

That initiative has been proven to be exceptionally successful. It was only a few weeks ago that the Ministerial Council, having been established as a result of the meeting in Adelaide late last year, conducted its first formal meeting.

That meeting was preceded by some useful practical work by working parties appointed by the council last year. Those working parties reported to the Ministerial Council in late August on the various technical steps that had to be taken in respect of the participation of the community and the other aspects which are so important for salinity control.

As a result of the successful meeting of the Ministerial council in late August, for the first time a strategy is being developed for the management of salinity in an attempt to prevent its encroachment throughout the Murray–Darling basin. It is significant that a large part of the Murray–Darling basin was once an ancient sea bed. It is known to some as the Murray gulf. Therefore, large salt deposits underlie the present day surface and irrigation and other water practices have the potential to bring the salt to the surface; this leads to the problem of salinity.

The Opposition should acknowledge—and one should hope it would support the Government—that the Government has implemented an excellent salinity program in Victoria in cooperation with other States and the Commonwealth Government. Future generations will be grateful not just to the Government but also to people like the Deputy Leader of the National Party and members of the former Salinity Committee who worked so hard without the evident support of the Liberal Party.

I shall briefly comment on the grant to the Royal Society for the Prevention of Cruelty to Animals. The significant increase in the grant is welcomed. At the annual general meeting of the society the president also welcomed the increase in the grant. It is proper that he should do so.

Honourable members and the community in general should be aware that the society is at a crossroads as to where it should head.

At present, the Royal Society for the Prevention of Cruelty to Animals is dependent on legacies. In the society's annual report for last year it was obvious that if there had not been one large legacy, it could well be in desperate financial straits. That is important and has been recognised by the society at a time when it is considering the way in which it can extend and reform its role.

Recently the society appointed an education officer who is providing an extremely valuable service to schools and others in the community who want to learn or want their pupils to learn about animal welfare and the role of the society. People learn about the way in which animals should be treated, not only their own but also other animals in the community.

Unfortunately that practice does not attract revenue to offset the costs of employing the education officer. This highlights the difficulties faced by the society at present. Both the society and the community of Victoria must seriously address the future of the RSPCA.

I hope the society grows and prospers. I hope the membership also grows because it is remarkably small when one considers the valuable work it does. I encourage anyone in the community concerned and interested in animal welfare to support the Royal Society for the Prevention of Cruelty to Animals.

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

Mr LIEBERMAN (Benambra)—In dealing with the appropriation for agriculture and rural affairs, as a member of Parliament who represents a country area in north-east Victoria, I must congratulate the contribution and assistance provided to many of my farmer constituents by officers of the Department of Agriculture and Rural Affairs. During the past twelve months this assistance has been valuable and much appreciated.

In the past few months I have also faced problems relating to agricultural production, as have some Parliamentary colleagues in another place, namely, Mr Baxter and Mr Evans who also represent the north-east. The problems relate to the construction and operation of the Dartmouth dam.

Honourable members will probably understand that Dartmouth dam, which is built at the head of the Mitta Mitta River, has been filling over the past three or four years. As a result, the Mitta Mitta River, which normally inundates the farmlands in the beautiful Mitta Mitta Valley, has not flooded, so the farmlands have not been replenished with the annual water supply. Unfortunately, the watertable has dropped as a result and the growth of fodder and grass has diminished.

During the past twelve months it has been necessary to instigate an investigation at the behest of the landowners into why the regime of the dam has caused this problem, to establish what has happened and what needs to be done to restore the productivity of the farmland for the benefit of Victoria and of Australia. Some of the research that has been necessary involved the Department of Agriculture and Rural Affairs, which helped to monitor the growth of grass under certain conditions.

As I said earlier, I appreciate the work carried out to date in this program, but I hope the Minister for Agriculture and Rural Affairs in another place will ensure that the research and back-up that is necessary from his department for the various experts and farmers in the area is maintained. This will be necessary until such time as the irrigation, distribution of water and other techniques have been researched to allow the farmers downstream of Dartmouth dam to restore their farms to full productivity. It is hoped that the program will avoid further devastating losses to the income of the farmers and to the value of their farms.

Most of the tobacco producers reside in the Myrtleford are in the Benambra electorate. They produce an annual crop worth about $25 million. The producers are hard-working people and often they express concern—justifiably—about the many public statements on health hazards due to smoking. They believe the statements are unduly critical and reflect on those who grow tobacco in Victoria.

Each year I try to make honourable members understand that tobacco growing in Victoria is administered by an Act of Parliament that was supported by all parties and is still supported. The annual crop produced by tobacco growers is controlled by a quota contained in the Act. Any honourable member who thinks he should criticise people who market tobacco products should remember that each year many families in north-east Victoria produce an annual crop of tobacco because Parliament has enabled them to do so. Each year that crop contributes $25 million to the economy.

I understand the tobacco industry in the north-east employs approximately 2000 people a year. I will not have a bar, as one of the local members in the area, of unfair criticism of these hardworking farmers who are pursuing a lawful enterprise. I believe members of Parliament should remember that when they want to get involved in a debate about smoking and health they should be careful not to say anything which reflects on those hardworking farmers who are carrying on an agricultural pursuit that Parliament encourages them to continue each year.

The other point I wish to make is that the State Government derives $80 million a year by reason of taxes on the sale of tobacco products. Honourable members who are entitled

to express concern about health issues—and of course they should do so when necessary in relation to these sorts of matters—should also understand that they should not put themselves in a position of pontificating about these things when they are holding out their hands as Government members of Parliament saying, "We are quite happy to receive the millions of dollars of income a year by taxing the product". That is the point I want to make.

Honourable members interjecting.

Mr LIEBERMAN—What I am saying is that honourable members should express concern, of course, about the health consequences of smoking, but the point I am trying to make is that honourable members should keep it in balance while they are members of Parliament and enjoying the benefits of the $80 million income from taxes on tobacco products, which are the results of the hard work of the families of the 2000 people in the north-east Victoria who produce a crop worth $25 million a year. Honourable members should just remember that is coming about because they have acquiesced and allowed it to happen.

Those honourable members should not criticise these individual people in their contributions to the health debate; keep the matter in proper context. If honourable members consider that the health debate ought to be advanced along the lines of saying that tobacco production should be eliminated in this State and that we should not get income from the sale of tobacco, they should say so. At least they will be honest.

Most responsible members of Parliament do not say that because they understand the issue. All I wanted to get across is that my constituents in north-east Victoria, who grow tobacco, are involved in the production of a crop that an Act of Parliament says they can grow. That Act of Parliament has not once been the subject of anyone moving for its repeal in this Parliament or any previous Parliaments, certainly in the time I have been here.

In that regard, I want to mention that this year again marks the anniversary of a decision by the Government to withdraw totally the research funding for the tobacco research station at Ovens. Some of those research funds, incidently, were earmarked and allocated by the industry with the Department of Agriculture and Rural Affairs to help the farmers who had committed themselves with large sums of money to find and develop alternative crops so that they could eventually start producing other crops and not have to rely on tobacco.

It is a shame in that context that that decision has been made, because the bulk of research funding, which was only a fraction of the total cost of the research station, comes from the producers themselves by annual contributions and levies. It is a shame that the research fund is diminished by the withdrawal of taxpayers' funds, because it was certainly an investment, encouraging the farmers to find a way out of the concentration of all their resources and life's works in developing and producing a crop about which there was concern. They are now on their own, virtually, in terms of research and being resilient, hardworking people they are getting on with the job of continuing research and finding ways and money to continue research. That is to their credit because they are good people.

I want honourable members to know when they visit places such as Myrtleford, that they will always be made welcome and they should get to know the people. Many are of ethnic origin as the Government Whip would know, and they are very proud of that. Approximately 50 per cent of the Myrtleford population were born in Europe and have that link.

When visiting Myrtleford and other such places, honourable members should take the time to meet these people and talk to them about their problems because they have particular problems, being the focus of a large health debate in the nation and feeling the effects of that, understandably and being concerned about their future and what they

should do about it. Many are locked in with large mortgages in investments in crops and production. Those are the concerns I should like honourable members to take on board.

The other point I wish to make is that during the 1982–85 period I had the pleasure of representing the Opposition on a working party made up of members of Parliament of whatever political colour under the chairmanship of Mr David Connolly, who was the Federal coalition's shadow Minister for the Arts, Heritage and Environment into a study into salinity and the Murray/Darling Basin particularly. I spent a week on a study tour with those members of Parliament going right from the origin of the Murray down to its end in South Australia.

We met with many communities, local government, farmers and other people who were concerned about salinity. I was particularly pleased to be associated with the announcement of the Federal coalition alternative policy to do with the management of the Murray and the Darling Basin.

The Murray and the Darling Basin is probably Australia's most valuable land resource. Honourable members might like to know that that area produces one-seventh of Australia's total rural production. That shows how important it is to Australia. One of the concerns in the area is the growing problem of salinity.

All the members were pleased to support David Connolly's announcement, which suggested the setting up of a Ministerial Council comprising all the relevant Ministers of the State and Commonwealth Government involved in the Murray/Darling area with a view to assisting the River Murray Commission in developing a management plan—which had never been done—for the purpose of efficiently looking after that precious resource and also tackling the salinity problem.

I was concerned when I heard the honourable member for Werribee trying to politicise the question of salinity in a way that did not do him any credit. Certainly it was a shame because all of us who went on that tour and committed ourselves to David Connolly's initiative said that the issue of salinity and the management of this valuable resource for Australia transcends political colour.

No-one should ever try to introduce politics into this matter. We should work together to put politics aside because of the complexities of the problem and the enormous challenges and difficulties of resolving it and the need for a national and State strategy that will, frankly, take generations to implement fully.

It is my view that the efficient management of the Murray/Darling system and the implementation of the program under the management plan and the resolution of today's problems will take at least 100 years. We are actually talking about a program that will involve the commitment of members of Parliament in all of the States affected and the Commonwealth today and for the next several generations.

It was a shame to hear the honourable member for Werribee try to politicise the issue and claim credit for the Labor Government's initiatives saying that no other political party in Australia has done anything about it. It is absolute nonsense.

I was especially pleased that the Prime Minister, Mr Hawke, adopted David Connolly's policy of having a Ministerial Council of the Murray/Darling Basin and bringing all the Ministers together.

David Connolly was pleased and has been heard on record to have congratulated the Prime Minister for doing this. There were no politics in it, it was Connolly's initiative, and the Prime Minister picked it up and we congratulated him.

What a pity the honourable member for Werribee made his comments tonight! I suppose he will learn one day. One of the problems of rural communities that I see illustrated in my electorate each week is the fact that the economic crisis in Australia is causing considerable problems, particularly in small country communities, and, with the high interest rates, it is becoming more difficult for farmers, small businesses and communities

to survive. Therefore, the role of the Government and the Department of Agriculture and Rural affairs is important in helping to tackle those enormous difficulties.

I express alarm at the gradual erosion of real Government commitment to the interests and development of country Victoria. More and more resources are being drained from country programs and country projects for the purposes of achieving the obvious intention of the Government, namely, to advance the cause of metropolitan areas without a commitment to achieving balanced development in the State of Victoria.

In the next couple of years, regretfully, more and more people will become victims of the plight of country communities as the Government's commitment continues to decline. That is a matter of concern to me, and I intend to do all I can to make the Government review its policies and to give a real commitment to all Victorians to achieve balanced development in the State, instead of concentrating the limited resources in the metropolitan areas of Victoria.

I warn the Minister for Agriculture and Rural Affairs in another place that his special responsibility is to fight in Cabinet to ensure that his colleagues who think otherwise will stop in their tracks. I assure him that my colleagues in the Parliamentary Liberal Party are committed to achieving balanced development and a strong economy in this State.

The ACTING CHAIRMAN (Mr Kirkwood)—Order! The honourable member has only 2 minutes.

Mr LIEBERMAN—The Government must develop a strong economy with opportunities for all Victorians and a recognition that all Victoria will be strong and go ahead only if there is a real partnership between city and country people. Each must understand the other's role and social and economic environment, and each must respect the other in working towards achieving those worthwhile goals.

The Parliamentary Liberal Party will do all it can to support any Minister's initiatives to achieve that goal. If the Minister finds the going rough, as I believe he will increasingly with his colleagues in Cabinet, all he has to do is tell the Opposition members and they will be there to help him. The important thing is to tell us, or find ways of telling us. We are ready and willing to wade in any depths in the future.

The Young Farmers Finance Council is of particular interest to me. I have had a long association with young farmers in this State. Having been a lawyer working with farmers and their families, and having been a member of Parliament for many years, I believe it is almost impossible now for a young person to make a life and career in the farming industry because of the enormous problems that exist. If Victoria loses those young people, it will be worse off because the loss of the farming and rural production could mean that the economy will decline rapidly. Honourable members have a special job ahead of them to support and encourage young farming people of today and tomorrow to stay on the farm, and to help them with the enormous difficulties they face.

ARTS

Mr NORRIS (Dandenong)—I shall briefly address Program No. 142 of the Arts. I am pleased that $15 000 has been allocated to corporate services and works. I congratulate the Minister for the Arts because this item provides for the introduction of the Ministry's management system, which I know has been a project of the Minister's. He has been keen for some time to implement the project and I am pleased, as I am sure he is, that it appears in the Budget.

The system will provide management staff for the Ministry and will enable the establishment Australia-wide of a data base for the arts. That is an important factor which is long overdue. I suppose it is only natural for States of the Commonwealth to be inclined at times to act in isolation. I have no hesitation in saying that an Australia-wide data base

will go a long way towards ensuring that facets of the arts are brought to all sections of the country as well as information and data that is often privy only to particular States.

Another item concerns the bicentennial celebrations. I am rather disappointed that, until now, the bicentennial celebrations do not seem to have engendered much enthusiasm. This is a great country of knockers and our children know more about the history of other countries, such as the Battle of Hastings, than they do about historical events of this country.

People were knocking the 150th anniversary celebrations, and now carping criticism is coming out about the bicentennial. I am proud to be working hard in my electorate, as I hope all honourable members are, to ensure that the bicentennial is an enormous success. There have been some bumps and difficulties along the way, but I urge all honourable members to get behind the bicentennial and make something out of it.

It is argued that these are tough times and that the celebrations should be downplayed. I do not agree with that argument. Honourable members should play up the bicentennial to the hilt, be proud of it and make it an enormous success.

In my electorate I am thrilled that the municipalities of both Dandenong and Springvale have got behind the bicentennial and active bicentennial committees have met regularly and are full of ideas. I am pleased that those municipalities have projects in mind concerning the arts.

The outer metropolitan area of Melbourne does not have the arts facilities that it would like. It is good to see work on concepts for the arts. A Springvale youth orchestra has been mooted, which should be magnificent. Another idea discussed in Springvale is an historial expedition. I am sure that other honourable members will be able to relay stories of this kind as well. Let all honourable members get behind the bicentennial and make it a success!

Ms SIBREE (Kew)—Program No. 142 deals with the corporate services of the Ministry for the Arts and includes costs incurred for the Australian bicentennial and the Victorian sequicentenary celebrations. This item reflects the sorts of spending priorities that differentiate the Opposition's position from that of the Government. The Government has tried to stifle the Opposition in the Budget debate. In fact, I have not yet had an opportunity of contributing to it because the Government curtailed honourable members' time.

This item allocates a large sum of Victorian taxpayers' money to bicentennial funding and reflects the last part of the funding for Victoria's 150th anniversary celebrations. The sequicentenary celebrations cost Victorians more than $5 million from the arts budget last year, and this year's Budget contains another line item. The Liberal Party's wastewatch committee has unearthed a number of projects that were mounted in those celebrations which lost considerable sums and demonstrated the Government's lack of ability to run anything well, let alone at a profit. I point out that Operation Emergency lost almost $1·3 million and the inaugural Australian Games lost $1·2 million. At the same time as spending $5 million on Victoria's 150th anniversary celebrations and a considerable amount on the Australian bicentennial, the Government is cutting back another item of expenditure in the arts budget, a basic service to all Victorians—the library service. I shall comment about that under the next item.

If the Government wants to throw money away on spurious one-off projects and cut back at the other end of the scale on basic services to every Victorian, whether man, woman or child, it has its spending priorities wrong. I know that a number of my colleagues will agree with me in respect of the library service. That item demonstrates the Government's lack of ability to make proper choices about the projects in which to get involved.

The 150th anniversary celebrations and the bicentenary are two areas where the Opposition questions the Government's priorities and challenges it to show why Victorian

taxpayers should have spent nearly $3 million to support a couple of projects that should have never been undertaken.

Dr WELLS (Dromana)—Item 2586 of Program No. 142 deals with the Premier's literary awards. I congratulate the Government on those awards. Those sorts of awards are valuable and give enormous encouragement to artists. I for one do not think the sum involved is enormous. I was present at the first awards and congratulate the Government on this new initiative that it introduced last year.

I shall now comment on a vexed subject that has come through in the whole Budget debate. Government members have repeatedly chosen a very narrow-minded and dishonest way of trying to stop debate by Opposition members. Whenever a suggestion of some desirable initiative has been made from this side, honourable members opposite have said either "These are tough times; the money is not available", or "Show us where the money should come from". I say to the Government that the problem is not the $200 million loss that it suffered but the whole debt structure that it faces. Its revenue is down not by $200 million but by some thousands of millions of dollars.

There is ample ground where the Government could recover funds for use on far more important matters, such as in the arts program. For instance, the Government has committed Victorians to approximately $1 billion each year henceforth in extra accommodation for the salaries of public servants by the employment of 9000 extra public servants last year alone, yet it claims a productivity saving of 1·5 per cent.

I shall not labour the point, but the Government could pick up $1 billion a year in debt interest that it will have to find. It has lost $2 billion in the transport area, $2 billion in the third-party insurance area and $6 billion in Public Service superannuation which has increased by 65 per cent since the Government came to office.

I am sick and tired of being told by Government members that times are tough because of the loss of oil revenue and that the Opposition should tell the Government where it would get the money. The Opposition is not arguing for excessive increases. It is a basic deficiency of any economic strategy where a Government wishes to trim a small amount from arts, health, education and so forth. The honourable member for Kew is absolutely right when she refers to this obnoxious trimming back of library funding in Victoria, which will be dealt with under Program No. 143.

Mr PERRIN (Bulleen)–I raise a couple of matters under Program No. 142, relating to the Australian bicentennial program, and I take up the interjection of the honourable member for Werribee who asked, by interjection, when I was speaking about wasps where the Opposition would get the money. I invite him to consider some of the waste that has occurred in relation to the bicentennial, and I dare say there is more to come.

The Liberal Party's wastewatch committee, of which the honourable member for Kew and I are both members, has identified $186 million worth of wasteful expenditure by the Government, and I suspect that that is only the tip of the iceberg. For instance I refer to the bicentennial grants to the City of Doncaster and Templestowe. I believe the money could have been better spent than it has been spent.

There has been considerable community criticism of two grants one of which was under the bicentennial program when $80 000 was allocated for a fountain that is to be located outside the offices of the City of Doncaster and Templestowe. The Government is making cutbacks in community services and library funding as well as in many other areas, yet it allocates $80 000 for a fountain. The people of the City of Doncaster and Templestowe have different priorities and would have preferred something better than that.

This $80 000 fountain will be seen by the few people who visit the offices of the City of Doncaster and Templestowe once a year to pay their municipal rates or electricity bills. The fountain will also have ongoing running costs on top of the initial outlay.

Honourable members interjecting.

The ACTING CHAIRMAN (Mr Kirkwood)—Order! I thought members of the Government were democrats but it appears that they are rabble.

Mr PERRIN—Under the International Year of Peace another grant of $20 000 has been made for a peace statue to be erected in the same vicinity as the fountain. Both those projects amounting to $100 000 are questionable and are an indication of the priorities of the Government.

I have been prepared to tell the community that the $100 000 for those two projects could have been better spent elsewhere in the municipality. Other programs have been recommended under the bicentennial celebrations and I hope they will be funded. It is unfortunate that other honourable members representing electorates in the Doncaster and Templestowe areas have not mentioned these projects.

The first concerns the restoration of an 100-year-old shire hall in the City of Doncaster and Templestowe. That will be significant benefit to the city's history and I fully support the grant. It will create enormous community feeling for the history of the Doncaster and Templestowe areas. The 100-year-old shire hall has enormous historical significance and the restoration will be of benefit to future generations.

The second concerns the extension of premises of the Park Orchards Recreational Association which is not in the electorate I represent but is in Warrandyte. That association will receive from the bicentennial celebrations fund a grant to extend its premises and to provide additional services. That has been supported by honourable members representing Doncaster and Templestowe.

Other grants have been made and are sensible, but I strongly question the $100 000 spent on two projects because those moneys could have been used for other important areas. The Government has its priorities all wrong.

Mr ROWE (Essendon)—I wish to refer to Program No. 142 and particularly to the item, "Bicentennial Celebrations Contribution to Trust Fund and the State program".

The previous speaker spent a long time criticising the bicentennial celebrations and it is unfortunate that people have knocked that project. The bicentennial celebrations should be seen by honourable members and the community as a way of promoting the goodwill of all Australians in celebrating an important event. It is important that honourable members exhibit some leadership to the community by not criticising the bicentennial celebrations. It is easy to stand up in this Chamber and to criticise programs, but the honourable member for Bulleen did not propose an alternative program.

The Government is proud of the bicentennial celebrations. Labor Party members are proud of Australia and want to take the opportunity of promoting the program not only in Victoria but also throughout Australia.

I wish to support the allocations in the Budget in that context. I listened to the contribution of the honourable member for Dandenong who spoke at length about the need to stop the knocking and to support the whole program. I am certain that in the electorates of all honourable members individual bicentennial celebrations committees will be working hard on their own activities. I know that a committee is working in Essendon on programs which it believes are important.

Mr Norris—It is a good committee!

Mrs Toner—They are exciting programs!

Mr ROWE—I endorse the comments of honourable members concerning the hard work these committees are doing and offer my support to their exciting programs.

Program No. 142 also refers to expenditure on waterways under the bicentennial celebrations program. A local committee is involved in programs in the City of Essendon to develop the area alongside the Maribyrnong River. This is an exciting opportunity to change an area throughout the north-western suburbs and to transform the environment into a better place for people to live, work and play.

A range of programs emanating from the base of the Maribyrong River through the amalgamated areas of Essendon and Keilor will give people the opportunity of travelling on the river or alongside the river. Residents of Keilor, Essendon, Sunshine and Footscray, which municipalities abut the Maribyrnong River, have been working for many years in developing the foreshore and many parks in that area. However, the opportunity has been given to these people by the bicentennial celebrations program which will allow them to continue with their strategic plan to develop the whole of the Maribyrnong River. That is an important project and it should be supported by all honourable members.

Mr STOCKDALE (Brighton)—I also wish to comment on the bicentennial celebrations allocations. It is a tragedy that the worthwhile opportunity of celebrating the achievements of 200 years of development of a nation is being squandered and that money is being wasted under a wimpish slogan that does not celebrate the great Australian achievements.

All Australians should celebrate a society which, until the Federal and State Labor Governments came to office, had the highest living standards in the world and a diverse culture of a great mix of various communities living together in a degree of harmony which is unusual in this much troubled world. We should be able to take great pride in the achievements of our nation.

However, it is a pity that the Federal Labor Government has set a tone which denigrates those Australian achievements. It might more accurately be said that an attempt has been made to turn the bicentenary into a celebration of national shame. Australians have been made to feel ashamed about their relationship with the Aboriginal people and for the disagreements rather than the agreements within our society and the consensus that developed in our history prior to the sloganeering of the Prime Minister.

It is a tragedy that many of the important features of the development of Australian nationhood are being repudiated on the self-effacing, cringing attitudes that dominate the program developed under the current Federal Government. Far from celebrating the achievements of a sophisticated society with a strong sense of national identity we are being forced to turn away from that path.

The achievements of Australians over 200 years of developing nationhood have been turned into an apology for things that occurred where no apology was required. We ought to recognise that legitimate criticisms of actions of the past can be made and that we should not be ashamed but have a positive attitude towards redressing any injustices to Aborigines and to confidently proceed into the future.

It is regrettable that so much is being done to destroy the sense of nationhood and, indeed, to divide people by seeking to build a new national identity on the repudiation of the past achievements of this country and its people. It is a great tragedy that is symbolised no more apparently than anywhere else in the change of the slogan from the Australian achievement to some wimpish slogan about bringing Australia together.

It is a noble statement but hardly a great celebration of the achievements of 200 years of history of this nation. My only regret is that it appears that we are to be robbed of the national pride which ought to be at its height in this approaching period of celebrating 200 years of Australia's history.

I can only hope that in the remaining time before we actually reach the bicentennial celebrations it will turn into the genuine national celebration upon which the achievements of Australian society and Australian peoples—I deliberately used the word in its plural sense—are united by common responsibility in this great country with enormous potential, notwithstanding the present difficulties into which Labor Governments have plunged us and we will turn away from building a culture on repudiating the past and genuinely celebrate our achievements and go forward to release the true potential of this country.

Mr POPE (Monbulk)—It is unfortunate that the honourable member for Brighton has been so negative in his comments with respect to Program No. 142 concerning the bicentennial celebrations.

The bicentennial celebrations were instigated not only by the Hawke Government but also by the Fraser Government. A totally bipartisan position was adopted by the present Federal Labor Government and the former Federal Liberal Government led by Malcolm Fraser.

It was because of the foresight of those gentlemen that we will be able to go through some great celebrations not only in the year of the 200th anniversary but, indeed, in the lead-up to that time. I find it unfortunate that the honourable member for Brighton tried to put down the bicentennial celebrations that were instigated by those two Prime Ministers. It is unfortunate that the honourable member labelled the slogan "Bringing Australia Together" as being wimpish.

His attitude is not in keeping with the spirit of the bicentennial celebrations as they have been adopted by two Federal Governments and embraced by all parties—the Liberal Party, the National Party and the Australian Labor Party—within the political sphere in Victoria. Therefore I hope the honourable member for Brighton will see that he has not adopted the right spirit with respect to the bicentennial celebrations.

I should also like to comment on the speech made by the honourable member for Bulleen with respect to Program No. 142 where he poured scorn on the fact that a fountain for the bicentennial celebrations is being constructed at a cost of $80 000 in the City of Doncaster and poured even greater scorn on the fact that $20 000 is being allocated for the building of a peace statue.

Anyone who had any feeling at all for the fact that we are celebrating the International Year of Peace would applaud the decision to allocate $20 000 towards a peace statue in the City of Doncaster. It is incumbent on all honourable members to give their backing to the International Year of Peace.

Item 5314 dealing with the bicentennial celebrations and the contribution to the trust fund was mentioned by the honourable member for Essendon, who pointed out what a magnificent contribution that would be to the waterways of Victoria. The honourable member for Essendon referred to the Maribyrnong River. I refer to the Yarra River and the fact that we are going through a cleaning-up exercise in that river that has taken place over the past four years. I am pleased that this has taken place, not only with the Yarra River in the inner metropolitan areas, but also in the Yarra Valley, specifically in the electorates of Warrandyte and Evelyn, where a considerable amount of work has already been done in the Upper Yarra area.

The other aspect concerning the bicentennial celebrations about which I was extremely pleased was the contribution of local government to this area. I have been extremely pleased about the way in which the Shire of Sherbrooke, which is in the electorate I represent, has taken to heart the 200th anniversary of Australia. The shire has an active committee working on various aspects of the celebrations for 1988 and in the years leading up to that time.

The bicentennial committee within the Shire of Sherbrooke encompasses a number of community groups ranging from the aged to youth groups and it has been working extremely well.

Also within the electrorate I represent the Shire of Lillydale has also taken to heart the fact that the 200th anniversary celebrations are coming up. The shire also has an active community spirit in this regard. I applaud most municipalities for the way they have approached the bicentennial celebrations planned for 1988.

It is not only the two municipalities I have mentioned that have been appreciative of the fact that the Fraser and Hawke Governments have looked towards the bicentennial as a year for celebration and a period of growth up until 1988. Indeed, I believe most of the 210 municipalities in Victoria have been active in this area and the majority have set up bicentennial committees of management to examine specific community aspects within their municipalities. They will provide some long-lasting benefits to their communities

and, at the same time, give some mark of celebration to the fact that we have been here for 200 years.

One must not forget during the bicentennial celebrations that Australian Aborigines have been here for certainly a lot longer than 200 years. I understand the bicentennial celebrations organisers are cognisant of the fact that the Aborigines are pleased to be included in the celebrations and it is not just white civilisation in the last 200 years that will be recognised through the efforts of the Federal Government and the various State Governments throughout Victoria.

It is not just the Victorian Government which is concerned about the bicentennial celebrations. As I indicated earlier, the celebration was instituted by the Liberal Government under the then Prime Minister, Mr Malcolm Fraser, and has been well supported by the Hawke Labor Government.

I understand all States throughout Australia are adopting the same attitude that exists in Victoria in bringing about a period of celebration, not only in 1988, but leading up to that year.

The two lines items of 5314 and 5315 are important. Item 5314, Bicentennial Celebrations—Contribution to Trust Fund has an allocation for 1986–87 of $6 million. That amount is allocated to deal specifically with the cleaning up of waterways. Line item 5315, Bicentennial Celebrations—State program, $50 000 will go a long way to assisting the total celebrations for 1988 of the 200th anniversary of the nation.

I hope the honourable members for Brighton and Bulleen will adopt a more bipartisan approach in the future than they have adopted earlier, because they were irresponsible in what they said. The irresponsible actions that those honourable members put forward were not in the spirit of a bipartisan approach.

The honourable member for Bulleen should be castigated by his colleagues for his remarks on the peace allocation. Political parties have adopted a bipartisan approach towards the International Year of Peace and it is unfortunate that the Committee heard those comments from the honourable member regarding the $20 000 contribution to the City of Doncaster, a municiplaity within his electorate, which is accountable for its own actions. Most honourable members, certainly on this side of the Chamber, and I hope on the other side as well, would not be appreciative of the honourable member's comments, particularly in view of the long-lasting aspects of the bicentennial celebrations, but also in adopting some principal stances on peace issues.

The two line items, 5314 and 5315 will assist the State in celebrating the nation's 200th anniversary in the way that it should be celebrated.

Progress was reported.

DISALLOWANCE OF STATUTORY RULES

The Order of the Day for the consideration of Mr Whiting's motion:

That regulations 6, 7 and 8 of the Adoption (Inter Country Adoption Fees) Regulations 1986 (Statutory Rule No. 35 of 1986) be disallowed.

was read.

Mr WHITING (Mildura)—I no longer wish to proceed with this motion. The matter was referred by the Legal and Constitutional Committee to Parliament and since that time the statutory rule has been revoked and a new rule has been made in its place, Statutory Rule No. 253 of 1986. The motion thus becomes redundant and I ask that it be removed from the Notice Paper.

By leave, the motion was withdrawn.

The SPEAKER—Order! In view of the honourable member's decision, I will ask the Clerk to call on the next motion.

Mr WHITING (Mildura)—I move:

That the Health (Radiation Safety) (Amendment) Regulations 1985 (S.R. No. 49 of 1986) be disallowed.

Notice of Motion No. 7 relates to the provision or otherwise of large aperture scanners in category 1 private hospitals. An Act of Parliament requires that a statutory rule that has an adverse effect on another organisation or person is subject to a regulatory impact statement and the department concerned has not supplied that statement. This was discovered through the diligence of a subcommittee of the Legal and Constitutional Committee, chaired by the honourable member for Murray Valley and including other honourable members of the House. The unanimous decision of the subcommittee, subsequently endorsed by a meeting of the full committee of the Legal and Constitutional Committee, was that the statutory rule be disallowed.

Mr HILL (Warrandyte)—I am pleased to second the motion. The Subordinate Legislation Act 1962 requires that the Legal and Constitutional Committee examine regulations to ensure that they comply with the requirements of the Act.

Section 11 of the Act provides certain guidelines that must be adhered to in the process of making subordinate legislation for regulations. If there is a contravention of those guidelines then the Legal and Constitutional Committee should report to Parliament with a recommendation as to whether or not that particular regulation ought to be disallowed.

In this case, the subject of review was the Health (Radiation Safety) (Amendment) Regulations 1985 (S.R. No. 49 of 1986) and it was quite clear the rule had an effect on certain hospitals to the extent that those hospitals would not be able to gain approval for the use of certain equipment. That obviously imposed an appreciable burden or disadvantage on the hospitals concerned.

According to the guidelines under the Act, a regulatory impact statement was required. Unfortunately, Health Department Victoria did not provide such a statement with the regulations as required and the purpose of such a regulatory impact statement is to indicate to those parties which may be affected by the regulations the sort of burden they might have to carry, the disadvantage they may carry, or how they may be otherwise affected by such regulations, thus giving them an opportunity to make a submission on the fairness or otherwise of the regulations.

