

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**26 March 2002**

**(extract from Book 3)**

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**FIFTY-FOURTH PARLIAMENT — FIRST SESSION**

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Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

<sup>1</sup> Resigned 3 November 1999

<sup>2</sup> Elected 11 December 1999

<sup>3</sup> Resigned 12 April 2000

<sup>4</sup> Elected 13 May 2000



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**Tuesday, 26 March 2002**

**The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 2.07 p.m. and read the prayer.**

**DISTINGUISHED VISITORS**

**The SPEAKER** — Order! It gives me great pleasure to welcome to the Parliament of Victoria today Mr Ilias Vlachopoulos, Mr Costantinos Karras and Mr Petros Tatoulis, who are members of the Hellenic Parliament. They are accompanied by the Greek Consul-General in Melbourne, Mr Dimitrios Anninos.

*Honourable members applauded.*

**The SPEAKER** — Order! They are, of course, in Melbourne to help us celebrate Greek National Day and the Antipodes Festival.

*Honourable members interjecting.*

**The SPEAKER** — Order! It would be disorderly for the Speaker to reply to those interjections, but for the information of honourable members, the secretary-general is not with us!

**QUESTIONS WITHOUT NOTICE**

**Frankston: central activities district development**

**Dr NAPHTHINE (Leader of the Opposition)** — Mr Speaker, I join with you in welcoming the members of the Greek Parliament and in congratulating the consul-general and the Greek community on a magnificent Antipodes Festival over the weekend and on Greek National Day yesterday.

My question is to the Premier. Now that the investigation into corrupt tenders surrounding the development of the Frankston central activities district involves a government member of Parliament and dumped parliamentary secretary, I ask — —

**Mr Batchelor** interjected.

**Dr NAPHTHINE** — I take up the interjection: he certainly acts at a standard I would know nothing about!

**The SPEAKER** — Order! I ask the Leader of the Opposition not to take up the interjection, and I ask the Leader of the House to cease interjecting.

**Dr NAPHTHINE** — Now that the investigation into corrupt tenders surrounding the development of the Frankston central activities district involves a government member of Parliament and dumped parliamentary secretary, when will the government do the right thing and hand this inquiry over to the police or appoint an independent judicial inquiry?

**Mr BRACKS (Premier)** — As the house would know, the parliamentary secretary to the Minister for Health, the honourable member for Frankston East, has relinquished his position while an inquiry is being conducted under the Local Government Act, which will have wider terms of reference, including the capacity and ability as a local government investigator to refer any matters to the police if he so desires, and that will be the capacity.

But, interestingly, I should point out a couple of things. The Leader of the Opposition said, ‘Why don’t you refer the matters to the police or an independent judicial inquiry?’. His own upper house report did not even recommend it! His own upper house report did not make any such finding and resolved that the matter should be determined as appropriate through the auspices of the Local Government Act, and the very member who asked me the question in answer to a question at a press conference yesterday said that was appropriate. He is trying to get some further political capital today — very predictable and very much what you would have expected — —

**Mr Perton** interjected.

**The SPEAKER** — Order! I ask the honourable member for Doncaster to cease interjecting.

**Mr BRACKS** — Due process will be followed through the local government inspector, who will operate independently with all the powers, effectively, of a magistrate. Those findings will be determined in some two months and they will establish the veracity of the claims — whether they are true or not.

**Stem cell research**

**Mr TREZISE (Geelong)** — Will the Premier advise the house of the position the government will take to the Council of Australian Governments next week in relation to the use of surplus in-vitro fertilisation embryos for lifesaving medical research?

**Mr BRACKS (Premier)** — This has been a matter which the government has considered for some time. Today I am proud to say that our party room, our caucus, resolved to endorse the position that the Premier would take to the Council of Australian

Governments and to the Prime Minister at the meeting of COAG next week where we would seek a national uniform approach to a stem cell research and the use of discarded and disused embryos for stem cell research.

We currently have a position in this state which I do not believe is ethical or consistent. The 1995 act is silent on the matter of whether or not you can seek research from embryos which are destroyed in another country. That was probably never intended as a by-product of the 1995 legislation, and it makes it very inconsistent, therefore, with the position that we have because of that legislation where we are now importing stem cell lines from embryos which are destroyed overseas, in this case in Singapore, and utilising them to conduct research in Victoria. Yet the same sorts of embryos which are stored for five years as a product of in-vitro fertilisation and then destroyed are not allowed to be used on their destruction for research here in Victoria.

I believe that position cannot be sustained on an ethical or consistency basis — —

**Mr Honeywood** interjected.

**Mr BRACKS** — That's ridiculous — just typical of you, though!

As a consequence of the resolution today I will be taking the case for a change to the 1995 laws to allow that practice to be undertaken in Victoria in instances where the embryos are surplus — where they are not created. We will not tolerate or accept the creation of embryos for the use of research. For those that otherwise would be destroyed — those which are frozen for five years — we will seek to have legislative change.

That legislative change will take one of two forms. Either the Prime Minister, who is considering this matter currently, will agree that there should be a national uniform approach which reflects an ability to have that research undertaken and that will require legislative change in Victoria, South Australia and Western Australia, or he will not. If he chooses not to take that course we will still seek to amend the 1995 act to allow that to happen for the very reasons I outlined in my preamble: for consistency, on the basis of ethics and on the basis of appropriate and necessary research to be undertaken into leukemia and a whole range of other areas.

When that legislation comes before the house, as ultimately it will in either form — either in a nationally consistent approach, which requires template legislation, or in our own change to legislation — I will speak in favour of that change personally. Today the

Labor Party resolved for the first time in 28 years, and the first time since the abolition of capital punishment in 1976, to have a conscience vote so that each individual member of the Labor Party will be able to decide this matter independently, taking their own counsel and expressing that view in the Parliament.

I believe that is the best way to deal with and to handle this issue. This approach, as I understand it, is consistent with the federal Labor Party's approach and also with other state Labor governments in Western Australia and South Australia.

I believe this change is necessary. My hope is that this is a uniform situation which will be prosecuted at COAG and therefore implemented. If it is not, we will take action to have that undertaken anyway in changes to the 1995 legislation. As I mentioned, on this side of the house we will pursue a conscience vote on that matter.

### **Marine parks: establishment**

**Mr RYAN** (Leader of the National Party) — Can the Premier advise the house if any public money went into the production and/or distribution of a marine parks propaganda leaflet which has been endorsed by the Victorian National Parks Association, the Australian Marine Conservation Society and the Australian Education Union and which has been promoted to children in various schools in our coastal communities?

**Mr BRACKS** (Premier) — I do not know the answer to that question, but I will find out for the honourable member and report back to him. But if it was and it was promoting the government's policy to implement national parks, that is very appropriate. But I will check that out in detail and get back to the honourable member.

### **Marine parks: establishment**

**Ms LINDELL** (Carrum) — Will the Minister for Environment and Conservation advise the house of the government's intentions to create a world-class system of marine national parks across the Victorian coast?

**Ms GARBUTT** (Minister for Environment and Conservation) — I thank the honourable member for her question and her ongoing commitment to and interest in this issue. The government, of course, does have a very strong commitment to protecting Victoria's unique and diverse marine environment. It is very special, and over 90 per cent of the species here are found nowhere else.

Today we have released a position paper which outlines the government's new proposals for marine national parks and marine sanctuaries. It will be followed up within the month by an exposure draft of the proposed bill, so that all stakeholders — all members of the public and, indeed, the opposition — will be able to examine it and comment on it.

We propose to protect just a small representative sample — just 5.5 per cent of our coast — of our marine environment for all time for our children and our grandchildren.

In summary, we are also proposing a sensible and fiscally responsible approach to determining compensation for the fishing industry. We will not significantly reduce opportunities for recreational fishing across the coast. Our commitment to massively increased enforcement action remains.

We will implement the recommendations of the Environment Conservation Council in full. The government is confident it has got the balance right between the community, the jobs and protecting the marine environment. I believe in this process we have outlined we will be able to conduct further dialogue with the community, the fishing industry, recreational anglers and other stakeholders prior to bringing in the bill.

In developing the new package we obviously listened to the concerns that were raised when the legislation was introduced in 2001, and we have modified our proposals accordingly. It is a great strength of this government that it is able to talk with the community and to listen and reflect that in its actions.

