



Michael Hodgman MP

House of Assembly

Date: 28 April 1992

Electorate: Denison

ADDRESS-IN-REPLY

Mr MICHAEL HODGMAN (Denison) - Mr Speaker, I wish to associate myself with the congratulations offered to you, as I did on the day of your election, and with the sentiments in the motion for the Address-in-Reply moved and seconded so capably by my colleagues, the members for Bass and Braddon, Mrs Napier and Mrs Cains. I commend both members on outstanding addresses to the House which were not only thoughtful but very well received.

I would like specifically to associate myself with that part of the message to His Excellency which records our continued loyalty to the Throne and Person of Her Majesty, Queen Elizabeth the Second, and at the same time assures His Excellency that the measures which will be laid before us during the session will receive our careful consideration. Loyalty to the Throne is something to which each and every citizen of this country and each and every member of this House has either sworn their oath or given their affirmation and it appals me from time to time to find members of parliament who have taken an oath or made an affirmation of loyalty to Her Majesty, Queen Elizabeth, Queen of Australia, who then proceed to make statements about either Her Majesty or the monarchy itself which are frankly disloyal. It has not been prevalent in this Parliament but it has been prevalent in the Commonwealth Parliament and in the New South Wales Parliament. Disloyalty to the Crown by any member of parliament in Australia of whatever political persuasion must be deplored.

It seems to be the fashion these days for people to engage in doublespeak because our Constitution clearly and unequivocally provides that we have come together in one indissoluble Commonwealth under the Crown and yet we have people such as Senator Schacht who moved the notorious republican motion at the most recent ALP conference held in Hobart and who is unavowedly pushing to have Mr Keating become the first president of Australia by the year 2000. And there are others who come out of the woodwork and push for this country to become a republic, or go further and attack our national symbols. Is there any person in this House who would fail to remember that on a kerbside in Sydney the then Prime Minister of Australia glibly announced that our national colours had been changed? Is there anyone who would fail to remember the way in which the national anthem was changed? Is there anyone in this House who will ever forget the demeaning, disgraceful behaviour of Prime Minister Keating importing to Indonesia a matter of internal parliamentary and public debate in this country and saying the disparaging things that he did about our national flag - not only in Indonesia but he repeated them during the sacred weekend of Anzac in Papua New Guinea.

I am sick and tired of a prime minister who metaphorically tears up our flag, spits on the monarchy and decries the fact that we are an indissoluble Federal Commonwealth under the Crown. I know it is not good form to quote oneself, but I would like to suggest that when one can say something outside the House and be prepared to repeat it inside the House, and when it is reported fairly - as indeed it was in the Examiner - these are not things that I have said just today. These are things that I said only three weeks ago when I accused Mr Keating of metaphorically spitting on Australia's national flag, publicly handling the Queen in a demeaning manner, insulting her, and making a vitriolic attack on British servicemen. What gives this man the right to think that he will determine that a flag which has been our national flag since 1901, approved by King Edward in 1904, used in two world wars, approved by an act of parliament -

Dr Amos - The red ensign, Michael.

Mr MICHAEL HODGMAN - Dr Amos is quite correct: originally it was red. But if he has checked his history he will find that the usage of the red became more common to the merchant marine, the usage of the blue became more common and by World War II the blue was utilised as much as the red. In 1953, by unanimous vote of the Commonwealth Parliament, it became our national flag. In 1974 Her Majesty, Queen Elizabeth, became Queen of Australia and anybody who knows anything about our Constitution would recognise that from 1901 the Commonwealth of Australia was virtually independent of the United Kingdom and by the Statute of Westminster in 1932 it became totally independent. So what is this poppycock of Keating in Indonesia saying that the retention of the Union Jack in our flag will confuse our Asian friends into thinking that in some way we are still tied to the apron-strings of the United Kingdom? This is a matter of some importance because if we apply that logic it would mean that the world would be confused about this flag.

Mr Rundle - It's the flag of Hawaii.

Mr MICHAEL HODGMAN - The minister is correct: this flag is the flag of the state of Hawaii.

Dr Amos - It's not.

Mr MICHAEL HODGMAN - It is!