In this case the regulatory impact statement was not provided and I regret to say this was the second time that these regulations were put forward without a regulatory impact statement.

This year the same recommendations were made without a regulatory impact statement. As a result of a recommendation made to Parliament, they were disallowed. They have again been put up without a regulatory impact statement and, again, the Legal and Constitutional Committee recommended to Parliament that they be disallowed. That recommendation is now before Parliament.

I am pleased to report that it appears that more and more departments are becoming increasingly aware of the need for regulatory impact statements and that the quality of the regulations being proposed since the commencement of the Subordinate Legislation (Review and Revocation) Act has improved. That indicates that the Act is having the effect that it was intended to have. In the circumstances, therefore, I support the motion that the regulations be disallowed.

The motion was agreed to.

ADJOURNMENT

Flinders Street station redevelopment project—Fuel parity pricing—Norwood High School—Melbourne Central project—Nunawading Province by-election—Newell Travel Service—Road Traffic Authority—Prices Surveillance Authority

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House do now adjourn.

Mr GUDE (Hawthorn)—I direct to the attention of the Minister for Transport the leases at the Flinders Street station redevelopment project. The House has become aware of insider trading that has taken place through special concessions granted by the Government to the wife of Mr Norman Fay in the form of a specific tenancy agreement.

At the same time an application was made in the name of Ms M. L. Rennick, which is the maiden name of Mrs Fay, in a letter addressed to Mr Kudlicki, the project manager of the new development. Ms Rennick also applied for another person. I shall read into *Hansard* the details of the letter dated 8 March 1983:

I would like to register interest in tendering for a shop—specialising in giftware and perhaps fashionware—in the redevelopment of Flinders Street station. There is a possibility that I would have a partner, Mrs Lesley Hickey.

Both Mrs Hickey and I run businesses in the Middle Park and South Melbourne areas and feel that the Flinders Street outlet could provide us with an opportunity to extend our business interests.

The relevance of that is that Mrs Leslie Hickey is the wife of Mr Ken Hickey, who, at that time, was the Premier's principal press secretary. One must ask how it is that people so close to the Minister for Transport and now the Premier were seeking to obtain an advantage through insider trading.

In response to the matter being raised in the House on an earlier occasion the Fays indicated that no advantage had been obtained. On the same date, 8 March 1983, a letter signed by Mrs M. D. Fay, the mother of Mr Fay, was addressed to Mr Kudlicki. The letter stated:

I would like to register an interest in tendering for a fast-food/sandwich bar/mixed business outlet at Flinders Street station when redevelopment is completed.

It becomes extremely clear that, in this instance, the Fays were not going to be outdone in any circumstance. I highlight the advantage that the Fays obtained through the privileged position of Mr Fay working for the then Minister, the present Minister for Labour, and the advantage obtained by Mr Hickey for his wife through his privileged position as the principal position as the principal press secretary to the Premier.

The people of Victoria and the Opposition want to know the truth of this insider tender trading scam. How did the Hickeys find out about the business opportunity? Who instructed the Hickeys to withdraw? The Hickeys have withdrawn their application for a concession. Did the Premier invite them to withdraw the application? Did they withdraw it of their own volition? Did they know that it was a sticky business or did they finally come to realise that insider trading is not acceptable in this State? The Opposition and the people of Victoria want an answer to the scam going on with the Flinders Street station redevelopment.

I shall make one other point: the documents, and these are only the first of many more to be made available by the Opposition, have not come to me through freedom of information legislation. My application for information through that legislation dates back to 17 October 1985. It is almost a year later and there are nearly 100 files to be turned over.

Given the attitude of the freedom of information officer, one must wonder whether the files will ever be made available. I do not believe that is because of the freedom of information officer; it is because of the Minister, and it is about time he made available all of the files on the Flinders Street station redevelopment scam so that the project can be cleared or put under once and for all.

Mr W. D. McGRATH (Lowan)—I direct to the attention of the Minister for Consumer Affairs the disparity in the price of fuel. The Government has made great play of honouring its promises about fuel and the establishment of a maximun wholesale price for petrol.

On Saturday, while I was in Adelaide I was able to buy super grade fuel for 40·5 cents a litre. In Melbourne, and as far out as Melton on the west side of the city, one can buy fuel for 46·7 cents a litre; in Ballarat one pays 57 cents a litre; in the Wimmera one must pay 60 cents a litre and in Mildura one must pay 61·5 cents a litre.

Country motorists are consistently disadvantaged by the Government and its claim that it would control petrol prices with an equal system has certainly not eventuated.

The business franchise fee on fuel is 7·8 per cent. The amount of 7·8 per cent of 45 cents a litre is quite different from 7·8 per cent of 60 cents. That means that country motorists are paying significantly more tax to the Government through the fuel they buy.

Fuel is extremely important to country people. We do not have the same public transport systems available as people who live in the city. Country people must use road transport in the delivery of goods and services. Admittedly, a lot of distillate fuel is used, but petrol is also used.

I ask the Minister for Consumer Affairs what the Government is doing to bring about an equalisation of fuel prices across Victoria to remove the situation where fuel in Adelaide costs 45 cents a litre and 46·5 cents a litre in Melbourne while the prices in other places range between 55 cents a litre to 61·5 cents a litre. It is completely outrageous that country Victorian motorists must bear the brunt of steep fuel prices while their city cousins get discounted fuel prices of 12 to 15 cents a litre.

Mrs SETCHES (Ringwood)—Again, I draw to the attention of the Minister for Education the plight of Norwood High School which was to have capital works undertaken this year. Those capital works have been planned for more than three years. On 27 May the school was notified by the Public Works Department that stages 1A and 2A of the project would be built according to a timetable which stated that on 18 June tenders would be received and on 18 August they would be accepted, that possession of the site would take place fourteen days after the acceptance of the tender, and that the construction period would take 170 working days.

However, the school was not included in the capital works program for 1986–87, to the consternation of the school council and community. As a result, I organised a deputation to the Minister last week where the school council placed before him the need for this project to proceed as soon as possible in this financial year.

At present, the school is operating under severe difficulties. Students have inadequate facilities, particularly for the teaching areas of computers, mathematics and stenography. Because capital works were to be undertaken, the schools' maths, stenographic and history facilities were placed in temporary quarters.

The stenographic area particularly is totally inadequate for the proper education of these students. For example, electrical flex runs all over the place in temporary arrangements. When typewriters are set up and recording equipment is used in the teaching of stenographic skills, the result is chaos and a mass of electrical connections. In addition, there are inadequate first-aid room facilities, there are relatively few rooms where privacy can be provided for parents, students and teachers to liaise and interviews often are conducted in corridors, and there are inadequate facilities for staff.

It is important to understand that the school has been planning the capital works project since the end of 1982 and that virtually no capital works have been undertaken at the school for many years. As a result, this upgrading is urgently required.

The school has written to every parent advising of the health and safety needs of the students and the urgent requirements for the capital works program to proceed as quickly as possible.

I again emphasise to the Minister the urgent need for these works to proceed, particularly as tenders have been accepted. The tendering firm employs 21 people who understood that their employment was assured. It seems sensible in order to save costs that this school proceed immediately on the basis of the tender that was accepted on 18 August. I hope the Minister will make a sensible decision on this matter forthwith.

Mr HEFFERNAN (Ivanhoe)—I raise a matter of concern for the attention of the Minister for Transport relating to the Melbourne Central project. I inform the House that the Government engaged an international real estate company, Richard Ellis Pty Ltd, to assist in the promotion of this project. It has been brought to my attention that the Government has received an account for $3·4 million in settlement of the work carried out by this company on behalf of the Government. Apparently, the Government has made the firm an offer of $1·5 million in settlement of that account.

I should like the Minister to inform me why at this stage there is any dispute over an account. I should have thought that a Government department automatically would have set documents to cover the whole costs of any undertaking and that these costs would have been assessed. I request the Minister to take immediate action to save any further legal costs that might be involved in this matter.

It is of concern also that Telecom has now withdrawn from its expected tenancy. That is another setback to this project.

I expect the Minister to assure the House that the Government will not commit any further office space in this building and that the Government will not support any alterations to the approved existing design that was submitted by Kumage for this project.

Mr McNAMARA (Benalla)—I direct a matter to the attention of the Minister for Police and Emergency Services or, in his absence, the Premier. It concerns new evidence regarding the Nunawading Province by-election. I request the Minister for Police and Emergency Services to invite the Police Force to follow up this further evidence and investigate discrepancies concerning the funding particularly of how-to-vote cards used in the Nunawading Province by-election.

I refer to the attention of the Premier the Australian Labor Party statement of income and expenditure for the twelve months ended 30 June 1986 which was tabled recently at the ALP administrative committee meeting and which details an amount of $11 337 available for how-to-vote cards.

I advise the Premier that this figure does not compare favourably with the Liberal Party's figure because the Liberal Party purchased 140 000 how-to-vote cards for the Nunawading by-election and spent only $7591.60. Further interest in this matter is highlighted when one is made aware that the Liberal Party cards were produced in full colour—they were expensive cards—whereas the Labor Party cards were only one additional colour.

I ask also whether it is a fact that at the ALP administrative committee meeting last Friday, when the State secretary, Mr Batchelor, was questioned on the discrepancy, he said that possibly money was spent for cards other than the ALP cards. How does this matter compare with evidence given by the Premier at the time of the investigation into the Nunawading Province by-election that this matter was purely the responsibility of Mr Batchelor and that the ALP had no hand in the matter?

I request the Premier to direct the Minister for Police and Emergency Services to ask the Police Force to investigate this matter immediately, as it raises serious doubts on the involvement of the ALP machine, not only the State secretary, in this whole sad and sordid affair.

Further, I ask whether it is a fact that Mr Landeryou, a member of the other place, earlier at administrative committee meetings asked the State secretary who had paid for the cards and he had replied that he had paid for them himself.

The SPEAKER—Order! I am having difficulty, as the House will recognise, in relating the matter that the honourable member for Benalla is raising with the responsibilities either of the Minister for Police and Emergency Services or of the Premier. If the honourable member is able to bring the two closer together—that is, the Minister and the matter that he is raising—I shall hear him, but it requires no intelligence to realise that the Minister for Police and Emergency Services has no responsibility for the document that the honourable member has in his hands and nor has the Premier.

Mr McNAMARA—I refer this matter to the Minister for Police and Emergency Services, as he is the Minister responsible for police, and it should obviously be further investigated.

I ask the Minister to ensure that the whole sordid saga of the Nunawading Province by-election is investigated again in view of the new evidence brought before the police. That evidence shows quite clearly that the Labor Party had a very strong hand in that matter and, based on the figures that are available, it raises serious doubts about whether the Labor Party machine supplied those how-to-vote cards, whether it was at the behest of anyone else and whether it was done without the knowledge of anyone apart from the State secretary of the Labor Party.

The Premier has been good at passing the buck on to an individual, and he passed it to Mr Batchelor in this case.

The SPEAKER—Order! The honourable member is expressing an opinion in respect to this matter and is certainly not relating his remarks to the responsibilities of either the Premier or the Minister for Police and Emergency Services. If the honourable member can stay within that ambit, he will be in order, but if he cannot he will be out of order.

Order! The honourable member's time has expired.

Mr FORDHAM (Minister for Industry, Technology and Resources)—I deliberately waited until the honourable member had finished speaking so that he would not be disadvantaged by my raising a point of order.

Mr Speaker, I ask you to consider whether the matter raised by the honourable member is related to Government administration. On the substance of his remarks, both the aspects raised by the honourable member referred clearly to internal discussions within the Australian Labor Party, and he quite openly described them as such, in terms of the Administrative Committee of the party.

I therefore ask you, Sir, to give due consideration as to whether the matter was in order in any sense at all.

The SPEAKER—Order! I do not intend to hear a long debate on the point of order raised by the Deputy Premier. I shall rule in respect to the matter immediately.

I believe the honourable member for Benalla did raise a legitimate point in producing material that he may have obtained in some manner—which he did not explain—regarding the internal workings of a political party and pointing out that there is a discrepancy that ought to be investigated by the Minister responsible.

Therefore, I do not uphold the point of order, and I believe the matter should be responded to by either the Premier or the Minister for Police and Emergency Services.

Mrs GLEESON (Thomastown)—The matter that I raise with the Minister for Consumer Affairs concerns the activities of a travel agent, Mr Newell, of the Newell Travel Service. I have received many complaints about Mr Newell's activities, which revolve around people booking trips through his agency and he embarking on a practice of demanding the money months beforehand but not purchasing the tickets until just immediately prior to departure.

This has caused much distress to Mr Newell's clients returning from overseas, some of whom are quite elderly or perhaps young people visiting ill members of the family in Europe.

In one particular case that occurred quite recently, Mr Newell took $800 from a client for the purchase of coach tickets to Brisbane for departure on 26 November 1986. When the customer insisted on receiving the tickets, Mr Newell issued Ansett-Pioneer tickets for the journey. Upon checking with Ansett–Pioneer, the consumer was advised that the tickets were invalid as that company had confiscated Mr Newell's stock of Ansett–Pioneer tickets earlier this year.

As a result of those sorts of activities, there are serious reservations about Mr Newell's operations. The matter needs to be examined. There are other travel agents about whose activities complaints have also arisen. I have received many complaints about Mr Newell in particular. Therefore, I would appreciate the Minister's attention to this matter.

Mr J. F. McGRATH (Warrnambool)—The matter I raise for the attention of the Minister for Transport relates to the function of the Road Traffic Authority and, in particular, the amount of money paid as a transfer fee on a vehicle by a Mr Gary Fleucher at the Warrnambool branch of the authority.

Mr Fleucher bought a vehicle on 24 February this year and on that day paid $352 as the transfer fee. On or about 20 June, while Mr Fleucher was holidaying in northern Australia and not contactable, his father, who was authorised to open his son's mail, received a letter of demand from the authority for payment of the amount.

Mr Fleucher's father responded to that letter of demand by paying the amount two days later at the Warrnambool branch. However, he was notified by his son on the following day that he had already paid the amount and was told where the receipt could be found.

The father then proceeded to the authority's office in Warrnambool, produced the original receipt and requested a refund. He was told by officers of the authority that the matter would have to go through the process, back to Melbourne, for the refund to come to hand.

I direct the Minister's attention to today's date and the fact that this money was paid a second time on 23 June. My constituent has still not received a refund, nor could he get any satisfactory answers from the Road Traffic Authority.

It is not satisfactory that a client should, first of all, receive a letter of demand some four months after having paid the amount the first time and, secondly, that he should have to wait several months without getting any sort of satisfaction, particularly in the form of a refund of $352.

I therefore ask the Minister to investigate this matter on my behalf to see whether he can expedite the matter so that my constituent receives his refund in the not-too-distant future.

Mr POPE (Monbulk)—I raise a matter for the attention of the Minister for Consumer Affairs concerning the recent inquiry into retail prices of food and groceries conducted by the Prices Surveillance Authority in accordance with the prices surveillance Act 1983.

Indeed, it seems that the recommendations of that inquiry, which was chaired by Mrs Rolf, certainly refer to a number of areas that should be of concern to the State Government. I should like specifically to know from the Minister what sort of support the State will provide to the Prices Surveillance Authority in assisting consumers in future throughout Victoria.

As honourable members are aware, a number of voluntary community groups operate throughout Victoria which do work similar to the Prices Surveillance Authority in regard to price-watching.

Indeed, I am the President of the Knox Prices Action Group, which has been monitoring prices throughout the outer-eastern suburbs since 1976. We are well known in that area for our surveillance every three months.

In the past three months—that is, the quarter ending in September—a number of figures were produced which are quite interesting, not the least being those that relate to red meat.

I have mentioned before in the House that butcher shops are cheaper than supermarkets for red meat. Our recent survey indicated an 18·2 per cent differential between butcher shops and supermarkets on a packet of approximately eight different types of meat. All our surveys have shown a 16 per cent to 25 per cent differential in favour of butcher shops. I am sure that most consumers are aware of this and would shop mostly at their local butchers.

I am sure this occurs with a number of different items and is related to the way that supermarkets conduct their business and work out their profit margins.

The SPEAKER—Order! The honourable member's time has expired and the time for raising matters has expired.

Mr ROPER (Minister for Transport)—The honourable member for Warrnambool raised a matter of the payment of fees by a person in his electorate. I shall come back to the honourable member on that matter.

The honourable member for Ivanhoe, who is a close friend of the former candidate for the Upper House who had to withdraw after fraud charges, raised a matter which I shall have examined and come back to him.

The matter raised by the honourable member for Hawthorn for the time being, if Mr Hay has his way, is an old matter that was dealt with by the *National Times* and other newspapers some months ago. If the honourable member is alleging impropriety, he should provide some details of that impropriety. He has not done that so far. He has had six months now within which to produce that material. If he is prepared to produce that, the matter will be dealt with.

Mr SPYKER (Minister for Consumer Affairs)—The honourable member for Thomastown raised a serious matter about Newell Travel Service. Enormous problems have been experienced with the proprietor, Mr Martin Newell, and my department wants to ensure that people do not deal with this travel agent. I first gave warning about Mr Newell in May this year. I attempted to have him come to the Ministry to question him about the way he conducts his business but obviously Mr Newell is not interested in telling us about it or even in running a proper business.

Mr Newell likes to obtain money for travel tickets for as long a time as possible. He then has the use of that money. However, when it comes close to the time of the trip, clients find that bookings have not been made. As the honourable member for Thomastown has indicated, people booking on coach tours find at the last minute that they do not have their seats books.

I thank Ansett-Pioneer for its spontaneous action in ensuring that people who had not received tickets on being booked by Mr Newell were promptly given seats on Ansett–Pioneer coaches. That firm was under no obligation to do so but its action was greatly appreciated by stranded travellers.

My Ministry advises the travelling public to stay well clear of Mr Newell and his travel agency. He is also attempting to obtain a licence to operate two travel coaches. The Ministry is lodging objections to those licences being issued by the Ministry of Transport. We want to ensure that someone who has ripped off the public in the way that Mr Newell has does not continue to operate.

We are also working carefully with the three other Labor States to ensure that travel legislation is proclaimed on 1 December. That is an initiative by the Labor Government and something that the previous Government failed to do for the protection of the travelling public.

The honourable member for Monbulk raised a matter relating to the Prices Surveillance Authority. That honourable member has been extremely active in the Knox Prices Action Group and I congratulate him for the work that he has done. The watchdog role is extremely important in our community.

The Ministry receives many complaints about increased prices. It works closely with the Prices Surveillance Authority. The Consumer Advice Committee has had discussions with the Chairman of the Prices Surveillance Authority, Mrs Rolf, who does an excellent job.

We encourage retailers to restrain excesses in prices because of the present tough economic times we live in. The surveys carried out by the Knox Prices Action Group has been of tremendous assistance and we pass on information obtained from that group to the Prices Surveillance Authority.

As mentioned by the honourable member for Monbulk, consumers obtain much better value in meat by shopping at the local butcher.

The difference between the Government and the Opposition is that Government strongly supports the Prices Surveillance Authority. The Liberal Party policy is to abolish that authority. That would lead to people being ripped off and the Government is strongly opposed to that.

Mr FORDHAM (Minister for Industry, Technology and Resources)—The honourable member for Lowan directed a matter to the Minister for Consumer Affairs. However, the responsibility for monitoring the price of petrol is within my Ministry and I am therefore responding.

The honourable member for Lowan expressed concern over fluctuations in the price of petrol, especially in country Victoria. I am not quite clear where the National Party stands on the issue of petrol pricing.

Mr Jasper—I shall tell you sometime.

Mr FORDHAM—I bet it will be a long, long, time!

The Liberal Party has had a policy of abolishing the various price mechanisms and bodies established at both the national and State levels. I presume that is also the policy of the National Party.

The Federal coalition has announced that one of its policies is the abolition of the Prices Surveillance Authority. The reality is that the National Party is all over the place on this issue. It has been Labor Governments in this country that have endeavoured to inject a degree of fairness and stability into petrol pricing.

The endeavours of the Prices Surveillance Authority to set a wholesale price for petrol have, in large measure, been applauded by most quarters within the community. The price fluctuations have clearly been the result of market forces at work within the oil industry.

The Prices Commissioner in Victoria has established a retail trigger price which has been monitored by the Victorian Government through both the Prices Commissioner and my department. The oil industry as a whole has been responsive to that move but there has been intense competition between the oil companies, especially in the metropolitan area, which is the point refered to by the honourable member for Lowan.

Surely the "beef" of the honourable member for Lowan should be directed towards the oil industry rather than any Government body or Government instrumentality.

The reason for the marked price differences in petrol is the result of decisions made by either industry retailers or the companies themselves as they grapple to gain a market share, which is a principle I should have throught a so-called free enterprise party such as the National Party would have been keen to embrace.

I suggest that the honourable member for Lowan, firstly, study the facts of the situation and, secondly, urge his party to formulate a policy on petrol pricing.

Mr CATHIE (Minister for Education)—The honourable member for Ringwood raised the need for administrative staff upgrading at Norwood High School.

Despite the present economic climate of restraint the Government has provided a small addition in funds for capital works programs for schools. Even though it is of the order of $186 million, the Government has had to give priority to new schools, especially in the growth areas and corridors around the State. It has meant that staff administration upgrading has been seen to be of high priority but not as high as the need to provide a new school.

However, I thank the honourable member for Ringwood for introducing a deputation on behalf of the school council and community. As a result of listening to the arguments of that deputation and having a look at the figures and the history of that school, the Ministry is now reviewing the position at Norwood High School. In fact, the Treasurer has been prepared to approve the request that my Ministry made, but it still has to identify the source of funds that it can use.

The Ministry hopes to negotiate with the successful tenderer about a later starting date for the project which ought to give it an opportunity to find what other projects it may not need funds for and to ensure that this particular project can proceed.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Benalla raised a matter that he wanted investigated by the Police Force.

The honourable member has the same access to the Police Force as all other citizens. If he is inhibited in exercising that access by some embarrassment over the way he acquired the document on which his remarks were based, I understand his difficulty, but that is his problem and not mine.

The motion was agreed to.

The House adjourned at 11.5 *p.m.*

Thursday, 9 October 1986

The SPEAKER (the Hon. C. T. Edmunds) took the chair at 10.35 a.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

GOVERNMENT FEES AND CHARGES

Mr STOCKDALE (Brighton)—I refer the Treasurer to the Government's claim in this year's Budget speech that fees and charges would not increase faster than the consumer price index movement. Will the Treasurer please explain why, on 12 September 1986, he issued Government agencies with a set of guidelines covering 1986–87 fees and charges, including machinery for increases of up to 15 per cent, and even more in special cases?

Mr JOLLY (Treasurer)—The honourable member for Brighton keeps trying, Mr Speaker. In respect of the indexation issues of Government fees and charges, the Government has made its position clear, namely, that the general guidelines that operate are in the order of 7 per cent. It is important to look at the proposition, which is an average increase of less than 7 per cent, as I understand the position.

Opposition members not only show an inability to read Budget Papers and tables but they also seem to ignore the publications put out by the Australian Statistician. When one examines those documents and considers the issues of State Government charges and local government charges one finds that, since the Cain Government has been in office, Melbourne has had the lowest rate of increases in Australia.

The Leader of the Opposition, who is interjecting, never likes the truth. He never likes to find the truth. As I said to him once before, it would be beneficial for all if he opened his mind rather than his mouth. Perhaps Tandberg can work on that one, too!

With State Government and local government charges, an objective source of information—the Australian Bureau of Statistics—has shown that since the Cain Government has been in office——

Mr Kennett—Answer the question!

Mr JOLLY—He is at it again; he cannot help himself! When the Leader of the Opposition manages to keep his mouth closed, I shall continue.

The point I was making is that an objective analysis of the increases in State Government and local government charges by the Australian Bureau of Statistics reveals no criticism. It is indicated that the increases in Melbourne have been lower than in any other capital city in Australia. Taxation receipts this year have been increasing by less than economic growth plus the increase in the consumer price index.

The Government has adhered to its commitment, which is for the benefit of Victoria. Because of the Budget and other factors underpinning the economic performance of Victoria, I believe Victoria will once again outstrip the performance of the Australian economy in 1986–87.

FREEDOM OF INFORMATION REQUEST

Mr ROSS-EDWARDS (Leader of the National Party)—I refer the Minister for Education to the request made under freedom of information legislation by the Parliamentary Secretary of the Cabinet, in his capacity as Parliamentary Secretary of the Cabinet, to Monash University. I understand that the request was made on notepaper of

the Parliamentary Secretary of the Cabinet. Will the Minister advise whether he personally endorsed that application?

Mr CATHIE (Minister for Education)—The honourable member for Werribee was acting in his own capacity.

LAND TAX

Mr KIRKWOOD (Preston)—Will the Premier outline to the House what steps the Government is taking to reduce the number of people who are liable to pay land tax?

Mr CAIN (Premier)—I thank the honourable member for his question because it affords me an opportunity of pointing out again, if it is necessary, what a lot of rubbish is being talked by Opposition members about the burden of taxation——

Honourable members interjecting.

Mr CAIN—I reiterate: it gives me an opportunity of saying again, if it is neccessary, what a lot of rubbish is being talked by the Opposition about the burden of taxes on the people of this State.

The first thing I shall say about the tax is something that ought to be known by the Opposition, that is, that land tax was not invented by this Government. It has operated in this State for many, many years.

The next point I shall make, which is apparently overlooked by the Opposition, is that land tax is based on the value of land, irrespective of the property or the improvements that have been erected upon it.

The third point I shall make is this: when we came to office, something in the order of 180 000 persons were paying land tax. That was the position in 1982. As the honourable member for Greensborough says, by interjection, there are now 80 000 people paying land tax.

An Honourable Member—How much are they paying?

Mr CAIN—If Opposition members could just count for a moment—I shall take it slowly for their benefit because I believe they need to be taken through it slowly—that is a difference of 100 000 taxpayers. Just on that point alone, how could anybody with half a brain suggest that that is not a considerable benefit to Victorians? The difference is that 100 000 Victorians are now not paying that tax.

I shall take members of the Opposition through it again in another way so that it is easier for them to understand. A total of 100 000 Victorians today are not required to pay land tax who were required to pay it under the previous Liberal Government.

The other aspect is that pensioners holding health benefit cards will now, under this Budget, be automatically exempt from paying land tax.

The last point I make, and the Treasurer also made it very clear, is that if there are any persons who—as I think the Treasurer has expressed—are asset rich but income poor because of changes in land values and it is no fault of theirs, those cases will be considered on their merits.

I am pointing out that any objective analysis of the comparative position on the question of land tax between 1982 and 1986 leads to the inescapable conclusion that an enormous burden on people has been removed by this Government.

Some 100 000 taxpayers are now not paying land tax. Those who face hardship are being looked after.

Honourable members interjecting.

Mr CAIN—The Opposition did not care about those who faced hardship when it was in government; it just taxed them all regardless; yet the Opposition now has the temerity to talk about this Government and taxes.

This is the fourth time this week that I have exploded this myth and nonsense about taxes and the Government. I shall continue to do it day after day until there is some rationality in the Opposition about the distribution by this Government compared with previous Governments of the tax burden in this State.

In the area of land tax, it stands out as clearly as a pikestaff to people interested, how the burden of land tax has been relieved from Victorians who previously paid land tax.

Honourable members interjecting.

Mr CAIN—Finally, I wish to further explode the nonsense that has come from the Opposition by way of interjection. The land tax rate scale exemption level will be indexed by 8·8 per cent from 1 January 1987, which will save land-holders $9·9 million in a full year. I hope the nonsense talked about land tax will finally stop because it is perfectly apparent what has been achieved by the Government.

The Leader of the Opposition says that will not happen. If he chose to be direct and frank about this issue, he would not need to run away from it. It is up to the Leader of the Opposition and his party to face the truth. If one closely examines the comparative burdens, it is clear that the Government has relieved a massive burden from thousands of Victorians.

PORTLAND SMELTER ANNUAL REPORT

Mr RAMSAY (Balwyn)—Given that today the Treasurer will at last table the annual report of the Portland Smelter Unit Trust, I ask whether he will explain why he said yesterday that the trust's annual report had not been audited as late as 1 October, when the truth is that the auditor's certificate incorporated in the report carries an August date and the printing of that report was finalised in September?

Mr JOLLY (Treasurer)—The honourable member has asked a great question, but I shall put the position clear in respect of the reporting of the Portland Smelter Unit Trust.

I am not obliged by legislation to provide a report to this House, but I have chosen to do so. I stated that the report was not audited because the report I received was not signed by an auditor. However, I will make that report available today.

There is no problem with the report. It shows that the trust is operating at an accounting profit.

Honourable members interjecting.

Mr JOLLY—Members of the Opposition are not too bad when one looks at them. The Leader of the Opposition is an advertising agent who used a galah as a major feature of his advertising. The honourable member for Brighton is a lawyer who is trying to become numerate as a member of this House, but he is struggling. The honourable member for Balwyn is a printer, and I wonder why he did not do the proofreading of the report.

I make it clear to the House that the Government has nothing to hide about its Portland investment. The report will be tabled today and it will highlight that Victoria's investment in Portland is a good economic investment for the future of this State.

The honourable member for Doncaster interjects that it is typical socialism. I shall go through the members of the partnership. Is Alcoa of Australia Ltd a socialist organisation?

In my discussions with Alcoa of Australia Ltd, I have never had any indication that that company is a socialist company. It could not be claimed that a public trust is a socialist organisation.

Mr Williams—What about the Chinese?

Mr JOLLY—The Chinese Government regards itself as a socialist organisation; there is no secret about that. The Victorian Government has been prepared to discuss that issue with a socialist Government.

China is the biggest country in the world and has enormous market potential. The investment by the Chinese Government in the Portland aluminium smelter is its biggest overseas investment, a fact which demonstrates a great respect for this particular project.

The Portland aluminium smelter is a unique joint venture that will earn substantial export income. Even on conservative assumptions, when potlines 1 and 2 come on line, the smelter will generate export income in the order of $600 million. All honourable members would agree that it is important that the Government tackle the balance of payments problem. The development of the Portland aluminium smelter highlights the ways in which the Government's economic strategy is working.

The honourable member for Brighton, who is interjecting, should examine the high level of private investment in the State. It is strange that the Liberal Party, the so-called free enterprise party, made no reference to private investment in the Budget debate. Why did the Liberal Party make no reference to the level of private investment in Victoria? The Opposition failed to mention that fact because there has been a strong level of private investment in the State.

The honourable member for Brighton interjects by saying, "It is not true". It is true that there has been a high level of private investment in the State.

The report on the Portland Smelter Unit Trust that I received had not been signed by the auditor. Later today I shall table that report. There is nothing to hide. I am proud of the level of investment in the Portland aluminium smelter and will defend and support it anywhere, in the best interests of the Victorian economy. It is about time the Opposition supported investment in that project!

REGIONAL OFFICES FOR RURAL WATER COMMISSION

Mr HANN (Rodney)—Can the Minister for Water Resources advise the House whether the new regional offices of the Rural Water Commission, which are to be constructed in a number of centres, are to be funded from the Consolidated Fund or whether irrigators are expected to provide the funds for those new buildings?

Mr McCUTCHEON (Minister for Water Resources)—The regionalisation process will benefit the rural water sector and irrigators. It is part of a strategy which will lead to a saving of $4·9 million in the operations of the Rural Water Commission.

The strategy will be financed from the central budget of the commission. The current plan to establish offices and to move staff from head office to the regions will lead to significant improvements in the relationship between the commission and water users in each region.

The regionalisation process will bring to irrigators, water policy and strategy decisions which, until now, have been the responsibility of the head office. This is an improvement in the operations of the commission, and there is wide general support for the regionalisation process.

RESPONSE TO BUDGET STRATEGY

Mr ANDRIANOPOULOS (St Albans)—Can the Treasurer inform the House of any specific initiatives that have been taken by Victorian business in response to the proposals that have been put forward in the recent Budget?

Mr JOLLY (Treasurer)—There is no doubt that there has been a favourable acceptance of the Budget both in the community at large and in the business community. This follows on from the fact that in 1984 the Government issued a long-term economic strategy which has generated major economic benefits for Victoria.

The State Budget witnessed a continuation of that economic strategy. I should also indicate to members of the House that there will be an update of the economic strategy during the course of this financial year and that will make sure that Victoria remains the most dynamic economy in Australia.

The Budget for 1986 contained a number of initiatives which are of great importance to the business community. One of those relates to the removal of stamp duty on certain corporate debentures issued into the wholesale market. This initiative was undertaken for two reasons. Firstly, it was clear that major corporate business and financial organisations such as the Broken Hill Proprietary Co. Ltd increasingly were arranging debentures overseas. Not only was that meaning that we were not getting stamp duty from those transactions, but also it was undermining Melbourne as one of the great financial centres of the world, especially in the Pacific region.