We have also consulted with the Liberal Party in the formulation of this paper, and I hope it is able to continue to support our efforts to bring a 10-year investigation and consultation process to a conclusion. The Liberal Party has an historic opportunity here to prove once and for all that it cares about the environment by supporting the proposal. I hope it will rise to the occasion.

### **Frankston: central activities district development**

**Dr NAPHTHINE** (Leader of the Opposition) — Given that the Premier received an interim report and a request for more funds and wider terms of reference from the Goodall departmental inquiry into corruption allegations surrounding the honourable member for Frankston East and the Frankston City Council, in the interests of open, honest and accountable government

will the Premier now release this report as well as the full terms of reference of this expanded inquiry?

**Mr BRACKS** (Premier) — The matter to which the Leader of the Opposition referred was a letter to the local government minister, which I understand has already been released, which was seeking wider terms of reference. So it has already been released; we can release it again. On the second matter, which was the terms of reference, yes, they will become public.

### **Environment: community jobs program**

**Mr MAXFIELD** (Narracan) — Will the Minister for Employment advise the house what contribution the government's community jobs program has made to creating jobs in environmental projects across Victoria?

*Honourable members interjecting.*

**Mr PANDAZOPOULOS** (Minister for Employment) — I join other members of the house in welcoming the Hellenic parliamentary delegation.

I thank the honourable member for Narracan for his question, which focuses on policy and helping people get into jobs — something that the previous government was not too interested in. I am pleased to inform the house that since this government was elected it has committed more than \$6 million from its community jobs program towards environmental projects. This funding has placed more than 700 disadvantaged job seekers into green jobs in 44 projects across Victoria.

The wonderful thing about these projects is that they are local projects — local solutions developed locally to help train up people to get into work and to get into further training. We have the added bonus that they are also benefiting the environment, which in many areas has been downgraded because of poor practices in the past, and certainly lack of funding in the past.

An example of the funded projects is a seed propagation and supply project called the Plant Factory in Maryborough in the electorate of the honourable member for Ripon — an enthusiastic, hardworking local member. The local community identified a niche market for the project and used this program as a way of skilling and employing local labour to create an ongoing and successful business, which is now selling seedlings for revegetation projects across Victoria. That is a highly successful ongoing project that is creating jobs as well as improving the environment.

Another project is the Merri and Darebin creeks reserve revegetation and community awareness project. That is

in the northern suburbs area, which was massively ignored by the previous government, and certainly massively ignored on environmental projects. This is a council-initiated project, developed through bushland maintenance and planting, and better community awareness of environmental issues within multicultural communities in the City of Darebin — a partnership with our ethnic communities.

Another project is to do urgent work in the Lake Condah area, in the honourable member for Portland's electorate, with local unemployed Kooris to build walkways, fence conservation areas, and restore traditional stone dwellings and native vegetation.

As Minister for Tourism I believe it not only has an environmental benefit but also a local tourism benefit, and it is important to note when it comes to the success of these projects that on this project alone 12 out of 13 employment outcomes were achieved. That means people were either in jobs, training or further study. This is a much better record than the lousy work-for-the-dole programs put together by the federal government.

These projects are part of our approach to Growing Victoria Together, and unlike the opposition, we are committed to balancing economic, social and environmental outcomes. So certainly in many projects across government, including our employment programs, we are creating enduring employment and training programs in disadvantaged areas across the state while also fixing up environmental mistakes of the past.

The community jobs program is just one example of how we protect and improve the environment. It is an innovative program, as I said, with local projects, local solutions and local ideas. So far we have committed \$32 million for 220 projects across the state, employing close to 3800 Victorians. Good environmental outcomes have been achieved in many communities in most members' electorates.

### **Frankston: central activities district development**

**Dr NAPHTHINE** (Leader of the Opposition) — My question is again to the Premier. Given the need for the public to have real confidence in the Goodall departmental inquiry into corruption allegations surrounding the honourable member for Frankston East and the Frankston City Council, I ask: how can this investigation be seen to be independent when the only person conducting it, Mr Kelvin Goodall, is a former

Victorian president of the public sector union and a financial contributor to the Australian Labor Party?

**Mr BRACKS** (Premier) — I am very, very pleased to answer the question because the additional work that will be done will be done by another inspector, Chris Wren. That is no. 1. Secondly, the Leader of the Opposition was making comments about the existing inspector, who was appointed under the previous government and is currently a barrister. I think it is very inappropriate when we have a further inspector who will be conducting the work, Mr Chris Wren.

### **Agriculture: exports**

**Ms OVERINGTON** (Ballarat West) — My question is to the Minister for Agriculture. Will the minister inform the house what action the government is taking to boost Victoria's agricultural exports and explain how this will boost jobs, particularly in rural and regional Victoria?

**Mr HAMILTON** (Minister for Agriculture) — I thank the honourable member for Ballarat West for her question and her continued interest in country Victoria, and especially jobs in country Victoria.

Last Friday I was fortunate to be able to participate in an agribusiness forum summit held at Attwood. Agribusiness leaders from across the state gathered to plan and prepare for continued development in agricultural exports. Agriculture and agribusiness include a lot more than farmers. They include all of those industries which rely on farming, such as the fertiliser industry, the transport industry and the processing industry. The key to the future of agriculture and agribusiness is getting the export industries together so that we can continue what has been a remarkable and very exciting growth in this industry over the last few years.

During the last financial year there was an over 30 per cent increase in food exports from Victoria and we reached a magnificent sum of \$6.3 billion for the last financial year. That is an outstanding achievement. It is not due to luck; it is due to good planning, it is due to participation, it is due to networking and it is very much due to the government's support for all of those facets of agribusiness.

The total food and fibre exports are well on track to reach the key sum of \$12 billion by 2010. They currently are over \$7 billion in exports, and although dairy represents about one-third — about 33 per cent — of our food exports, I am very happy to inform the house that wool, meat and grain have also joined the

Billion Dollar Club — that is, totals of billion-dollar exports from Victoria in those three industry sectors.

The government is determined to work with industry to make sure that we can ensure a key to export that is clean, green and, I should add, kind, because if we are talking about livestock exports, then there is certainly an interest internationally in making sure that we can demonstrate quite clearly that we are adopting proper and appropriate animal welfare practices. I am very proud of our industry. To ensure international markets — and I would imagine our domestic market — Australia has introduced the national livestock identification scheme, which in the last 10 weeks has received applications for 700 000 tags. Victorian livestock producers are actually picking up this important lead in determining that we can trace forward and trace back stock and therefore give a quality assurance guarantee in terms of the health and safety of our livestock exports.

There were a number of issues raised at the summit, however there are four key issues which are extremely important to the growth and maintenance of exports from the agribusiness sector. They were identified as our capacity to continue to deliver to the markets, which means that we have to have coordination at a local level. We have to be able to build critical mass, because if we are exporting to countries such as those in northern Asia — including China, Japan and Korea — then we have to have critical mass to be able to do that. We have to have good environmental management systems. We have to have streamlined logistics, which brings in the transport industry from go to whoa.

**The SPEAKER** — Order! I remind the minister of sessional order 3 and ask him to wind up his answer.

**Mr HAMILTON** — This is an outstanding performance by the industry. It is an outstanding example of government working closely with industry in supporting industry with resources, with advice and with an opportunity to network and build confidence, one among the other.

I must finish by saying that over half the jobs in country Victoria come from the agribusiness sector, and that is something we should be very proud of.

### **Frankston: central activities district development**

**Dr NAPTHINE** (Leader of the Opposition) — I refer the Premier to the fact that in October last year the Minister for Local Government dismissed calls for an inquiry into corruption allegations surrounding the

honourable member for Frankston East and the Frankston City Council. The government refused to cooperate with and ridiculed the upper house inquiry into these allegations. Why has the government spent six months trying to cover up, deceive the people of Victoria and protect its mates rather than trying to get to the truth of these corruption allegations?

**Mr BRACKS** (Premier) — The reality is that when the chief executive officer of the Frankston council raised the matter with the minister, and also with the local government department, an inquiry was set up. So an inquiry has been set up and has been progressing. It is not a politically charged and loaded inquiry, as was the Legislative Council inquiry, but a proper one constituted under the Local Government Act. That has been proceeding.