Dr Amos - It's not! Because Hawaii did not have the Union Jack with St David's cross on it -

Mr MICHAEL HODGMAN - I apologise to Dr Amos -

Dr Amos - No, you're wrong; you are wrong. You've had that made up and you've been caught out, Michael.

Mr MICHAEL HODGMAN - unfortunately for him, this was sent to me last week by a professor at the University of Hawaii.

Dr Amos - Nonsense; you've had it made up!

Mr MICHAEL HODGMAN - Seriously, poor Dr Amos needs to have his eyes tested; it even has 'Hawaii' stamped on it. This is the flag of Hawaii and the plain fact of the matter is that Dr Amos is a close friend and supporter of Mr Keating and one of the Tasmanians who are committed to the 'Keating for President of Australia by the year 2000' campaign at which time he hopes to be the leader of the Labor Party in this State, or what remains of it. The good news for Dr Amos is that Mr Polley is organising the numbers for him. The bad news is that Mr Polley is also organising the numbers for Mr Lennon and, as I heard this evening, for Mr Patmore! In any event, Dr Amos is effectively Tasmania's answer to Paul Keating; in many ways he is the Paul Keating of the Tasmanian Parliament.

The Keating theory is that the continuation of the Union Jack on the flag of the state of Hawaii will make people think that in some way it is still tied to the United Kingdom. On Anzac Day, from the dawn service until I retired to my residence in the evening, if one thing was raised with me over and over again by ex-servicemen and ex-servicewomen - and I will not mention the Hobart RSL breakfast, at which one of the Labor members unfortunately failed to turn up - it was the question of what Keating was saying about the flag. If I may commend one member of this House, I commend the member for Bass, Mrs James, for the frank and open statement she made about her feelings about the flag and the high regard in which it is held by the overwhelming majority of ex-servicemen and ex-servicewomen in this country. I commend her, as I always will, because the member for Bass, Mrs James, is a person who does speak out openly and frankly and, in this particular case, I believe she is to be commended.

This flag is not the private property of the member for Blaxland, Mr Keating. He has no right to determine that the Australian people will no longer have it. I believe I should also congratulate the cartoonist, Polly, for a most moving and expressive cartoon in the Mercury on Saturday on what the desecration of the flag, which Keating proposes, would mean to the ex-servicemen and women of this country. Members who have not see it ought to have a look at it. It is a moving and in my submission particularly brilliant exposition of what an ordinary Australian would feel about the way in which Mr Keating is treating our national flag.

He will not succeed; the flag is here to stay. It is a flag of which we are proud; it is a flag under which nearly 200 000 Australians have died. It is a flag which is not the private property of a man whose secret ambition is to become the first president of an Australian republic. We will not become an Australian republic in the short term and, thank God, Paul Keating will never be president of an Australian republic.

So when I talk about the expression of loyalty to Her Majesty and to Her Majesty's representative in this State, I mean it. If members opposite think that is something to which one glibly pays lip-service but does not really put into effect, I would be disappointed. It is a great pity that the Parliament, unlike the court, does not at some stage in the day at least utter the invocation 'God save the Queen'. At the end of each day's sitting of the Supreme Court of Tasmania, the court is closed with the words 'God save the Queen and His Honour the Judge'. I would have thought that the invocation 'God save the Queen' would be appropriate for consideration, either at the completion of Prayers at the commencement of the day's sitting, or at the end of the day's sitting. It is an invocation which, as loyal Australians, we should at all times remind ourselves of and be prepared to declare publicly.

On that very subject I would hope that at some point in time a return to the proper form of statutory cataloguing by regnal year with the appropriate coat of arms may be something to which this Parliament might pay some little attention.

All of these things have been raised because a man went to another country, broke the fundamental rule that one does not indulge in domestic politics when outside one's home country and, in my opinion, disparaged and dishonoured our flag and behaved in a manner which designates him unfit to hold the high office of Prime Minister.

I wish to warmly congratulate our new Premier, the members of the Groom Government, both within and without the Cabinet, on an outstanding victory on 1 February when the people of Tasmania overwhelmingly said, 'Enough is enough. The thirty months minority ALP Green coalition government experiment has crucified this State. Go, you must go', and they were dispatched. The Sydney Morning Herald headline was significant, 'ALP jobless: given the boot'.