Secondly, we analysed this in terms of the economic strategy because we are continuing to build up the financial service sector, as we have done in the past, and we will continue to have the large increase in jobs that has been occurring. That is one factor why we have the lowest unemployment rate in Victoria.

I should also point out that there has been a swift and positive response from the business community as a result of this Budget initiative. Within two weeks of the Budget, Australia's biggest company responded by arranging a $US100 million issue. That is obviously very important. I have now been informed that the issue has been increased to $US200 million. That is because of the strength and depth of the market. Here we have almost an instant response to the Budget initiative that was taken by this Government. It will ensure that in financial and legal areas there will be increases in employment in future. That is obviously very important.

Another area which highlights how this Government has a coherent, long-term economic strategy, and it was in the context of a very tight Budget indeed, is the fact that we removed stamp duty from insurance policies covering the transit of goods externally and internally by land, sea and air and on commercial bill insurance. That is a cost to revenue in 1986–87 of $3·9 million and $5·6 million in the full year.

It is interesting that the Chief Executive of the Insurance Council of Australia Ltd has applauded these initiatives. He has done so for two reasons: firstly, it will assist growth in value added in the insurance industry and employment; and, secondly, he recognises that this will assist in reducing the cost of transport here in Victoria and will be of great benefit to export-orientated industries in this State and industries that require significant transport and have transport costs as a large cost component.

The Insurance Council of Australia—an organisation, incidentally, that was critical of the Government in respect of WorkCare because we removed one of its forms of income—has come out and strongly supported this initiative.

The council recognises that it is in the long-term interests of Victoria. There is no doubt that within a very short period the business community has responded well to the substance of the Budget, which is something the Opposition has not been prepared to speak about.

Already we have a $US200 million issue by the BHP company in respect of corporate debentures in the wholesale market, and the Insurance Council of Australia has responded very positively to the initiative to remove stamp duty. That means more jobs and once again will certainly reinforce the point that Victoria has the lowest unemployment rate, and that great statistic will be with us for a long time to come.

MUSEUM OF CHINESE AUSTRALIAN HISTORY

Mr PESCOTT (Bennettswood)—I refer to the Deputy Premier's press statement of 22 July this year in which he said that the Auditor-General was satisfied that there was no further need to examine matters relating to the Museum of Chinese Australian History. Does he still stand by his claim, and, if not, will he inform the House what he knows of the views of the Auditor-General on this matter?

Mr FORDHAM (Minister for Industry, Technology and Resources)—Following discussions between officers of the Victorian Tourism Commission and the Auditor-General's office, the Auditor-General set out some issues on which he wishes to have further information. That information has since been provided by the Victorian Tourism Commission. I have not yet heard of the response of the Auditor-General but I certainly propose, after he has had an opportunity of digesting that material, to take up the matter with him.

I take this opportunity of saying how much I deplore attacks made by the honourable member for Bennettswood. In my sixteen years in politics, I have never——

An Honourable Member—He's a party hack!

Mr FORDHAM—He is a party hack—I agree—of the worst sort and he ought to be treated as that.

The SPEAKER—Order! I advise the Deputy Premier that question time is not an opportunity for starting to debate the subject.

Mr FORDHAM—The Museum of Chinese Australian History has an important part to play not just in tourism but also in providing all Australians with a greater understanding of the very important role the Chinese community has played and will continue to play in Australian life. The attacks on this important initiative are nothing less than deplorable.

ENGLISH AS A SECOND LANGUAGE

Mr SIDIROPOULOS (Richmond)—Can the Minister for Education inform the House what steps the Government has taken to continue to provide the English as a second language program of assistance to migrant Victorians?

Mr CATHIE (Minister for Education)—I thank the honourable member for Richmond for the question because I know of his keen interest in the issue of migrant and multicultural education. The program of English as a second language is directed at students from a non-English speaking background as one of the means of addressing any disadvantage and also of improving the facility and comfort in the use of the English language, which is such a key to later success and job opportunity in Australia.

As a result, the Government was concerned when the Commonwealth Government increased recurrent expenditure to the States in the form of resource agreements, yet at the same time imposed reductions which, in many cases, were severe on the specific purpose grant programs that provided assistance to many schools in Victoria.

Those cutbacks were not only in the area of English as a second language but also in the areas of computer education, professional development, migrant and multicultural development and, in some cases, education centres. Because of the concern of the Government that the English as a second language program, on which it would have placed the highest priority, was facing a severe reduction which would have meant the elimination of 206 teaching positions across the State, I travelled to Canberra a few weeks ago for a meeting with the Prime Minister, the Premier of New South Wales, my Federal colleague, Senator Susan Ryan, and other Ministers and officials.

The purpose of that meeting was to find ways in which better flexibility could be obtained in the resource agreement so that the State could use some of that funding to

take up the shortfall in the English as a second language program and to see whether additional funds could be allocated from the Commonwealth Government to assist the States in that process. An indication was given that a small allocation could be made, and Victoria will receive its share of that allocation.

We have examined our capacity and the flexibility of our resources within the Budget, and I am grateful to the Government and the Treasurer that the Ministry of Education has been able to increase the number of special needs teachers by 290. It means that the Ministry has the ability to cover any shortfall in the program of English as a second language.

In examining those special purpose programs out of which the Commonwealth Government is now moving, one finds general agreement—apparently with the exception of members of the National Party—that English as a second language would have the highest priority of those specific purposes programs.

I know that the honourable member for Richmond is pleased with the way in which the Victorian Government has been able to respond, and I can assure all Victorians that none of those 206 teaching positions will be lost.

TABLING OF DOCUMENTS

Dr COGHILL (Werribee)—Mr Speaker, on a point of order, I draw your attention to the need for honourable members to correctly identify documents to which they refer in the course of debate in this place.

The issue has arisen from the contribution of the honourable member for Benambra to the second-reading debate on the Appropriation (1986–87, No. 1) Bill, as recorded in *Hansard* of Tuesday, 7 October. I refer to pages 61 and 62 of the daily *Hansard* where it is recorded that the honourable member indicated that he was referring to extracts from the Auditor-General's report for 1985–86 and identified the document as such. The honourable member was asked to make the document available and *Hansard* records that he undertook to do so.

The honourable member subsequently made two documents available to the House. The first related to a separate issue and the second related to the Auditor-General's report but, in fact, the second document was not an extract from the Auditor-General's report.

The SPEAKER—Order! The honourable member is extending the point of order to a personal explanation. If the honourable member wishes me to rule on the point of order I am prepared to do so, but I cannot allow him to make an explanation on an issue decided by the House on Tuesday evening.

Mr McNamara—Take it up with the Deputy Speaker!

Dr COGHILL—I am asking you, Mr Speaker, to rule on the obligation of honourable members to correctly identify documents from which they are quoting. I refer you to the *Hansard* record of the contribution from the honourable member for Benambra in which he indicated that he was referring to extracts from the Auditor-General's report. The document that was made available was not such an extract; it was a statement from the honourable member for Brighton, the shadow Treasurer.

I conclude by asking you, Sir, to inform honourable members of their obligation to correctly identify documents to which they are referring.

Mr LIEBERMAN (Benambra)—On the point of order, Mr Speaker, the honourable member for Werribee, who is brooding about something——

Mr Weideman—He is bruised about something!

Mr LIEBERMAN—The honourable member for Werribee is referring to a matter that he has already raised as a point of order on the night of Tuesday this week. The point of

order has already been ruled out of order by your colleague, the Deputy Speaker. The point I wish to raise with you, Sir, for guidance, is whether it is possible for an honourable member to keep coming back and raising points of order that have already been ruled against. Is the matter being raised again because the honourable member's nose is out of joint?

Mr RICHARDSON (Forest Hill)—On the point of order, Mr Speaker, I put it to you that there is no point of order. The honourable member for Werribee has not raised a point of order, he has made a personal explanation. If he wishes to pursue the matter in his fit of pique, he should do so by substantive motion.

The SPEAKER—Order! Putting aside all other matters that have been raised with the Chair, I indicate that the custom of the House, without reflecting on what occurred the other evening, is that if an honourable member is quoting from a document, he or she usually identifies the document accurately. That is the custom of the House and has been since I have been a member. Therefore, I rule that the point of order is valid. If a document is quoted and is not accurately identified, it is a reflection on the procedures of the House. If honourable members quote from documents or books to further their debate, I ask that they identify the documents or books accurately.

The second point I wish to make is that it has long been the custom of the House that if material is brought into the Chamber and quoted from during the course of debate, and another honourable member asks for the material to be made available to the House, that is done. On some occasions, that has been done to the detriment of the honourable member who brought the material into the House. Therefore, I advise honourable members that they need to be careful about what they bring into the House.

PERSONAL EXPLANATION

Mr LIEBERMAN (Benambra)—Mr Speaker, under Standing Orders I understand that matters involving a personal explanation need to be raised immediately the opportunity arises. I wish to make a personal explanation.

The SPEAKER—Order! I was distracted for a moment. What is the point of the order?

Mr LIEBERMAN—As you were on your feet, Mr Speaker, I was not able to approach you to indicate that I wished to make a personal explanation. As I wish to do that at the earliest possible opportunity, this appears to be the appropriate time.

The SPEAKER—Order! I advise the honourable member that the usual procedure for a member who wishes to make a personal explanation is for that member to advise the Chair.

If the honourable member for Benambra wishes to do that at the appropriate time, I shall call him to make a personal explanation after he sees me personally regarding the matter.

PETITIONS

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

State Insurance Office

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 respectfully sheweth:

1. That the current losses being incurred by the State Insurance Office in compulsory third party motor vehicle insurance claims must be the subject of firm and comprehensive Government action.

2. That the initiatives of the Government in attempting to combat the abovementioned losses are to be commended.

3. That the attempt by the Government to remove the right of individuals to sue for damages at common law is, however, not acceptable to the community.

Your petitioners therefore pray that the Parliament of Victoria will act to rectify the current losses being incurred by the State Insurance Office but will do so without destroying the right of the citizens of The State of Victoria to seek damages for personal injuries.

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

By **Mr Plowman** (22 signatures) and **Mr Cooper** (141 signatures)

Transport portfolio

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

Whereas the public transport services in Victoria are in a state of utter chaos and the operational and economic sectors of the system are facing imminent collapse.

And whereas the passengers and freight services are marked with unacceptable levels of cancellations, delays, breakdowns and mind boggling levels of managerial incompetence.

And whereas the public transport users in Victoria condemns the Minister Mr Roper for his:

(1) Handling of the transport portfolio; (2) his continuing failure to solve the industrial problems that are destroying the reliability of the services; (3) his total inability to provide a reliable, safe and efficient public transport service; (4) his unwillingness to travel the system and personally witness the inconveniencies faced by users because of the inefficient services, or to redress matters of concern presented to him by our association; and (5) his inability to control the escalating costs or stop the decline in revenue.

And whereas it is obvious that Mr Roper lacks the ability to hold the transport portfolio—

We, therefore, request the Premier and the State Government to remove Mr Roper from the transport portfolio and replace him with a suitable person to meet the requirements of the portfolio.

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

By **Mr Brown** (121 signatures)

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

PORTLAND SMELTER JOINT VENTURE PROJECT

Mr JOLLY (Treasurer)—By leave, I move:

That there be presented to this House a copy of—

(*a*) the Portland Smelter Unit Trust financial statement 1985-86; and (*b*) the Treasurer's statement relating to the Portland smelter joint venture project.

The motion was agreed to.

Mr JOLLY (Treasurer) presented the statements in compliance with the foregoing order.

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

PAPERS

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

Consumer Affairs—Report of the Ministry for the year 1985-86—Ordered to be printed.

Environment Protection Authority—Report for the year 1985-86—Ordered to be printed.

Public Service Board—Report for the year 1985-86—Ordered to be printed.

State Bank of Victoria—Reports, Statements, Returns etc. for the year 1985-86—Ordered to be printed.

Statutory Rule under the Magistrates' Courts Act 1971 and Magistrates (Summary Proceedings) Act 1975—No. 256.

Town and Country Planning Act 1961:

Melbourne Metropolitan Planning Scheme, Amendment Nos 312, 321 Part 3, 322 Part 2, 392, 417.

PERSONAL EXPLANATION

Mr LIEBERMAN (Benambra)—During the period after question time today, the honourable member for Werribee raised a point of order for your attention, Mr Speaker, which you ruled on. The matter related to some parts of a speech which I made—which I thought was a good speech—during the Appropriation debate, which was recorded, commencing at page 57 of daily *Hansard* for Tuesday, 7 October 1986.

During the contribution on the point of order by the honourable member for Werribee, he suggested that the documents from which I spoke during that speech and to which I referred and which also I made available to the House, as I undertook to do, at the end of my speech, were in some way not the documents that I had used as the source for my speech, or, even worse, he made an implication.

Your ruling, Mr Speaker, which of course was a sound ruling, indicating the procedures of the House—that honourable members should identify documents when asked to do so and make them available if asked to do so—as it followed immediately after the outburst of the honourable member for Werribee in his point of order, could be taken to be judgmental in the sense that it could be interpreted that you were agreeing with the implications raised by the honourable member for Werribee about my speech.

I know that that was not so; you were ruling as the Speaker on the general customs of this House. My personal explanation is that the documents I spoke from in my contribution on the Appropriation debate were in fact made available immediately by me.

The documents I spoke from were a report that was circulated by the Treasurer of Victoria to all Ministers and Government departments instructing them to increase taxes and charges by more than 7 per cent and as high as 15 per cent. I made that document available.

Secondly, I made available a news release by the honourable member for Brighton, the shadow Treasurer for Her Majesty's Opposition, which contained references to extracts from the Auditor-General's report for the past financial year.

In my contribution to the debate, as is clearly recorded in my speech, I referred to the fact that I was referring to extracts from the report from the Auditor-General, which were in fact contained in that news release of the honourable member for Brighton.

The statements I made are, to the best of my knowledge and belief, accurate. The statements I made reflect fairly, in a narrative form, the assessment made by the skilful shadow Treasurer of the Auditor-General's report. They raise matters of grave concern which I, as a member of Parliament, have a duty to raise about the finances and debts of this State.

If honourable members would do me the courtesy of reading my entire speech they would appreciate my position and the contribution I made, and would understand the dilemma of the honourable member for Werribee, who tried to interrupt my speech by taking points of order.

STATE ELECTRICITY COMMISSION (FURTHER AMENDMENT) BILL

Mr FORDHAM (Minister for Industry, Technology and Resources) moved for leave to bring in a Bill to further amend the State Electricity Commission Act 1958 and the Electric Light and Power Act 1958 and for other purposes.

The motion was agreed to.

The Bill was brought in and read a first time.

BUSINESS OF THE HOUSE

The SPEAKER—Order! I call on the honourable member for Mitcham to move his motion.

Mr PLOWMAN (Evelyn)—Mr Speaker, I seek leave to address you briefly on procedures relating to Notices of Motion, General Business.

Mr SPEAKER—Order! I will call the honourable member for Evelyn on a point of order.

Mr PLOWMAN—It is not a point of order. I seek leave to address you on a matter of procedure.

Mr PLOWMAN (*By leave*)—As honourable members are aware, under Sessional Orders, Notices of Motion, General Business, limit the business of members to Thursday mornings. Grievances and Notices of Motion, General Business, are limited to Thursday mornings. As you, Mr Speaker, will be aware, the House dealt with two revocation motions or disallowance motions yesterday. A number of statutes also require that honourable members have the opportunity of discussing revocation motions related to Orders in Council before the House comes to a decision.

The procedures and practices in Federal Parliament determine that if such motions for revocation or disallowance are not discussed by Parliament within a given time, such disallowance becomes automatic. In the Parliament Sessional Orders provide that such motions, or such disallowances of regulations, may lapse because of the time factor, unless there is specific agreement between the parties that such a motion for disallowance or revocation is to be discussed.

The point I raise is that statutory requirements should take precedence over Sessional Orders. I request that you, Mr Speaker, consider the practices in this place to ensure that statutory requirements allowing honourable members the opportunity of examining revocations of Orders in Council particularly, and regulations, should take precedence over General Business motions and should not be frustrated by Sessional Orders.

I request that you consider this situation to determine whether the practice should be that such revocation or disallowance motions should take precedence over Notices of Motion, General Business, or whether Sessional Orders should allow the opportunities that exist under the statutes for this House to consider the revocations or disallowances, simply to lapse through lack of time.

The SPEAKER—Order! The honourable member raises a legitimate point, but, regrettably, I am not in a position to do anything about the matter. The House is the master of its own destiny. Sessional Orders have bound the House to the procedures which I believe are being correctly followed. The matter raised by the honourable member, now that it has been raised, would be better taken to the Standing Orders Committee for its deliberation.

FINANCIAL MANAGEMENT

Mr HARROWFIELD (Mitcham)—I move:

That this House—(*a*) condemns the Opposition for its financial irresponsibility in—(i) advocating a level of Government expenditure which would require a huge increase in State taxes and charges; and (ii) failing to explain its proposals for raising sufficient revenue to fund this expenditure, especially in light of its calls for substantial reductions in taxes and charges; and (*b*) congratulates the Government for its responsible and effective management of the State's finances and for its successful development of a long-term economic strategy.

The motion provides an opportunity for the House to reflect on and to place in context the great contrast between the performance of the Government and that of the Opposition in financial and economic matters. It is a matter of note throughout the Victorian

community that the Government has performed incredibly well both in its financial management and reforming of the public sector and in its development of a long-term economic strategy.

The results are there for all to see. Clearly, the Victorian economy is performing exceptionally well. By developing the economic strategy, which was released some two years ago, the Government has given a positive direction not only to the Victorian community at large but also to the business community which can now make decisions on investment and other important matters knowing full well what will be the future directions of the Government.

The hard evidence exists. Victoria has consistently had the lowest rate of unemployment under the Cain Government. It has had not only the lowest rate in this State for some time but also a significantly lower rate than in any other State. The employment growth rate has been well in excess of the performance of the rest of the Australian economy.

Other aspects of the Victorian economy, including private sector investment, have markedly outstripped the performance of other States and the national economy generally.

The Cain Government has a demonstrated capacity to understand complex financial issues and to develop a coherent policy for both financial reform and the long-term growth and development of this State's economy.

In contrast—and it is a contrast on which the House should reflect—the performance of the Opposition, which I believe has been amply demonstrated even in recent days, has been an abysmal display of negativism and nitpicking about the Budget. That is typical of the Opposition's approach to economic and financial matters.

Victoria has an Opposition which for four and a half years has preached doom and gloom, and has sought to deny and defeat the recovery of the Victorian economy.

Mr Perrin —Mr Acting Speaker, given the nature of the riveting speech by the honourable member for Mitcham, I direct your attention to the state of the House.

A quorum was formed.

Mr HARROWFIELD—The Opposition in this House has constantly preached doom and gloom about the Victorian economy and has sought to deny and defeat the recovery of that economy. Sadly, the Leader of the Opposition is particularly notable for being the mouthpiece of those people in Parliament who want to embark upon a concerted attempt to talk down the Victorian economy. Many examples exist of that sort of strategy being adopted by the Opposition.

Honourable members will recall that, in his first response to a Cain Government Budget, the leader of the Opposition described that Budget as a time bomb and predicted all sorts of dreadful consequences, including a double figure unemployment rate—which, of course, never eventuated.

It was not just a harmless statement made in political debate—an indulgence in negativism; when one considers its consequences, it was an extraordinary statement. Honourable members should understand the importance of confidence in an economy. The Opposition's ongoing attempts to talk down the Victorian economy will only damage it.

Mr Kennett —Mr Acting Speaker, I direct your attention to the state of the House.

A quorum was formed.

Mr HARROWFIELD —It is interesting to note that not a single member of the Opposition is present in the Chamber, apart from the Leader—so he obviously has the full extent of his leadership support at the moment.

The contribution of the Opposition to economic and financial matters has been aimed at destroying the Victorian economy, because the Opposition understands that that is the only way in which it can ever hope to satisfy its lust for power and office in this State.

The motion highlights the fundamental inconsistency and confusion of the Opposition's financial and economic policies. Let us examine its basic credentials for that. It has failed to understand even the simplest fact of economic life, that is, that expenditure by a Government must equal the revenue that it is prepared or able to raise. It is a lesson that the Opposition still has not been prepared to learn.

Honourable members are aware of the Opposition's performance in government when it last occupied the Treasury benches, when it left the State in a financial mess because it could not understand the simplest facts of financial life.

A party that is seriously addressing the need for financial budgeting and economic management should identify programs of expenditure, address the need to fund that program of expenditure and indicate the extent to which it is prepared to support the revenue base of this State. The Opposition fails dismally on each count.

The Opposition wants more money spent but fewer taxes raised to pay for that increased expenditure. It wants a smaller revenue base for Victoria, reduced debt, fewer public servants and the retention of redundant assets. It wants to hang on to assets that Victoria cannot realistically use. Anyone with a modicum of understanding would recognise that that equation does not add up. It is totally inconsistent.

The Opposition is supposedly a party of restraint but it has chalked up an expensive wish list of proposals. In the past few months the proposals of its members amount to in excess of $1·2 billion. That is a remarkable display of restraint by a party that mouths rhetoric about Government restraint but is clearly not prepared to adhere to its own words.

Every member of the Opposition has been involved in a grubby attempt and an unseemly scramble to plunder the State coffers in their haste to outspend and outdo each other for the sake of pork-barrelling their own pet projects and vested interests. Yet they expect the taxpayer to foot the bill for their extravagances.

I shall refer the House to some examples of the Opposition's calls for restraint and will commence with the Leader of the Opposition, who is an expert at calling for restraint in expenditure. He has asked for funds for many projects, and the most recent was for $12 million to be provided as assistance to the people of the Mallee. He also asked for $2 million for local municipalities in the Mallee. He was outdone by the shadow Treasurer, the nitpicker from Brighton, who expects Victorian taxpayers——

Mr Kennett—Mr Acting Speaker, I direct your attention to the state of the House.

A quorum was formed.

Mr HARROWFIELD—The Leader of the Opposition has finally found his niche in life as a quorum caller. The honourable member for Brighton—the prime mover in the call for restraint by the Government—has asked Victorian taxpayers to fork out $74 million to subsidise the Liberal Party's shonky third-party insurance proposal in another grab at consolidated revenue. The performance of the Opposition when it was in government demonstrated its inability to be able to deal with these issues. Time and again Opposition backbenchers have preached restraint but want more money spent.

The honourable member for Benambra wants restraint but in March this year he asked for an additional $20 million to be spent on ensuring that 10 per cent of all hospital beds in Victoria are reserved for psychiatric patients.

The honourable member for Sandringham wants restraint but he also wants 300 additional secondary teachers to be employed at a cost of $7·5 million. He also wants additional emergency teachers that will cost the Government $2·5 million.

The honourable member for Syndal—another advocate of restraint—wants additional respite care to be instituted at a cost of $5 million.

The honourable member for Hawthorn—the would-be pretender to the leadership throne and temporary representative of the Hawthorn electorate before Mr Hay takes his seat—wants $62 million spent in reinstating the decentralisation assistance scheme. That was discredited by a committee chaired by a former National Party member of Parliament, Mr Stuart McDonald, who said that the scheme was a waste of public money. However, the honourable member for Hawthorn wants $62 million spent on reinstating that scheme. It is of no concern to him that half of those funds would go straight to the Federal Government in taxation. It is nonsense that the honourable member for Hawthorn should preach restraint but want to reinstate a scheme that was previously ineffective.

There appears to be a mentality amongst members of the Opposition about building roads. They want restraints but they also want huge amounts of money spent on new roads. The honourable members for Doncaster and Bulleen want a cool $200 million spent on extending the Eastern Freeway to Ringwood.

Not to be outdone, the honourable member for Higinbotham Province in another place, the Honourable Robert Lawson, wants $60 million spent on upgrading the link between the South-Eastern and Mulgrave freeways to freeway status. His colleague, the Honourable Geoff Connard, does not want to be left out of the scramble for money. He wants restraint but also wants $100 million spent on building a six-lane freeway to connect Edithvale Road to South Road. Apparently that is one of his pet projects.

The Deputy Leader of the Opposition, the honourable member for Ripon, who is usually fairly silent on most matters these days, wants restraint but also wants $3·7 million for 120 additional employees in the Department of Agriculture and Rural Affairs. The Opposition preaches restraint and does not want money spent on providing more public servants when it suits, but apparently it has the flexibility to change its mind.

The honourable member for Mornington is a model of restraint. Honourable members have experienced his commitment to restraint and the honourable member has telegrams to prove that commitment. However, the honourable member also wants a cool $10 million spent on increasing public library funding. He preaches restraint but he wants $10 million spent. The honourable member also wants improved facilities for schools in his own traps amounting to another $2·8 million.

I do not say that some or all of these projects are undesirable, but it must be recognised that these demands are coming from an Opposition that continually preaches restraint in Government expenditure. However, it appears that members of the Opposition are not prepared to act on their rhetoric.

The honourable member for Dromana wants $8 million spent on a new post-primary school in the electorate that he represents, but he also preaches restraint.

The honourable member for Higinbotham Province in another place, the Honourable Robert Lawson, also wants $34 million spent in subsidising the cost of beds in private hospitals for public hospital patients unable to obtain treatment in public hospitals.

Mr Perrin—Don't you care about them?

Mr HARROWFIELD—Yes, I care about them, but the honourable member should talk to his colleagues about preaching restraint and then indulging in this orgy of expenditure requests.

The honourable members for Frankston South and Dromana want $31·6 million for an expansion of facilities at the Frankston Hospital.

Another of the gurus of the Opposition involved in demands for restraint has been recently appointed to the Estimates Committee in another place to scrutinise the Budget, examine expenditure and other factors. The honourable member for East Yarra Province

in another place, the Honourable Mark Birrell, wants $7·5 million to reopen 60 beds at the Alfred Hospital and $3·3 million to reopen 26 beds at the Austin Hospital.

The honourable member for Prahran, who is a "dry" from way back, wants restraint everywhere except in his own little patch. He wants $30 million spent on extending Victorian Economic Development Corporation assistance to all country areas on an as-of-right basis. The honourable member does not care whether the money is spent properly but wants $30 million squandered on an assistance scheme that does not guarantee results.

The deposed member of the Opposition front bench, the honourable member for Caulfield—I hope he has given back his blazer—wants $8·3 million to assist in reducing municipal rate increases.

The honourable member for Mornington—that expert on sending telegrams—wants $13·5 million to be spent by the State Government to subsidise any amount lost through Federal Government cutbacks to local government. He wants restraint but he also wants more money to be spent.

The honourable member for Dromana is into roads. He wants the completion of the Southern Peninsula Freeway at a cost of $38 million but he does not explain where the money will come from; in any event, he wants that money spent.

The Liberal Party has requested additional Government expenditure of $737 million. That is a remarkable request from a party which preaches restraint. It is not prepared to practice what it preaches.

I do not want to neglect the National Party whose members have departed from the Chamber, because they are also culpable in this matter. The National Party has made some remarkable requests for Government expenditure.

The honourable member for Murray Valley wants a cool $40 million additional Government expenditure on cooperative housing, but the honourable member did not say where the money will come from.

The honourable member for North Western Province in another place, Mr Wright, is a "dry" from way back. He wants Government restraint but he wants the Government to spend $138 million on continuing hospital-based nursing, and he also wants college-based nursing maintained. However, he does not say where the money will come from.

A number of other members of the National Party, the honourable member for Western Province in another place, Mr Hallam, and the honourable members for Lowan and Benalla, also want Government restraint in expenditure through decentralisation allowances at a cost of $62 million, notwithstanding the recommendation of their former colleague, Mr McDonald, who said that that would be a waste of money.

The Deputy Leader of the National Party also wants Government restraint but wants the Government to spend $2·5 million in providing extra staff for the Small Business Development Corporation.

The honourable member for Benalla also wants Government restraint, but he wants the Government to spend an additional $28·5 million on providing an extra 1000 police.

The list goes on: the honourable member for Lowan wins the Imelda Marcos award for financial restraint! He wants $400 million in increased funding for country roads, allowing for the reconstruction cycle to be reduced from 60 years to 25 years. The honourable member makes Imelda Marcos look like Scrooge!

The honourable member for Lowan also wants $31 million of Government money spent on further upgrading the Calder Highway. The requests made by the National Party for additional Government expenditure amount to a figure in excess of $850 million. This request has been made by a party which preaches Government restraint but is not prepared to take the hard decision in respect of achieving it.

Although expenditure on some of those items may be desirable, if one is to have such expenditure one must be prepared to say how one will pay for it. I should have expected some indication by the Opposition that it would increase State taxation to provide the additional expenditure.

I remind honourable members that, before the last State election in May 1985, the Leader of the Opposition promised Victorians twelve major tax cuts. The Leader of the Opposition would have knocked off something like $450 million from State revenue through that promise alone. However, at the same time the Leader of the Opposition made 420 new spending promises worth a total of $360 million!

If one adds those figures together one realises that the Leader of the Opposition has advocated an extra cost to Victorian taxpayers of $800 million. The honourable gentleman could not have delivered those promises; they were not worth the paper on which they were written.

It appears that the Leader of the Opposition has not learnt the lesson for which he was rebuffed at the last State election. The honourable gentleman called for further tax cuts, which, if implemented, would have wiped another $200 million off the State's tax base. Like his colleagues, the Leader of the Opposition has called for further expenditure on pet projects in pursuit of short-term popularity with some constituents.

The Opposition would have to be one of the most costly Oppositions in the history of the State. It is a horror story!

Where is the money coming from? Honourable members have not heard because the Opposition has given no indication of where it would raise the additional revenue. The Opposition wants the benefit of additional revenue, but it will not say how it would raise the additional revenue.

If one were to believe the Opposition and the National Party, they have managed to virtually wipe out all State revenue. I turn now to examine what the Opposition and National Party have said about State taxation.

The Leader of the National Party in another place, Mr Dunn, wants grain freight rates reduced at a cost of $14 million. He also wants the public authority dividend tax on the Grain Elevators Board abolished at a cost of $4·5 million. He is not in that alone because both the honourable member for Ballarat Province in another place, Mr Knowles, and the Leader of the National Party in this place, agree with him.

The honourable member for Evelyn has made a relatively modest request for a reduction in the abalone diver's licence fee at a cost of $375 000.

The honourable member for Polwarth, the would-be Leader of the Opposition, wants $456 million chopped off State revenue by the removal of all fuel taxes.

The Leader of the Opposition wants the abolition of land tax on the principal private residence, despite the inequities that would cause. The Leader of the Opposition wants another $22 million chopped off State revenue.

In April 1985 the Leader of the Opposition called for the removal of the Victorian Government tax on petrol at a cost of $210 million.

The Leader of the National Party in another place, Mr Dunn, wants the public authority dividend tax scrapped altogether at a cost of $181 million.

I am somewhat reluctant to quote the honourable member for Malvern because no one takes him seriously. The honourable member wants $148 million spent on abolishing land tax.

The honourable member for Bulleen wants the financial institutions duty wiped out at a cost of $105 million. The honourable member also wants a one-year tax freeze at a cost of $200 million.

Not to be outdone, the honourable member for Brighton, the would-be Treasurer—our nitpicking, negative colleague from the seat of Brighton—wants a freeze on all State taxes and charges for one year at a cost of $385 million.

What has been the response of the Opposition on the extra expenditure? The Opposition has not responded by indicating how it would raise the extra revenue or where it would cut existing Government expenditure. The Opposition has responded by wiping off $2·9 billion from State revenue. The Opposition wants to wipe out State revenue. It is an equation that does not add up.

The Opposition's policy on privatisation has been well exposed in the House by the honourable member for Werribee. The Opposition wants to use that policy to dispose of a number of commercially viable public sector authorities.

Mr Kennett—Boring!

Mr HARROWFIELD—Obviously the Leader of the Opposition is doing his own impersonation of the Saba advertisements. Honourable members know that the Leader of the Opposition is a galah, but he should give these performances outside the Chamber.

Through the Opposition's policy of privatisation of various public assets such as the State Bank, the Opposition wants to lose the revenue that is generated by the State through the ownership of those particular assets.

What is the alternative? The Opposition will not raise State taxation and it wants revenue reduced by $2·9 billion. Is the Opposition prepared to go into bat for the State by getting a better deal from the Commonwealth Government? Of course not!

A former Premier and Leader of the Opposition, the Honourable Lindsay Thompson, to his credit, was prepared to stand up for Victorians. He was prepared to go to Canberra and plead the case for Victoria. Would this Leader of the Opposition do so? No! The Leader of the Opposition sits in the Chamber singing songs to himself!

Honourable members realise that the Leader of the Opposition wanted question time and the rest of the proceedings in the House broadcast so that the Victorian public could see at first hand the sort of juvenile behaviour in which he indulges.