In relation to a previous point made by the opposition leader about a letter, I mistakenly said it had been released. It has not, but it will be released, which is reasonable. It is a letter to the minister. Only matters that will prejudice the long-term inquiry and witnesses will not be released; but the rest will be released.

### **Putting People at the Centre**

**Ms DUNCAN** (Gisborne) — Will the Minister for Innovation advise the house what action the government is taking to position Victoria as a global leader in innovative government service delivery?

**Mr BRUMBY** (Minister for Innovation) — I thank the honourable member for Gisborne for her question. Today I released *Putting People at the Centre*, which is the government's e-government vision for Victoria. The Putting People at the Centre initiative is about using new technologies in innovative ways to deliver government more effectively and efficiently for all Victorians. It is a policy that positions Victoria as a global leader in innovative government service delivery.

Putting People at the Centre establishes a new direction to guide the government's approach to service delivery over the next three to five years. It will achieve this in four ways: firstly, by substantially improving support and services to Victorians; secondly, by providing better community engagement and more effective democracy; thirdly, using innovation to find new opportunities in service delivery; and fourthly, creating a framework for ongoing reform within government.

The policy released today positions Victoria as the national leader in e-government, and I believe it also positions us internationally as a leader. It is worth examining in terms of policies online. Essentially

governments go through three distinct stages. Firstly, there is what is described as the government-centric stage, where governments put services online, but they are very much silo driven and limited to departments. It is characterised by government at the centre.

The second stage is a customer-focused stage, where governments package up their services and develop channels — for example, in Victoria we see that with the education channel, the better health channel and the business channel, where people can access all those things, and to some extent they cut across those departments.

The third line is the customer-driven stage, in which government no longer limits the services that citizens are able to access. In fact we will be responding to the changing needs of citizens and it will allow us to adapt and move into the community. This is a strong policy for our state. It will give more Victorians access to government services. It will deliver improved government services, provide cost savings to the community and also provide important new business opportunities for Victoria's information and communications technology industry, which means more jobs in Melbourne and throughout Victoria.

The implementation of these specific initiatives in the e-government package will be the responsibility of the Minister for Information and Communication Technology, the Honourable Marsha Thomson, in another place. These initiatives will be progressively announced over the next few months. Putting People at the Centre is an initiative which comes out of our Connecting Victoria policy. It positions us in a way which is totally consistent with the Growing Victoria Together policy — that is, an innovative state and a caring community. It is another example of leadership by the Bracks government in this area, and I certainly commend this policy to the house.

## PETITIONS

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

### Lake Mokoan: decommissioning

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of the undersigned citizens of the state of Victoria sheweth that Lake Mokoan is too valuable an asset to ever be decommissioned. We can show that:

- (a) The lake is capable of providing a large and economically viable store of water for irrigation, stock and domestic use.

- (b) It is a vast ecological resource providing extensive habitat for many rare and endangered species.
- (c) It has a beneficial and far reaching impact on the general economy of the region.
- (d) It contributes significantly to land values in the area.
- (e) The speculation surrounding the lake's future is detrimental to the area.
- (f) The rehabilitation of the area would be a prohibitive expense on taxpayers and the local community and its subsequent management would be a liability.

Your petitioners therefore pray that Parliament agrees with our position and formally declares that Lake Mokoan will not be decommissioned.

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

**By Ms ALLEN (Benalla) (546 signatures)**

### Frankston–Flinders, Dandenong–Hastings and Denham roads: traffic control

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of the undersigned citizens of Victoria sheweth that we are gravely concerned about the extreme danger of the intersection of Frankston–Flinders Road with Dandenong–Hastings Road and Denham Road in Tyabb.

Your petitioners therefore pray that urgent action be taken to make this black spot intersection safer before any more lives are lost at the location.

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

**By Mr COOPER (Mornington) (103 signatures)**

**Laid on table.**

**Ordered that petition presented by honourable member for Mornington be considered on the next day on motion of Mr COOPER (Mornington).**

## PAPERS

**Laid on table by Clerk:**

Border Groundwaters Agreement Review Committee — Report for the year 2000–01

Desert Fringe Regional Waste Management Group — Report for the year 2000–01, together with an explanation for the delay in tabling

Melbourne Parks and Waterways — Report for the year 2000–01

Mildura Regional Waste Management Group — Report for the year 2000–01, together with an explanation for the delay in tabling

*Planning and Environment Act 1987* — Notices of approval of amendments to the following planning schemes:

Banyule Planning Scheme — No. C25  
 Cardinia Planning Scheme — No. C25  
 Glenelg Planning Scheme — No. C6  
 Golden Plains Planning Scheme — No. C8  
 Greater Geelong Planning Scheme — No. C15  
 Hepburn Planning Scheme — No. C6  
 Indigo Planning Scheme — No. C13  
 Melbourne Planning Scheme — No. C40  
 Mitchell Planning Scheme — No. C26  
 Mornington Peninsula Planning Scheme — No. C36  
 Nillumbik Planning Scheme — No. C3 Part 2

Statutory Rules under the following Acts:

*Conservation, Forests and Lands Act 1987* — SR No. 18

*Victorian Civil and Administrative Tribunal Act 1998* — SR No. 17

*Subordinate Legislation Act 1994*:

Minister's exception certificate in relation to Statutory Rule No. 17

Minister's exemption certificate in relation to Statutory Rule No. 18

The following proclamation fixing an operative date was laid upon the Table by the Clerk pursuant to an Order of the House dated 3 November 1999:

*Health Services (Conciliation and Review) (Amendment) Act 2001* — Whole Act on 25 March 2002 (*Gazette G12*, 21 March 2002).

## JOINT SITTING OF PARLIAMENT

### Victorian Health Promotion Foundation

Message received from Council acquainting Assembly that they have agreed to joint sitting to elect member to the Victorian Health Promotion Foundation.

## ROYAL ASSENT

Message read advising royal assent to:

Road Safety (Alcohol Interlocks) Bill  
 Sentencing (Amendment) Bill  
 Wildlife (Amendment) Bill

## BUSINESS OF THE HOUSE

### Program

**Mr BATCHELOR** (Minister for Transport) — I move:

That, pursuant to sessional order 6(3), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 28 March 2002:

Constitution (Governor's Salary) Bill

Corporations (Financial Services Reform Amendments) Bill

Electricity Industry (Amendment) Bill

Statute Law (Further Revision) Bill

Audit (Further Amendment) Bill — Amendments of the Legislative Council.

The government moves this business program. Honourable members will see it is five pieces of legislation. The government is providing these five bills, and in addition there will shortly be a ministerial statement.

*Honourable members interjecting.*

**Mr BATCHELOR** — The number of bills going through this week is five plus a ministerial statement. When honourable members measure the record of the bills progressed by this government as opposed to those of the previous government they will see that the previous government was asleep at the wheel — it was absolutely hopeless.

In the last parliamentary sitting week the government progressed an additional bill that was not on the government business program for that week — all because of the obstructionism of the upper house. This week we will be dealing with a further series of amendments sent back to this house from the other chamber. Having just heard the message from the Legislative Council we can see a pattern emerging of the obstructionism of the opposition. The opposition parties, both here and in the other place, clearly have a deliberate tactic of taking legislation, putting forward ridiculous amendments in the other place and sending them back here to try and bind the legislative program and waste the time of this Parliament. We see a further example of that this week with the Audit (Further Amendment) Bill.

It got to the stage where amendments from the upper house were making it illegal over the past couple of months for farmers to have dams and rain falling on those dams. And so, even when they are supposedly

going through the process of identifying amendments to the bill, they do it in a lazy, sloppy and inappropriate way.

Members of this opposition have not learnt how hard it is to be in opposition. They are in that position because when they were in government they were stood over and bullied by the previous Premier. Jeff Kennett stood over them and prevented them from learning the basics of going through legislation and good government and governance, and they are struggling now in opposition. This lot are not waving, they are drowning — absolutely — and we see that time and again as we try to progress legislation through this chamber and through that undemocratic swill in the upper house.

We are not going to blink at their obstructionism. If they send amendments back here we will send them back to the upper house to make sure that legislation based on a sensible approach is passed. If there are sensible amendments coming through we will deal with them and accept them in part or in whole. But because of their frustration at being in opposition, and as evidenced by the business program today, we are increasingly getting items on the government business program that we have already dealt with and are having to deal with again. As I said, that is because of the opposition's frustration and its inability to accept the decision at the last election. It lost; it was thrown out of office! Members opposite were ill prepared for opposition, and they have demonstrated that throughout the two-plus years they have been on the other side — and they will demonstrate that here today by their reaction to this program.