The ALP was thrashed as it deserved to be thrashed and the Greens suffered a massive decline in their vote but fortuitously under the Hare-Clark system all five were returned. What staggers me is that, with the exception of Mrs Hollister - and I have seen nothing about her conduct to make me believe that she would be unreasonable - the other four do not seem to have recognised the umpire's decision and the Greens seem to be continuing today in exactly the same manner as they were over the past thirty months. It must be pointed out to them that they were equally guilty with the Field baker's-dozen minority government and its illegitimately conceived accord which was never put to the people of Tasmania. If it had been they would have rejected it outright -

Mr Cleary - It's been born again.

Mr MICHAEL HODGMAN - It is reborn, as demonstrated by the first vote on the Floor of the House of the new Parliament. What I find interesting is that Mr Polley, the member for Lyons, is quite open about the fact that he is able to organise and to do this and to do that but it was revealed yesterday at the University of Tasmania debate that certainly Dr Bates and to a lesser extent the milder-mannered Reverend Lance Armstrong both seem to continue on the

premise that they intend to ignore the umpire's decision. The umpire's decision has been given and I do not care whether Mr John Stone, the Institute of Public Affairs or any other group says that the Field Government Budget of 1991-92 was the most responsible in the Commonwealth of Australia, I say categorically that it was not and I say further that Mr Field could not have got away with what he did had he not had the vote of the five guilty Greens.

To those who say that it was a good budget may I simply say this: if I were to draw an indictment for financial incompetence and economic mismanagement it would take but a few minutes of research, a half-hour Treasury briefing and the opportunity to look at the budget documents to realise that this State is virtually bankrupt. From this we find the following: firstly, Premier Field, supported by the Greens on every single vote of any economic consequence in this House, permitted the proportion of the State Budget required to meet interest payments to bolt from less than 9 per cent in 1989 under Mr Gray to over 11 per cent in 1992. The lie that has been put around is that the Gray Government left Tasmania in a very parlous financial position.

Mr Field - Hear, hear.

Mr MICHAEL HODGMAN - That is not true -

Mr Field - It is so.

Mr MICHAEL HODGMAN - and the former Government, supported by the Greens, created a situation where the proportion of State Budget required to meet interest payments went up by over 20 per cent.

Secondly, Premier Field permitted the State debt, serviced from the Consolidated Fund and the statutory authorities, to escalate so that this year on 30 June it will escalate to an unprecedented \$3 846 million - in round figures twice our annual budget. To put it in terms of an ordinary person, it means that if one is on an income of \$30 000 a year he starts the next financial year \$60 000 in debt.

Thirdly, Mr Field - the so-called good Treasurer - was incompetent, in my submission, in permitting State government net interest as a percentage of net revenue to reach a staggering 20 per cent by 30 June last year.

Fourthly, we find that by February of this year he had permitted his State Budget for 1991-92 to blow out by at least \$15 million - some say the figure will be in the order of \$40 million but it is certainly \$15 million now.

Mrs Jackson - It's \$9 million.

Mr MICHAEL HODGMAN - That is not lying, State Treasury briefings confirm it. The members think they can cover it up but the body was not buried sufficiently deep because within a few weeks of their being put out of office we scratched away at the surface and what did we find -

Mr Davison - Don't ask them, ask their Federal people sent to intervene. They don't know.

Mr MICHAEL HODGMAN - Exactly. The Labor Party is not under Federal intervention but it will shortly be under Federal receivership. It has fewer than 500 financial members and it is heading in the way of political extinction.

But the Labor Government - which now, thank heaven, has been removed - supported by the Greens, and every Tasmanian family should know this, created a situation where Tasmania achieved the most severe rate of State tax of any State in the Commonwealth. On the severity scale it took it to 120.46 compared with Queensland, 77.32, and even South Australia

at 99.92 and to cap it all off it was under the Field-Brown coalition government that Tasmania received the lowest credit rating ever of any State in Australia - Moody's at AA2; Standard and Poor's, AA-minus.

This is only the start of it because I want to suggest that the incompetence started at the top and went right down through every single minister but it is the former Premier and Treasurer - I informed him before this speech that I would be making some reference to him - who has done something that no other Treasurer in the history of this State of Tasmania has done, and I might deal with it straightaway.