The Leader of the Opposition is not prepared to stand up on the real issues and stand up for the State of Victoria. The response to the revenue-raising report and the concept of a financial contract which would secure the financial base of this State was a deafening silence from the Opposition in terms of any support it might provide.

The Opposition has tried to use the loss of the pipeline licence fee against the Government, notwithstanding the fact that the former Liberal Government introduced the tax on the best legal advice available at the time. However, to this day the Opposition has not been prepared to admit to the seriousness of the loss of revenue or the implications of the constitutional judgment that brought it about. The Opposition is silent on that important issue.

When the State looked like losing its proposed 2 per cent real increase in grants from the Commonwealth Government in this present financial year, what did the Opposition do in defence of the State? What was it prepared to do to stand up for this community and the rights of the State? This is what the Leader of the Opposition said, as reported in the *Age* on 19 May 1986:

> Mr Kennett said the States should be prepared to accept a reduction in the 2 per cent increase in funds they have been promised this year by the Commonwealth.

That is the extent of the support of the Leader of the Opposition for this State and for the Victorian community. He was not prepared to stand behind the Premier in support of Victoria.

What was the Leader of the Opposition prepared to do when State revenue suffered the severe blow, for no reason of its own, through the loss of oil revenue? Was he prepared to go in to bat for Victoria? The same article in the *Age* reported:

> Mr Kennett said the Premier, Mr Cain, should abandon his attempts to pressure the Commonwealth to compensate Victoria for the estimated $160 million the State will lose in oil tax revenue as a result of the drop in oil prices.

Once again the Leader of the Opposition is backing away from standing up for this State, for the revenue base and for the financial stability and future of the State.

What happens at the Constitutional Conventions when virtually every State in this country, irrespective of its political complexion has been saying to the Commonwealth Government, "We want a fairer distribution of tax revenue; we want the whole issue of excise duties clarified so we can have a stable revenue-raising base"? What has the Leader of the Opposition been prepared to do? He stands up against the State of Victoria and every other State in securing a stable revenue base and financial security. That is the extent of the commitment of the Opposition and the Leader of the Opposition to the financial viability of State Government and especially the Victorian State Government.

The Opposition has a wish list of spending. The Leader of the Opposition is not prepared to increase taxation. He wants taxation wiped to the extent of $2·9 billion. He is not prepared to go for an alternative revenue base with more equitable funding from the Commonwealth. The Leader of the Opposition sells out Victoria at every chance he gets.

There are two avenues the Leader of the Opposition has ruled out where he is not prepared to stand up for the rights of Victoria. There is another area where there might be a potential to fund some of the Opposition requests in its wish list of some $1·5 billion worth of expenditure.

One could engage in borrowing or one could make sure that the assets within the public sector are relevant and pertinent to this State's needs. However, of course, all one hears from the Opposition is constant criticism of the Government's borrowing program and criticisms of the State debt, notwithstanding the fact that the State debt is no greater than it was previously. In fact, it is much lower than it was when the former Liberal Government was in office. However, one still hears those criticisms made.

The Leader of the Opposition is not prepared to state that one can borrow funds to engage in the expenditure proposals he and his colleagues speak about. Nor is he or the honourable member for Brighton prepared to countenance the State Government reviewing the assets it holds to see which of the assets it owns, in fact, are not required for future use.

When the Treasurer established a task force to examine all State assets to see whether he could justify their retention so that he could sell them off and replace them with new relevant assets, what did one hear? One heard scorn and derision from the Opposition and claims from the honourable member for Brighton that the Government was selling off the assets of the State. What a joke the Opposition is!

Let us refer to the equation I mentioned before. The Opposition wants more money spent. The Opposition wants expenditure, on a conservative estimate, of $1·5 billion. However, the Opposition is not prepared to pay for it by way of tax revenue, in fact it wants a $2·9 billion reduction in taxes.

The Opposition is not prepared to obtain the funds for the expenditure by going to the Premiers Conference or by supporting Victoria in trying to achieve a more secure and higher revenue base. The Opposition is not prepared to say that one might have to borrow funds to engage in some of the expenditure it seeks. The Opposition is not prepared to dispose of redundant assets and replace them with capital facilities that are required for the people of Victoria.

The equation of the Opposition does not add up. The Opposition wants the world, but is not prepared to indicate how it will pay for it. It is not prepared to make the decisions about how the expenditure will be funded.

One can draw two conclusions from that. The first is that the Opposition wants all of those things I have mentioned, but a massive reduction in expenditure in areas presently funded by the State Government. If that is the case the Opposition should come clean and indicate what massive amounts of Government expenditure it wants cut. Does the Opposition want to wipe out the Police Force, close schools, sack nurses, close hospitals, withdraw public transport and sell off the State Bank? The Leader of the Opposition seems to want to do that. His colleagues ought to declare where they stand.

The other conclusion one can draw is that the equation illustrates the basic incompetence of the Opposition to understand even the most simple or fundamental of financial and economic issues.

The Opposition is misleading the electorate and the people of Victoria by requesting all these additional funds to be spent, and not being prepared to indicate how this can be done. The Opposition has made shabby and false promises and seeks to destroy the revenue base of the State.

In contrast to the farrago of incompetence, we have a Government that is prepared to tackle issues of fundamental and economic financial reform. These achievements have been well documented in this House on numerous occasions. However, there is no better example of that than the development of the economic strategy document which recognises two points. The first is that there is a need to improve the general climate within which business and the private sector can prosper in this State. The results are there to see with the vastly increased amounts of private sector investment that can come into this State—and are continuing to come into this State—under the policies of the Cain Government. That represents a massive vote of confidence in the Government by overseas and interstate investments.

This is also no better illustrated than by the fact that the Chinese Government investment corporation has opened its first overseas office in Melbourne. That is a massive vote of confidence in the financial future and demonstrates the clear direction the Government is giving through the economic strategy document.

The second respect in which the economic strategy gives clear direction is in relation to the identification of the clear areas of competitive strength of the State economy. The resources of the State, the resources of the Budget and the policies of this Government are all directed towards making sure that those competitive strengths are capitalised on for the benefit of present and future Victorians.

However, one has no such clear and concise a policy from the Opposition. All one hears are empty promises that it cannot meet, wish lists it cannot fund and empty rhetoric about Government restraint and smaller government. The record of the Opposition stands absolutely and utterly condemned. Its response to this issue is ill considered, reckless and illogical.

In conclusion, I want to make this point: the hallmark of a party able to govern any State or any nation lies in its capacity to understand complex financial issues and to comprehend the economic realities of modern-day financial management.

Anything that emanates from the Opposition, be it from the Leader of the Opposition, the nitpicking honourable member for Brighton or his back-bench colleagues, shows that the Opposition has not even the most fundamental understanding of such complexities or issues. The Opposition and its Leader have been reckless and grossly irresponsible in their handling of economic and financial matters in the State. They have a propensity to grab the quick headline, to distort and misrepresent, and to try to whip up fear and confusion.

The honourable member for Brighton has shown an immense propensity and capacity to nitpick. He and the Opposition jump on to any band wagon, no matter how extreme or irrational and are prepared to fall in behind every pressure group and vested interest that suits them.

The Opposition lacks the capacity to develop a coherent, realistic and rational approach to financial management. It stands condemned. It knocks, carps, criticises, abuses, condemns and refuses to acknowledge—it certainly cannot understand—the real achievements of the Cain Government, which deserves to be congratulated for the tremendous lead it has offered Victorians both in the community at large and in the private sector.

I have already mentioned the real economic financial achievements that have been very much the trademark of the Government, which should be congratulated, as should the Treasurer for his magnificent performance of managing the economy and achieving economic growth under difficult circumstances.

Mr KENNETT (Leader of the Opposition)—What a charade; 40 minutes of the most uncommitted debate. The motion moved by the Government had three quorums called on it to ensure the numbers in the House. No doubt members of the Government will again leave the Chamber.

As this is a Government motion, every time the numbers in the House fall below twenty, I shall continue to call a quorum. I have instructed members of the Opposition to work in their offices because the motion has no substance. We shall see how committed the Government is to this motion. The Government does not have its heart in the debate.

The most junior back-bench member of the Government moved the motion, which contains no commitment and in which the Government has no interest. It cannot even maintain the numbers in the Chamber. The opposition parties have better things to do than to listen to this debate and I would not be surprised if the whole Parliamentary day came to an end before 1 o'clock because of the Government's motion, which lacks its support.

I shall not speak at length on this load of rubbish because only two or three points need refuting. The Opposition makes no apology for having a policy that brings about a reduction in the size, cost and function of Government. It makes no apology for seeking to reduce the level of taxation suffered by citizens of the State. That philosophy is totally contrary to the philosophy and actions of the Opposition's political opponents who not only increase the size, cost and function of government but also increase the taxation burden on the citizens of the State.

If genuine growth is to be created in the State, it must be done by the community and the private sector and not by the Government. The philosophy of the Opposition is totally different from that of its political opponents; I make no apology for that.

The honourable member for Mitcham simply cannot comprehend that if one reduces the cost of Government, one does not need as many funds to finance government and, therefore, one can reduce the taxation burden on the citizens of Victoria. The Opposition is the low tax alternative Government for this State. On that basis we will fight the next election. Have no doubt about that!

At the next election, which may be on 13 December this year or it may not, the Liberal Party will articulate time and again that it is for smaller government, less costly government, more efficient government and lower taxation. Government members cannot argue that that is what their Government is all about.

One has only to consider the massive growth in the public sector of 21 400 people in the past two years and the massive increases in taxation and charges that that incurs.

Honourable members should bear in mind that the honourable member for Mitcham had to read a list of so-called requests by members of Parliament and the cost of those requests to the Government. His speech had no substance to it.

Mr Harrowfield—Andrew Hay was interested; he wanted a copy of the list.

Mr KENNETT—The honourable member for Mitcham is hopeless. His speech was drivel; his interjections are drivel; he is basically a wimp and he knows it! I suggest it may be the last major speech to be made by the honourable member for Mitcham before the next election. If the electors of Mitcham have to judge his contribution on that speech alone, he will be defeated—let alone if they have to judge him on what he has between the ears and that is nothing!

The Liberal Party, to this stage, has made only three general tax commitments. It has said it will reduce taxation levels in the State. That is a commitment. It will reduce the burden on the grain growers of the State by abolishing the Grain Elevators Board public authority dividend payment.

Mr Cunningham—Where is the money coming from?

Mr KENNETT—What economic peanuts! I saw the honourable member for Derrimut in the corridor last night and I could not even remember his name. He has been in Parliament for eighteen months. I am normally a polite person.

The DEPUTY SPEAKER (Mr Fogarty)—Order! The Leader of the Opposition will address the Chair.

Mr KENNETT—Mr Deputy Speaker, I am normally polite to you and I talk to you—I admit, I go around the Chamber picking up the pieces left behind you—but I could not even remember that peanut's name.

The DEPUTY SPEAKER—Order!

Mr KENNETT—The honourable peanut!

The DEPUTY SPEAKER—Order! That statement is unparliamentary and I ask that it be withdrawn.

Mr KENNETT—I withdraw, but the honourable member for Derrimut——

The DEPUTY SPEAKER—Order! I request that the expression be withdrawn.

Mr KENNETT—Mr Deputy Speaker, I have withdrawn it.

Mr CUNNINGHAM (Derrimut)—Mr Deputy Speaker, I ask that the expression be withdrawn.

Mr Kennett—I told you!

The DEPUTY SPEAKER (Mr Fogarty)—Order! Will the Leader of the Opposition withdraw the expression.

Mr KENNETT (Leader of the Opposition)—Mr Deputy Speaker, I have—three times. The Opposition will reduce taxation, abolish the tax on the Grain Elevators Board and abolish the land tax on the principal private residence.

The Premier mentioned land tax in the House today. He wanted to say what a good fellow the Government had been because it had reduced the number of those paying land tax by 100 000. In 1981–82, 180 000 taxpayers paid land tax. In 1986–87, according to the Premier, 80 000 people will pay land tax.

One should have thought that if one reduced the number of taxpayers by half, the total revenue to the Government would also drop. Is that a fair assumption?

Mr Remington—Not necessarily.

Mr KENNETT—Not necessarily! Even the honourable member for Derrimut may understand this! The revenue collected in 1981–82 from 180 000 taxpayers paying land tax was $115·9 million; in 1986–87, when only 80 000 will pay, the estimated revenue will be $192·5 million.

In other words, 100 000 people were exempted from paying land tax, but the amount of revenue to the Government will increase by approximately $80 million or 66 per cent. What does that mean?

Mr Sidiropoulos—That is good.

Mr KENNETT—The honourable member for Richmond says, "That is good". It obviously means that the remaining 80 000 landowners will pay substantially more than before. In 1981–82 the average land tax cost to the 180 000 landowners was $643, but today the average payment for the remaining 80 000 owners who pay land tax has increased to $2406. That is a massive increase of 274 per cent.

Mr Sidiropoulos interjected.

Mr KENNETT—I am not a person to respond to interjections, but the honourable member for Richmond, who is continually interjecting, has been responsible for the most irresponsible waste of taxpayers' money for his own political newspaper, and honourable members want to know where that money was spent. Was the money spent on the honourable member's paper or did it get into the pocket of friends of the honourable member? He wasted it; he took it. He should not come in here and say that he is acting in the interests of the State. It was the most obscene, irresponsible misuse of taxpayers' money and it was the honourable member's idea and his involvement. He is a disgrace.

Between 1981–82 and 1986–87 the average land tax payment has risen from $643, as I indicated earlier, to $2406; a massive increase of 274 per cent. Is it any wonder that I have removed my undertaking not to block Supply? Is it any wonder that the people of Victoria want protection from high taxation?

Mr Cunningham—You cannot be trusted!

Mr KENNETT—Just get ready. There is going to be an election and I have never been more ready for an election in my life than I am now. The advertisements look fantastic, and I am going to grab your $200 deposit so quickly that it will not matter.

I have noticed that the journalists in the Parliamentary Press Gallery are scribbling madly away. I do not know what they are assuming, because all I said is that there is going to be an election. I start fighting for the next election the moment the last election is won or lost. I am looking forward to it.

The public also respect my withdrawal of my undertaking because of the Government's economic management as expressed during the Nunawading by-election. At that time I indicated that the Liberal Party would hold the Government to its promise that increases in taxes and charges would be limited to the level of the consumer price index.

I want to read into the record part of the Budget statement of the Treasurer that related to fees and charges. At page 17 of his Budget speech, the Treasurer stated:

> As I have indicated, the Government has acted to contain fees and charges as well as taxation.
>
> For 1986–87 the Government has adopted a continuation of a 7 per cent guideline for increases in Government fees and charges per unit of service.

The Treasurer is quite specific: "a 7 per cent guideline for increases in Government fees and charges per unit of service". He then referred to the Government's consumer price index ceiling and made a clear commitment to limit unit increases in fees and charges in line with movements in the consumer price index. The Treasurer was not talking about averaging out per unit. He referred to the "Government's consumer price index ceiling". Honourable members know what he was talking about.

In relation to the second part of the motion, I wish to table and have incorporated in *Hansard* a letter that has been shown to the Speaker and approved by him.

Leave was granted, and the letter and related documents were as follows:

Mr M.S. Whiting, MP
Chairman
Legal and Constitutional Committee
19th Floor, Nauru House
80 Collins Street
MELBOURNE 3000

12 September 1986

Dear Mr Whiting

I enclose a copy of the Government's guidelines on fees and charges for the information of the members of the Legal and Constitutional Committee.

It is intended to include appropriate references to the guidelines in the Budget Papers.

Yours sincerely

R.A. Jolly
TREASURER

GUIDELINES COVERING ALL FEES AND CHARGES LEVIED BY DEPARTMENTS AND OTHER GOVERNMENTAL AGENCIES—1986-87

A. GENERAL PRINCIPLES

1. New fees and charges in general should be set to recoup the cost of the service.

2. All existing fees and charges should be increased annually in line with the forecast increase in CPI (7 per cent is to be used for 1986-87) with some scope for rounding (see B) and for packages of related fees and charges where increases for individual elements may exceed the CPI increase but the overall increase for the package does not (see C).

3. Increase for 1986-87 are to be made early in the financial year. (See D5 and D6)

4. The processes (see D1, D3 and D4) allow some flexibility (particularly in the cases of outer Budget Sector agencies) to take account of special factors such as:

- economic strategy or other policy considerations;
- commercial considerations where applicable.

5. The guidelines should generally be applied by individual Ministers within their own portfolios (see D2), central co-ordination mechanisms being:

- major proposals for major semis to be decided by Cabinet (see D1)
- the Treasurer to be informed before any announcement of increases (see D2)
- new fees and charges proposing restructuring of fees and charges and "special cases" of proposed increases (where not decided by Cabinet) to be subject to agreement by the Treasurer and the Premier (see D3 and D4)
- information to be provided in standard form to DMB (see D7)

B. ROUNDING RULE

A 7 per cent increase may be rounded up to the nearest 10 cents, 50 cents or dollar provided that the increase after rounding does not exceed 10 per cent.

C. PACKAGE PROPOSALS

1. Packages of increases in related fees and charges may be proposed for consideration by the Premier and Treasurer as special cases (see D3) where the overall increase in revenue expected from the increased fees or charges (for a given level of activity) does not exceed 7 per cent on a full year basis, notwithstanding that some individual fees and charges within the package may increase by more than 7 per cent.

2. For packages to receive serious consideration by the Premier and the Treasurer, no increase in an individual fee or charge in the package should exceed 15 per cent and reasons for all proposed increases above 7 per cent (or 10 per cent after rounding) must be set out in detail (see D3).

D. PROCESSES

1. For major statutory authorities (SEC, MMBW, GFCV and the Transport Authorities) proposed increases in tariffs with widespread impact on business or the community generally are to be considered by Cabinet.

2. In cases of fees and charges by departments or authorities (other than those tariffs of major statutory authorities covered by (D1)) where proposed increases are not more than the prescribed percentage increase (7 per cent for 1986–87—subject to rounding and package rules)—the responsible Minister is to take the decision and inform the Treasurer of the new charges and the percentage changes before any public announcement.

3. In cases of proposed increases which have not been considered by Cabinet and where major restructuring of fees and charges is proposed or the responsible Minister considers that the circumstances justify a higher increase, the Minister should write to the Treasurer with a copy to the Premier, seeking approval for the proposed charges as a special case and setting out the reasons, in terms of such criteria as effects on the economic strategy, equity issues, cost recovery and resources allocation.

4. In cases of proposed new fees and charges which have not been considered by Cabinet the responsible Minister should write to the Treasurer, with a copy to the Premier, seeking approval for the proposed new fees or charges and setting out reasons, in terms of such criteria as effects on the economic strategy, equity issues, cost recovery and resources allocation, for the proposed new fees or charges.

5. All increases in fees and charges for 1986–87 are to be implemented as early as possible in the financial year and certainly by 1 January 1987 unless there are special circumstances.

Notes:

(1) Departments will need to allow time for central co-ordination procedures and for the process flowing from any requirement for regulatory impact statements.

(2) Ministers will need to consider the timing and extent of the last increases made in the relevant fees and charges.

6. All "special case" proposals for fees and charges (D3) are to be put to the Treasurer, with a copy to the Premier, as early as possible and in any case not later than 30 September 1986.

Note:

It is intended to deal with these proposals at a small number of meetings between the Premier and Treasurer instead of by ad-hoc correspondence.

7. All Departments are to provide the Department of Management and Budget by 30 September 1986 with comprehensive information on fees and charges in the relevant portfolio, including the following:

- a complete list of fee increases proposed for 1986–87
- the date from which each increase is to apply
- the additional revenue (1986–87 and full year) which each proposed increase is estimated to generate
- a complete list of fees and charges where no increase is proposed, with reasons why no increase is proposed
- a list of all proposed fee increases which fall outside the guidelines (and therefore require consideration as special cases)
- the name of an appropriate contact officer

Note:

The Department of Management and Budget will circulate pro formas to Departments.

Mr KENNETT—The letter dated 12 September 1986 to Mr Whiting, MP, the Chairman of the Legal and Constitutional Committee, indicates clearly that fees and charges can be increased beyond 7 per cent.

Mr Speaker, I refer you to the "Package Proposals". Proposal No. 2 states:

For packages to receive serious consideration by the Premier and the Treasurer, no increase in an individual fee or charge in the package should exceed 15 per cent.

On the one hand, the Budget documents state that there are no guidelines for increases in Government fees and charges per unit of service, and then the Treasurer talks about a consumer price index ceiling. On the other hand, I have tabled a document, signed by the Treasurer, dated 12 September 1986, which indicated that no increase in an individual fee or charge in the package should exceed 15 per cent.

Mr Deputy Speaker, you are an astute man. You have been known to kick a head when you see a head. Would you kick the Government's head on this matter?

The safeguard that the Liberal Party gave at the Nunawading by-election is now fully in place. I warn the Government that it made the commitment on taxes and charges in the

Budget document. The Government has reiterated quite clearly that it applies to units of service and is not a package. In any package there may be many component units, but in the Budget the Treasurer has reiterated that the Government adopts the 7 per cent guideline for increases in Government fees and charges for each unit of service.

The Government is on notice. The Liberal Party is ready at any time in the public interest to face an election. The Liberal Party is saying to the Government, "Honour your commitment", because the people of Victoria are sick and tired of being ripped off by a Government that for the past four years has had the protection of the most generous undertaking offered any Government anywhere in Australia. That undertaking has now been withdrawn. The Government is on notice every day, every week, every month, that it must start considering the interests of the people of this State and meet its commitments as they were outlined in the Budget. I hope I can speak with the support of the National Party on this matter. The Opposition does not intend to allow the public to be ripped off further through increases in taxes and charges which are above the consumer price index increase, and which ensure that Victorians pay more taxation per head of population than any citizen in any other State in Australia.

The Premier appealed to me during question time not to use land tax as an emotive election issue. I reject that offer! The Opposition will use it, reuse it and use it again. Where is the equity in citizens of this State receiving land tax bills that have increased by more than 100 per cent? What relief did the Government offer—$24 000 to a very few senior citizens. That is the only relief offered by the Government.

As I indicated before, in 1981-82, 180 000 taxpayers were paying land tax and that number has decreased by more than 50 per cent to 80 000 taxpayers in 1986-87. The Opposition will use that as an issue and it will use taxes and charges. That will be the major theme of the next election, whenever it is fought.

Mr Cunningham—You used it last time.

Mr KENNETT—If I were a member of the Government I would not be too confident about winning the next election when the Opposition used that issue last time. The Government is ignoring the result—1300 votes out of 2·5 million! The Opposition was leading the economic debate with its policies to bring about a new order in the State, to bring about restraint and reduction in expenditure.

Those policies led the country in the debate on the function of Government. Today, those policies are basically accepted by all political parties. The Opposition will go into the next election as the low tax party and the small government party.

The Government's record with taxes and charges is disgraceful as in the impact it has had on its traditional supports—low to middle income earners. They are feeling it the most.

Mr Micallef—You will do nothing!

Mr KENNETT—While the honourable member for Springvale may interject——

The ACTING SPEAKER (Mr Kirkwood)—The Leader of the Opposition should take no notice of interjections.

Mr KENNETT—I am not, I am just making a point. The honourable member for Springvale came into this place concerned about the worker and low and middle income earners, yet he has deserted them. He does not care about them. He knows that they are the people who are feeling most of all the impact of the Government's taxes and charges.

Many people, and you, Mr Acting Speaker, may be one of them, have just received their rates from the Melbourne and Metropolitan Board of Works. You, Sir, may be one for whom the increase has been more than 20 per cent. What was the commitment of the Government—7 per cent? Tens of thousands of Victorians are now receiving their rate

notices with increase above the consumer price index, and many with increases of more than 20 per cent.

The worst tax will come with the new water tax. That tax introduced by this Government will take the garden out of the Garden State and will ensure that any average family—I mean a husband, wife and a couple of children who do not have a swimming pool—will pay the most massive increases in their water bills.

This Government does not care. It does not honour its promises and, unfortunately, while it remains in office, it will continue to tax the people of this State.

The motion has been put forward without any thought by a Government member, perhaps the most junior of the Government backbenchers, a person who is irrelevant in the political scene and who is irrelevant in Mitcham. He was unable to inspire his own colleagues to support him.

The second part of the motion congratulates the Government for its responsible and effective management of the State's finances. The Government has been irresponsible with land tax, and the Budget Papers indicate that the Government has introduced a wealth tax into the community. The Government has been irresponsible through the Melbourne and Metropolitan Board of Works and the new water tax. The fees, which I have incorporated in *Hansard* and which are set out in a letter to the honourable member for Mildura, also show that the Government has been irresponsible. Quite obviously, the Government is not honouring the commitment it made at the last State election.

The Liberal Party won the Nunawading by-election on the promise of providing a safeguard. It could not activate that safeguard properly while my undertaking on Supply remained in place. That undertaking has now gone and the people are protected. The Government no longer has the protection of the Opposition, the people of Victoria now have that protection.

The motion does not deserve support and will not be supported by the Opposition. I have a sneaking feeling that the House will not vote on the motion as such. So many members of the Government will want to debate this issue, ably supported by my colleagues, out of sheer excitement that a vote will not be taken before 1 p.m.

An election is coming and the Opposition is ready! The people of Victoria want a say on the fact that they no longer can afford the taxation being imposed on them by this mob of socialists. There is no difference between this Government and the former Whitlam Government—it is a big spender. The tragedy is that when the Liberal Party inherits the Government—as it will do in the not-too-distant future—it will have to start picking up the pieces. It will have to repair the damage that the Government has done, not only to the reputation and economy of the State, but also to the citizens of the State.

Families and small businesses are crying out for a conservative Government. They want responsible management; they do not want people who have fiddled the Budget; they do not want people who impose the burdens of their failures onto the citizens of the State. They want a political party committed to smaller government, less expenditure and less taxation.

The quicker we have an election, the better it will be. I have no doubt that the longer the socialists stay in power the greater the damage will be and the longer it will take to bring about a genuine recovery. The Opposition rejects the motion, as it rejects the member who moved it and the Government of which he is temporarily a member.

Mr POPE (Monbulk)—Recently some nasty remarks have been made about a Premier in another State. It has been said that the Premier is demented or senile and that it is affecting the way in which he conducts business in that State. Today, honourable members have witnessed a display that does not fall far short of the accusations made about the Premier of a northern State.

I understand that the Leader of the Opposition—Mr 31 per cent—is bleeding this week; I understand he is prone to making outlandish statements, but I did not believe it was going so deep. I did not believe that he was getting to the point where the accusations made about that Premier of another State were close to the position of the Leader of the Opposition.

The Premier of a northern State is 78 years of age. Victoria has a 38-year-old Leader of the Opposition who appears to be not far behind that Premier in the outlandish and ridiculous way he is going about his business.

The Leader of the Opposition changed his undertaking on Supply because, according to The *Bulletin* poll, his popularity is now 31 per cent and his disapproval rating is 55 per cent.

The Leader of the Opposition is trying to shore up his numbers from the back bench. That is the only reason why he changed his undertaking. Honourable members, the media and everyone know that it had nothing to do with the Budget because the Budget was hailed as one of the greatest Budgets in the history of this State. It was purely because other contenders for the leadership were prepared to block Supply, and the Leader of the Opposition was not.

It is unfortunate that the Leader of the Opposition can hand out criticism but cannot cop it. He is scurrying out of the Chamber—probably to make another outlandish, larrikinish statement to the press. The Leader of the Opposition has been bleeding all week and it is obvious from his actions in the Chamber today and what happened in the corridor last night that he has gone over the top. The Premier of Queensland, who is some 40 years older than the Leader of the Opposition, would look very sane next to the Leader of the Opposition in the way he is conducting himself at the moment.

The Leader of the Opposition did not attempt to refute the various remarks made by the honourable member for Mitcham. He refers to himself as a man of restraint, yet he and his colleagues here and in another place, in press releases, have called for expenditure items in excess of $1·5 billion and, at the same time, have asked for taxation relief of $2·9 billion.

The Leader of the Opposition has stated that the Opposition has better things to do than be in this Chamber. No doubt he is now issuing another press release about the expenditure items that this Government should be considering. Opposition members are inclined to go around the countryside making empty promises about spending and then telling the House that they are people of restraint. They are absolutely farcical. Opposition members are continually calling for restraint and stating that a Liberal Government would operate more effectively and efficiently than the Government.

On 22 October 1985, the honourable member for Bulleen called for the recision of the financial institutions duty. That would cost $1·5 million. Where will the State obtain that $1·5 million? Maybe the honourable member for Bulleen is suggesting that we save $60 million by getting rid of the Police Force or that works and services in schools could be abolished. Where does he believe that money will come from?

As mentioned by the honourable member for Mitcham, Mr Andrew Hay of the Melbourne Chamber of Commerce wrote to the Premier as follows:

My dear Premier

My attention has been drawn to your response to a question without notice on 11 March in which, inter alia, you indicated your preparedness to make available to the Melbourne Chamber of Commerce the list of requests made of your Government by groups for increases in funds in the 1986–87 Budget.

In view of the chamber's particular interest in expenditure control I would be grateful if you would forward me a copy of the Government's list at your earliest convenience.

Yours sincerely

The Melbourne Chamber of Commerce is particularly interested in expenditure control. Here is Mr Andrew Hay, the haymaker of the Liberal Party, saying that the chamber has a particular interest in expenditure control. What must Mr Hay have thought when the Premier replied to this letter on 26 March 1986 enclosing all the various expenditure items listed under departments requested by the various Opposition members? We understand that Mr Hay is considering standing for preselection for Hawthorn. Maybe his decision to stand came about after the 26 March letter and attachments from the Premier and after Mr Hay realised that the Leader of the Opposition and his colleagues were not the men of restraint that he thought they were but were the Parliamentary members who had asked for the further $1·5 billion in expenditure in this State.

One might almost have expected Mr Hay to have a heart attack, but, no, his constitution is better than that. He decided he had better go for preselection for Hawthorn and take over and guide this leaderless Liberal Party in the right direction. This is obviously what he thought.

It is worth noting exactly what the Premier wrote to Mr Hay on 26 March 1986:

Dear Mr Hay,

I refer to your letter of March 12, 1986 and your request for the list I referred to in Parliament on March 11.

As you may be aware, it is a constant source of concern to me that the need for expenditure restraint is something Opposition members have yet to fully comprehend.

The environment for responsible restraint in Government expenditure is made more difficult by the constant stream—virtually day by day—of claims for more resources by Opposition members of Parliament.

My Government is committed to greater efficiency and we've taken up the challenge of looking for ways to economise on expenditure. The concept of productivity savings has been introduced in all departments so that on a zero policy change basis, the real cost of providing Government services should decline.

We have also given a commitment that the real tax burden will not rise. That commitment, in itself, necessitates the continued reform of Government agencies to economise in the cost of delivering services. Again this is a fine point of public administration either misunderstood or simply ignored by the Opposition.

I therefore view the constant stream of requests by Opposition members as irresponsible in the extreme.

I enclose for your information the sample list of 150 requests for 1985 and the preliminary costings involved.

Yours sincerely

The honourable member for Mitcham outlined a number of major items on the list. One can imagine the reaction of Andrew Hay when he received the list, after he had listened to the Leader of the Opposition in party forums talking about the need for restraint and when it was pointed out to him exactly what the Leader of the Opposition was doing around the traps. That was in March this year. Mr Hay's reaction was to mount a challenge to ensure a change in leadership of the Opposition this year.

As someone mentioned earlier, Andrew Hay thinks he had better come into this place himself, and he is looking at the seat of Hawthorn. It is obvious that the only reason for the change in direction and undertaking by the Leader of the Opposition last Sunday was that the haymaker—Andrew Hay—and others were saying: "We will get you, Jeff Kennett! You will not be Leader any more". His contenders have been saying that they do not have to keep promises. They have been saying, "What is democracy? We have never believed in it before so why should we believe in it now?"

Obviously many backbenchers, probably even the honourable member for Kew, were saying: "That is right, let us change the Leader and let us not give that undertaking". That is the only reason that the Leader of the Opposition changed his mind on the undertaking about Supply. It had nothing to do with the Budget because honourable members know that it was the best Budget for this State in the light of the difficult times that Victoria has had in the past twelve months. We all know this State has the best Treasurer and that it is the best State in Australia. The Victorian economy is leading the rest of Australia.

Every day during the financial year 1985–86, 225 jobs were created in this State. Is that that work of a Treasurer who is failing in his economic strategy? Is that the failure of a

government that appears to be in trouble? It certainly does not appear to be so when one reads the *Bulletin;* it appears that Victoria is in anything but trouble.