The opposition is a disgrace, and that will be evidenced by their response to this debate.

**Mr Cooper** interjected.

**The SPEAKER** — Order! The honourable member for Mornington!

**Mr McARTHUR** (Monbulk) — Before I start can I say that I regret the fact that the Leader of the House was allowed to get away with a slur against the other place during the course of his contribution, when he alleged that the other place was undemocratic and unrepresentative. If it was, might I remind him that it is based on rules that former Premier John Cain introduced in the 1980s. If it is undemocratic, then perhaps he should talk to the former Premier, given that people are elected there on a one vote one value principle the same as we are here. I can hardly see how that is undemocratic.

This is indeed a lazy government led by a lazy Premier and represented in the chamber here by a very lazy Leader of the House. We had the spectacle last week of this place dealing with one new piece of legislation and one only. Yet he said, 'If it was not for that obstructionist upper house we would not be doing this'. Well, if it were not for the other place doing its job and sending back faulty legislation, this place would have had nothing to do last week.

This week we are faced with four bills and one set of amendments from the other place. Let's look briefly at those four bills. One of them will give the Governor the same salary he previously enjoyed now that he is to be subject to income tax. Well, hell! Isn't that controversial! That will take a lot of debate! Of course no-one will dispute it; we will all be quite happy to see that occur. Then we have a massive improvement in our democratic process: members of the public will get greenhouse statements on their power bills telling them how much greenhouse gas is being generated by their turning lights on and off. We also have a couple of redundant pieces of legislation being removed from the books.

These are hardly fundamental or earth-shaking matters, Mr Speaker. They are nothing of consequence and can be dealt with in a few minutes. You could deal with them in one bill in half an hour by means of what used to be called an omnibus bill. There is nothing to be proud of in this legislative program, because there is nothing in it. It is truly a vacuum.

Look at what was introduced today. The ministers between them — that rabble over there — managed to give notice of two new bills. We had notice given by the Leader of the House, the Minister for Transport, of an amendment to the Melbourne City Link Act. Fine, let's have a look at that when it comes on. The Attorney-General then gave notice of some legislation relating to Jewish care. On the face of it that would appear to be one of those private bills which provide arrangements for privately operated charitable funds in dealing with trust moneys. If that is a reasonable guess, then it is hardly likely to be controversial, and the debate is hardly likely to be lengthy or impassioned.

So we have four bills before the house this week, three bills listed on the notice paper for future days and two given notice of today. We will come back to this place for the sitting week of 16, 17 and 18 April, and then we will be here again on 23 and 24 April — and I believe we will not be here on Anzac Day. So we will have five pieces of legislation to deal with during those five days.

The minister had better hope the upper house sends a few bills back; otherwise he is going to have a lot of trouble getting his backbenchers to occupy all that time. He will have to get every minister in this place to make a ministerial statement, and he will have to ginger up five or six stunts to occupy a couple of hours on a couple of days in order to keep us here until adjournment time.

Or is he now proposing that we adopt what used to be the upper house procedure of adjourning on Wednesday at dinner time? Because based on this legislative program we could easily account for this legislative load by Wednesday dinner time. If he wants us all to go home early, he should be honest and say so.

This is a Clayton's legislative program put up by a Clayton's government that is run by a Clayton's Premier. They are turning this Parliament into a Clayton's institution. That is a terrible shame, because at one stage this place used to deal with matters of importance, matters of relevance and matters that actually affected the future of the people of Victoria by providing something that improved their lot. Sadly that is no longer the case.

**Mr MAUGHAN** (Rodney) — The National Party will not oppose this pitifully weak government business program. We could deal with it in no time at all — there is no substance in it, there is nothing of any consequence. As the honourable member for Monbulk said, it is very much reminiscent of last week's program, which also had little substance in it. Only one bill this week has any substance — that is, the Electricity Industry (Amendment) Bill.

The first bill on the program is a relatively minor bill. As the honourable member for Monbulk indicated, we could all agree on that in 10 minutes and go home — and similarly with the Statute Law (Further Revision) Bill. As I recall, the second-reading speech by the minister essentially said that it was a relatively minor piece of housekeeping legislation, necessary but minor, and we could get through that in no time at all.

Once again we have a week with no substance in the legislation and nothing really before us. Five pieces of legislation before Easter and nothing that is of any earth-shattering importance. We are getting ministerial statements, and I am delighted to see those, but I suggest that they are probably here for the wrong reason — that is, to fill out the government's business program. I suggest the one being delivered today has been motivated by the fact that the Leader of the National Party has been getting national publicity on some of his comments and positive suggestions about

what we should be doing with public liability insurance, and the government is stung at long last into doing something. What did it do last year after the Leader of the National Party talked about organising a summit? The government organised a summit. What came out of it? Nothing, so far, except further discussions, further talks and absolutely nothing in terms of — —

**Mr Ingram** interjected.

**Mr MAUGHAN** — Yes, it does prove that the government is listening, as the honourable member for Gippsland East says. It is responding to the National Party's agenda at long last, and that is good to see. On the issue of public liability insurance the National Party has been making the running, reflecting the views out there in country Victoria about how public liability insurance is going to create enormous difficulties for voluntary organisations that are not going to be able to function because of the huge increase in premiums.

We can and should do something about that issue in this Parliament. I suspect that the minister's statement today is going to make some of those nice noises about what it is all about. I am looking forward to the statement with a great deal of interest because I am looking for some action. We have had a lot of talk. In putting forward this government business program the Leader of the House did not have his usual fire; he was very flat and got onto rhetoric and talked about the undemocratic swill in the upper house.

**An honourable member** interjected.

**Mr MAUGHAN** — My colleague reminds me of the minister with the note on his sermon, 'Shout here, argument weak'! I suggest to the Leader of the House that the reason for the rhetoric he went through today when he talked about an undemocratic swill in the upper house was that his arguments on the government business program are so pitifully weak in trying to justify a program that is not doing anything to advance the state of Victoria to give us a competitive edge over other states and other countries. This is a slow, lazy, easy-as-she-goes legislative program.

The National Party will not oppose the business program. How could we? I am tempted to move that we dispose of it by this evening, but we will not. Again, I say that it is a very weak legislative program for both last week and this week, as I suspect it will be for a couple of weeks after Easter, when we will have five bills to occupy those two weeks.

**Mr LANGDON** (Ivanhoe) — I am more than pleased to join this debate and follow the honourable members for Monbulk and Rodney. I recall last week

almost similar speeches were made by both members — —

**Mr McArthur** interjected.

**Mr LANGDON** — Again, I hear interjections from the honourable member for Monbulk saying, ‘It’s the same category’. As I recall, last week we had a completely full week; we actually sat one late night. We seem to forget about that. The house sat late because it had so much business to do.

The honourable member for Hawthorn is laughing. He spoke for more than 2½ hours. If he wanted to test the government he should have sat down earlier. We would have been more than pleased for the honourable member for Hawthorn to have sat down earlier.

**An honourable member** interjected.

**Mr LANGDON** — Exactly — or he could have spoken for longer. Some time ago the honourable member for Dandenong spoke for hours on a bill one night, challenging the government of the time. He mentioned the cars and everything. His was an excellent speech.

**An honourable member** interjected.

**Mr LANGDON** — Exactly. As I said, I recall last week both the honourable members for Monbulk and Rodney had gloom and doom about that program, that we would run out of speakers, run out of time, and that we would be doing nothing.

Members of the house would well recall that we had a very full agenda. As Government Whip I am aware that I had more speakers to speak on the debate on the Country Fire Authority (Miscellaneous Amendments) Bill. We could have spoken in that debate for longer. One opposition member came to me and said, ‘Will we get back to the bill?’ because he wanted to speak on it, but unfortunately we did not. So we could have sat longer still last week.

I note on behalf of the country members from all sides that we decided to do second-reading speeches on Thursday morning so they could leave early, and I am sure that this week we will do the same thing, because since it will be the Thursday before Good Friday we will allow the second readings to be done on Thursday morning. They are two important bills. The City Link bill is vitally important. As we all know, especially honourable members on this side of the house, the City Link gets lots of attention. The honourable member for Tullamarine is most concerned about City Link, as is

the honourable member for Essendon, who was in the chamber earlier.