In September last year the Acting Auditor-General, Mr D.C. Forster, reporting in accordance with the provisions of section 57 of the Financial Management and Audit Act 1990 - a piece of legislation brought in by the Field Government - had some things to say about the manner in which certain departments were presenting their information to him. On page 19 he pointed out the following:

'QUALIFIED AUDIT REPORT ON TREASURER'S FINANCIAL STATEMENTS

For the first time, an audit report has been required to be issued on financial statements relating to the Public Account.

Under the provisions of Section 40 of the FMAA, the audit report must include'-

and these words are important because it was Mr Field's legislation -

' "... an opinion as to whether the financial statements have been drawn up so as to present fairly the financial transactions during the period specified in the statements and the financial position at the end of that period ...".

Although the financial statements were prepared strictly in compliance with the legislation applicable to their preparation, the audit report which I issued on those statements for 1990-91 was qualified.

The qualification related to my inability to form an opinion as to whether the financial position is presented fairly in the statements.

My inability arose from the limitations of the "cash basis of accounting" which does not provide for the inclusion of non-cash assets and liabilities.'

That report was available to the former Premier, the Honourable Michael Field, in September of last year and it related specifically to his own department. It related to whether the Auditor-General could comply with an act of the Parliament that the Field Government brought in, so what do we find happening? He did nothing. He was either incompetent or he deliberately intended to prevent the Auditor-General from forming the opinion that section 40 of the act requires him to form as to the manner in which the finances of the Department of Premier and Cabinet had been conducted, and so we have Mr McHugh's report, dated 28 February, which came in and which has been tabled and he also reports in accordance with section 57.

When members start to look at the report I suppose if they are like me they go to the first cab off the rank which is the Department of Premier and Cabinet and what do we find? He starts off:

'The Premier is responsible for the administration of the Department of Premier and Cabinet ...'

and the Honourable Michael Walter Field cannot dispute the fact that he was responsible. Then we see the following comment:

'DEPARTMENT OF PREMIER AND CABINET

Financial Statements

The audit report on the Department's financial statements for 1990-91 was qualified in respect of financial position - refer Appendix A.'

I went to appendix A - and I am sure other members have also gone to appendix A - to find out what it says and it says this:

'In expressing an opinion on financial information the Auditor-General must have regard to the requirements of the Australian Accounting Concepts and Standards, and appropriate legislation.'

That is very straightforward. In auditing the Department of Premier and Cabinet under the good housekeeping of the Honourable Michael Field the Auditor-General said he must have regard to the requirements of Australian Accounting Concepts and Standards - and I am told they are very minimal - and the appropriate legislation. So I thought to myself, 'In what way did this good housekeeping Premier fail to provide the information which the Acting Auditor-General had told him he wanted back in September and it still did not come forward in time for the Auditor-General's Report in February?' I made inquiries and Mr Field and Mr Clarke did the following. They provided the Auditor-General with a cash flow - that is a very good start. Secondly, they provided the Auditor-General with a list of debtors and creditors but they failed to provide - and a first-year accounting student could surely have provided this - a balance sheet for the Department of Premier and Cabinet.

For those who think this is not serious could I simply say that when the head of a government which brings in an act of parliament that requires each department of the Government to give information to the Auditor-General so that he can carry out his duties under section 40 of the legislation, which was the child of the Field Government, and then deliberately fails to provide the most fundamental document of all - namely a balance sheet - either he is acting in a manner of utter incompetence, or alternatively it was done deliberately so that the Auditor-General would not know what Mr Field or Mr Clarke were doing in the administration of that department.

I will at a later stage expose one of the quickest cottage industries that was established in the last weeks of the Field Government before the election on 1 February because, after beavering away in the Premier's Office, with the midnight oil running and at a minimum cost of half a million dollars to the taxpayers of Tasmania, out came letters which went into virtually every household in the whole of Tasmania and which had the criminally false stamp on the bottom of them, 'This has not been produced at public cost or expense'. That was a deliberate lie.

Mr Rundle - I got one asking me to vote for him.