On a two-party preferred vote, the Australian Labor Party is in a better position now than it ever was in the March 1985 elections. "Mr 31 per cent"—the Leader of the Opposition—is still in trouble, even after he changed his undertaking, promise, or whatever one calls it. That is why the Leader of the Opposition was ranting and raving today, as he was last night. He is bleeding. He is a troubled man and he knows that he is still in trouble.

Unfortunately, the Leader of the Opposition needs a long holiday. I do not believe he has any physical sickness, but there is certainly a sickness there, a sickness that, unfortunately, will remain with him because that challenge to his leadership will not go away. It will come from people such as the honourable member for Polwarth or the honourable member for Hawthorn, if he holds his seat—the haymaker has other ideas about that—or it may even come from the honourable member for Benambra. There are a number of obvious contenders, and even the honourable member for Narracan may have some ideas about leadership as he seems to enjoy sitting at the table where he is now.

It is positive that so long as the Leader of the Opposition remains under the challenge and under threat, he will make outlandish speeches like he did today and outlandish remarks like he did last night, saying there will be an election, as he strides up and down in the Chamber. As soon as he finished his contribution he had to leave this Chamber because he could not cope. It was noticeable that only three or four Liberal Party members were sitting on the Opposition benches during his entire speech. There were the only Opposition members who had the courage to enter the Chamber.

I dare say the Leader of the Opposition is probably now in his room taking aspirin, or whatever he takes, to calm himself down. No doubt, when debate on the motion for the adjournment of the sitting takes place, he will be back again, bleeding, and showing all of Victoria what a hopeless, irresponsible, Leader of the Opposition he is.

He is a man of only 38 years of age, but he makes Joh Bjelke-Petersen look like a youngster. I do not believe all the unkind remarks about the Premier of Queensland being demented and senile, but when I see him on television he always seems to make more sense than the Leader of the Opposition in Victoria. I appreciate that the honourable member for Benalla, a good supporter of the Queensland Premier, agrees with me. I appreciate his support for my comments about the Leader of the Opposition.

As I mentioned earlier, the Leader of the Opposition could not and did not refute one of the substantial items on the "wish list", the list of desired expenditure totalling in excess of $1·5 billion that has been requested by various members of the Opposition. I shall allude to those requests again.

The Leader of the Opposition requested assistance for the Mallee of $12 million on 17 April 1986, as recorded at page 1285 of *Hansard.* He must think money grows on trees! On 17 April 1986, as recorded at page 1286 of *Hansard,* he asked for an extra $2 million to assist local municipalities in the Mallee.

Ms Sibree—They are priorities.

Mr POPE—Although I appreciate that the honourable member for Kew is worried about the direction of her party—she is one of the few who has not made as many promises as some of her colleagues—I am sure she is worried about aspects raised by the honourable member for Mitcham and myself; I appreciate her concern and support. Unfortunately, her concern is not shared by other Opposition members, even the honourable member for Benambra, who has now entered the House for the first time since his personal explanation today. On 19 March 1986, as recorded at page 373 of *Hansard,* the honourable member for Benambra said that 10 per cent of hospital beds should be reserved for psychiatric patients. That would cost $20 million!

Mr Remington—Who will pay for that?

Mr POPE—I do not know where members of the Opposition expect the money to come from, but they keep throwing out various accusations.

In accordance with Sessional Orders, the debate was interrupted.

The SPEAKER—Order! The time appointed under Sessional Orders for Government Business to take precedence has now arrived. When this matter is next before the House, the honourable member for Monbulk will have another 9 minutes in which to complete his speech.

The sitting was suspended at 1.1 *p.m. until* 2.6 *p.m.*

SOUTH MELBOURNE LAND BILL (No. 2)

Mr CATHIE (Minister for Education)—I move:

That this Bill be now read a second time.

It provides the necessary legislative power to allow for the redevelopment and beautification of the area adjacent to the Southbank area of the Yarra River in the City of South Melbourne.

The Government has already approved the redevelopment of the Southbank area as one of the five key sites in the central city offering the opportunity for major planning redevelopment programming to stimulate economic activity.

The area lies between the Victorian Arts Centre and the Charles Grimes Bridge. In the Bill, it is referred to as the designated area and is shown by a heavy black broken line in the Schedule.

The area is subject to the planning controls given to the Minister for Planning and Environment in the City of South Melbourne (Southbank) Interim Development Order and the City of South Melbourne (Southbank Extension Area) Interim Development Order.

Those orders were placed over the area to ensure that development in this critical location was planned with special regard to the existing and future proposals of the area. The opportunities for change and improvement in the Southbank area are timely. Land in key locations is now subject to substantial development pressures; river improvements have already been instigated and transport proposals will change the rail system through the area.

The Crown owns large areas of land which are inappropriately developed or underdeveloped having regard to their location near the Yarra River and the central business district. It is for these reasons that action to enable change and improvement in this Southbank area is being taken.

Some of the objectives of redevelopment under the interim development order are:

(*a*) to expand the role the area serves as a cultural focus of local, State and national significance;

(*b*) to ensure that the river bank environs are attractively developed and designed primarily for public use;

(*c*) to encourage future redevelopment which complements the function of the central business district as the dominant centre of the metropolitan area;

(*d*) to encourage a high quality of building design and environmental amenity;

(*e*) to maximise potential views and orientation of future redevelopment towards the river environment and central business district;

(*f*) to enhance visual entrances to the central city and create a strong visual image for the river frontage; and

(*g*) to ensure that the transport network and new land uses are complementary.

A significant proportion of the land in the area described in the Schedule is Crown land leased or licensed to private concerns for commercial or industrial purposes.

The remainder of the land within the area described in the Bill consists mostly of freehold land, Commonwealth land, land vested in Government agencies, and roads.

Honourable members may recall that in 1983 a Bill with similar provisions was introduced and, after being passed by the Legislative Assembly, was withdrawn by the Government.

There are two major differences between the 1983 Bill and the current Bill. Firstly, power to compulsorily acquire land was included in the 1983 Bill but is not included in this Bill. Secondly, the extent of the designated area in that Bill was smaller than that in this Bill.

The Government withdrew the 1983 Bill because at that time it had decided to amend the Town and Country Planning Act to include power for the Minister for Planning and Environment or a responsible authority, with the approval of that Minister, to compulsorily acquire land to enable the better use, planning or development of an area. The Town and Country Planning (Amendment) Act 1984 was enacted with the inclusion of such provision.

Purchases and acquisitions under that Act will be made in accordance with requirements and opportunities offered. Crown leases so purchased or acquired will be surrendered to the Crown thus enabling them to be dealt with either under the provisions of this Bill or under the Land Act or the Crown Land (Reserves) Act, depending upon which best suits the proposed development. Much of the land required for redevelopment is already Crown land.

The Bill will empower the Minister for Conservation, Forests and Lands to sell any Crown land within the designated area by public auction, by public tender or private treaty, subject to specified terms and conditions relating to the development or use by the purchaser. Such power is required to provide more flexibility in the method of sale adopted to achieve development aims, as the existing powers to sell land in the Land Act enable sale by private treaty only after public auction has failed to result in a sale.

The power will enable the Government to take advantage of any offers or opportunities which might be forthcoming from private enterprise and which are consistent with the aims of the Southbank development strategy. The Government will be able to negotiate directly with a proponent of a development.

The existing provision of the Land Act and the Crown Land (Reserves) Act allow for releasing or reservation of Crown land within the designated area. A lands Bill is proposed to be introduced into Parliament next year which will, if passed, result in Crown land used for commercial purposes within the designated area becoming the responsibility of the Minister for Property and Services. At the appropriate time, the powers in the South Melbourne Land Bill which should be transferred to the Minister for Property and Services can be so transferred by order of the Premier.

The Bill also provides for the closure of roads and for the Minister for Conservation, Forests and Lands to enter into a partnership, joint venture or other arrangement with any person for the purpose of developing or redeveloping any Crown land within the area described in the Schedule to the Bill.

The road closure powers will assist in the packaging of individual sites into large consolidated allotments for major developments such as the already approved Jennings Southgate project.

The provisions in the Bill will enable the redevelopment of this Riverside City Gateway which will transform the image of the City of Melbourne, allow the Yarra River to be a

focus of use and enjoyment for the people and create a tourist attraction of national significance.

I commend the Bill to the House.

On the motion of Mr COOPER (Mornington), the debate was adjourned.

Mr CATHIE (Minister for Education)—I move:

That the debate be adjourned until Thursday, October 23.

Mr COOPER (Mornington)—On the question of time, Mr Speaker, a number of people are being consulted on this matter and I ask that an assurance be given that, if the Opposition has not finished its consultancy with interested groups, additional time be granted.

Mr CATHIE (Minister for Education) (*By leave*)—If the Opposition is having some difficulty in getting around the community and consulting with various groups, I shall seek to accommodate it.

The motion was agreed to, and the debate was adjourned until Thursday, October 23.

MOTOR CAR TRADERS BILL

Mr SPYKER (Minister for Consumer Affairs)—I move:

That this Bill be now read a second time.

Before the commencement of the Motor Car Traders Act in 1973, unethical and dishonest practices were rampant in the retail motor vehicle industry, especially in the used car sector.

While the Act has successfully curbed the major abuses, neither its licensing powers nor its specific consumer protection provisions are adequate. These shortcomings have been present in the Act since its enactment and it has been left to this Government to introduce these wide-ranging reforms.

As a first step, administrative changes were introduced last year which had the full support of the Motor Car Traders Committee and the industry. These changes strengthened the licensing and the disciplinary focus of the committee.

The Bill is the outcome of a comprehensive process of consultation with industry organisations and consumer interest groups. The main features of the Bill were canvassed in a discussion paper released last year and a number of valuable submissions were received and considered in its preparation.

The objects of the Bill are to ensure that people who wish to trade in motor vehicles are fit and proper and that they will deal with the public in ways that are fair and reasonable. Particular attention has been given to putting in place provisions which will ensure that the rights of purchasers are protected and, where necessary, enhanced.

In meeting these objectives, the Government has been conscious of the need to avoid unnecessary or onerous regulation. It has sought to balance the often conflicting and competing requirements of motor car traders and consumers in a way that provides for efficient procedures and optimum protection for all parties.

The licensing provisions have been amended so that they accord with the procedures established under the credit Acts. No longer will there be the potential for a conflict of interest between licensing responsibilities and complaint handling. Under the Bill, the Motor Car Traders Licensing Authority will be able to concentrate its attention on licensing matters. This reflects the model successfully established under the credit legislation.

The Ministry of Consumer Affairs will conciliate complaints between licensed traders and consumers, and will be responsible for the enforcement of the legislation.

Disciplinary powers under the current Act are totally inadequate. The Bill will significantly expand the authority's powers in the area. There is also provision for the Director of Consumer Affairs or the Chief Commissioner of Police to object in writing to the granting or the holding of a licence stating the reasons for their objection. This will enable the licensing authority, at any time, to take immediate action against a disreputable trader if this is required.

The Bill also introduces major advances in consumer protection through the introduction of a mandatory standard form contract. The Government intends that this contract will be expressed in plain English.

Another major advance in consumer protection is the introduction of a cooling-off period on the sale of used cars. In general terms, the cooling-off period will allow consumers three business days in which to reconsider a purchase. The Bill enables consumers to opt out of the cooling-off provisions in particular circumstances. The Government believes these provisions will safeguard those consumers who are vulnerable to high pressure sales tactics used by unscrupulous traders and who enter into binding contracts they can ill afford.

The Bill outlaws the sale, by licensed motor car traders, of unregistered and unroadworthy cars, except in special circumstances. In this regard the Bill complements the Road Safety Bill introduced by my colleague, the Minister for Transport.

Another practice that causes concern to consumers and the industry is odometer tampering. The Bill prohibits this practice and provides for considerable penalties on conviction. It is, however, extremely difficult to prove this offence because of the number of people—employees of the trader, repairers, panel beaters and so on—who have possession of the vehicle even though it is still under the control of the trader. For this reason clause 38 (2) provides for reverse onus of proof. Honourable members should note that this sub-clause is the same as section 29 (2) of the Act, which has been of considerable value in mounting successful prosecutions for odometer tampering under the current Act.

The Motor Car Traders Guarantee Fund has been retained. However, to ensure there is no bias in the payment of claims, a separate committee is to be established to administer the fund and to determine claims.

The penalties under the Act are totally inadequate, particularly for serious offences such as unlicensed trading and odometer tampering. This has been a matter of community concern and consequently the level of penalties has been significantly increased.

The Bill represents a well considered and balanced piece of reform. It is fully in line with the Government's social and economic objectives. It will advance the interests of both consumers and honest traders. It marks another important step in achieving the Government's objective of a fairer market place for Victorians. I commend the Bill to the House.

On the motion of Mr PESCOTT (Bennettswood), the debate was adjourned.

It was ordered that the debate be adjourned until Thursday, October 30.

APPROPRIATION (1986–87, No. 1) BILL AND WORKS AND SERVICES (FURTHER ANCILLARY PROVISIONS) BILL

The House went into Committee for the further consideration of the Appropriation (1986–87, No. 1) Bill and the consideration of the Works and Services (Further Ancillary Provisions) Bill.

Discussion was resumed of Program No. 142.

Mr GAVIN (Coburg)—I did not intend to speak on program No. 142 but I felt compelled to contribute to the debate because of contributions made last night by the honourable

members for Brighton and Bulleen who were critical of the Australian bicentennial celebrations. Their comments were made in a party-political manner and not as supposedly loyal Australians and members of Parliament speaking on something that should be bipartisan.

I should have thought that the celebration of 200 years of Australia's history would be something that conservative members of Parliament would be pleased to support. However, last night the honourable members for Brighton and Bulleen nitpicked about certain items involved in that celebration.

Today I defend the bicentennial celebrations, particularly in relation to the ridiculous attitude expressed by the honourable member for Brighton, with whom I rarely agree, and the honourable member for Bulleen, who occasionally makes a contribution in this House.

I am pleased to be able to celebrate the European civilisation and settlement of Australia which first occurred on 26 January 1788. I am delighted that the three levels of government will be participating in these celebrations.

The effect on the electorates of all honourable members will be comparable to what occurred in the United States of America in 1976 when it celebrated its bicentenary. Honourable members will recall some of the events that occurred in that year. President Jimmy Carter was elected to office in that year; he was one of the most impressive Presidents that country has had.

All members of Parliament should support the bicentennial celebrations in a bipartisan manner. The honourable member for Brighton was critical of the slogan "Bringing Australia Together", but I cannot understand why he made that criticism. That slogan should be supported by conservatives, socialists, liberals and social democrats because it reminds people of the past and also points them towards the future.

"Bringing Australia Together" captures the mood of this country more than any other slogan. Australia has divisions in politics, and that was expressed last night in a very poor way by the Liberal Party. There are also divisions in class, race and religion. One of those divisions involves the Aborigines who were the original settlers of this country.

The divisions and differences of opinion have not benefited Australia's history at certain times, but this slogan will remind us of our faults and of our achievements over the past 200 years, and both aspects must be judged fairly.

The main point missed by the honourable members for Brighton and Bulleen is that the slogan is forward looking in that it has Australians looking to the future. I cannot understand how conservative politicians could oppose "Bringing Australia Together". The slogan should appeal to all political parties.

Mr Reynolds interjected.

Mr GAVIN—I am defending the bicentennial celebrations and so should the honourable member for Gisborne. Last night some of my colleagues referred to the beneficial programs that will take place because of the celebrations and because of the Victorian Government's contribution to the trust fund. The amount that will be paid this year is almost three times what was spent last year on item 5314. I expect that, over the next two years, that amount will increase even further.

One project identified by the honourable member for Essendon last night covers the electorate I represent and should be supported by all honourable members. In the electorate of Coburg many people are involved in the beautification of the waterways of Melbourne program, especially works relating to the Moonee Ponds Creek and Merri Creek.

Committees in many electorates are assisting with this project and it is significant that much work has been done by many people to beautify the waterways.

Unfortunately, a group headed by Dr Gerald Murnane, Coburg's only novelist, wishes to secede from Victoria because Moonee Ponds and Merri creeks are not clean. I do not support that weird view.

The works involved in beautifying Melbourne's waterways will be significant in explaining to this group that it should not consider seceding from Victoria for that reason.

I wish to strongly support the program of beautifying Victoria's waterways because that will be a major benefit to the community.

The bicentennial celebrations will be on a par with celebrations held in the United States of America. Australians look forward to the year 2000 when there will be worldwide celebrations at the turn of the century.

Ms SIBREE (Kew)—The honourable member for Coburg, like other members of the Government, failed to note that the Opposition is issuing a warning to the Government that it should be careful about how it spends the taxpayers' money.

Approximately $6 million was spent on Victoria's 150th anniversary celebrations, which included many functions that were an absolute waste of public money and had no long-term benefit or result for Victoria. I refer to such matters as the grassing of Swanston Street; the loss of $1 million on the military tattoo and so on.

The Opposition is putting the Government on notice that it should spend money on the bicentennial celebrations in the long-term interests of all Victorians rather than on providing a fountain somewhere.

The State's libraries should not be decimated because the Government is throwing away money on the construction of fountains as part of a short-term celebration of the bicentenary.

The Minister for the Arts should take note that the entire administration of the bicentennial celebrations funding leaves a lot to be desired. Recently I had cause to telephone the office of the Victorian Council of the Australian Bicentennial Authority to seek advice on the fate of an application for funding that had been made by one of the organisations with which I am concerned. Nobody at that office appeared to know anything about the application and told me to telephone the Canberra office.

I telephoned the Canberra office of the authority. Thank goodness I was not paying for the telephone calls! Someone at the Canberra office of the authority told me that it was no use telephoning that office because the Victorian Council was looking after the application and that I should ring Mr X in Victoria.

I telephoned Mr X at the Victorian office. The gentleman occupies the office next door to the person I spoke to initially in Melbourne. Mr X said, "Yes, I am in charge of that but the person next to me does not know".

It appears that the entire methodology of running the bicentennial celebrations leaves a lot be be desired. I should like the Minister for the Arts to indicate how much of the $6 million allocated for the bicentennial celebrations this year will be spent on administrative costs for people who do not talk to each other between the walls of adjoining offices.

The funding concerns many people who are seeking funds for genuine projects that would be of long-term benefit to Victoria.

It appears that the administration of the bicentennial celebrations could be tightened up considerably, especially in the light of the experience I had with the authority where it appeared that someone had lost the application in the first place.

Why has the Government now established a Ministerial committee to review the entire operations of the bicentennial celebrations in Victoria? The Ministerial committee consists of the Premier; the Minister for the Arts; the Minister for Conservation, Forests and Lands

in another place and one or two other Ministers, whom I cannot recollect, to sort out some apparent mess that the authority has already got itself into.

I am concerned that the funding for the celebrations should be spent properly and should not go down the drain on useless administration while individual members of the community are experiencing frustration in finding out who is in charge of making decisions about their particular application.

The Opposition is not "knocking" the fact that Australia is celebrating its 200th birthday. That is an important and significant event, but the Government should do something important and significant for the celebrations which would be of long-term benefit to Victoria because there are few of those benefits around today.

Finally, I suggest that the Minister for the Arts could support a number of functions that do not cost much money. I refer to one group of people who are going to celebrate Australia's 200th birthday, the Beacon committee, which is not seeking any public money. That is a group of people who are doing something themselves. Good on them!

There are a number of public buildings in Melbourne and around the State that house works of art by and of Victorians who have made a significant contribution to the history of the State.

Recently I attended a meeting of the University of Melbourne Council, where it occurred to me that there are paintings of extremely significant individuals which have never been put on public display.

In our own Parliament House there is a display of paintings of Premiers. Perhaps the Minister could take on board the suggestion that at little or no cost there could be an exhibition of paintings of persons who have played a significant role in the history of this State.

Such as exhibition would provide a low cost educational experience. The National Gallery of Victoria may like to involve itself. Unfortunately there would not be too many paintings by women but, if the Minister believes it is a good idea, he may ensure that a number of our women are represented at such an exhibition.

Millions of dollars do not necessarily have to be spent on celebrations with short-term benefit to Victoria when that money could be spent on more significant causes.

Mr HARROWFIELD (Mitcham)—I refer to Program No. 142, Sub-program 2, item 5314, which is the matching grant from the Victorian Government for the bicentennial celebrations.

I refer to Victoria's 150th anniversary celebrations and reflect on what a success they were. It is to be hoped that that success is transposed to the bicentennial celebrations.

Victoria's 150th anniversary celebrations covered a range of projects and initiatives that were a tremendous success in the community. In this regard I speak of personal experiences in Mitcham where the local community was closely involved in the celebrations. Festivities were organised by the local council, and the State Government made a contribution, albeit a relatively minor one, to the development of a new arts centre in the City of Nunawading.

The anniversary celebrations were important in terms of helping people remember the reasons for the celebrations and in the provision of facilities for the benefit of the community.

Honourable members should adopt a bipartisan approach to the bicentennial celebrations which will provide an important opportunity for communities to be involved. The Committee heard the honourable member for Kew suggest ways in which the State could celebrate the bicentenary. It is important that the Government provide as wide a range of people as possible with the chance to have an input into the way Victoria celebrates the event.

The community should recognise the fact that the Aboriginal people were living in Australia long before white civilisation. It is to be hoped Aboriginal people will be included in the bicentennial celebrations.

Recently South Australia celebrated its 150th anniversary. The celebration of that anniversary demonstrated the cohesion of that community. At present there are a number of divisions in the community on economic matters, social concerns and issues like shop trading hours.

Honourable members can debate these issues all they like but the bicentennial celebrations will provide a focal point to enable people to come together and celebrate.

I trust that honourable members opposite will adopt a bipartisan approach to the celebrations. I was most concerned to hear the honourable member for Coburg refer to secession movements in the area he represents. It is to be hoped that the bicentennial celebrations will bring people closer together.

The Government has received a grant from the Commonwealth Government to beautify the State's waterways, such as the Maribyrnong river.

I take the point that was mentioned last night by the honourable member for Kew when she said that we want things people can remember. Improvements to this potentially beautiful natural asset are things that we can look to in future years and say, "This is one way in which we celebrated our 200th anniversary", just as the people of my community can look at the Arts Centre and visitors in the local community can reflect on the 150th anniversary that our State celebrated some twelve or so months ago.

This is not an occasion for public relations; it is an opportunity for communities to focus on the celebration of our 200 years of history and put aside those things that divide us and to concentrate on all those issues and aspects of our history that can bring us together and, at the same time, provide discernible benefits to the local communities, whether improvements to waterways or whatever it may be. There is a need to improve assets like the Maribyrnong river, but if one can allocate funds—as the Budget does—to ensure improved facilities and projects of this kind, that provides a lasting memento of our celebration of the 200th anniversary.

Mr STOCKDALE (Brighton)—It is particularly appropriate that the Minister for the Arts is at the table at present because I wish to raise with him two serious matters concerning the fiddles in this year's Budget to misrepresent to the people of Victoria the true position in respect of the increase in recurrent outlays by the present Government in the 1986–87 Budget. I refer to item 3910 in respect of library services.

Budget document No. 5 discloses at pages 46 and 47 what is not apparent from an examination of the figures alone. What a passage at that reference discloses is that the Government has changed the method of funding libraries. It has not changed the extent of the funding because, notwithstanding the breach of earlier commitments in relation to the level of funding and the ratio of State Government funding to libraries, the Government has given a commitment to maintain the nominal value of library grants.

Nonetheless the paper does, as it is presented to the House, show a fall from $18·6 million in 1985–86, shown as the actual payments made last year, and for the current year an estimate of $14·6 million.

That cannot represent the total actual outlays because the Government has guaranteed to maintain the dollar value of those outlays. It represents the effect of the change in the funding formula. Whereas previously library grants were paid in four instalments during each financial year, this year the Government has changed the system so that two grants will be paid—one in October—the House will not be surprised to hear this—and the next payment will be made in July 1987.

Therefore, the amount of expenditure to be incurred by the second instalment—the Budget Papers present it on a cash basis—is removed from this year's Budget Papers and deferred to next year's expenditure commitments.

Next year the Government will be caught up and unless it goes back further on commitments and reduces library funding in dollar terms, there will be a need to reduce the grants for that year merely to maintain the nominal level of spending as it is.

If the value of grants is to be maintained, we will have to pick up the $4 million next year and meet that expenditure out of next year's Budget in addition to a total year's entitlement payable next year.

I will grant, however, that in the full scope of the Budget, $4 million is not a sum which in itself has a significant impact on the overall picture of the Budget, but it does represent the sorts of techniques the Government has employed to place before Parliament documents that are misleading and to mislead the Victorian people into believing there are reductions in expenditure when there are not.

The second matter is considerably more significant, both in itself and in the overall budgetary context. This program includes the Government's funding of the Victorian Arts Centre. The establishment of the Arts Centre involved considerable borrowings and there are large capital debts in relation to that facility. It is an important asset to the Victorian community and it is entirely appropriate that the State should have borrowed to construct an asset that will endure for the benefit of future generations of Victorians.

It is an important part of the developing and developed cultural heritage of the State of Victoria. However, what is important is the way the Government has represented in the Budget Papers the moneys which are to meet the interest commitments on the borrowings for the Arts Centre.

The House will recall that at page 75 of the Auditor-General's first report for the year ended 30 June 1986, he drew attention to the inclusion in the Works and Services Account of $254·2 million of recurrent outlays.

The Auditor-General said that these amounts had been incorrectly classified. It is much more significant than that. An examination of the Budget Papers will show that the amount of works and services expenditure is exactly equivalent to the amount of loan raisings and the other items included in the Capital Account. That indicates that whatever is included in the Works and Services Account is being met out of borrowings and other capital funds of the State of Victoria.

This is where one comes to the devious devices pursued by this Government to misrepresent the position and, indeed, the scurrilous position this Government has created where it has borrowed to pay interest. We have a situation of a grant with respect to last year's payment which was $18·7 million. This year's estimate is $15·8 million. The Auditor-General prepared a table which sets out the workings to produce the figure of $254·2 million in the table that appears at page 75 of the report. I seek leave to incorporate a copy of the table into *Hansard.*

Leave was granted, and the table was as follows:

SUMMARY OF AUDIT FINDINGS

RECURRENT EXPENDITURE FORMING PART OF WORKS AND SERVICES EXPENDITURE

Unit (as described in Appropriation (1985–86, No. 1) Act)	Repairs and Maintenance	Interest	Other	Total
Parliament	365 372			365 372
Agriculture and Rural Affairs	60 000		55 092 Consultants	115 092

Arts	889 198	10 000 000 Grant		10 889 198
Attorney-General	2 528 550	2 346 879 SDP		4 875 429
Community Services	442 997			442 997
Conservation, Forests and Lands	Not Avail.	568 113 SDP		568 113
Consumer Affairs	11 533			11 533
Education	22 536 132	8 194 594 SDP		
		3 236 341 Other		33 967 067
Labour	17 982			17 982
Ethnic Affairs	46 691			46 691
Health	2 011 533	1 508 919 SDP	6 000 000 Rental Prepaid	
		1 138 153 Other	100 491 Lease Charges	10 759 096
Housing	—	1 347 000 Other	7 900 000 Rental Relief	9 247 000
Industry, Technology and Resources	201 254			201 254
Local Government	1 086 032			1 086 032
Planning and Environment	—	212 800 SDP		212 800
Police and Emergency Services	4 090 514	4 353 186 SDP		8 443 700
Premier	11 783		213 062 Lease Charges	224 845
Property and Services	1 634 940	284 991 SDP		1 919 931
Public Works	853 184			853 184
Sport and Recreation	—	—		—
Transport	31 113 000	104 763 000 Finance Charges	2 210 000 Early Retirement Plan	
			13 100 000 WorkCare Contribution	151 186 000
Treasurer	—	12 086 347 SDP		
		6 662 491 Capital Works Authority		18 748 838
Water Resource	—	—		—
TOTAL	$67 900 695	$156 702 814	$29 578 645	$254 182 154

SDP—State Development Program

Mr STOCKDALE—This document was provided to the Opposition and, I understand, also provided to the Government. It is the source document for the table at page 75 of the Auditor-General's report. It shows three broad categories. Firstly, recurrent expenditure

on repairs and maintenance; secondly, recurrent expenditure on interest; and then a miscellaneous category headed "other" recurrent items. In each case they are debited to the Works and Services Account.

On the line for "Arts", under the subheading "Interest" a sum of $10 million appears as a grant. Therefore, the Auditor-General there identifies that, of the amount of the payments paid under the works and services section of this program, some $10 million out of the $18·7 million is funding for the Arts Centre Trust to meet its interest commitments.

If there is any doubt one could go to the 1984–85 Annual Report of the Victorian Arts Centre Trust. There one finds under the heading "Works and Services" two sets of entries. One relates to income and that simply states "State Government Grant for Works and Services, (Note 6)". If one then goes to note 6, the following note is set out:

> Government grants. The trust receives two separate grants from the Victorian Government; one is related exclusively to operations and the other for works and services. Both grants are related to budgets prepared and submitted to the trust.

For operations in 1985—$3·7 million—works and services income is shown as $10 640 731 and contributed capital is $4 359 269. For each of the past three years the Government has expended approximately $10 million of works and services funds under this program to meet interest payments on debts incurred in connection with the Victorian Arts Centre, I might say, not according to the convention of capitalising interest because this is a project which has already long been in operation.

There is no justification for capitalising interest on borrowings in relation to an asset that is in operation. The Government is simply fiddling the figures to misrepresent the expenditure of the State as between recurrent outlays and works and services outlays.

The Opposition has taken the trouble to obtain a briefing from the Ministry for the Arts about these figures. It has been advised that in the current year a sum of $10·2 million has also been included under works and services in this program to meet the interest on borrowings in connection with the Victorian Arts Centre.

We have two instances: in one case $4 million has been moved out of the present Budget periods for the first time this year; and in the second case $10 million per annum for at least each of the past three Budgets has been hidden in works and services when it is meeting expenditure in the nature of interest.

I refer honourable members to the third page of the 1984-85 Annual Report of the Victorian Arts Centre Trust—the pages printed on yellow paper—which shows that the problem does not stop there. These are the items in relation to which expenditure has been debited against the Works and Services Account. First is "Interest on Project Borrowings" and second is "Depreciation of Furniture and Fittings". How on earth on any accounting standard can depreciation of furniture and fittings be treated as a capital item? It is a classic case of a recurrent outlay or revenue outlay, not a capital outlay. Indeed it may be no more than a mere accounting entry—not expenditure at all.

Why is interest included as a works and services allocation under this program? Why also is depreciation of furniture and fittings included as works and services expenditure? What does it mean? Is this an amount that is actually expended or a national allowance for the cost of depreciation of furniture and fittings?

The next item is "Maintenance National Gallery". Again a classic item of recurrent outlays. How can it be suggested that maintenance performed on the National Gallery of Victoria is to be regarded as a capital expenditure? It is not creating any new assets; it is simply maintaining the existing assets of the State. One could say the program is not maintaining them well enough.

Again, three out of three items by no stretch of the imagination could be properly characterised as capital items, appropriate for inclusion in the Works and Services Account or appropriate for funding by borrowings.

Next we have "Project Staff Costs". How can staff costs, wages and other payments made to staff be included as capital items? The Government is not game, even in the Budget Papers, to claim salaries, wages, allowances for overtime and penalty rates, and subsidiary expenses of employing personnel as works and services expenditure, but hidden away in the 1984-85 Annual Report of the Victorian Arts Centre Trust, one finds staff costs shown as capital items funded by borrowings and debited to the Works and Services Account.

The next heading included under Works and Services is "Project Accommodation", presumably rent or other accommodation costs. The last item is "Sundry expenses". For 1985 those items total $10·6 million works and services expenditure.

On the basis of this document, I can confidently assert that, subject to hearing the Minister's explanation of any of these items, the House can safely conclude that not one dollar of the $10·6 million is appropriately classified as works and services expenditure.

That is not the end! The very reason for distinguishing between works and services expenditure and recurrent expenditure is so that the community and Parliament will know for what use taxes are being collected and applied on the one hand, and what is being done with the massive debt the Government has irresponsibly hung around the neck of the Victorian community on the other hand.

Contrary to what the Treasurer has said on radio about capital funds not being used by the Government for operating expenses, every single item of public money listed in the report of the Victorian Arts Centre Trust is recurrent expenditure recorded under works and services as capital expenditure. I challenge the Treasurer to explain the basis on which each item is included in the Works and Services Account, and why the grant is shown in the Victorian Arts Centre Annual report is under works and services and in the Appropriation Bill under works and services is debited against the Works and Services Account and financed by borrowings?

If he does not, the Victorian community will know that what the Treasurer has said on radio and in this House is not the truth; and that the Treasurer has misled the people of Victoria and Parliament about what the Government is doing with the people's money.