This week’s legislative program includes the Constitution (Governor’s Salary) Bill. I know from the number of phone calls I have had that most government members, if not all, want to speak on it.

I am sure the debate will be riveting, with honourable members lending us all their expertise about the current Governor and about bringing that office into line, so I will not waste my speech on that now. Also, the Corporations (Financial Services Reform Amendments) Bill is important.

**Ms Asher** interjected.

**Mr LANGDON** — Why not — you flagged yours! The honourable member for Monbulk said the Electricity Industry (Amendment) Bill is important and should be debated properly — and I suspect it will be debated at considerable length. Obviously honourable members will speak about the Statute Law (Further Revision) Bill, and as the Leader of the House said, this house will again need to consider further amendments from that unrepresentative swill, the upper house — although it has some excellent government members there. The upper house majority keeps sending bills back here, and this house has to debate them at length, as happened last week when we spent countless hours repeating ourselves, telling the upper house what it should do with our bills. The Audit (Further Amendment) Bill is a prime example of that.

Also listed for debate is the ministerial statement, and I know the opposition parties and the Independents are keen to debate it and have come prepared for it. The house has a busy schedule this week, and the government is eagerly looking forward to it. I am sure honourable members could speak for hours on the bill dealing with the Governor’s salary. I look forward to all contributions. Perhaps we may let the honourable member for Hawthorn lead the debate, because he could speak for another 2½ hours!

I look forward to what I am sure will be a most enjoyable week. I am confident we will get through the legislation — but only just.

**Mr ROBINSON** (Mitcham) — It is always a pleasure to have the opportunity to participate in debates in the chamber, no more so than on the motion on the government’s business program. The Leader of the House has provided an exceptionally reasonable program for this week. It is well balanced, and one that secretly the National Party would approve of wholeheartedly if it could bring itself to admit that.

**Mr Ashley** — On a point of order, Mr Speaker, I have the distinct impression that there is a bit of filibustering going on, even on the government's business program.

**The SPEAKER** — Order! I do not uphold the point of order.

**Mr ROBINSON** — I noted the contribution of the National Party Whip, when he made an interesting and significant reference to the ministerial statement that is scheduled for debate as part of this week's government business program. I give him credit for making at least some of those comments, which is more than the Liberal Party would do. That is again evidence of the conservative parties opposite, in that the National Party's tail seems to be wagging the opposition dog. To some extent that is a sad reflection on the performance of members opposite.

The debate on the government's business program perhaps reflects the question as to what a business program ought to offer and what work the chamber ought to do. I do not agree with the contention of the honourable member for Monbulk, who said that at some point in the time he served in this place on the other side it had been a centre of excellence for parliamentary scrutiny and debate. I say to him in response that he can go and pull the other one, because I do not believe that happened in his lifetime or the lifetime of anyone who served in the previous Kennett government.

Certainly in the two years I spent in here at the end of the Kennett government's reign I cannot remember a business program that allowed members even half an opportunity to contribute on the various bills scheduled for debate. As I have said, some of the management of bills that came before this place during that time was nothing short of a disgrace. We had the famous example in, I think, 1998 of eight bills being squeezed into one omnibus bill and only 1 hour's debate allowed on matters that had nothing in common.

If the honourable member for Monbulk wants to offer an historical example I do not think he can hold up his time in this place to demonstrate that point; in fact, the opposite would apply.

The parliamentary business program should allow for a range of business activities to be considered. It should encompass ministerial statements and special presentations, as we had last week on the population summit. It should allow fulsome question times and debate on bills. The motion lists five bills scheduled for debate this week, and they are an interesting collection.

As government members know, and as anybody who reads *Hansard* would be aware, the government has to make allowance, because of its observance of parliamentary procedures and the traditions of this place, for vexatious and vacuous points of order, and nonsense from members opposite.

The only credit I will give the opposition, and it shows that its fortunes are on the way up, is that it has turned points of order into a growth industry. They are becoming more pompous and more ornate as time goes by. The government also has to make allowance for that.

The opposition seems to be saying that we should bring forward debate on bills that are listed on the notice paper and debate them this week.

**Mr McArthur** interjected.

**Mr ROBINSON** — If the honourable member listens, that is exactly what I am saying. The implication we can draw is that he would like some of the bills that are not scheduled for this week, such as the Crimes (Workplace Deaths and Serious Injuries) Bill or the Electoral Bill, to be brought forward for debate. The government has a view that more consultation is required on profound pieces of legislation. We do not want them brought in and tacked onto an already full business program so that we have only an hour on Thursday afternoon to debate them. They are worthy of fulsome consideration in due course.

This week's business program is reasonable and deserves the considered support of the house rather than the nonsense that has been trotted out by opposition members.

**Motion agreed to.**

## MEMBERS STATEMENTS

### **Frankston: central activities district development**

**Mr ROWE** (Cranbourne) — There is a smell in Frankston — the rotten smell of corruption — and the local government inspector, Mr Goodall, obviously agrees. He has done a preliminary investigation and found that corruption is spread far and wide in the city of Frankston. It is all controlled from one central point. The corruption not only spreads from the allegations originally made, and it is not just about money for deals and money for favours but about fear and intimidation. This corruption has been folklore in Frankston for

many years, and it seems to have been controlled totally by the Australian Labor Party.

The matters raised in this house and during the investigations by the committee of the other place deserve investigation by the Victoria Police. The police alone have the power and resources to conduct a criminal investigation, and they alone have the one power that is needed — that is, the power to access telephone records for incoming calls to and outgoing calls of all suspects named in this inquiry. This matter has been dodged by the Minister for Local Government, the Premier and the ALP, and it must be referred to the Victoria Police for immediate investigation or a judicial inquiry.

### **Street Beat Youth Festival**

**Ms BARKER** (Oakleigh) — This morning I had the great pleasure of joining with Victoria Police region 4 Acting Commander Kieran Walshe, Superintendent Trevor Parks and the new mayor of Monash, Cr Geoff Lake, in officially launching the first Street Beat Youth Festival which is being held at Warrawee Park in Oakleigh.

This unique festival is being held to involve local young people in positive social development activities and to highlight their positive achievements. Today 2000 young people from the broader community and nine local secondary schools in the Oakleigh and surrounding areas are being brought in by bus to participate in a range of challenging and exciting activities such as the Delhuntie Park pinnacle of terror, which is a free-standing mobile high-ropes activity — which, I may add, I did not go on!

There will be exhibitions by the local breakdancing groups and boxing clubs, and interactive displays from the Victoria Police band, the air wing, the mounted branch, the bike patrol unit and the solo unit of Victoria Police. Many other things are happening there today. Last, but certainly not least, is the very tasty sausage sizzle and doughnut stands provided by the Lions Club.

I would like to particularly thank the organising committee which involved among others the Oakleigh Lions Club, the Oakleigh Youth Resource Centre, BEST Inc., Oakleigh JPET, the Southern Ethnic Advisory and Advocacy Council and the Monash council. I would particularly like to congratulate Senior Constable Elizabeth Sidiropoulos and Senior Constable Gavan Bennett, who are just wonderful assets to our area and helped enormously in providing this unique festival.

### **Goulburn-Murray Water: government assistance**

**Mr KILGOUR** (Shepparton) — I, along with the members for North Eastern Province in the other place, Jeanette Powell and Bill Baxter, and the honourable member for Rodney, all from the northern irrigation areas, want to reject attempts by the state government and the Minister for Environment and Conservation to hide behind a consultants' report to avoid assisting Goulburn-Murray Water through its debt problem, which threatens the future of irrigation farming. This is a classic piece of Labor buck passing. The minister has seized on this report to avoid accepting her responsibilities.

The debt is not the result of mismanagement by Goulburn-Murray Water, but comes about because of an inappropriate asset valuation when the old Rural Water Corporation was abolished by the last Labor government. The fact that there have been no water sales in the past four years is not the actual cause of the problem but it certainly has not helped — it has made it worse! It is altogether too simplistic for the minister to say that the water shortage could have been foreseen. Yes, hindsight is a wonderful thing, but it should not be used as an excuse for failing to help in times of need.