Mr MICHAEL HODGMAN - Indeed. If we work it out on the basis that 270 000 went out - and that is my information - and that they cost a minimum of 30 cents to prepare and process, and that some people got three letters, we have a situation where I said to myself, 'There is something dirty going on here'. Then I saw the name of the printer: Adrian Wilde. And do members know where the letters said the printing was being done - in North Hobart. So I went there; it is just down from the TFL building and I just walked up and down the street like an ordinary citizen. I tell you what, Sir, if they had printing presses going in there they must have been tiny little ones and they did not make any noise, and there were no little elves running around with the ink pots and the paper. One could have fired a cannon through Mr Wilde's premises. Printed there - poppycock; they were printed in the Department of Premier and Cabinet. I challenged the former Premier to come out during the election and deny that this was being done at public expense, and I do so again. I will prove this. We have one person

who has come forward and confessed and she will be an excellent witness at the appropriate royal commission because it is about time we turned the cannons on the other side.

They were working around the clock. They even sent three letters to my elderly and distinguished parents. They would only need to check an electoral roll to know that they were in the electorate of Franklin, but the letters that Mum and Dad received actually asked them not to vote for me in Denison - I cannot believe it.

Government members laughing.

Mr MICHAEL HODGMAN - I even had a letter from a female member of the House - no names, no pack drill - who addressed me, 'Dear William'. I was very touched by that. I am not sure whether she meant my father or my son.

This would be funny if it were not so serious, because when a government is prepared to lie during a campaign I will nail it: there was over half a million dollars of public money in actual expenditure and it was done on government paper. I have challenged the former Government in a list of questions: 'Tell us where the paper was purchased from'. Did it support APPM or ANM - of course not, it used government paper, government envelopes, government printing equipment and, worst of all, it made government staff work, despite their political persuasion. I will tell the House what else it did; it swore them to secrecy. One 50-year-old woman was told that if she came out and told the public what was going on, whether the Government held office or not she would be finished and her public service career was at an end. I hope that none of those opposite knew anything about this -

Mr Cornish - That puts APPM to shame, doesn't it.

Mr MICHAEL HODGMAN - It does. The printing presses were churning over and over; it would have done credit to Pravda. The former Government went on for hours and days and weeks, and it lied and lied.

Let me now ask members how they feel, as Tasmanians, to pick up papers and find that we have \$40 million overdrafts in our trust accounts. How do they feel when they get hold of a secret document - as I have - which says that what the Field Government has done with trust accounts constituted practices which if they were done by an accountant, a company director or lawyer would result in a heavy prison sentence. What it basically said is, 'If overall the total trust account balance is not exceeded, it does not matter if we shuffle from one trust account to another'.

The former Government obviously had not looked at the Criminal Code recently, and I made a specific inquiry as to whether the Auditor-General was invited to look at the provisions of the Criminal Code in relation to what Mr Field and his merry persons - we are not allowed to say merry men any more - had done with the trust accounts. There was a \$36.679 million overdraft in the Tasmanian redundancy program.

On page 176 of his report the Auditor-General said about the former Government's financial malpractice:

'I have strong reservations concerning the extent to which certain trust accounts within the Special Deposits and Trust Fund are being overdrawn without Parliamentary sanction of the sources of finance to be used to repay the amounts overdrawn.'

He goes on - I will not read it; members will find it on pages 176 and 177 - and reads into his report part of a letter from the Solicitor-General to the Secretary of the Department of Treasury and Finance in which the following comment appears:

'it has become relatively common practice to "overdraw" accounts in the Fund. This happens where monies in excess of the amount standing to the credit of a special account are required

for a project for which the account is established, but it is known that there is a mechanism (e.g. Commonwealth grant, payment of which is pending) for recoupment of the overpayment.'

I am now going to suggest, on the very best authority, that the \$39.7 million - and I am leaving aside the State Highway Trust Fund at \$3.59 million and \$300 000 for the Rosetta landslip account - is only the tip of the iceberg! If you like, make it \$40 million and I suggest that it will cost \$60 million for the people of Tasmania to put right what the Field Government has done, aided and abetted by the Greens. To quote from a document that has come into my possession:

'to restore the drawdown on the redundancy trust account at this stage would require increased external borrowings of up to \$60 million'.

That document is dated 16 April 1992. So what has the Groom Government inherited?

Mr Lennon - Table it.