Before the honourable member for Dandenong leaps to the defence of the Minister to cover up his failure to answer those questions, I elaborate my last point: we are not talking about the Government's money The Government does not have any money. It gets money from two basic sources: first, it takes it from people by way of taxes, whether they are levied by the Federal or State Government; and, second, it mortgages the future of the State by borrowing. In the second case the interest cost will have to be met by the present taxpayers and the capital cost is a charge against future generations of Victorians.

We are talking about what the Government is doing with the money of the people of Victoria; how it is misleading them; and how it is not explaining to the people what is actually being done. I call on the Minister to explain why these amounts are included in works and services.

Mr NORRIS (Dandenong)—I shall address a few remarks to item 5319, Film Victoria. I congratulate the Minister once again for the continued support of the Government to Film Victoria. Without a doubt, it is an extremely well-managed body that has been behind the tremendous renaissance shall we say—of the Victorian film industry.

It is worth reminding honourable members that the film industry as it is known today in Australia really began in this State with people like Tim Burstall, Fred Schepisi, Bruce Beresford and people of that ilk. As a matter of interest, they are all known Hollywood directors. We are very proud they led the great surge.

Victoria lost the lead, if I can put it that way, and considerable interest was transferred to Sydney. However, because of the tremendous initiatives, encouragement and sensible management of Film Victoria, Victoria is at the forefront of film production in Australia.

Film Victoria is also involved in television production. Two excellent examples of the support given by Film Victoria to producers have been seen recently on Melbourne television. One was the production *Whose Baby*, produced by Crawford Productions Pty Ltd. That film has been sold around the world, including a large sale to the British Broadcasting Corporation of Great Britain. Honourable members who saw the show would agree with me that it was a world class production and was equal to anything produced around the world.

Another excellent series, again produced with the assistance of Film Victoria, was *My Brother Tom*. That also was produced by Crawford Productions Pty Ltd.

One of the continuing problems that many people believe is a contentious issue is the involvement of Actors Equity of Australia, which pushes its defence of the Australian employment policy. The film *My Brother Tom* had, as one of the lead actors, Mr Gordon Jackson, a fine international actor. I remind the Committee that these incidents where Actors Equity of Australia insists on an Australian employment policy are rare. The international actor, Mr Gordon Jackson, had no difficulty in being admitted into the country to assist in the production of that film.

My remarks refer particularly to the work done by Film Victoria and the money invested by Victorian taxpayers in those productions. Actors Equity of Australia is concerned primarily where Government money is used in the production of films and not when private money is used. If a production is privately financed Actors Equity of Australia does not get involved, but when Government money is involved, and particularly when the taxation concession under Division 10BA of the Federal Income Tax Assessment Act is used—a most generous concession to the film industry—Actors Equity of Australia believes that, wherever possible, Australian performers should be cast.

I congratulate the Minister for the Arts and the board of management of Film Victoria on the tremendous work they are doing in the industry.

The honourable member for Brighton was concerned about the large capital debt in relation to the Victorian Arts Centre. The Victorian Arts Centre, as I have said on many occasions in this Chamber, cost the taxpayer approximately $225 million. Some years ago I may have been a critic of the costs involved. The concept, a Liberal Party concept, first initiated by Sir Henry Bolte, is a world class centre. International artists who perform in the centre will tell anyone who is keen to ask that it is the equal of anything in the world. There is no doubt that a large debt burden exists; it is something the Government has to work through. The Victorian Arts Centre is an enormous asset to the State and has given a fillip to the performing arts. International performing companies as well as international artists are falling over themselves to come to Australia to perform in our theatres and our concert hall.

The Victorian Arts Centre has a most able general manager-administrator in Mr George Fairfax. He is a man who is always after new ideas and is a most innovative person. I note recently that he has decided to apply for an FM radio licence, an excellent idea. The centre is fortunate to have an administrator of the calibre of George Fairfax. The three theatres at the centre are magnificent and the concert hall is world class.

Unfortunately, the centre has caused a problem in that Melbourne now has another three theatres and a magnificent concert hall to add to the other theatres that are used for performing arts. Melbourne possibly has more performing arts theatres than other cities of the equivalent size in the world. Melbourne has a plethora of theatres. The Melbourne Theatre Company operated at the Athenaeum Theatre. The Australian Opera operated at the Princess Theatre and we have the Russell Street Theatre. What does Melbourne do with its additional theatres?

I strongly support the Minister for the Arts who indicated that there would be no government funding for the Regent Theatre. That theatre was never of any architectual significance. Honourable members of my vintage would remember the original building

which was almost totally destroyed by fire. The present Regent Theatre is not the original theatre. It has been refurbished. The old building had lifts and below was the Plaza Theatre. I am informed that it is costing taxpayers $18 000 a day just to maintain the Regent Theatre. The sooner something is done about it the better. It certainly will not be another performing arts venue. Melbourne needs another venue for the performing arts like it needs a hole in the head.

The Princess Theatre has a National Trust classification and must remain. Perhaps some of the other theatres may be used for star debates of this Chamber and we can then charge admittance. Melbourne also has Her Majesty's Theatre and the Comedy Theatre as well as the other theatres that I have mentioned. The problem for Victorians and the Ministry is what to do with the plethora of theatres. Once again, I congratulate the administration of the Victorian Arts Centre led by a person of the calibre of George Fairfax.

Mr HEFFERNAN (Ivanhoe)—Item 5321 relates to the Banyule homestead, which operates as an arm of the National Gallery of Victoria. The Government has seen fit to close the Banyule Gallery from October because of the running costs involved. I understand that aspect of it. The Banyule homestead has an extensive history and the Minister for the Arts should not adopt a short-sighted approach. The Minister is aware of the offer to the local council to purchase the homestead at a reasonable figure. However, I have been informed that the council, under no circumstances, has the funds to commit a total of $800 000 for the purchase of the building and its future operation.

The danger exists, after the efforts made years ago to ensure that this magnificent property was placed in the hands of the people of Victoria, that it may now slip out of our hands. The point was driven home to me on listening to the debate about the funding for the bicentennial celebrations and the $6 million involved. On the one hand, the Government is supporting the celebration of the history of the State at a cost of $6 million, but, on the other hand, it will stand idly by while a part of Victoria's history slips away. The State cannot afford to lose such a magnificent homestead and I ask the Minister to consider the matter most carefully before any further steps are taken.

The homestead was built by an early pioneer, Mr Joseph Hawdon, who lived from 1814 to 1871, and it is one of the earliest surviving buildings in Victoria.

The homestead is picturesquely sited on a high ridge overlooking the river flats. Everyone is aware that the homestead is part of the early history of the Heidelberg school of art. It is a divine area and has tremendous worldwide significance if promoted in that way.

The estate was purchased in 1843 from a Mr Arthur Hogue, and the whole estate was taken over by Joseph Hawdon. "Banyule" is said to mean, "the hill" in the dialect of the Warringal Aborigines. The homestead was built of hand-formed bricks and set on a sandstone foundation. The appearance of the house combines elements of Roman, Gothic and Tudor revival. The estate is one of the many which established Heidelberg's reputation as an elite district of Melbourne recognised throughout the world as an area of beauty.

Joseph Hawdon was born in England and arrived in Australia in November 1834 to join his brother, John. At that time he occupied himself in a business where he made the first overland drive of cattle from New South Wales to the Port Phillip district.

Hawdon returned to Victoria in 1837 and took up land near the Dandenongs. He also secured a contract to carry mail overland to Sydney. Previously the mail had been transported by sea. That highlights the great significance of not only the building but also the people involved in the building. It is part of the heritage of the State.

On 3 April 1838 Joseph Hawdon and Charles Bonney pioneered a stock route from a station near Howlong to Adelaide. The following year, Hawdon drove in tandem with Captain Mundy and was able to establish an even more direct route to Adelaide.

What a great pioneer Joseph Hawdon was and yet the great building and the history attached to it is now threatened with private ownership. I ask the Minister for the Arts to take all the necessary steps to save the building. The people of Heidelberg fought for so long to retain that history and they will not sit idly by and see the building go.

How can the Government, on the one hand, celebrate the bicentennial year with an expenditure of $6 million while, on the other hand, allow the history of this State to slip into the hands of the private sector?

Mr WILLIAMS (Doncaster)—Honourable members have already been informed by the honourable member for Brighton that the figures on the line item for library services means nothing. I have had to resort to a leaked letter from the Minister for the Arts published in the *Age* of 2 October 1986 to ascertain what is really going on in the field of so-called free libraries or municipal libraries in this State.

I have the real figures for municipal libraries for the municipal year ended 30 September 1986. The allocation for 1985–86 was $17·6 million and the allocation for 1986–87 was $17·6 million. In other words, library funding will be cut by the cost of living, which is rising at the approximate rate of 8 per cent. That decrease is despite the big rise in the cost of books due to the fall in the value of the Australian dollar and the large increases in operating costs. The grants from the State Government to local government for municipal libraries have been left begging.

According to the letter from the Minister for the Arts, library funding will be cut by $2 million, so that the allocation in 1987–88 will be $15·6 million. Apparently that will continue into 1988–89. Over the next three years a 20 per cent or 30 per cent cut in library funding will occur.

I have every reason to believe that the Minister, who is also the Minister for Police and Emergency Services, will set out on a program of stealing $2 million, which should go to the municipalities and hand it over to the State Library and museum, poor creature that it is. The State Library is almost beyond redemption, but the restoration will be attempted at the expense of municipal libraries.

Municipal libraries cost more than $35 million a year to operate. With the increase in costs, providing services are maintained, by 1988–89—the bicentennial year—municipalities will have to absorb the lion's share of the cost of municipal libraries.

Despite the promises we have heard year after year from the Cain Government about a $1 for $1 subsidy for municipal libraries, the subsidy will drop to 40 cents in the $1 or less and municipalities will be providing 60 per cent to 70 per cent of the cost of running libraries.

The electors of Warrandyte, Mitcham, Box Hill and Ringwood will not be happy about the latest reduction in services that the Cain Government is forcing upon them. I sometimes wonder about the political wisdom of some of the people who have drafted the Budget. It is all very well for members of the Government to berate the Opposition and say, "Where will the money come from; you put up your Budget projections", but I am a member of the Opposition and I do not have to be constructive. My function is to be destructive and I shall do just that.

I represent the people of Doncaster and I want the burden of library funding taken off the backs of ratepayers and put on the backs of taxpayers where it rightly belongs. If the Labor Party were true to its principles, the taxpayers, especially those in the high income bracket and those who own enormously valuable land in the City of Melbourne and other valuable sites—the Minister for the Arts knows my beliefs about the principles of Henry George—would provide adequate revenue.

If I had my way with the Budget, I would be able to get more funding for municipal libraries and not at the expense of the poor, the police or teachers; it might be at the expense of some of the way-out fringe groups bludging on the taxpayers. The Government

may think it is politically smart to fund way-out fringe groups that are getting away with wads of money from the taxpayers. I suggest to the honourable member for Dandenong who is interjecting, that he read page 59 of the Auditor-General's report which indicates that $300 million worth of grants is not accounted for by audited vouchers.

I am proud of the fact that the people in the electorate I represent are the greatest users of library facilities in Victoria. Eleven books a year are borrowed for every man, woman and child in my electorate.

The Box Hill–Doncaster Regional Library service provides well over a million books a year to Doncaster/Templestowe readers. I invite honourable members to consider the enormous cost of acquiring new books. That library stock must be worth between $20 million and $50 million at replacement value. Consider the enormous burden these financial cutbacks will impose on municipal libraries such as the one in the electorate I represent.

My colleague, the honourable member for Bulleen, will be interested in this because he is my local member. Bulleen is very dear to my heart.

Mr Simpson—Did you vote for him?

Mr WILLIAMS—No, I voted in Doncaster, but I have a home in Doncaster, Mr Acting Chairman, for your information.

The number of books now being borrowed from the Bulleen branch library is 300 000. That has doubled since the library was started approximately twelve months ago. In the electorate I represent, the library at Doncaster Shopping Town has but some 400 000 books. In Doncaster East at the Montgomery library, 300 000 books have been borrowed.

Mr Perrin—That library is to be closed.

Mr WILLIAMS—Yes, and moved to another shopping centre. It is fascinating that, under the Labor Government, all libraries are situated at shopping centres.

Mr Norris—Where the people are.

Mr WILLIAMS—I do not know which comes first, the shopping centre or the library. They seem to work hand in hand. I wish the Government would use its ingenuity and impose proper land taxes on these shopping centres so that they do not receive this indirect subsidy from the State Government.

I was pleased to learn that the people who patronise the library in the electorate I represent are from across the board, from students to elderly people in retirement. I cannot countenance any attempt at charging students, young people or old people library fees.

I understand that the Mr Big of the Doncaster council, who spent last State election day handing out tickets against me, has arrogantly told the people of Doncaster that they will have to pay $1 a book borrowing fee at the Doncaster library unless Government grants are increased. I am totally opposed to such a fee being imposed on the pensioners in my electorate. Pensioners would probably borrow at least twenty books a year. That would amount to $20 a year that each pensioner would need to find to borrow books.

Mr Norris interjected.

Mr WILLIAMS—I would have thought that the honourable member for Dandenong would read the *Age*, the Bible of the Labor Party. The *Age* of 2 October reports:

> Municipal councils, which share financial responsibility for libraries with the Government, fear that it may be considering fees as high as $1 for each book.

I have heard of no denial of that statement by the Government. I read the Minister's letter in the *Age* this morning—an extremely good letter. I hope the Minister's kind smile to me means that my pensioners will not have to pay $1 a book.

The pro-Labor councillor on the Doncaster council is threatening that the council will cut its funding to the library back to the State Government's contribution. I understand that the State is allocating $439 000 to the library facilities for the coming year. If funding is cut back on a $1 for $1 basis, some $400 000 will be cut from library funding. This will mean that the library will be in crisis and will require the deplorable sacking of staff whose expertise has taken years to build up.

Another deplorable way of cutting back would be in the area of book buying. With the declining interest in television, people are returning to the old-fashioned virtue of reading books. If we believe in a cultural society, we should encourage people to read books. Many people, especially those with heavy mortgages, cannot afford to pay borrowing fees for books.

The Acting Chairman would remember the old days of the mechanics institutes which were the foundation of the Australian Labor Party. Shame on the Labor Party that wants to cut back funding for municipal libraries in growing areas such as the electorate I represent. I deplore this aspect of the Budget. Funding could be found from elsewhere in the Budget to allow the allocation of funds to municipal libraries to continue. It could be obtained by a reshuffle of revenue. I especially deplore any suggestion that people will have to pay $1 to borrow a book from a free library.

Mr PERRIN (Bulleen)—The funding to libraries in Program No. 143 will change from the 1985–86 figure of $18·6 million to the 1986–87 estimate of $14·6 million.

I place on record my congratulations to the honourable member for Brighton who has clearly exposed the scam of the Government's fiddling with library funding. This item indicates clearly that the Government has transferred money around. Fancy changing from quarterly payments to half yearly payments and transferring one of those half yearly payments to the first month of the next financial year! If one did that in private enterprise, the Fraud Squad or officers of the Corporate Affairs Office would be there in a flash to check the books. No other explanation exists for this drop in funding than that the Government has fiddled the books.

I must speak on behalf of the eastern suburbs because no Government members will speak on their behalf. The honourable members for Brighton, Kew and Doncaster are also making contributions to this debate. However, areas such as Ringwood, Mitcham, Box Hill, Warrandyte and Monbulk have been left for dead.

In 1982 the Labor members who came into this House stood for election on a platform of equal funding for libraries. They now do not have the guts to stand up and speak out about the breaking of that election promise. The effect of that is evident throughout the community of the eastern suburbs.

Mr Micallef interjected.

Mr PERRIN—It might not have any effect in the Springvale electorate—perhaps people in that electorate cannot read—but I assure the honourable member for Springvale that people in the eastern suburbs can read and appreciate library services.

Library services have been transferred to the Bulleen Village shopping centre, where my electorate office is situated. The honourable member for Doncaster has indicated the way in which people are responding to that transfer. However, funding to the City of Doncaster and Templestowe has been reduced due to the broken promises of the Labor Government.

More and more costs are being imposed on the ratepayers of the City of Doncaster and Templestowe. Everybody knows that rates are a form of capital tax. The honourable member for Monbulk likes capital taxes and wants to maximise capital taxes. Obviously, that is what will occur with library funding. Grants at the State level will be cut back, forcing local government to incur additional costs in order to maintain services, let alone expand them, and to increase taxes on the family home in the form of rates.

That is what the Labor Party wants. It is a shame that no Labor Party members from the eastern suburbs have been prepared to talk about those cuts. It is to their eternal shame. I am prepared to talk about library funding in the eastern suburbs.

For the information of honourable members I indicate that a joint library facility between the City of Box Hill and the City of Doncaster and Templestowe, the Box Hill–Doncaster Regional Library Authority, controls library services. I know that the honourable member for Doncaster has received letters about this matter, and I presume that the honourable members for Box Hill, Warrandyte, Mitcham and Ringwood have received letters from various library authorities. I thought the Labor Party member representing Templestowe Province in another place and the Labor Party members for Box Hill and Warrandyte would have received similar letters, but honourable members have heard nothing from them.

An article in the *Doncaster and Templestowe News* dated Tuesday 7 October, which was delivered to my office yesterday, is interesting as it says a lot about the Government and library funding. It states:

In these tough economic times not even Margaret Thatcher has dared to introduce fees for library services.

However, John Cain's Government is currently forcing local government to consider direct user charges.

The very basis of free public library service to all people is under serious threat.

The State Government has failed to honour its commitment to contribute an equal share of funds, effectively reducing its dollar contribution by not incorporating any CPI increases.

In addition to this, the State Government is apparently considering means of recouping costs, and some local governments are also reviewing the concept of a free library service as a result of diminishing State Government support.

Why do we need free library services?

The UNESCO Public Library Manifesto, the Federal Government and the State Library of Victoria are all committed to this basic democratic right.

UNESCO states: "The public library is the principal means whereby the record of man's thoughts and ideas, and the expression of his creative imagination are made freely available to all."

The Federal Government policy statement argues that in this modern technological age people will not only be rich or poor in terms of money, but will also be either information rich of information poor.

Information rich people will have more choice and more control of their environment.

Public libraries are the main information resource available to most people.

It indicates that the Box Hill–Doncaster Regional Library is attempting to set up a "friends of the library" association. I hope the library does well in getting the public behind it to support its push to have the Government honour its election promises. I intend, as I have done in the past, to talk publicly about funding of libraries because library services are a crucial part of society.

I have deliberately encouraged my children to join the local library so that they will borrow and read books to increase their knowledge. As the article states, it is the information rich people who will prosper in this world, the people who have access to information that others do not have.

I thought it would be a basic tenet of local government to support funding for libraries—not big, centralised bureaucratic libraries, but libraries that people can see in their local community and visit as they are doing their shopping or whatever.

A whole range of people use libraries, from pensioners and retired people on fixed incomes, who cannot afford to pay any fees, to young school children who are taken to libraries by local schools to encourage them to visit libraries and understand how they work.

The Box Hill–Doncaster Regional Library should be congratulated for changing its methods. It has adapted to new technology, such as videos, audio cassette tapes, various

magazines and new computerised services, which are available to people in the local community. However, the Budget has reduced funding for those services. It is to the eternal shame of the Government that it is breaking an election promise that it made in 1982. Library services are the wrong area in which to cut funding.

The Opposition has a wastewatch committee, which has found that the Government could have saved $186 million in other areas. Grants of millions of dollars have been given to various people. The Government should be cutting back on some of those grants. The Budget indicates that $4 million was spent on painting trams. If that amount had not been spent, it could have been transferred into library services for the people who use those facilities. People would be eternally grateful if that were done, and it would enable the Government to honour its promises.

The Government does not have any credibility. It is not interested in the little people in the community. It is simply interested in transferring money from one part of the Budget Papers to another. It is interested in putting more and more costs on the people who are least able to bear them.

I am ashamed that no Labor Party member from the eastern suburbs has spoken on this matter. I should like the honourable member for Box Hill to support the Box Hill–Doncaster Regional Library and say that she is prepared to fight in the party room to maintain funding for those services in the community, but she remains silent.

The honourable member for Warrandyte has done nothing, either. I expected him to be on his feet fighting for library funds for his remote part of the City of Doncaster and Templestowe, which has some library facilities—although I am sure it could do with more. Honourable members have heard nothing from him—not one word! He does not seem to care about library funding and the facilities that are made available to his local constituents. It is a tremendous shame that contributions from those honourable members have not been made.

The broken promises, the "fiddles" hidden in the Budget and the lack of credibility of the Government, its backbenchers and Ministers, in this instance of library funding alone, shows that the Labor Government cannot be trusted.

It is about time that Government party members stood up and were counted. Either they believe in something or they do not. They became members of Parliament because they made promises, and it is about time that they fulfilled them.

Ms SIBREE (Kew)—I should like briefly to support my colleagues in their criticism of the fiddle of funding for libraries in this State by the Minister for the Arts. I should like also to say that this is an extraordinary action by a Minister, bearing in mind the Cain Government's policies in its so-called social justice strategy which are outlined in its publication, *Social Justice: the Need for a Strategic Approach.*

As honourable members will know, the Government issued that glossy publication recently, under the name of the Premier, stating that the Government was embarking on a new social justice strategy for this State. The following are some of the broad objectives of the social justice strategy:

- to overcome unfairness caused by unequal access to economic resources and power;
- to guarantee equal legal, industrial and political rights;
- to ensure greater equality of access to essential goods and services, with particular attention to geographically related inequalities; and
- to ensure expanded opportunities for genuine participation by all Victorians in the decisions which govern their lives.

If a library is not at the core of those sorts of opportunities, such as access to information, access to "power", which the Government talks about, and so on, I do not know what is.

I should have thought that one of the fundamental things the Government ought to be doing is examining the role of libraries and how they can be expanded to address the social justice policies that the Government says are important.

However, in this item of the Budget, it seems that the Government is going back on its pledges for social justice. It seems to me that libraries with the capacities that the honourable member for Bulleen has already outlined, including those of information retrieval and computer access, are now poised to become one of the most important contacts for information which the community has.

They should be linked in, for instance, with the citizens advice bureaus, which are usually operated in conjunction with municipalities, so that all the information that a community needs is located in and accessible from the one spot, and accessible over many hours of the day.

The Committee needs to be reminded that, of course, libraries do not open just between the hours of 9 a.m. and 4 p.m.; they often open between the hours of 9 a.m. and 9 p.m. They have very wide access to information, not only by way of books.

I consider that the Government's move in the Budget is a very backward step and that the fiddle of the Minister for the Arts in changing the funding mechanisms is reprehensible.

In the electorate that I represent, the Kew library is one of the most used libraries in Victoria. It is not large, but it is busy. It needs more space, and the sorts of decisions that the Government is making about libraries does not give that library or any library much heart.

I support my colleagues' criticisms and say that, in this case, the Government has its priorities wrong. It should use that known resource—the library—which is a respected institution and a respected source of information in our community, to pursue the goals of social justice. I add that none of us would quarrel with some of those goals.

If the Government intends to set up a plethora of individual reference centres for the use by the community, there will be a need to provide and pay for office space, telephones, typewriters, typists and so on. Why not use the public library network? Thousands upon thousands of Victorians use public libraries.

Libraries are very friendly places; children, mothers, grandparents and fathers go there. They should be used by the Government as a resource to develop communication facilities for its social justice strategy, rather than throwing them on the scrap heap.

I had wanted to compliment the Minister, but I notice that he is not in the Chamber. Apart from criticising him, I should like also to say that I support the Government's move towards developing the children's museum at the National Museum of Victoria. That has been a colourful and interesting development and, in view of its value, I believe it is a proper and worthy project.

I visited that museum with my children—and I hope other honourable members will visit the museum with their children—and I visited it without my children. I enjoyed both visits. Visiting the children's museum is a very useful introduction of children to that more massive structure, the National Museum of Victoria, which can teach us about our world and ourselves.

I commend the Government for continuing to support the children's museum. The Opposition's role is not only to criticise but also to commend the Government for projects on which it has spent money well. However, the Government has missed the chance to fulfil some of the objectives that it has set out in its social justice policy by inadequately funding libraries.

Dr WELLS (Dromana)—I believe the priorities of a member of Parliament in a democratic society might run in the following order: firstly, personal freedom; secondly, the development of personal abilities; and, thirdly, a satisfactory degree of material wealth.

I believe one should work towards ensuring that each member of society is able to attain these achievements. I reiterate that these priorities are: freedom, ability and, lastly, materialism.

There is no doubt that ideas are the engines of society and that mental skills are the real wealth of our society. It is in that context that I protest in the strongest possible terms against the idiotic proposal in this Budget that the allocation for library services should be cut effectively by 8 per cent, at least in the coming year.

It appears that the Government is providing only the same number of dollars for libraries in the coming year as in the past. The Government further proposes that half this allocation be paid during the month after the next financial year ends.

Whether that strategy of the Government is designed to make its Budget look better or whether it is designed to bring library services into line with local government financing is not obvious. Despite the Government's claimed efforts to assist the financial arrangements of local government, the municipalities in the electorate of Dromana will have to offset that amount in the interim if it is not paid until July, 1987.

If one gives the Government the benefit of the doubt, that is, that it is maintaining the same number of dollars—$18·6 million—that effectively amounts to a cut of 8 per cent in what must be, I suppose, the most essential service other than health and the most profitable service in the community.

Some 48 per cent of Victorians are members of the public library system. A total of 56 per cent of people in the electorate that I represent are members of the library service. Therefore, one in every two Victorians is a member of the public library system at a cost to the Government of the day of $18 million.

That $18 million goes towards helping our children attain basic skills that will last throughout their lives; that $18 million a year makes a massive contribution towards the happiness, entertainment and recreation of the whole of our society; that $18 million provides something that is irreplaceable in the lives of our older citizens who are less mobile and more bound to their places of residence. One cannot estimate the worth of that harvest of benefits that the $18 million provides.

As I said, 48 per cent of Victorians are members of the public library system. In my electorate which has, nominally, 38 000 people, the stage is being reached where there will be one million borrowings from the public library system per annum.

There is another very important dimension. Library services provide more than entertainment: they provide learning skills. Young children who attain the basic skills of reading, writing and so on early in life will carry those skills right throughout their lives. Through library services, that learning process continues; it is a process that could range over 70 or 80 years hence. Further, an unusual but realistic aspect is that one individual, who is set on fire with knowledge and ability, can go on to change the world.

As members of Parliament, we meet individuals in Victorian society today whom we respect and to whom the Government provides millions of dollars so that they can develop projects such as a vaccine against malaria, a computer program or something of important benefit to society.

All of that comes from the basic educational skills that they have attained, and it all begins early in life. Without fear of contradiction, I say that, although the spoken word is inspirational, the written word is lasting.

If one examines the history of democratic society, of educated society and achieving society, one finds that the written word is absolutely essential. In Victoria, with a population of four million people, the bill last year for Library Services in a total Budget of $10 000 million, was $18 million.

I invite honourable members to put aside for a moment their political persuasions and focus on what the reduction really means. It means that a Government that is entrusted with the administration of $10 000 million finds that it cannot afford, in its judgment, an extra $1 million in 1986–87 to keep the public library budget in line with the consumer price index.

In this area, probably more than in any other area in our society, an inescapable and unavoidable case exists for increasing the vote this year by a percentage that is well and truly above the consumer price increase.

I could only applaud the Government, had it taken this step, no matter how stringent the times; but it has not done so and it ought to be criticised because it commits the unpardonable sin of actually cutting the library vote by 8 per cent.

That move affects not only Liberal Party supporters but also supporters of Labor Party philosophy and those who support the National Party philosophy or any other philosophy in our society. It affects all four million people, especially the children. The children of this society are its future, and education is the means that will lead them and this society to the future. In that process, I submit that the cheapest mechanism for leading our young people into that future is through books, notably through the public library system.

I take the point made by the honourable member for Kew, and I suggest to members of the Government, without wishing to harangue them or be unreasonable, that they should carefully reconsider their proposition to the people of Victoria, which is that they are in favour of social justice.

Government members usually talk about equality of outcome. Unfortunately, real life teaches us that the best we can work for is equality of opportunity and then hope for equality of outcome.

Where is the equality of opportunity in this situation? Undoubtedly, the Victorians who most need public library assistance are those with the least material endowment, and so the people whom the Labor Government would say it supports most strongly—and I admire it for attempting to do that—are those who will be the most affected in this case.

I suggest that, although material wealth is important; and although we need bread before we need films; and although personal freedom at the political level is a prize beyond comparison—and that is what men and women have gone to the stake for—there is another form of political and personal bondage, which is brought about by material impoverishment, and it is best illustrated in this situation where human beings are denied access to ideas, to skills, to training and to personal freedom of harnessing their own abilities to work on their behalf and that of society.

I believe the comment was once attributed to Henry Ford, senior, that being bankrupt is a temporary inconvenience, but being broke is a permanent state of mind. That is best illustrated with regard to the training of the mind. Let there be no doubt that the reason why people in less blessed countries than ours are so poor is not drought, lack of material resources or other factors in the productive process; they are poor because they cannot adequately harness ideas.

If enough of them could and did, they would ensure, firstly, their political freedom and, secondly, their material progress. Then they would, like people before them in more developed countries, work their way through the problems of their society and steadily improve their standards of living in all those areas of importance—of political, personal and material freedom; in other words, they would achieve adequacy in those areas.

In the final analysis, this is what we are talking about when dealing with this sum of an extra $1 million a year for library services.

I make this incontrovertible challenge in absolute confidence: that the only way for a society to progress in any continuing fashion is to educate its people not to some artificial or theoretical standard but to be able to think for themselves and to test their ideas against

historic truths and principles and against the practical proof of daily living here and now. That is what every Government must be about.

I could stand the Government, or my own party, if it were in Government, reducing spending in a thousand other areas by $1 million, but I cannot tolerate cuts of $1 million in this area.

I have spoken in this place a number of times on issues that I believe are of timeless importance, particularly on matters of personal freedom, of fairness and of equality, and those ideas have often involved the political dimension or perhaps the legal dimension; but I place before this House for its consideration today, more clearly than I have ever done before, the point that there is an ultimate dimension of imprisonment, impoverishment and denial—including denial of social justice—contained in this reduction in expenditure. This is the area in which we prevent individuals—men and women, boys and girls—from progressing according to their mental capacity.

No individual is responsible for saying what another individual should, must or can do. The only requirement, surely, is that when people sleep at night, they know that they have done their best and have been able to use their abilities to their fullest. If they have not trained to that level because they are denied the opportunity, that is one thing; if they are not trained to that level because they have not reached out for it themselves, that is another thing and they stand in judgment for their failure.

The ultimate form of imprisonment—of denial and of loss of democratic freedom and of all the things that the Government would say it stands for—is the denial of the individual's right to progress according to his or her mental abilities.

The Government will long regret what it has done to library services in this Budget. I hope the Minister for the Arts will be able to pursuade the Government to make a change to that allocation. More importantly, let that be an indicator; let it flag the Government's changed attitude to that incomprehensible decision on library services and books. The Government should never again allow library service expenditure to get out of balance. It can do more for this State in the library services area than it can do in any other area with the same sum of money.

Mr E. R. SMITH (Glen Waverley)—I would be remiss if I did not, on behalf of the residents of the City of Waverley, raise a similar plea to that put forward by the honourable member for Dromana.

I am sure the Government has the message about the necessity for these funds, so I shall not reiterate the point, although I point out that the 135 000 people of the City of Waverley will also be disadvantaged by the reduction in spending, in real terms, of 8 per cent, somewhere in the vicinity of $48 700 in the next financial year for the City of Waverley's library service.

A reduction in expenditure for library services should not be made and the reasons for this have been eloquently put forward by my colleagues. I am sure the Minister for the Arts has received the message. The residents of the City of Waverley feel strongly about this matter.

Mr Micallef interjected.

Mr E. R. SMITH—I knew that the honourable member for Springvale would support me on this issue. I was surprised to discover that between 45 and 50 per cent of residents of the City of Waverley are registered borrowers. That is an incredibly high figure and it appears that similar figures apply to the electorates represented by previous speakers today.

I shall not repeat comments made earlier in the debate, but I make a plea on behalf of the residents of the Waverley City Council on this important subject. The Minister now has the message and the Opposition hopes he will do something about it.

Mr MATHEWS (Minister for the Arts)—The basic principle at stake is that people should be able to borrow library books free of charge. The Government has always adhered to that principle. The principle has never been questioned within the Government.The reports to which the honourable member for Doncaster referred earlier in the debate—despite the fact he attributed them to the Melbourne *Age* and referred to that newspaper as the Bible of the Labor Party—are without foundation.

It does not follow from the principle that people should be able to borrow library books free of charge, that the library system should be immune from scrutiny for cost-effectiveness or that it should not be subjected to review from time to time.