The proposed future price increases of irrigation water recommended by the consultants in the report is unsustainable and will send some irrigators to the wall. The National Party members in the northern irrigation area are calling on the government to honour its promise to assist country Victoria and allocate at least \$20 million to Goulburn-Murray Water to overcome the debt hump in the Shepparton and central Goulburn irrigation districts.

### **Bushfires: Seymour**

**Mr HARDMAN** (Seymour) — I rise to inform the house of the fantastic work that is continuing following last week's devastating bushfire in the Seymour district, which burnt through 77 properties across 6400 hectares in parts of Hilldene, Glenaroua, Sugarloaf Creek, Tallarook and part of Tooborac, where the fire was deliberately started.

A community recovery committee has formed with the assistance of the Mitchell Shire Council, state government departments, community members and organisations. The work they have done to assist people in crisis is fantastic. As honourable members will know, in some cases farmers' livelihoods have been taken away and in others they have been severely affected. A family has lost its house, fences need to be

rebuilt and a lot of mess needs to be cleaned up from the sheds et cetera that have been devastated by the fire. All this has been coordinated by the community recovery committee. The committee has already conducted information sessions for people to let them know of the available services — federal, state and local — and a community development officer has been appointed through the shire. I found out today from Dr Tom Keating that that has been funded through the Department of Human Services.

I thank the responsible ministers and their departments — human services, environment and conservation and, especially, police and emergency services — for their assistance, and obviously the dedicated workers in those departments who have worked with volunteers and other community members to help clear and fix up this important situation.

### **Frankston: central activities district development**

**Ms McCALL** (Frankston) — I am delighted that the upper house inquiry has finally turned the light on the stinking circus in Frankston that emanates from Ringmaster Viney's office, ably assisted by Clown Conroy and the magician who puts money in brown paper bags and scurries off into the distance. The community of Frankston is tired of the rumours, it is tired of the innuendo, and it is tired of the suggestion that there is corruption riddled throughout the council and community of Frankston. Frankston deserves better. It will get better, and the start is the recognition that this has to be handed to the police.

This matter is far too serious to be swept aside and trivialised, as it was by the Minister for Local Government last October. That is a disgrace for this government; it is deceitful of this government. It is hiding behind the pretence of having a broadened inquiry, but that will not satisfy the people of Frankston. They have an elected representative in the seat of Frankston East who has betrayed the community visibly and audibly. They deserve for the police to adopt this, to recognise the corruption that is permeating the streets of Frankston, to deal with it appropriately, and if necessary to hang from the rafters those who are responsible.

### **Darebin: councillors**

**Mr LEIGHTON** (Preston) — Last night I attended the statutory meeting of Darebin City Council, and I would like to congratulate Cr Vince Fontana on his election as mayor. Vince is a hardworking local councillor who was elected earlier this month with a

landslide majority. In his acceptance speech Vince stressed local and environmental issues, and also the completion of a number of projects which will benefit Darebin. Cr Fontana was a popular choice for mayor. He has not only my personal best wishes for his mayoral year but also those of local residents, community groups and Darebin business.

I also want to congratulate a new councillor on his election. Dr Stanley Chiang, or Cr Chiang as I can now call him, is the first councillor of an Asian background elected to Darebin council. Stanley was born in mainland China. The fact that he received a substantial vote in an area that does not have a large Chinese population is a tribute to Darebin as an inclusive and tolerant multicultural community. I am proud that residents voted for Stanley Chiang on merit. He will be a councillor of the highest calibre, who will serve his community well, and I look forward over the next three years to working with all the successful councillors. We have a very good council on this occasion that will serve the residents of our municipality well.

### **Frankston: central activities district development**

**Mr COOPER** (Mornington) — In regard to the Frankston shopping centre development corruption scandal, Cr Mark Conroy has not been vindicated as he claims. Cr Conroy refused to appear before the upper house inquiry because he knows that under any sort of cross-examination his corrupt behaviour would be exposed.

The government should not continue to procrastinate. This is a matter that demands an investigation by a judicial inquiry. Rumours are rife that several prominent people have benefited financially. Not only is the honourable member for Frankston East caught up in this with his Labor Party mate, Cr Conroy, but the scandal also involves a Frankston real estate agent, Rogan Ward, and a Carlton-based real estate agent, Shayne Sheehan. Both these individuals have strong links and connections with the Labor Party.

This corruption scandal must be immediately referred to a full judicial inquiry for investigation. The Bracks government must not be allowed to slither away from taking proper action on this blatant disgrace. Frankston deserves better, the people of Victoria deserve better, and I call upon the Bracks government to take the action that is required to expose the corruption that has occurred with the Frankston council, Frankston councillors and members of the Labor Party in the City of Frankston.

### **Banksia Secondary College**

**Mr LANGDON** (Ivanhoe) — I would like to congratulate Banksia Secondary College on its multicultural ceremony held yesterday, at which I was one of its special guests. It was an outstanding ceremony.

Banksia Secondary College is in my electorate. It has students originating from 24 countries, not including students whose parents perhaps come from different origins. It is certainly a vast multicultural school. It had a multicultural ceremony in the last week before the end of term 1, and the events will occur all week.

The ceremony I attended was an outstanding success. I thank the principal, Mr Arthur Coates, the vice-principal Gerry Fogarty, and all the teachers and pupils of the school. They should be congratulated on putting on such an excellent ceremony. Mr Philip Ceberano was there, whose one claim to fame is that his sister is Kate Ceberano. He spoke to the kids about being motivated, how to do things and how practice was so important to getting anywhere. Kutcha Edwards, the Aboriginal of the year, was also there to address the pupils.

**An honourable member** interjected.

**Mr LANGDON** — Mr Ceberano described himself that way. It was an outstanding event, and a lot of students were there. Aboriginal dancers from the Northern Territory were there; they also go to school there. A lot of people from the Pacific Islands also performed. It was an outstanding day. I commend the school, the pupils and the teachers for their efforts.

### **Greater Geelong: mayor**

**Mr PATERSON** (South Barwon) — Last week in this house the honourable member for Geelong North launched an unwarranted and unsubstantiated attack on Geelong mayor, Stretch Kontelj. The honourable member tried to assert that the council had not responded to a request by the local government minister for information regarding the Geelong Business and Trade Centre.

The minister wrote to council on 29 November 2001 seeking information and the mayor responded — the very next day. He offered to speak with the minister directly, giving both a direct telephone number and a mobile number for contact. Three months later the minister sought further information, which again was responded to comprehensively within a day. Again, the mayor offered to speak directly with the minister and provided the relevant contact numbers. The mayor and

the Geelong council have cooperated fully with government requests. At no stage has the department or the minister's office made direct contact.

The honourable member for Geelong North has shown contempt for the democratic processes of local government with his allegations in the house last week. The honourable member could not care less about the future of Geelong and only wants to paint the city in a bad light for his own crass political purposes. He has misled the people of Geelong with his inferences and is to be condemned for conducting a baseless witch-hunt by attacking the city he pretends to represent.

### **Delacombe Primary School**

**Ms OVERINGTON** (Ballarat West) — On Sunday I had the privilege of attending the 21st birthday celebration of the Delacombe Primary School in my electorate. Guests were greeted by the current principal, Geoff McArthur, and school council president, Don Watson. We were entertained by the school choir and talented current and former students.

I take this opportunity to thank those students: Lee and Anna Taylor, Darren Hart, Nyssa Barrett, Kate Mason, Scott Mangos, Philip Gladman, Naomi Govan, Joel Beggs, Shane Gradkowski and Kathryn Clark — Kathryn has just won a music scholarship for the trumpet, and she was brilliant. Mr John McManus, the school's longest serving principal, and Mrs Maree Phelan, wife of Barry Phelan, the first principal, cut the birthday cake. Congratulations to Delacombe Primary School for continuing to provide a great school environment that enables quality school education to be delivered.

As the suburb of Delacombe started to expand over 21 years ago the only local public primary school, Redan, was extremely crowded and a number of parents from the new suburb at the time lobbied very hard for the establishment of Delacombe primary. When it first began it was just a bank of portables sat in the middle of a barren paddock — —

**The SPEAKER** — Order! The honourable member's time has expired. The time set down for this debate has expired.

**MINISTERIAL STATEMENT****Insurance: public liability**

**Mr LENDERS** (Minister for Finance) — I rise to make a ministerial statement on the current crisis in public liability insurance confronting the Victorian community.