Mr MICHAEL HODGMAN - I will be delighted to table it. The member has walked right into the trap. Mr Lennon was not a minister, but this is a Treasury document and one of which he will hear a good deal in the months to come. I appeared in the longest-running fraud trial in the history of the Tasmanian Supreme Court. It went for four-and-a-half months and it dealt with trust account misappropriations -

Mr AIRD - Point of order, Mr Speaker.

Government members interjecting.

Mr SPEAKER - Order. Order. The honourable member for Franklin on a point of order.

Mr AIRD - The Attorney-General knows exactly my point of order.

Mr Cornish - I don't know your point of order. You're so erratic, I wouldn't know what you're going to do.

Mr AIRD - It is exactly the point of order he would be taking if he were sitting over on this side of the House. The member has not in fact tabled the document. I am, by taking a point of order, indicating to the member that there is a procedure which he has to follow if he indeed wants to table that document. If the member does not want to table it, that is fine by me; I do not mind at all but, if he wants to table it, he has to do it properly. That is all I am pointing out; if he does not want to do it, that is his business.

Mr MICHAEL HODGMAN - You're wasting time.

Mr Cornish - Your side asked him to table it. Make up your mind. Talk to your whip and ask him what he wants; does he want it tabled or not? Get together and have a talk.

Mr SPEAKER - Order. Order! Because that procedure was not followed, all that has happened is that the honourable member has made available to the House a document which he read from. It has not been officially tabled; it has been made available for honourable members.

Mr MICHAEL HODGMAN - I move that it be tabled. It will form part of the indictment.

Mr Aird - No, that's not right. That's not a motion. Point of order -

Mr MICHAEL HODGMAN - The member cannot have it both ways; he is scared of it. He is one of the guilty men! He will have to use the Nuremburg defence; he is in it. Look at his own department; he had a qualified audit. The member ought to be in gaol!

Mr AIRD - Point of order, Mr Speaker. The member has to learn that he is in a State parliament now and not in a Federal one and that we have certain set procedures. Could I suggest that he learns them very quickly and uses the appropriate procedure to table the document, if that is what he wishes to do.

Mr Rundle - Oh, go on! Mr Lennon has landed you in the soup; that's the answer to the problem. He's led with his chin. You ought to try to control Paul.

Mr SPEAKER - Order. Order! As I understand it, the proper procedure is that all the honourable member has to do is seek leave of the House to table the document.

Mr MICHAEL HODGMAN - I seek leave to table that document.

Leave granted and paper tabled.

Mr Aird - That's right! Third time lucky. Well done!

Mr MICHAEL HODGMAN - Yes, indeed. Can I say to the member for Franklin, Mr Aird -

Mr Aird - I'm just trying to help you.

Mr MICHAEL HODGMAN - I have a mental picture of a group of people in the dock of the Supreme Court, but the one I would really enjoy seeing there - he has always been so smug and confident - is the member who has just taken the points of order on the tabling, because his department had a qualified audit too and we will further find that he failed to provide even a simple little balance sheet.

Somebody forgot to tell the Auditor-General that we have a thing called the Criminal Code. If we look at the provisions of our Criminal Code, we find that section 226 gives the original definition of stealing. If we then go over to section 228 we find that even if a person intends to repay - in other words, he intends to put the money back - if he uses it in a manner other than that for which it was entrusted to him, he is guilty of stealing. I would like former ministers to listen to the words, because they are very important:

'A person shall be guilty of stealing a thing, although at the time of taking or coveting the same he does not intend permanently to deprive the owner thereof, if he takes or converts it dishonestly and with intent -

(c) in the case of money, to use it at his own will, although he intends to repay to the owner an equivalent amount of money.'

If we look at section 229 we see what the law is about stealing by agent. Then if we go across to section 231 we see what a person's duty is when he receives money or valuable security in trust. If we go a little further we find that under section 234 -

Members interjecting .

Mr SPEAKER - Order. The honourable member is doing very well on his own, thank you. I was having a little difficulty hearing the honourable member.

Mr MICHAEL HODGMAN - I am sorry, Sir. What the former Government has failed to appreciate is that the Criminal Code applies to governments as well as to individuals. It is not good enough to say, 'Oh, I didn't intend any harm'. In the fraud trial to which I referred over

one hundred and fifty counts related to a movement of trust account moneys from one trust account to another and then a subsequent replacement.