The decision that such a review should be conducted has been taken and a high quality committee under the chairmanship of the former Director-General of Education, Dr Curry, has been established to carry out that task. There are a number of points that Dr Curry and his committee will need to examine.

Let me mention a few of them. In many instances those points are matters of common ground between the Government and the Municipal Association of Victoria on which the cost and responsibility for providing municipal library services has so heavily fallen, particularly in recent years.

The first matter that requires examination is that the cost sharing understanding, as it was entered into many years ago between a previous State Government and local government, has the fundamental flaw that there is no effective input into what aggregate should be devoted to library services in Victoria by the Government. The aggregate of what will be spent on library services throughout Victoria is the sum of the decisions about library services taken by 211 separate municipalities, or whatever proportion of those 211 municipalities conduct library services.

That is so because each municipality decides for itself at Estimates time what will be devoted to library services within that municipality. The question then arises, what proportion of this aggregate should be met by the State Government as a result of the understanding reached by the previous Liberal Government.

The report prepared at the request of and paid for by the Municipal Association of Victoria from Price Waterhouse Urwick highlights the point I have just made to the Committee.

The second point I should direct to the attention of the Committee, which is also reiterated in the Price Waterhouse Urwick report, is that the library system in Victoria has grown on a relatively ad hoc basis. It does not have clearly designated goals and objectives. The Government believes the time has come when such goals and objectives should be set.

The third point I wish to make is that when the understanding between the previous Government and local government was entered into, the then State Government, and probably local councils, had a fairly clear impression about the specific services which were to be funded. At that time library services were predominantly seen as involving the acquisition and lending of books. In some instances a slightly broader canvas might have been painted, but what is undeniable is that in subsequent years libraries have moved into a significant number of other fields over and above the acquisition and lending of books, over and above the acquisition and lending of music cassettes and records, over and above the acquisition and lending of reproductions of works of art and a whole host of other items which are now available through the library system.

I fully support the decision of local government to allow municipal libraries to act as distribution points for these various additional items. The point I make is that these were not matters that were envisaged when the original understanding was reached between State and local governments. It should now be the subject of review whether they are appropriately funded on the basis of being library services in the generally understood

sense of those words, and that is a matter that the Curry committee should now appropriately examine.

The fourth point I wish to make is that a significant number of library systems are operating in parallel or, in some cases, in overlap in Victoria. It may be that given the steep increase in the price of books and other library materials, which has been highlighted by a number of speakers in this debate and which are in part the result of the changing value of the Australian dollar, we should closely examine whether there are more cost effective ways of book acquisition and stocking of libraries than those which are currently in use.

Firstly, Victoria has a magnificent State Library which can fairly be said to have been a victim of not years but decades of apathy and neglect by Governments. It has been reduced to a state of decrepitude. The State Library now demands regeneration. The Government has made its intentions in that respect clear, even in this difficult budgetary year, by devoting an additional $3 million to the appropriation for the State Library.

Secondly, Victoria also has the municipal library network at the second level; thirdly, the network of libraries in secondary schools at the third level; and fourthly, a network of libraries in tertiary colleges and institutions of various kinds at the fourth level.

The Curry committee will need to examine those four separate library resources which our State has acquired and ask itself what management systems and sharing systems can be now put in place so that the resources available for libraries can be more sensibly deployed than is currently the case.

The fifth matter I want to touch on is the rapid technological change which is taking place in the resources available to libraries. It is clear that modern, electronically based and computer-based technology is of enormous significance where our libraries are concerned.

It is clear that the cost of putting such systems in place will be large and that we will significantly disadvantage ourselves if we do not achieve some sort of compatibility in the computer systems which are purchased by the various library systems.

It is clear, too, that the principle that books should be available free of charge to borrowers may not necessarily apply without qualification to access to various electronically based information systems, particularly given the high capital cost which will be involved in their installation.

The sixth point I wish to make is that the library system as it has developed in Victoria has not ensured that library services are available equitably throughout our State to all the various groups which may want to take advantage of them.

Many months ago now I commissioned the preparation of the Haratsis report for the Library Council of Victoria to see whether there was a needs-based funding formula which might be substituted for the present per capita funding formula in order to better address the needs of library system in areas which, say, are remote and sparsely settled, or areas which have heavy populations and which are in one way or another socioeconomically deprived.

That report is now a publicly available document and it is my intention that it should become a resource for the Curry committee in preparing recommendations for the Government in the coming months.

I make it plain that the funding level specified in the Budget Papers, maintaining as it does the level which has prevailed over the previous year of $4·25 per capita, will carry forward as an interim arrangement until the recommendations of the Curry committee have been brought down and until those recommendations have been properly considered in a process which will involve making the report generally available and ensuring that it is widely circulated to the relevant interest groups, as well as to individual citizens.

The review which is to take place is timely. The day of the open cheque is over. If the library system does not itself, through participation in the work of the Curry committee, work out a more sensible and more cost-effective set of arrangements than those currently in place, clearly it will have to learn to live with constraints on some basis, which might be much less acceptable to it because it is externally imposed.

I make it plain that there has never been any challenge whatsoever on the part of the Government, nor was there any such challenge on the part of its predecessors—much to their credit—to the principle that people should be able to borrow their library books free of charge.

Ms SIBREE (Kew)—Although the Opposition appreciates the attempt of the Minister to come to terms with some of the criticisms that it has quite validly presented in this debate today, he still has not answered the grave concern which has been expressed by both me and the honourable member for Bulleen, that the Government has failed to honour its promise.

We have not come into the Chamber today saying that we want to have an open cheque. We ask, "What happened to the dollar for dollar promise?" That is not an open cheque; that is a clearly defined amount of money that has been promised to municipalities in respect of library services.

Although I understand there is a review and, I understand the Minister's concern about equitable distribution of services, I cannot understand why he has done this while the review is in its embryonic stages and we do not know where it is going. The Minister has cut back the formula by putting off the times he will pay the subsidies, so there will be less paid in this financial year than there would otherwise be because he has changed it to a six-monthly payment scheme, and he has done this while the review is ongoing.

We are happy to sit and listen to a review that might improve library services but why jeopardise the services we have at present while the review is still under way? Is the Minister saying, when he says that he wants to achieve equity, that in order to achieve that, the bottom line will be to take services away from one area and put them into another? That is what he is doing.

If he is concerned about difference in the system, the inequities in the system, and some libraries being better than others, why is he effectively cutting the subsidy across the board in this year's Budget?

He says that he wants to do one thing but he is not doing this in the Budget at all. He is making changes which are fundamental to the running of many libraries without having the benefit of the Curry report, and he will probably cause hardship to many families because the libraries cannot operate under their budgets.

The Minister has not answered the valid criticisms and concerns we have raised. I find it disappointing that he has not been able to do this in view of the important community services.

He was not here when I referred to the fact that the Government has its social justice policy, and the information the libraries can give to the community is a basic institution which can be used in that social justice policy but the Government has failed to grasp the nettle on that matter in the debate. The Minister has failed miserably in explaining to the Committee what he has done this year with the library budget.

Mr COOPER (Mornington)—The question of library services and funding is one of great importance to many people in the State. I am pleased that the Minister acknowledged the fact that the Government and its predecessors have had a strong commitment towards the free library service, but I believe there needs to be an understanding that when we talk about the per capita grant of $4·25 that is being made in this year's Budget that, in fact, that will be a net loss so far as library funding is concerned because of the impact of inflation.

We are not seeing an increase in funding; we are seeing a decrease in real funding to libraries, on top of which there is the pea-and-thimble trick that is being performed by the shifting over of a considerable amount of funding that would normally have gone to libraries into the next financial year 1987–88.

All in all we are seeing a substantial loss of subsidy or grants to public libraries in this State and that will directly reflect upon the 47 per cent of people in this State who are subscribers to public libraries.

I heard my colleague, the honourable member for Glen Waverley, say that the figures in his area are slightly higher than that. As I said in my second-reading speech, the public library subscribers on the Mornington Peninsula are well in excess of 50 per cent—I understand it is of the order of 52 per cent or 53 per cent—and I am sure that figure is matched and probably bettered in other areas in the State.

When we see there is a substantial reduction in funding, this is a reduction in funds affecting a substantial percentage of the people in the State, but more importantly, the people that are predominantly library users are the young people and older people. They are the people who are going to be affected and they are the people whom I would have thought have been targetted as those in most need and would have received far greater attention from the Government under the social justice strategy, as my colleague, the honourable member for Kew, has just said.

It appears that library users are being deserted. When one examines this program one realises that there are areas of saving because money is being expended in a needless pursuit of fringe groups, and sacrifices are being made by people such as library users who can least afford those sacrifices.

Library funding is essential for the education of the community. It was strange of the Minister to say both inside and outside the Chamber that the Government is concerned at the inappropriate use of the library subsidy for some activities in which libraries are currently involved, such as the lending of art works, video cassettes, audio cassettes and so on. Libraries exist as disseminators of information, whether it be contained in written, visual or audio form.

It is a cop-out by the Government to insist that the library subsidy be used only to fund the provision of books. The Government has backed away from a firm commitment it made at the State elections in 1982 and 1984; indeed, the promise had been made by the Labor Party as far back as 1979. Until recent months the Government had never backed away from the promise that it would match local government on a $1 for $1 basis for library funding.

A similar promise was made by the former Government; it never matched that promise but it did provide 47 per cent of the cost of running libraries. Since the Labor Party assumed office, the level of that funding has dropped to 30 per cent and is falling rapidly.

It is sad to think that the Government has backed away from its promise to match local government library funding. The Government should be honest with the community and declare that it is no longer prepared to keep the electoral promise it made at two successive elections. It should not hide behind a lot of spurious reasons for reducing that funding.

I cannot accept the argument advanced by the Government that funding for libraries is being used to expand library services into areas that the Government considers inappropriate. Libraries have an obligation and a duty as disseminators of information to the community. Library subsidies are legitimately used to provide visual and audio material for the community.

If the subsidy is reduced or abandoned, regional libraries may be forced to charge for some of the facilities that they currently provide free; to reduce their services to subscribers, or municipal rates may have to be increased to subsidise library services.

Is this the basis of the Government's social policy? The Government is attempting to shift a substantial burden of State expenditure onto local government.

It is a brave Government that can slap in the face 47 per cent of the Victorian library users by reducing library subsidies. I am certain that, as a result of this action, after the next State election the backbench members of the Government—the crows on the fence—will no longer be here. The Minister for the Arts and his Cabinet colleagues have taken a brave decision to sacrifice their backbench colleagues. It is sad that such an important service as the library service is being used as a political weapon and is being dealt a harsh blow.

I appeal to the Minister to reflect upon the promises he has continually made over the years, both inside and outside the Chamber, to library subscribers who well remember the Government's promise of funding on a $1 for $1 basis for libraries.

The Opposition will keep reminding those library subscribers that the Minister made that promise and that the Cain Government went to the polls twice with the pledge that it would match local government library funding.

In real terms the Government has reduced library funding and transferred $4 million to the next Budget. Library users will not forget this action when they come to vote at the next State election.

Mr MATHEWS (Minister for the Arts)—After listening to the honourable member for Kew I thought briefly that it might be possible to have a sensible discussion. I have been largely disabused of that view after listening to the honourable member for Mornington, who has just resumed his seat. Nevertheless I should like to take up a number of points which I think were made in good faith and with due forcefulness by the honourable member for Kew.

Honourable members generally can be assured that the Budget measures so far as libraries are concerned are revenue neutral, both so far as local government is concerned and so far as State Government is concerned. The $4.25 level that applied in the previous financial year will apply in the current financial year, and the honourable member is right when he says that represents a reduction in real terms when allowance is made for inflation.

There are, of course, two possible reactions to inflationary pressures which institutions can follow. One is, of course, to simply demand compensation for inflation in the form of indexation, which I gather is the course advocated by the honourable member for Mornington.

Mr Cooper interjected.

Mr MATHEWS—I am merely outlining the options as they are available in reality. The other alternative is for the institution in question to examine its procedures and the way it goes about its business to ascertain whether economies can be achieved to compensate for the inflationary increase in costs.

Much of the thrust of the work of the Curry committee will revolve around an examination of the way libraries conduct their affairs to ascertain whether such economies can be achieved through the introduction of more cost-effective arrangements than those currently in place.

The honourable member for Mornington should not be too self-righteous about the fact that the level of the library subsidy has been kept constant. The honourable member should not be too self-righteous about the fact that the library subsidy has been maintained this year at the same level as previously in 1985–86 because the previous Government, of which I presume he was a supporter, although, it is true, not a member, followed the same course of action itself.

If it were to be held that it was wrong or deceitful for this Government to maintain the library subsidy at a constant level in times of severe economic constraint, clearly the same would apply so far as our predecessors were concerned.

The question of the 50–50 financial arrangements for libraries has been introduced. What is at issue is not necessarily the 50–50 formula which is applied so far as libraries are concerned, but the question of 50 per cent of what?

There are again two possibilities. On the one hand there is the course recommended in the Price Waterhouse Urwick Management Consultants report which was received recently by the Municipal Association of Victoria. The report recognises that there is an identifiable core of library services and suggests that agreement should be reached between the State Government and local government on a definition of that core of library services, and that the 50–50 formula would then apply to that core.

The report adds that it does not believe it is realistic to expect the State Government to meet a 50–50 share on any basis other than an agreed definition of core library services. On the other hand, the alternative—and that, of course, in which the Government is currently caught up and has been for many years—is 50 per cent of an open cheque to local government.

In other words, individual decisions about the provision of library services are taken by the 210 municipalities around the State and aggregated into a single figure. The proposition then comes to the State Government—as it has done for many years—that it should set the per capita library subsidy at a rate that would equal half of the aggregate services so determined.

The Price Waterhouse Urwick report presented to local government concludes that that is not a tenable proposition, that it is not a proposition to which any responsible Government will commit itself, and it is not a proposition, in fact, which either we or our predecessors have committed ourselves to at any stage.

The suggestion was made, I think, by both the honourable members for Kew and Mornington that the $4.25 per capita subsidy for library services this year was in some way inequitable, although that level of subsidy was not necessarily so inequitable in the same sense in the previous year.

The fact is that per capita subsidies are, by their very nature, inequitable because they take no account of special needs. They do not recognise that the cost of providing library services is higher in remote and sparsely populated areas. The cost is higher in the areas where there are large ethnic populations speaking languages other than English and where therefore there is more requirement for the supply of books and periodicals in a variety of languages, than is the case with other more homogenous areas for the supply of books and periodicals in one language only.

It does not recognise the fact that there are special needs in areas of socio-economic disadvantage where it may be necessary for books and other library materials to be promoted out to people in a way which might not prevail in an area where books are a more customary part of the provisions of every household.

The honourable member for Mornington tried to suggest there was an artificial distinction being drawn between books and music, records, cassettes and pictures. I have made no attempt in this debate to draw any such distinction as the honourable member is suggesting.

I suggest to the honourable member that where the share of the tax dollar can be devoted to library services in any given year is finite, there must be a cut-off somewhere and a line drawn between what can be provided free of charge—we agree that encompasses books—and what else should be provided free of charge.

The Price Waterhouse Urwick report has produced a surprisingly large list of services that libraries are currently providing which, I believe, now should legitimately and properly be made the subject of scrutiny.

For example, the report disclosed that some libraries—perhaps only a single library; it is not clear—are offering judo classes. Whether judo should be seen as something the community should be provided with free of charge because it is supplied by the libraries rather than gymnasiums is a matter on which the Curry committee can properly be called upon to commit itself.

The Price Waterhouse Urwick report recognises that some libraries are now involved in the provision of foreign language conversation classes. That, of course, is an admirable thing for those libraries to take on. However, again there is a question to be answered whether the principle of free lending of books automatically can be extended to encompass the provision of free foreign language conversation classes on the same basis and by the same logic.

The Minister for Local Government has advised me that he is aware of one library that is currently lending lawn-mowers free of charge. I wonder whether the honourable member for Mornington is willing to bring into the argument advocacy for the free supply of lawn-mowers simply because the point of distribution is a municipal library rather than a commercial hiring service, as would otherwise be the case.

I simply make it clear that a number of issues have grown up over the years about what properly constitutes a library service and, therefore, what is properly part of such a call service or properly chargeable to a 50–50 cost-sharing arrangement between the State and local government.

As the honourable member for Mitcham was demonstrating lucidly and conclusively earlier today, it is easy for honourable members opposite to argue in the one breath for restraint and then in the other for more expenditure.

The debate this afternoon has been characterised by the constant assertion of members of the Opposition that more money should be made available to libraries.

Mr Cooper—That is not so.

Mr MATHEWS—The honourable member for Mornington by interjection says that that is not so. The argument was put forward this afternoon that the $4.20 per cent capita subsidy for libraries was insufficient. Clearly that is an argument for more money for libraries.

There has been a total lack of interest among members of the Opposition in the clear demonstration that I have given of the need for a review of library services and the particularity of the matters that should be subjected to such a review. I have demonstrated that the Curry committee is a body that is competent to carry out that review and that access to the Curry committee is open to all groups and individuals in the community who are prepared to take the trouble to forward a submission to it. There cannot be a more reasonable approach to the provision of library services in the State.

What we want is a debate that is characterised by objectivity, lucidity and, not the least, by a bit of civility.

Mr STOCKDALE (Brighton)—It is scarcely surprising that the Ministry for the Arts Budget Papers are in the mess they are in when the Minister for the Arts has just demonstrated a total incapacity to grapple with the arguments that have been mounted in the Chamber today.

In his usual rhetorical flourish and histrionics that pass for debate when the Minister is on his feet, he completely misrepresented the arguments that have been advanced by a series of members of the Opposition this afternoon. The call by the Opposition was not for more money to be expended under this program but to point out that the Minister has breached promises that he gave before the last two elections.

Firstly, he broke his promise about ratios, and secondly he broke the promise about maintaining the value of the funding. If one looks at this year's Budget alone, the only

explanation that one can possibly advance for an apparent reduction in real terms is that the figures have been fiddled to move library costs out of the Budget to give an inaccurate impression to the people of Victoria. The Minister for the Arts has been caught on one or the other of the horns of the dilemma he sought to cover up with his usual rhetorical flourish.

The reality is that the Minister has broken two of his promises and the Opposition seeks to make him accountable. It welcomes the new analytical approach of the Minister to his responsibilities. Today he has pointed out the difficulties which he faces as a Minister of the State with which he must grapple for a short time yet. These issues might well have been brought to the people's attention at the time he was making his election commitments rather than when he was making a shabby departure from this Government's undertakings.

The Minister might have told the people the truth when he was asking them to vote for him at the last election and not just when he was explaining to them why he had broken his promise. Why did he not advance at that time the reasons he gave today? Why did he not tell the local government constituency that, although the Government said it would restore the ratio of funding towards which the former Liberal Government had been working, it did not intend to do so?

Instead the Minister said that the Government actually intended to freeze, in money terms, the grants and then in 1986–87 it would go further and transfer half of the funding for next year as part of an accounting device. This accounting device must inevitably impose additional costs on local government because the costs borne by it will have to be carried and funded by local government over a longer period. Thus, the financing charges to be borne by local government would be higher than otherwise as a result of the further shabby departure from this Government's undertakings.

To my knowledge, no member of the Opposition here or anywhere else has said that more money should be spent on funding municipal library services. The Opposition has said time and again that the Minister for the Arts has broken his promises.

It also must be said that this practice is a clear device to delude Parliament and the people of Victoria about what the Government is doing with the State's finances generally.

Not once during the Minister's reply on this program has he dealt with the issue that has been raised about pure accounting fiddles and the manipulation of the accounts of the State. The reply of the Minister—just like the Budget Papers—demonstrated beyond a shadow of a doubt that the Budget Papers brought into Parliament by the Government are no longer the accounts of Victoria. They are no longer a financial statement of what the Government is doing and proposes to do with the finances and other resources of the State, nor how it proposes, or to what extent it proposes, to meet its commitments.

The Budget Papers have become an adjunct to the Government's deceitful advertising campaigns, like that for third-party insurance and are misleading marketing documents. They are nothing more than that. They advocate the Government's cause. There are so many errors in the Budget Papers because they were probably prepared on the computer in the Government Media Unit.

The Government probably excluded accountants and economists from preparing the documents, which were, no doubt, handed over to the discredited media unit or, to give the unit its more properly and widely known name, the Government's misinformation bureau. Given the Government's propensity to engage in misinformation, perhaps Herr Goebbels has been retained by the Government to put into effect his well known maxim that the bigger the lie and the more often it is told, the more likely it is to be believed.

The Government has engaged in sleight of hand. This item in the Budget Papers discloses that sleight of hand and the Minister has made no attempt to explain or excuse what the Government has done. He has sought to offer an ex post facto rationalisation as an explanation for breaching the promises given before the last two elections.

This stands as an indictment of the Government. The people of Victoria should remember at the next State election, whenever it occurs, that when the Minister for the Arts makes a promise about library funding, it will not be kept. If his promises on library funding have been shown and admitted not to have been kept, how can the Minister's word be taken on anything?

When the Minister talks about increasing the number of effective policemen and employing public servants to release policemen from clerical work, one can rightly wonder whether those promises will be carried out when he resiles and admits he has resiled from promises about library funding. It is no excuse for him to say that the Government faces difficult decisions. In reality, the Government did not make any difficult decision; it simply used an accounting sleight of hand. No doubt, at a future date, the Government will be held accountable for those broken promises.

Mr J. F. McGRATH (Warrnambool)—Item 5339 of Program No. 144, Development of Cultural Activities, sets out the grant for the Warrnambool Art Gallery. The Warrnambool Art Gallery was a project worth $1·5 million, and the community of Warrnambool, particularly the council of the City of Warrnambool have worked very hard against strong opposition to establish the concept of the art gallery and then proceed through the difficult period of completing the gallery. The many thousands of people who attended the opening of the gallery last Saturday afternoon would attest to that.

I commend the Government and express the appreciation of myself, as the member for Warrnambool and of the Warrnambool City Council for the Government's contribution and support in making it possible for the art gallery to be established in the City of Warrnambool.

It is a testimony to a person whom I believe to be the greatest Australian ever. I do not say that lightly. The Warrnambool Art Gallery is dedicated to the memory of the late Sir Fletcher Jones. Anyone who knew the late Sir Fletcher would appreciate that he qualifies for the statement that I have just made. I believe him to be one of the greatest Australians. He was a man of compassion and understanding and a man who went through difficulties in the business world but came through them to leave behind the outstanding functioning business known as Fletcher Jones and Staff Pty Ltd.

The Warrnambool Art Gallery is a magnificent gallery and is designed to be very functional. Considerable assistance was obtained from the planners and building consultants and particularly from the local director of the art gallery, Mr David Hansen, who has been chosen by the Australian Art Bicentennial Exhibition to be the assistant curator of that exhibition.

The art gallery was made possible by the assistance of the State Government, the Minister for the Arts and particularly the local community. Fletcher Jones and Staff Pty Ltd was to the fore with a significant contribution, as was the Ern Hartley Foundation, named after another great Warrnambool citizen; and the project had the continuing support of Mr Alan Lane, a long-serving Warrnambool councillor and a proud community representative of that city.

Once again I express the appreciation of the City of Warrnambool and its community at the completion of the $1·5 million art complex, a fine tribute to a great man, Sir Fletcher Jones.

Mr NORRIS (Dandenong)—I wish to comment on item No. 2598, the Spoleto Festival. Originally there were some doubts about whether Melbourne was the right city to embrace the Spoleto Festival, as the other two venues for previous festivals were in Italy and in Charleston in the United States of America, a small town.

The Spoleto Festival ranges over two and half to three weeks and is a major cultural and artistic event for the city that stages it. Melbourne is a large international city with many visiting ballet and opera companies, and there were some doubts about the staging of the Spoleto Festival in Melbourne. Nevertheless, a gamble was taken by the Government,

strongly supported by the Minister for the Arts and the Italian community. The festival was an outstanding success, and I am pleased that the Government has decided to repeat the festival and has promised funding of $2 million for each of the next two years.

The Spoleto Festival presented an array of international attractions. The highlight would have to be the Ken Russell production of *Madame Butterfly*, which met with the approval of almost everyone who saw it. It was an exciting and stimulating production. Some traditional theatre goers may have wanted a production such as *Cherry Blossom* and may have been disappointed, but they were in the minority.

The National Dance Company of Spain was also magnificent. The fringe festival was an enthralling aspect of the Spoleto Festival. The *Age* produced a supplement on the fringe festival, to which many of Australia's young artists made valuable contributions. Photographic exhibitions, mime shows, arts shows, plays, readings, dance shows and so on were conducted during the period of that festival. Many other fringe activities occurred. People who have been fortunate enough to travel to the great world festivals, such as Edinburgh and the Adelaide Festival, appreciate that the fringe festival is an important aspect of those festivals.

The Spoleto Festival was an outstanding success, as I indicated, and the fringe festival was a thrilling sideline of the Spoleto Festival.

Unfortunately for Melburnians, the festival was staged in spring, and most great festivals take place during the summer months. I am not sure whether something can be done about that. Another minor criticism is the reluctance of Australians to involve themselves in the festival spirit. I believe we need to work on that because there was so much going on that we could be proud of.

I am delighted that the Government has guaranteed funding of $2 million for each of the next succeeding years. I congratulate the manager of the festival, Colin Sturm, as well as the hard-working committee.

I mention also the contribution of the Playbox Theatre Company Ltd. The Government's contribution of $750 000 in instalments of $250 000 over the next three years will assist the Playbox company to establish itself in the Malthouse Theatre in South Melbourne. It was a bold decision by the Government and is one that I applaud. The Playbox company certainly established itself, originally under the guidance of Carrillo Gantner, as an important part of Melbourne's theatre life. It provides an alternative to the Melbourne Theatre Company and is, perhaps, more prepared to take risks.

The original location of the delightful Playbox Theatre Company Ltd was, unfortunately, burnt out and the company has been roaming without a home for the past few years. Its contribution to the Spoleto Festival had to be held at the National Theatre in St Kilda. The production was a Richard Beynon play, *Summer of Shadows*. The company has now been given a property in South Melbourne. The company needs $4·5 million to get established. The Government's contribution of $250 000 over the next three years, making a total of $750 000, is applaudable.

Another aspect of Program No. 144 that deserves mention is the excellent grant of $170 000 to the School of Acrobatic Arts. In the mainstream of cultural life we are inclined to forget the broad scope of culture. That certainly includes the wonderful talented young Australians who are now getting into circus-type performances. I think of groups such as Circus Oz, the Flying Fruit Fly Circus and groups of that nature. They are excellent and are to be encouraged at every step. They are a spendid example of the aerobatic talents of young Victorians. I am sure that all honourable members applaud the Government on that grant.

Mr COOPER (Mornington)—I am obliged to the honourable member for Dandenong for answering one question. When I looked into works and services expenditure on Program No. 144 and saw that Budget Paper No. 2 referred to the School of Aerobatic

Arts and that Budget Paper No. 5 contained a grant for equipment for the School of Acrobatic Arts, I wondered which was right.

Having regard to the strong assurances given to the Chamber by the Treasurer that the Appropriation (1986–87 No. 1) Bill was correct, I assumed the Government was providing $170 000 for a School of Aerobatic Arts, which must be a flight of fantasy. It is another example that the Government cannot get it right.

I ask the Minister for the Arts what factors single out areas that have been designated for grants. I imagine the Minister received a long list of requests from organisations around the State for grants for various works and services. I appreciate the fact that decisions must be made and that some organisations will receive funding and others will miss out. However, I am interested to know what organisations have been singled out and what organisations that applied for funding missed out. I shall be interested to hear the Minister's response.

Mr WEIDEMAN (Frankston South)—I refer to Program No. 144, item 5335, which deals with the Meat Market Craft Centre. In 1986 I took an interest in tourism in this State. I am glad the Minister responsible for tourism has arrived in the Chamber. It has been estimated that, in 1988, two million international visitors will come to Australia. In 1981, one million people came to Australia, one-third of whom came from New Zealand. That had an enormous effect on Australia's tourism trade and the money that it brought to this country.

Recently, articles have appeared in newspapers about Japanese tourists who have taken their money home with them. Some of the complaints refer to the punctuality of our tour operators. The Japanese tourists like to get going at 6 a.m. and keep going until 6 o'clock the next morning. Japanese tourists bring to this country $5000 and $10 000 a person. Tour operators have indicated that they are taking a lot of that money home—because there are not enough craft and indigenous products presented to the tourists for purchase.

On the weekend of a Victorian Football League semifinal I visited the Meat Market Craft Centre. The centre has enormous potential for serving tourism in this country. The Minister responsible has now left the Chamber.

The market was developed to present the arts and crafts of Victoria and Australia to overseas markets. There is a magnificent display in Queen's Hall; I do not believe many honourable members have seen it, but I recommend it.

I suggest that the Government concentrates on the way to present the Meat Market Craft Centre to the rest of the world. On the Saturday afternoon that I attended, when there were approximately 70 000 to 80 000 people at the Melbourne Cricket Ground, none of the activities was operating. Perhaps one should not expect people to have the exhibits working on a Saturday afternoon. However, the centre is a tourist activity and should be a seven-day-a-week operation. The building is on a magnificent site and provides a great stop-off point for Melbourne.

In 1981 an idea was mooted about providing a bus service like the service provided in London where people can travel around the city on a double-decker bus for 75 pence. That is one of the brilliant sightseeing tours provided by the London transport authority.

The grant in the Budget for the Meat Market Craft Centre is a paltry amount. I recommend that the Minister responsible for tourism takes an interest in that field. He, with the Minister for the Arts, could get the industry going.

Mr FORDHAM (Minister for Industry, Technology and Resources)—On a point of order, Mr Acting Speaker, I look forward to the contribution of the honourable member for Frankston South at some stage as to the future of the tourist industry but, as I understand it, the committee is currently discussing Program No. 144, which deals with the arts. It is difficult to relate the honourable member's calls to the Minister responsible for tourism to the matter before the Committee.

The ACTING SPEAKER (Mr Kirkwood)—Order! The Minister for Industry, Technology and Resources is correct, and I uphold the point of order. I ask the honourable member for Frankston South to refer to Program No. 144.

Mr WEIDEMAN (Frankston South)—The grant for the Meat Market Craft Centre has decreased from $85 000 to $45 000. The centre is important to the arts and to tourism because of complaints from travel agents, tour operators, the Japanese and international visitors about the unavailability of arts and crafts in Melbourne.

If the Minister had been present earlier, he would have heard the preamble and he would know what I am talking about. All I am asking is that the Meat Market Craft Centre be taken to its maximum potential in the way in which it was first devised.

I am sure the Minister for the Arts will support me when he sums up this issue because he will appreciate the potential that was envisaged by the previous Government in the late 1970s. It is obviously not receiving the encouragement it deserves at this stage.

Progress was reported.

SITTING OF THE HOUSE

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House, at its rising, adjourn until Tuesday, October 21.

This is a procedural motion regarding the time of the next day of sitting.

The motion was agreed to.

COUNTRY FIRE AUTHORITY (AMENDMENT) BILL

The debate (adjourned from September 11) on the motion of Mr Mathews (Minister for Police and Emergency Services) for the second reading of this Bill was resumed.

Mr CROZIER (Portland)—This three-line Bill corrects an anomaly inadvertently created by a measure put through this Parliament in the autumn session.

On that occasion clause 7 of the Fire Authorities (Amendment) Bill (No. 2) amended section 50 (2) (*c*) of the principal Act to give effect to that part of the Australian design standard relating to spark arresters, namely Australian Standard 1019. Inadvertently, the effect of that amendment was to require all tractors, self-propelled farm machines and other machines now listed in section 50 of the Act to have spark arresters complying with the Australian standard fitted by 1 November or, more correctly, to require any new vehicle purchased after that date to be fitted and any spark arresters replaced to comply with that standard.

It was not realised at the time that this would mean that engines fitted with turbo chargers would also be required to comply by having spark arresters fitted. In fact, Australian Standard 1019 specifically exempts such engines from that requirement as they are deemed to comply.

Similarly, it has been recognised that engines fitted with exhaust aspirator air cleaners are also to be exempt, for the good reason that the requirement would make their operation impracticable.

I am always prepared to give the Government credit where credit is due and I commend the Minister and his Ministry for identifying this anomaly and moving expeditiously to correct it.

I assure the Minister that his small Bill has the support of the Opposition.

Mr McNAMARA (Benalla)—The National Party supports the Bill for the same reason outlined by the honourable member for Portland. The Bill provides for the exemption of

certain machines from the requirement to be fitted with spark arresters. The Bill will come into effect on 1 November and the National Party wishes it a speedy passage.

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

ADJOURNMENT

Threats to Portland family—Use of drugs in racing industry—Water pricing—Freedom of information requests—Water charges to irrigators—"Living in a nuclear world"—Parking spaces at Chia South Yarra Project

Mr FORDHAM (Minister for Industry, Technology and Resources)—I move:

That the House do now adjourn.