No Victorian is immune from the problems that have emerged from the collapse of HIH and the events of 11 September last year. All honourable members are aware of the difficulties faced by sporting, community, business, cultural and professional groups in obtaining insurance cover for their activities. The problems range from a lack of available or appropriate cover, to unbearable increases in the premiums being demanded.

In recent decades, we have taken the availability of affordable insurance cover for granted. For the foreseeable future, that assumption is under significant challenge. The purpose of this statement is to set out the government's program to manage the distress that so many organisations and individuals are experiencing.

This is the first of two ministerial statements on this issue. This one is being delivered on the eve of the summit that has been convened in Canberra tomorrow, Wednesday, 27 March, with its focus on national issues. The second statement will be delivered later in April, by which time the states, territories, and the commonwealth will have had the opportunity to compare their strategies and identify initiatives where national collaboration is required.

A year ago insurance issues were not on any significant public agenda. Today it is impossible to pick up a newspaper without detailed reference to some group or other being impacted by the crisis. Since the collapse of HIH, the Victorian government has argued consistently, first through Minister Kosky, and now through me, that the public liability insurance problem is national in nature and warrants appropriate national strategies. Unfortunately, in some minds this approach has been misinterpreted as an abdication by state governments of their responsibility to manage issues within their jurisdictions. Nothing could be further from the truth.

Victoria has not resiled from its responsibilities on any insurance issue, and it is offensive that this distracting line of argument has been pushed. A collaborative approach to fixing problems would have advanced the interests of our community more quickly and professionally.

Over a year after HIH collapsed, and more than six months after Victoria approached Minister Hockey to

convene a meeting of the states, the long-awaited national forum is about to happen.

Ever since it became obvious that our economy and social fabric were threatened by an insurance crisis, the Victorian government has taken a rational approach to solving the problem. Many of the knee-jerk solutions promoted by individuals and groups say more about the economic interests of those parties than about public liability insurance.

The role of a responsible government is to consider all factors when assessing policy proposals, and not to legislate to the advantage of any party without calm consideration of the effects, inadvertent or otherwise, on other parties.

For example, some groups have suggested that the government should provide insurance to distressed businesses and other groups. Such a move may solve the problems of particular organisations that cannot obtain insurance cover. However, such a policy could only be implemented if the community at large accepted the consequences: an increase in every citizen's exposure to liability, and possibly tax increases, that would come with the state taking on this role.

These are not decisions to be taken lightly.

Therefore, the Victorian government has adopted a fact-based approach to the problem and the alleged solutions. The following conclusions drawn from our research will inform decisions that need to be taken about public liability insurance issues in coming months.

For the last seven to eight years, the Australian insurance industry has underpriced many of the liability products that are now in crisis;

In recent years investment returns have declined, and so exposed the underlying underwriting losses of these classes of insurance;

Insurance companies in Australia have not demonstrated particular expertise in the management of so-called long-tail insurance products;

This lack of expertise has been compounded by some of the emerging costs associated with long-tail products, for example, the delayed and higher-than-anticipated incidence of asbestos-related claims;

HIH's underwriting practices, and in particular its aggressive underpricing, drove the market down to unsustainable levels;

The Australian prudential environment and market was incapable of detecting or halting the destructive impacts of HIH's practices. That was, and remains, a commonwealth responsibility;

HIH secured a dangerously large proportion of this fragile public liability market, which exacerbated the negative effects on business and the community when it eventually collapsed;

The events of 11 September 2001 added to the distress already emerging in the Australian market from the HIH effect. In particular, 11 September managed to remove 20 to 30 per cent of available capital in the world reinsurance market, with disastrous effects on capacity. The shrinking availability of capital has now translated into higher premiums. It has also forced insurers to be more selective about the risks they underwrite. In this market, they can — and probably must — be choosy;

In addition, risk-averse overseas insurers, faced with the current financial and political uncertainties, have retreated to their home territory and to writing safe classes of insurance;

As Australia only represents about 2 per cent of the world's insurance market we have been hit harder than most nations by these events;

A compounding factor has been the concentration of the Australian insurance market into very few companies. This has left commercial and community consumers with very few places to obtain insurance. This has led to an increasing trend to source cover direct from overseas. It has also led to the emergence of unauthorised and dubious insurers from locations such as the Marshall Islands;

Though the insurance market is notorious for going through cycles, this one is unusually deep and will probably endure for a longer period than previous episodes. It may take two to three years before markets return to some normality;

The United States and Canada experienced similar crises in the 1980s. Similarly, the UK has endured insurance woes prompted by terrorist attacks and significant corporate failures. There are valuable lessons to be learnt from those times. In particular it is clear that some interventions by governments that involved huge commitments of time, resources and

parliamentary effort resulted in little actual effect on consumers. While some overseas initiatives did contribute to stabilising the private insurance market and protecting consumers, many policies petered out with little noticeable effect on the sorts of insurance problems we are facing today such as critical rises in premiums;

Whatever happens, premiums available to consumers are unlikely to return to pre-HIH-collapse levels;

The Victorian government is unusually well placed to understand the problems of public liability insurance because it owns and operates two successful long-tail schemes: TAC and Workcover. Some aspects of their operations would, if translated into the general liability market, offer some solutions to the current problems;

Government is a big premium payer. Government insures its business in a commercial manner, and is experiencing the same financial pressures as the general community. This experience also gives us an insight into what is driving the premium hikes.

Consistent with the rational approach taken over past months, the government has challenged all parties to come up with the evidence that supports their case for: law reform; increased regulation; government intervention; and the like.

The Insurance Council of Australia, the HIH liquidator, the commonwealth government, the Australian Plaintiff Lawyers Association, the law institute, peak business and community bodies, and industry representatives all have a role to play in providing data that might help to explain what is happening with insurance markets. It is insufficient for any party to claim that the data is commercial in confidence. There are ways of aggregating data that provides insights to market dynamics without betraying commercial or individual confidences.

Regrettably much of the relevant data on public liability insurance is either:

not collected

not reliable

commercially confidential and, therefore, not available

biased

not statistically sound; or

irrelevant to this debate.

Fortunately some data collection projects involving the ICA, plaintiff lawyers, the law council and the courts are now under way.

The absence of reliable information is of major concern when a government is asked to assess competing claims about the origins of the crisis and the impact on premiums of allegedly rising public liability claims and compensation payouts.

In the absence of reliable data, the Victorian government has taken the view that caution has to be exercised before tinkering with the common law. Governments depend heavily on accurate data for the formulation of taxation policy and there is no reason why initiatives in the area of public liability should be less soundly based.

Similarly, governments are required to submit regulations with even minor economic impacts to a regulatory impact process. The economic impacts of tort reform are of such dimension and impact on so many citizens that they ought to be treated with the same gravity as that accorded minor regulatory reform.

It would be wrong for the Parliament to raise expectations that premiums will fall as a result of amendments to the law, unless reliable data demonstrated there were reasonable grounds for believing this to be a likely outcome of the legislature's efforts.

As things stand today, the government is yet to be convinced that changes to the common-law framework in Victoria would have sufficient impact to induce insurers to reduce premiums.

A challenge for the next few months is, therefore, to test rigorously the very large number of proposals for tort law changes against these simple tests: how would the change affect public liability litigation and payouts? Might the intent of the change be avoided by alternative strategies, such as recourse to the commonwealth's jurisdiction? What probable effect would the change have on premium calculations by insurers?

Whatever happens, the government's clear view is that at present no tort law reform initiative that would be likely to be broadly supported will convince insurers to slow immediately the recent rise in premiums, or to make insurance available to those sections of the community that are currently considered uninsurable.

The government would welcome any advice to the contrary from the insurance industry. Similarly, the government would be pleased to inspect the books of any party, insurer or legal practitioner to establish the

connection, or lack thereof, between tort reform and consumer interests, in respect of both premium costs and claims payments.