I suppose the former Premier's defence will be something like, 'Well, others did it too'. That is the well-known Nuremberg defence. As far as I can ascertain it was not done at all during the term of the Gray Government, so in the space of the past two years we have a situation where the trust accounts of this State were rorted, where money was misapplied, where one trust account was overdrawn by \$39.7 million and where Treasury now advises that to put it right will cost the people of Tasmania \$60 million. That is not good housekeeping; that is criminal behaviour. I say without fear of contradiction that if this had been done by an accountant, a company director, a banker, a real estate agent or a lawyer he would now be in Risdon gaol.

So what is the incoming Government going to do with this dilemma? We cannot continue to break the Criminal Code as the Field Government did and yet we cannot impose on the people of Tasmania the cost of \$60 million of external global borrowings.

Dr Bates - You're in a bind.

Mr MICHAEL HODGMAN - We are in a total bind.

I have never believed that an outgoing government should witch-hunt its predecessors and prosecute them lightly but I have to say in all seriousness that the way in which this has been handled by Mr Field and his former ministers is nothing short of deplorable. I do not understand how they can bring in an act of parliament themselves telling the Auditor-General to do something and then deliberately keep the information from him - because that is what they did. They deceived a statutory officer - an officer who is a servant of this Parliament because the Auditor-General is not in the pocket of the Premier of the day. They brought to this State a brilliant young Auditor-General, Dr McHugh, showed him an act of parliament and said, 'This is what we passed in 1990 and this is what we want you to do'. Despite the fact that it was warned by the Acting Auditor-General, Mr Forster, in September last year this defeated, disgraced and dishonoured former Government - which is frankly what it was; a government which should never have been inflicted on Tasmania - has committed a serious crime against the people of our State.

How do we turn around to an ordinary young Tasmanian family and say, 'You can't exceed your overdraft because the bank manager is going to sell you up. You can't fail to repay your mortgage or there will be a forced mortgagee sale and we'll put you off your property'? They will say, 'But look, the Government of Tasmania overdrew a trust account in relation to the redundancy program'. No wonder they called it 'Field's Tattsлото'! I would love to have been involved in that - work for the State of Tasmania for twelve months, be farewelled on the Friday, receive a cheque for \$270 000, walk around the corner and start working for the Field Government on the Monday. 'Field's Tattsлото' makes 'Wheel of Fortune' and 'Sale of the Century' look very small beer. Around the town today, Mr Speaker, you can see redundant people who are the most unredundant you have ever seen in your life. They are back working for the Field Government - double-dipping -

Sitting suspended from 6 p.m. to 7.30 p.m.

Mr DEPUTY SPEAKER - The honourable member's time has expired.

Mr CORNISH - Mr Deputy Speaker, I move -

That the member's time be extended by ten minutes.

I indicated to Dr Amos that I would move for that extension if he were happy with it.

Extension of time granted.

Mr MICHAEL HODGMAN - I thank the House.

I now want to turn to some positives if I may and to suggest and encourage the idea that Tasmania has the potential to become the greatest State of the Commonwealth. It should be remembered that in 1901 Sir Edward Braddon, whose name some seven members of this House bear as the name of their electorate -

Mr Roger Groom - Five of whom are Liberal.

Mr MICHAEL HODGMAN - Five of whom are Liberal and a sixth of whom was elected on Liberal preferences, so I would like to proclaim that Braddon, in my opinion, is a 69.8 per cent Liberal seat because if it had not been for the preferences of the member for Braddon, Mr Roger Groom, Mr Field would not be here today -

Mr Mainwaring - We blame Roger for that.

Mr MICHAEL HODGMAN - We do.

Members interjecting .

Mr DEPUTY SPEAKER - Order. I know the honourable member is not deliberately being provocative and I ask him to continue.

Mr Cornish - Isn't this the member's maiden speech?

Mr MICHAEL HODGMAN - It is my maiden speech.

Sir Edward Braddon said that Tasmania had been the most supportive of federation even though we knew it would cost our State dearly in economic terms. In 1939 the late Honourable Albert George Ogilvie, KC, MHA commissioned a Treasury report on the feasibility of secession, and in 1939 - as the late Honourable Thomas George de Largie D'Alton confirmed to me some years ago - Treasury determined, in a borderline decision, that Tasmania should stay within the Federation. This was a very crucial decision because members will recall that in 1932 Western Australia sought to withdraw from the Federation and in 1939 Albert Ogilvie, a very fine, far-sighted and - on any basis - very great premier, commissioned a Treasury report which was a borderline decision. In any event World War II intervened.