Mr CROZIER (Portland)—I raise a matter with the Minister for Police and Emergency Services that is of concern to a number of my constituents and to me. I refer the Minister to an article in yesterday's *Portland Observer* headlined, "Locals threatened by group; Armed 'minders' here says Kerrup leader". A short passage from that article states:

A leading member of the Kerrup-Jmarra Aboriginal Corporation has called on Victorian Attorney-General Jim Kennan to investigate threats to members of her family living in Portland and District.

Ms Sandra Onus says a group of Portland men, with armed "minders", would not hesitate to get rid of her as the cumulation of more than a year of terror tactics.

"Mr Kennan must investigate what is happening in Portland—and I want police protection for my family," she said.

"It's all to do with the Kerrup-Jmarra Trust moneys".

In December 1984 the State Government set up the Kerrup Trust with a backing of $1·5 million.

Ms Onus has suggested that Mr Kennan intervene, and so he should, as Attorney-General. I suggest that this is a police matter because this ugly episode has a further dimension which I shall briefly describe.

It has been brought to my notice that three of the men involved are allegedly under investigation by the Corporate Affairs Commission for a series of frauds that were allegedly of the order of $1 million and occurred between 1982 and 1983 in the Australian Capital Territory, at Pambula, Merimbula, Bega and Eden on the far south coast of New South Wales.

I have been told that two of the men have prior convictions. One was convicted in Canberra in 1978 of assault occasioning actual bodily harm. The other one has been charged on eight occasions with assaults on females. The information in my possession does give some credence to these reports and although on past occasions I have been inclined to take certain statements attributed to Ms Onus with the proverbial grain of salt, I am taking these allegations seriously and I ask the Minister to do likewise.

Apart from the threats posed to Ms Onus and her family, I am led to believe that this group and its associates may be planning another "sting", another massive con trick of similar proportions in the Portland area.

The leader of the group has been described as one of Australia's top con men. The newspaper report of "armed minders" adds an ugly dimension to this extraordinary affair.

I ask the Minister to intervene with expedition and to take whatever steps are necessary to initiate an urgent investigation of this group and its activities.

Mr REYNOLDS (Gisborne)—The matter I raise for the attention of the Minister for Sport and Recreation concerns a series of articles that appeared in the *Sun* of 7, 8, 9, 11 and 30 August entitled, "The Racing Odds" by Paul Chadwick and John Silvester. Many emotional, bold and dramatic headlines appeared in those articles. The first heading, in

big, bold and black type was, "Nobbled". The next heading was, "Racing 'needs clean-up help' ". Another heading in the series was, "Stimulants 'in 90% of racehorses' ".

Those sorts of statements are not good for the industry. It is interesting to note a comment from the Chief Executive of the Harness Racing Board, Dr Swann. One of the articles in the series states:

> He said the authorities from the three codes traditionally have closed their eyes to the problems because they fear a public scandal which could affect the confidence in the industry.

In many ways those are dramatic emotional statements. I ask the Minister whether he has investigated matters brought to light in the series of articles, particularly the article which states that a docile mare was given the drug etorphine, known as "elephant juice" so that the administrators of the drug could take photographs of the mare under the dramatic effects of the narcotic stimulant.

I consider that many allegations in the articles have not been proved. I note a Minister's statement later on in the series of articles which suggests that he concurs with that point of view. I agree with him. The treatment of the mare is a point of investigation in the whole matter. I ask the Minister whether he will report to me on who administered the drug to the mare to get her into that state and whether she lived afterwards, because it seems that the veterinarian killed five horses before he managed to get the dose right.

Mr McDONALD (Whittlesea)—The important matter that I direct to the notice of the Minister for Water Resources relates to criticisms made by members of the Opposition about the new water pricing policies of the Government and arrangements for the Thomson–Cardinia system. Water in this country is a scarce commodity, yet for many years it has been treated as an unlimited resource. In the past, people have used garden hoses to hose paths and driveways when a broom would have done the job just as well.

Having lived at Eildon for many years, I became aware of water wastage and the need for water conservation. The Government policy on water conservation was introduced to overcome that wastage by reducing consumption without any increase in revenue. I strongly support the Government's policy on water conservation, and I compliment the Government's arrangements on the Thomson–Cardinia system.

Recently, the Opposition has been attacking the Government's water policies on the grounds that they represent a wealth tax and a means of raising revenue. I should like the Minister to clarify the Government's policies on water pricing in answer to unfounded criticisms from the Opposition.

Mr STOCKDALE (Brighton)—I raise a matter for the attention of the Minister for Police and Emergency Services, who is the representative in this place of the Attorney-General. It concerns a flagrant abuse of the Freedom of Information Act in relation to a number of requests made by the Parliamentary Secretary of the Cabinet for files pertaining to Professor Porter of Monash University and various bodies.

I shall make available to the House a copy of a set of absolutely incredible requests made by the honourable member for Werribee under the Act. The fact that the honourable member has subsequently withdrawn those requests demonstrates only that they should never have been made in the first place. They are absolutely outrageous requests. The first request states:

> I would appreciate your cooperation in accordance with the provisions of the Freedom of Information Act——

The SPEAKER—Order! The honourable member is well into his opening remarks and, after 1 minute he is yet to identify what action can be taken by the Minister representing the Attorney-General on this matter.

Mr STOCKDALE—I was just about to come to that, Mr Speaker. I was putting on record the nature of the request to which my comments were directed. The remainder of that request reads:

. . . in obtaining:

A list of all files held by Professor Michael Porter.

That is an extremely wide request related to a professor working within a centre operating at the Monash University.

I ask the Minister whether he regards the type of request made in this case to be within the spirit of the Act, and whether the opposition parties——

The SPEAKER—Order! It appears to me that the honourable member is asking for a legal opinion.

Mr STOCKDALE—I am not.

The SPEAKER—Order! That is how it has appeared to the Chair to date.

If the honourable member is seeking an opinion of the Minister in respect to the validity of those requests, he is out of order.

Mr STOCKDALE—I was not seeking such an opinion, Mr Speaker. I expressly disavow that. I am not raising any issue about whether an objection could be made on legal grounds. I am asking a question about the policy of the Government in relation to the Freedom of Information Act: whether it is the intention of the Government in the administration of the Act that such requests should be made.

I instance some of the consequences that might flow from the Government administering the Act in this way. I instance, for example, the fact that it is a well-known feature, which has been predominantly displayed in the press, that Professor Blackshield of La Trobe University has given vigorous support to Mr Justice Lionel Murphy.

I ask the Minister whether, if this request is acceptable, it would be acceptable to the Government and regarded as consistent with its policy in relation to the Act and freedom of information generally for some other person interested in the subject to seek to obtain, in accordance with the Freedom of Information Act, all files——

Mr JOLLY (Treasurer)—Mr Speaker, I raise a point of order in accordance with the conventions that operate in this place. The honourable member is clearly seeking an opinion from the Minister for Police and Emergency Services on this matter. The matter and the way in which he has been putting it to the House has nothing to do with Government administration.

The SPEAKER—Order! I call the honourable member for Brighton, on the point of order.

Mr STOCKDALE (Brighton)—Mr Speaker, there is no point of order.

The SPEAKER—Order! If the honourable member for Brighton wishes to defy the Chair, I shall take action, even at this late stage of the day's proceedings.

Mr Micallef interjected.

The SPEAKER—Order! I do not need the advice of the honourable member for Springvale.

Where an individual member asks for an opinion from a Minister during the debate on the motion for the adjournment of the sitting, he is not out of order. However, it appears to me that the honourable member for Brighton is leaning towards the requirement of legislation in respect to this matter. If that is so, he is out of order.

I do not uphold the point of order raised by the Treasurer, and I ask the honourable member for Brighton to conclude his remarks.

Mr STOCKDALE—Mr Speaker, I am putting to the Minister a request for clarification of the way in which the Government intends to administer the Freedom of Information Act and clarification of Government policy.

I apologise for the way in which I expressed my remarks on the point of order. It was not my intention——

The SPEAKER—Order! The honourable member's time has expired.

Mr JASPER (Murray Valley)—I make a plea to the Minister for Water Resources on behalf of the Goulburn-Murray irrigators, bearing in mind that an announcement will shortly be made on water charges for the next twelve months.

The Minister willl be aware that the charge to water users in the Goulburn-Murray Irrigation District is $9·40 per megalitre and that there has been an increase in water charges to irrigators each year over a number of years.

Because of the desperate plight facing primary producers and particularly the people in the Goulburn-Murray Irrigation District, I ask the Minister for Water Resources to make representations to the Rural Water Commission of Victoria that there will be no increase in water charges in the coming twelve months or in the current twelve months.

I have received strong representations from water users within the electorate of Murray Valley and from representatives of farming organisations who are concerned for the future of primary producers. Surely the Government should recognise the problem of primary producers in making a profit and even in making ends meet.

Under the circumstances, strong consideration should be given to not increasing the water charges at all. I understand that the Rural Water Commission is considering a rise of approximately 9 per cent. If this were to be considered and approved, it would be more than the Treasurer and the Government have indicated, taking account of inflation in the current twelve months. The water charges are to be announced shortly and the Government has indicated that the increase should be no more than 7 per cent.

I ask, once again, that these strong representations be made by the Minister.

Mrs HIRSH (Wantirna)—I direct to the attention of the Minister for Education a document about which I have received many complaints over the past few days. It has, in fact, caused a great deal of offence within the schools to which it has been sent. It is a piece of Liberal Party propaganda.

I am happy to name the document. It is entitled, "Living in a Nuclear World" and it was sent out to schools and school principals by the Chairman of the Foreign Affairs and Defence Committee, Liberal Party, Victoria, Mr Ron Wilson.

A letter accompanied the booklet asking principals to distribute the booklet to all Year 11 and Year 12 students and to put it in the school libraries. The statement says that the booklet explains the Liberal Party's viewpoint on nuclear weapons. Apparently, the Liberal Party has finally found out that issues concerning peace and nuclear weapons are of concern to the young people of this State.

After months of denigrating activities involved with the International Year of Peace, the Liberal Party has apparently finally discovered that peace issues are of importance and it has made an attempt of some sort—certainly a biased and inaccurate attempt—to talk to schools. It has produced this little rag——

The SPEAKER—Order! The honourable member for Wantirna has now spoken for 2 minutes and, as yet, has not mentioned what action she is asking the Minister to take. If the honourable member leads to that point as soon as practicable, I shall allow her to continue.

Mrs HIRSH—In talking about this matter and explaining to the Minister for Education the problem, I am requesting that the Minister investigates the inaccuracies of the document and examines regulations that do not allow party political documents to be sent to schools.

I wish to direct the attention of the Minister for Education to the first inaccuracy in this document. It is a message to readers from someone purporting to be "our Leader". I point out to the House that this message is from the Federal Leader of the Opposition, John Howard.

He is not my Leader and he is not the Leader of the people who have complained to me about this document. I image he is not seen as the Leader of many members of the State Opposition. I am certain that John Howard is not seen as the Leader of the Peacock supporters within the Liberal Party. That is the first glaring inaccuracy.

On page 1 of that document, after the first inaccuracy involving the reference to John Howard as "our Leader", there is a statement involving the need to expand and to balance nuclear weapons.

The honourable member for East Yarra Province in another place, the Honourable Haddon Storey, is reported in the *Sun* of 8 October as having said:

> . . . the booklet was a perfectly balanced and unbiased view of nuclear issues . . .

For one to call John Howard the Leader of anyone is not a balanced or unbiased view. It is particularly biased and unbalanced. I ask the Minister for Education to investigate this matter.

Mr HAYWARD (Prahran)—I raise a matter for the attention of the Minister for Industry, Technology and Resources concerning the Chia South Yarra project with which the Minister would be familiar.

The Minister will recall that the car parking requirement for stage 1 is that a total of 1536 car parking spaces should be provided. I have been approached by a number of resident groups from the electorate that I represent expressing concern about an article which appeared in the *Australian Financial Review* of 8 October in which, Tim Hewison, the managing director of the project, is reported as having said that stage one of the project could contain only 810 parking spaces. The article gives the impression that Mr Hewison made that statement following discussions and agreement with the Government.

The concern expressed by resident groups is that parking in Prahran is already chaotic. The traffic in Chapel Street and Toorak Road is heavy and is clogging up the arteries of the city. If that newspaper is correct, many people are concerned that there will be inadequate car parking spaces for stage 1 of the project. Although we expect and hope that stage 2 will continue, at this point there is no guarantee that it will. However, the immediate lack of parking is of major concern to residents.

I ask the Minister to confirm whether it is correct, as Mr Hewison has implied in the article, that the Government has agreed to reduce the number of car parking spaces to 810. If so, can the Government reconsider this matter because it will have serious implications for local residents in relation to lack of car parking facilities and the further creation of traffic congestion.

Mr McNAMARA (Benalla)—The matter I wish to raise concerns the honourable member for Werribee, who is also Parliamentary Secretary of the Cabinet, and freedom of information requests involving Monash University.

I ask the Minister for Industry, Technology and Resources, in the absence of the Premier, whether he can advise the House of the Premier's intervention concerning the

honourable member for Werribee, as Parliamentary Secretary of the Cabinet, making freedom of information requests to Monash University, and inform the House why the Premier found it necessary to intervene?

My party has been advised that the Premier rang the vice-chancellor's office last night and apologised profusely for the request made by the honourable member for Werribee.

I also draw the attention of the House to the answer given by the Minister for Education to a question from the Leader of the National Party at question time today. In response to the Leader of the National Party, the Minister for Education made the comment that those inquiries made by the honourable member for Werribee were made purely on the basis of his being the member for Werribee and not his being the Parliamentary Secretary of the Cabinet.

I draw the attention of the House to several documents in which the honourable member for Werribee, under his letterhead, wrote to Mr A. L. Pritchard, Registrar of Monash University, with a freedom of information request saying that he would appreciate cooperation in accordance with the provisions of the Freedom of Information Act in obtaining a list of all files held by Professor Michael Porter. In another letter on the letterhead of the Parliamentary Secretary of the Cabinet and signed Ken Coghill, M.P., Parliamentary Secretary of the Cabinet, he asks Professor R. Martin, the Vice-Chancellor of Monash University, whether Professor Martin might ask Professor Porter for a copy of documents described as preliminary proposals. So matters that he could not get directly through freedom of information under his own letterhead he has attempted to use his weight as Secretary to the Cabinet to obtain.

This seems to fly in the face of comments made by the Minister for Education during question time today when he said emphatically these inquiries were made purely as an individual member and not at the behest of Cabinet and certainly not on the letterhead of Cabinet.

I seek your leave, Mr Speaker, and also the leave of the Leader of the House to have the letter on the stationery of the Parliamentary Secretary of the Cabinet incorporated in *Hansard.*

The SPEAKER—Order! I have seen the document and it is suitable for printing in *Hansard.* Is leave granted?

Mr FORDHAM (Minister for Industry, Technology and Resources)—No.

Honourable members interjecting.

Mr McNAMARA—Only 5 or 10 minutes ago the Leader of the House assured me that he would grant leave to have this document incorporated.

The SPEAKER—Order! The honourable member for Benalla is positively out of order in defying——

Mr Fordham interjected.

The SPEAKER—Order! I advise the honourable member for Benalla that the procedure is to seek leave, and if leave is refused by any individual in the House he cannot include the material in *Hansard.*

Honourable members interjecting.

Mr McNAMARA (Benalla)—I will not say any more on the matter but I will say that the Leader of the House has certainly dropped in my estimation and, I am sure, in that of most other honourable members who have been here in the Chamber today.

The SPEAKER—Order! The honourable member for Benalla cannot debate the matter. Leave has been refused in respect of the material that he wishes to be incorporated. The honourable member for Benalla has 1 minute.

Mr McNAMARA—It is quite clear from the letter sent by the Parliamentary Secretary to the Cabinet, which I am sure will appear in other publications after this discussion, that the honourable member clearly asked Professor Martin to provide the documents that Professor Porter had that, at this stage, he had not successfully got through freedom of information applications.

I should like to receive an assurance from the Deputy Premier that he will endeavour to ensure that the honourable member for Werribee does not provide the list of requests to left-wing students groups and have them put those applications that he could not get through other sources. This matter deserves the serious attention of the House.

Mr E. R. SMITH (Glen Waverley)—The matter I raise for the Minister for Education follows the matter raised earlier by the honourable member for Wantirna. I shall be pleased to make a copy of the "Peace" document that the honourable member was mentioning available.

The matter I raise for the attention of the Minister is that I would like an assurance from him that censorship will not be brought into this matter.

Recently the Liberal Party published its policy on peace. The community should be made aware that the left wing of the Labor Party does not have a monopoly on the issue of peace.

Peace is probably the greatest moral issue of our time, yet the left wing wishes to indoctrinate children with a sense of hopelessness and fear in order to achieve a belief in the policy of unilateral disarmament.

The bottom line is that peace activists are trying to indoctrinate young people with a hatred of the United States of America and capitalism.

I urge the Minister for Education not to comply with the request by the Victorian Secondary Teachers Association to censor the Liberal Party's policy document, which is a contribution to the International Year of Peace.

The SPEAKER—Order! The honourable member's time has expired, and time for raising matters has expired.

Mr FORDHAM (Minister for Industry, Technology and Resources)—The honourable member for Benalla asked me to advise him whether the Premier had spoken to the Vice-Chancellor of Monash University by telephone last night and, if so, what had transpired during that telephone call. I am obviously not in a position to answer that question.

Mr Kennett—You mean you do not know?

Mr FORDHAM—I certainly do not know. I suggest that if somehow or another a telephone call is important the honourable member for Benalla raise the matter with the Premier.

The honourable member for Benalla made a request to incorporate a document in *Hansard*. In fairness to both the honourable member and the House, I do not believe it is appropriate during the debate on the motion for the adjournment of the sitting for honourable members to have documents incorporated in *Hansard*. As a matter of principle, I do not believe that is desirable. The honourable member specifically asked me whether he could incorporate the document in *Hansard*, and I said "No".

Mr McNamara—You did not; you are a liar!

The SPEAKER—Order! I am allowing the Deputy Premier to make an explanation in response to the matter raised by the honourable member for Benalla, but I will not tolerate the honourable member for Benalla accusing the Deputy Premier of being a liar. I find it offensive and I ask the honourable member to withdraw the term forthwith.

Mr McNAMARA (Benalla)—If the Deputy Premier——

The SPEAKER—Order! I do not intend to tolerate a debate on the subject. I ask the honourable member to withdraw the term he used and if he does not do so I will take the matter further.

Mr McNAMARA—I withdraw the term I used. I think I made my point.

Mr FORDHAM (Minister for Industry, Technology and Resources)—Having discussed whether the document would be incorporated in *Hansard*, as the honourable member left me he said he would take his chances.

The final aspect of the matter raised by the honourable member for Benalla was whether the honourable member for Werribee would pass on to other individuals the terms of his freedom of information request. The honourable member for Werribee has indicated to me in the House that he will not do so.

With regard to the matter raised by the honourable member for Prahran, prior to his drawing it to my attention a couple of moments ago, I had not seen the newpaper article. I shall be pleased to make inquiries on the matter he has outlined and get in touch with him.

Mr MATHEWS (Minister for Police and Emergency Services)—The honourable member for Portland raised what is obviously a vexed and difficult situation in his electorate. From the description that he gave of the situation it appears clear that the Portland police would be well aware of the tensions that have arisen there, and I would imagine that the honourable member would have contributed to the local police the further light which he was able to shed on the matter for the House.

In those circumstances it does not appear immediately plain that there is any role for me to play in the matter. However, if the honourable member has any reason to feel that the investigation is not being pressed with appropriate vigour I would be prepared to take up that point on his behalf.

The honourable member for Brighton asked me, in my capacity as the Minister representing the Attorney-General, for an interpretation of the Government's intention in regard to the freedom of information legislation.

Legislation on this matter and the second-reading speech of the Minister are available to the honourable member, as they are to any other honourable members and any members of the community at large. The honourable member for Brighton, by reason of his profession, is probably better equipped than most to interpret that legislation and the second-reading speech, and I suggest he do so.

Mr TREZISE (Minister for Sport and Recreation)—The honourable member for Gisborne referred to a matter arising from a series of articles in the *Sun* newspaper a month ago about the drug situation in the three animal racing codes. He specifically referred to an article with a picture and story about a so-called docile black mare which was injected with elephant juice and went almost berserk. It is an interesting story.

I should like to know—and we may discover—who injected the mare with the drug, where the picture was taken and whether such action was illegal so far as drug administration is concerned. I assume the animal was not injected in respect of its performance on a racecourse.

By the same token, it is an interesting article and I shall refer it to the working party which was established and commenced work about five or six weeks ago. The working party expects to present its final report by about the end of November.

I shall also refer the matter about the mare to Sergeant Kneebone of the Victoria Police Racing Squad and ask for a report. When I receive the report, I shall pass the information on to the honourable member for Gisborne.

Mr McCUTCHEON (Minister for Water Resources)—The honourable member for Murray Valley referred to water charges in the Goulburn-Murray Irrigation District and

made a plea that the Rural Water Commission should not increase the charges to those irrigators this year.

The Government recognises that there are concerns facing some farmers in rural Victoria and the Rural Affairs Committee of Cabinet has been addressing many of these issues and has provided direct benefits for those farmers who were in trouble—for example the grain growers in the Mallee. The Rural Water Commission has adopted a financial management strategy which was agreed to after lengthy consultations with the various irrigation districts. It has also been agreed to by the water committee of the Victorian Farmers Federation.

Honourable members interjecting.

The SPEAKER—Order! Would the honourable member for Benalla resume his seat if he wishes to remain in the Chamber? I will not entertain an across-the-Chamber conversation between the honourable member for Benalla and the Deputy Premier.

Mr McCUTCHEON—I was informing the House that the Victorian Farmers Federation water committee had endorsed the financial management strategy with respect to water pricing and of general agreement with the Government and the Rural Water Commission over those policies in the next four years, which includes pricing in irrigation districts moving towards full cost recovery.

It is not possible to fulfil the request of the honourable member for Murray Valley. I do not believe the Rural Water Commission has a task to subsidise farmers when times are hard. The Rural Affairs Committee of Cabinet has directed its attention to providing assistance to farmers to get over particular difficulties that they are facing. I believe it is inappropriate that water pricing should be the vehicle for overcoming those difficulties.

The honourable member for Whittlesea directed my attention to two matters affecting the Melbourne and Metropolitan Board of Works. They were the water pricing policy and the arrangements concerning the Thomson and Cardinia dams. The Opposition has attempted to attack both policies of the MMBW.

The attacks have been wrongly based in an historic argument and the Opposition has deliberately distorted the facts to scare both metropolitan ratepayers and people who live in Gippsland. Not only is the case of the Opposition wrong but also it illustrates where the Opposition stands on water conservation.

If one examines the way the Opposition has argued its case, one realises that it is opposing conservation of water, which is a valuable resource that belongs to the whole State. The Opposition is opposing responsible policies, which the Board of Works has spent considerable time preparing.

Through its water pricing policy, the Board of Works has directly tried to slow down the rate of water consumption in the metropolitan area. For some years the rate of growth has been 3 per cent. If water is consumed at that rate, every twenty years the water storage will need to be doubled. Future expenditure of between $1 billion and $2 billion would be required to double the current water storage. Therefore, the board's pricing policy is aimed at water conservation.

The Opposition has failed to understand that the board's policy is revenue neutral. The Opposition has made flamboyant statements about this system being a special new tax and a way of increasing the board's revenue. Those assumptions are all wrong. The board has gone to considerable pains to make it clear that no additional revenue will be raised through its water pricing policies.

The objective is to encourage the people of Melbourne to reduce any wastage of water, to think more carefully about the consumption of water and to try to reduce the rate of growth of water consumption from 3 per cent to 2 per cent.

This will be of direct benefit to every Melbourne ratepayer in the next twenty years. It will mean each Melbourne ratepayer will not be loaded with an additional $200 each year unless $1 billion has to be expended to augment the present water supply.

The Opposition does not understand that the tariff is in two parts. One part is property based, which will mean that the tariff ratepayers will have to pay will be reduced by between 15 and 20 per cent next year. The Opposition has not acknowledged that fact in its reckless statements. It has misrepresented the facts to the community.

The water by measure component of the tariff, when added to it, means that approximately 60 per cent of metropolitan ratepayers will not have their water bills increased. Some water bills will be increased by only about $10 per annum and a small group of heavy consumers of water will have their water bills increased by $10 or $20 per annum.

The distortion that has come from statements made by Opposition members has largely been based on properties with very high net annual valuations and high consumption of water.

I direct to the attention of the House that the Opposition made little attempt to learn about the pricing policy of the Board of Works. The board had prepared a briefing for Opposition members, but only three members of the Opposition turned up, and those three honourable members have all made misleading statements.

I refer the House to a statement made by the honourable member for Narracan. The honourable member cited a typical family home valued at $82 000, using a typical amount of water, and said that that family would face a 49 per cent increase in water rates over the next two years. I categorically deny that false, outrageous claim. The honourable member is stirring up community concern and confusion over what is an important policy of water conservation.

Under the old pricing policy of the Board of Works, the average family would pay $129.68 for the use of 250 000 litres in a year. Under the new system that family may be paying $149, an increase of $19 or 15 per cent. The policy will be phased in over three years, so the increase families will face is approximately $60. I do not believe that is anything to panic about.

The attempts by members of the Opposition to whip up a furore over proposed increases in water rates are both irresponsible and misleading to the public, because the real issue is how the Board of Works can delay the building of expensive dams so that all Victorians benefit. It means that every five or ten years the Government can put off major expenditure of approximately $1 billion. That is the object of the exercise, and even the Opposition should support that objective.

Irresponsible and ridiculous statements have been made about the garden State and about the community's lawns going brown. The conservation of water will pose no threat to Melbourne's gardens. One has only to listen to the Australian Broadcasting Corporation on a Saturday morning when the garden program informs people to use mulch on their gardens and drip watering systems or to dig trenches around their trees to save water. Melburnians do not have to flood their gardens.

The Opposition also raised a matter relating to the Thomson–Cardinia dam and the threat, so-called, to Gippsland's birthright. The honourable member for Gippsland East claimed that the water of the Thomson River was Gippsland's birthright. The honourable member for South Eastern Province in another place, Mr Hunt, and the honourable member for North Eastern Province in another place, Mr Baxter, made outrageous claims about the threat to the Gippsland Lakes. Their facts are wrong.

The SPEAKER—Order! Two matters were raised with the Minister for Water Resources; one by the honourable member for Whittlesea and the other by the honourable member for Murray Valley. The Minister has responded to both of those requests and matters

raised. The honourable member for Gippsland East did not raise any matter that I heard, and the Minister is now saying to the House that he is responding to the honourable member for Gippsland East. If the Minister is responding to the honourable member, he is out of order.

Mr McCUTCHEON—Thank you for your guidance, Mr Speaker, but the point to which I was responding was the honourable member for Whittlesea's query on the inaccuracies perpetrated by the Opposition regarding the water pricing policies of the Board of Works and matters relating to the Thomson–Cardinia dam, and I was referring to a statement by members of the National Party and the Liberal Party in relation to the environment in the Gippsland Lakes.

The SPEAKER—Order! It is a longstanding principle in respect of matters raised on the motion for the adjournment of the sitting that honourable members raise one matter and one matter only, and I intend to uphold that principle. I was not aware that the honourable member for Whittlesea had raised a second matter; perhaps there was too much uproar for me to hear it. If the Minister observes the customs of the House, I will hear him to conclusion.

Mr McCUTCHEON—I accept your ruling, Mr Speaker.

I shall conclude on the matter of the Melbourne and Metropolitan Board of Works water pricing policy. It really represented a furphy, which is a water-cart, by the Opposition. If the Opposition is not careful, the wheels will fall off its wealth tax water-cart.

Mr CATHIE (Minister for Education)—The honourable members for Wantirna and Glen Waverley both raised a point about a Liberal Party pamphlet that had been sent out to schools for distribution. I am aware of the pamphlet. It has a covering letter under the heading, "Liberal Party of Australia, Victorian Division" and the letter has the Liberal Party logo on it. The covering letter is signed by Mr Ron Wilson, Chairman, Foreign Affairs and Defence Committee, Liberal Party, Victoria.

The pamphlet deals with the Liberal Party's view on nuclear weapons, uranium mining, the United States of America alliance and other associated issues. The letter asks school principals to distribute the pamphlet to students in Years 11 and 12 and also to place a copy in the school library.

The letter claims that the pamphlet is the Liberal Party contribution to the International Year of Peace. Some contribution! At every possible opportunity members of the Liberal Party in this Chamber constantly seek to denigrate, criticise, misrepresent and oppose initiatives that this Government has undertaken for the International Year of Peace. The honourable member for Ivanhoe gets it wrong when he does raise the issue.

The pamphlet contains a letter that appears to be signed by John Howard. He is described as "our Leader". I suspect that even some Liberal Party members would have suspicions about whether he is their Leader. Certainly Liberal members in this House are constantly confused about who their State Leader is.

The pamphlet describes Liberal Party attitudes to a whole range of issues. It provides some simple answers to some extremely complex issues. I do not believe it is in the best interest, nor is it in the longstanding tradition, of our schools for them to be used for political purposes.

Mr WEIDEMAN (Frankston South)—On a point of order, Mr Speaker, today you ruled on a point of order regarding accurate identification of documents. I ask the Minister for Education to declare what the document is and whether it is a copy or an original.

The SPEAKER—Order! I ask the Minister to identify the document and, if necessary, make it available to the House.

Mr CATHIE (Minister for Education)—I shall do both with pleasure: it is a photocopy of the actual pamphlet. As I indicated at the beginning, it is headed, "Liberal Party

Australia, Victorian Division". The covering letter is signed by Mr Ron Wilson and the rest of the brochure is enclosed.

I have been asked what action I intend to take. I do not intend to take any action because I have confidence in the professionalism of our teachers and in their sensitivity in dealing with issues of war and peace. Other matters concerning the International Year of Peace will be treated in a fair, balanced and proper fashion.

The motion was agreed to.

The House adjourned at 6.10 *p.m. until Tuesday, October* 21.

QUESTION ON NOTICE

The following answer to a question on notice was circulated—

KIDNEY DIALYSIS UNITS

(Question No. 548)

Mr WEIDEMAN (Frankston South) asked the Minister for Transport, for the Minister for Health:

1. How many kidney dialysis units are established in Victoria?

2. How many patients use these units per week?

3. Whether he will ascertain and advise how Victoria compares with overseas countries in terms of dialysis units per head of population?

Mr ROPER (Minister for Transport)— The answer supplied by the Minister for Health is:

1. There are thirteen haemodialysis units in Victoria - nine hospital based units and four satellite limited care centres affiliated with public hospitals, which provide self care under supervision.

In addition, some patients are maintained in their homes either on haemodialysis or on continuous or interrupted peritoneal dialysis. There are no haemodialysis units in the private sector.

2. The numbers of patients on chronic haemodialysis or peritoneal dialysis in 1985 were:

Haemodialysis	—hospital	142
	—limited care	89
	—home	139
Peritoneal dialysis		140
Total		510

All patients on chronic haemodialysis require treatment on a dialysis machine three times a week.

An increase in numbers of about 10 per cent is expected in 1986.

3. A comparison of Victorian and overseas dialysis facilities must be mindful of, firstly, the incidence of chronic renal failure in the countries concerned and, secondly, the availability of other treatment programs, particularly renal transplantation. Attached are figures obtained from the Australian and New Zealand Dialysis and Transplant Register and the European Dialysis and Transplant Association for 1984.

Number of patients on dialysis/with functioning Transplant End 1984

Country	*Dialysis/Million Population*	*Transplant/Million Population*	*Total*
Fr Germany	261	40	301
France	237	49	286
Italy	226	12	238
Netherlands	170	123	293
Spain	237	47	284
Sweden	106	92	198
UK	101	99	200
New Zealand	111 (51 per cent)	106 (49 per cent)	217
Australia	136 (52 per cent)	127 (48 per cent)	263
Victoria	125 (49 per cent)	130 (51 per cent)	255

References

(1) Proceedings European Dialysis and Transplant Association (1985) Vol. 22 p8–10 (Data to 21.12.84)

(2) Eighth Report Australian and New Zealand Dialysis and Transplant Registry (1985) p9, 184, 214 (Data to 31.10.84)

Notes

(1) A number of countries including Australia (Victoria) have a policy of supporting active and successful transplant programs as the best way of treating chronic renal failure.

(2) This policy means there are less patients as a proportion on dialysis.

(3) New South Wales and Queensland have a higher number of people with analgesic nephropathy (a preventable disease) than Victoria and hence have more people on chronic renal failure programs.