I want to put a very fundamental proposition - which is extremely supportive of the remarks uttered by our Premier at the conference in Melbourne on Sunday - that it is about time the Commonwealth Government determined whether it genuinely wishes the Federal system in Australia to continue because the Premier is quite correct when he points out that the only cutbacks in Commonwealth expenditure in the past few years have been at the expense of the States.

In 1987 Mr Keating faithfully promised there would be no more cuts to Tasmania. These are my figures and I will put them to the House because I am convinced that they are correct. If members can picture the Fraser formula of funding when the Fraser Government went out of office in 1983 - and there was a graph attached to the State budget papers in 1988 which showed what had happened between the funding Tasmania would have received under the Fraser formula and the funding Tasmania was receiving under the Hawke formula - they will recall that in 1987 the Prime Minister, Mr Hawke, and the Treasurer, Mr Keating, promised no more cuts to Tasmania.

On my calculations the cuts to Tasmania since 1987 total \$1 547 million and that is about \$100 million short of our State Budget for this current financial year. I have to tell you, Sir, that economists will differ as to the figure but I put it - and I believe the figure is correct - that we

have been shortchanged \$1 547 million since 1987, in three of those financial years with the collusion and connivance of former Premier Field, aided and abetted by the Greens.

Tasmania cannot be cut any more. I do not accept that the Grants Commission cannot assist us and I do not accept that Tasmania is again to be treated with absolute contempt by the present Federal Government. Bluntly, Mr Keating knows that the only way to an Australian republic is through a centralist system of government; there cannot be an Australian republic if the Federal system remains. So it is in his interests, and I believe all Tasmanians on both sides of the House should support our Premier in the rational, sound and, frankly, honourable call he has made to Canberra to recognise that Tasmania can be no further cut.

Secondly, the Constitution provides that duties of customs and excise between the States shall be uniform. But there is a constitutional argument that a part of the State could qualify for duty-free status. Lord Howe Island is part of New South Wales. Norfolk Island is a Commonwealth territory and is duty free. Lord Howe Island has been working on, and is currently working on, an argument that it could be granted duty-free status. If that argument is accepted, and bearing in mind the policy of at least one side of Federal politics, I believe customs and excise duty will be wiped out by the year 2000.

I put the proposition that we should have a feasibility paper as to whether a part of a State, namely the Port of Hobart, should be granted duty-free status. I would suggest that if it came about it would be the greatest economic boost, short of secession, that this State could ever enjoy.

Thirdly, I want to propose that all Tasmanians, particularly those from Braddon, support the campaign that HMAS Jervis Bay be permanently based in Tasmania -

Mrs James - You've been pinching my ideas for years.

Mr MICHAEL HODGMAN - Its home port is the City of Burnie, as members are well aware. We are pleased to say that, with the facilities provided by the Marine Board of Hobart and the Burnie Port Authority, if we were to get HMAS Jervis Bay based in Hobart for the whole of Tasmania we would be looking at an injection of \$6 million per year into the economy of this State.

Mrs James - When I proposed it for the north you said it was a crazy idea.

Mr MICHAEL HODGMAN - If we can get her up the Tamar she will come and visit the member.

I believe very firmly that HMAS Jervis Bay, with 176 ship's company and 77 trainees, would inject between \$6 million and \$7 million into the economy.

Last but not least, I do not often - if ever - agree with my friend, Calliphoridae. I do not know why some in this House call him, dare I say, the 'blowfly'. His proper title is Calliphoridae, a noble and honourable family. He said yesterday at the University of Tasmania that we should be pressing for high-quality, low-volume, low-density products for export from our State. Tasmania is already the highest per capita income earner in the Commonwealth for exports. If the rest of the Australian States did as well as Tasmania, our country would be in surplus. Let us maximise on that with the production of high-quality, liberal-oriented, private enterprise exports to show the rest of Australia what can be done with a State that is determined to show that it is the greatest State in the country - we might be the smallest but we are certainly the greatest.