### **Actions over the past year**

Since the collapse of HIH the Victorian government has:

Announced the community group insurance scheme developed in conjunction with the Municipal Association of Victoria and Our Community Pty Ltd. The broker to the scheme, Jardine Lloyd Thompson, and specialist adviser Max Salvesson, have been instrumental in guiding the project through the insurance realities of today's world;

Provided \$330 000 from the Community Support Fund to the Municipal Association of Victoria (MAV) for the development of risk mitigation activities. This project has been managed in conjunction with a broad coalition of community organisations, including Vicsport and the Arts Council of Victoria. This project will have immediate application to other sectors of the economy, including small business;

Implemented the \$35 million HIH rescue package for stranded home owners. This was put in place in near-record time. Over \$4 million has already been paid out to 146 home owners who, but for the scheme and the quick action of government, would have been without financial support;

Established a broad consultative network to assess the dimension of the public liability problem and responses to it. A list of over 50 of those consulted is set out further in this statement;

Provided \$100 000 to adventure tourism operators to assist them prepare risk management plans and audits;

Developed a revised builders warranty insurance scheme that will provide stability for the housing industry and protection for consumers. Without this action the future of builders warranty insurance in Australia would have been in doubt;

Commissioned expert legal analysis on proposals for tort reform that have been submitted by various parties. These opinions will help determine the merits of these proposals and how practical they would be in operation;

Initiated the collection of reliable and appropriate data to overcome the impasse on good policy

development. To this end the government has supported Our Community in the conduct of its survey of not-for-profit community groups to determine their risk profile and prepare a business case for underwriting. The data has been instrumental in establishing the community insurance scheme, founded on sound insurance principles;

Made representations in London on the availability of public liability insurance cover and researched the capacity of that market to meet the insurance needs of Victoria's struggling business and community groups; and

Convened the Australian Heads of Treasuries Insurance Working Group to advise on solutions to the current liability insurance problems.

### Consultation

Nothing could have prepared the government or the community for the problems we have faced over the last 12 months. The government's capacity to respond to the crisis has been assisted by the input of many groups and individuals. I want to put on record today the government's deep appreciation to the following for their advice and assistance in this process. I know that it is fashionable at present to knock consultation, but without the technical and practical advice received to date the government would be extremely ill prepared to meet the current challenges. Well over 50 groups have been consulted about the current dilemma facing us. I seek leave to have the list incorporated into *Hansard*.

*Leave granted; list as follows:*

AON Limited  
 Arts Industry Council  
 Arts Victoria  
 Australian Hotels and Hospitality Association  
 Australian Plaintiff Lawyers Association  
 Australian Retail Association of Victoria  
 B & W Deloitte  
 Clubs Victoria  
 Consumer Law Centre  
 Faraday Underwriting Limited  
 Government MPs, particularly from regional Victoria, who have worked on this issue;  
 HM Treasury, UK  
 Housing Industry Association

Independent Members of the Victorian Parliament and their advisers;

Insurance Council of Australia

Jardine Lloyd Thompson

Law Institute of Victoria

Leader of the National Party — Peter Ryan, MP

Mansfield Public Liability Insurance Task Force

Marsh Pty Ltd

Marsh Specialty Operations Ltd

Master Builders Association

Master Grocers Association of Victoria

Monash University

Municipal Association of Victoria

National Insurance Brokers Association

Office of Regulation Reform

Office of the Minister for Financial Services and Regulation

Our Community Pty Ltd

Parks Victoria

Philanthropy Australia

Pricewaterhousecoopers

Professor Ross Cloutier, visiting Monash University from British Columbia, Canada

Property Council, Victoria

QBE Mercantile Mutual

Regional Arts Victoria

Restaurants and Catering Association of Victoria

Retail Traders Association of Victoria

Royal Sun Alliance Global and UK Commercial.

Sport and Recreation Victoria

The Royal Melbourne Show

Tourism Victoria

UK Financial Services Authority

Vicsport

Victorian Agricultural Shows Association Incorporated

Victorian Automobile Chamber of Commerce

Victorian Bar Council

Victorian Employers Chamber of Commerce and Industry

Victorian Horse Council

Victorian Managed Insurance Authority  
 Victorian Tourism Operators Association  
 Volunteering Australia  
 Zuellig Insurance Brokers

**Commonwealth government role**

One of the government's major regrets in the current debate is the abject refusal of the commonwealth government, until this week, to admit that it has any responsibility for insurance matters in Australia. A reading of the press releases and correspondence of Minister Hockey and, until this week, Senator Coonan reveals a consistently wrong-headed view: that the insurance crisis is a matter for which the states are solely responsible. The commonwealth has limited its role to one of facilitating discussions between the states and territories.

The last time I looked, the Insurance Act was a piece of commonwealth legislation. The nation's financial and prudential supervisors, APRA (Australian Prudential Regulation Authority), ASIC (Australian Securities and Investments Commission) and ACCC (Australian Competition and Consumer Commission) are commonwealth agencies answerable to commonwealth ministers. The commonwealth has admitted to being practically involved in insurance matters through its funding of compensation to the victims of the HIH collapse.

But it maintains the fantasy that insurance problems are for the states to manage. I know of no state that has threatened or attempted to deflect its responsibility for insurance issues to the commonwealth. The basis for the commonwealth's defensive and unhelpful attitude remains a mystery. My hope is that this will change later this week — tomorrow, in fact — and that a more mature attitude will prevail.

In the meantime Victoria calls on the commonwealth to tackle some issues that are fairly and squarely in its patch. I will be taking the following proposals to Canberra and look forward to reporting the commonwealth government's responses back to our Parliament after Easter. Some of these proposals owe a deal to the analysis by the NSW government with which we agree:

speedily amend the commonwealth tax laws to facilitate the use of structured settlements;

promptly respond to the findings of the ACCC 2001–02 inquiries into insurance premiums, including the pricing of public liability insurance,

including a comparison of Professor Fels's findings against the various calls made for tort and related reforms;

investigate and report publicly on the effect of its new capital requirements for insurers on premiums, and disincentives to new entrants in the Australian market;

provide to the states and territories a proper evaluation of the costs, benefits and legal requirements for a national compensation commission as proposed by the commonwealth;

increase APRA's powers to collect information from all parties, including insurers, on liability claims;

analyse and use the information APRA collects to regulate the insurance industry properly;

address the regulatory confusion that arises from having three commonwealth bodies regulating the insurance industry — APRA, ACCC and ASIC;

ensure that the commonwealth is ready to implement the recommendations of the HIH royal commission promptly so as to avoid future disruption to the Australian insurance market;

urgently amend section 68A of the Trade Practices Act to allow individuals to assume legally and confidently an appropriate level of the risk that accompanies tourism and sporting-type activities;

direct commonwealth agencies to monitor and advise consumers of the risks associated with rogue, unauthorised insurance operators coming into the Australian market from havens such as the Marshall Islands;

establish a role for the states in the data collection and analysis operations of APRA. If the states are to be held responsible by the commonwealth for insurance matters generally, then we have an entitlement to oversee the data collection on which the assessment of our management is based; and

issue a reference to an independent body such as the Productivity Commission to advise on the data requirements for governments to properly manage their responsibilities in respect of insurance, and to provide up-to-date data on the structure and risks in the Australian insurance market.

In the absence of commonwealth engagement on these points, the efforts of the Victorian government and the

community will be at best incomplete and at worst a waste of resources. Our citizens deserve better.

### **The Victorian agenda**

The Victorian government has received many proposals for change that might have a positive impact on the public liability problem. These ideas all have merit and deserve to be considered carefully, subject to an assessment of their impact on premiums and the availability of data as set out above.

Victoria will go to the national summit with a preparedness to consider all proposals, including the following:

The establishment of a national scheme, similar to that currently operating in New Zealand. This proposal would require extensive research as it involves the harmonisation of schemes and legislation across all jurisdictions;

Mechanisms to lessen the cash flow burdens on businesses arising from the steep one-off effects that premium increases are having, particularly on small businesses, whose capacity to adjust prices is limited and does not allow immediate on-passing of insurance expenses to their consumers;

Legislative coverage of volunteers and good Samaritans. These initiatives would move the legal liability for various actions from the volunteer to the responsible incorporated association. With this comes the risk of increased premiums for the association. The initiative needs to be balanced against the view that not all not-for-profit groups support the idea that their financial health should be achieved at the expense of injured persons;

In support of amendments to the Trade Practices Act, the development of personal injury policies available for individuals who participate in activities involving risk;

Access by private insurers to the best practice common-law claims management processes of the TAC and the VWA to enable public liability insurers to manage better their exposures and litigation;

Consideration of a Victorian insurance commissioner to act as a go-between for the multiple parties in the current insurance environment and assist in the assessment of competing claims for reforms of one sort or another that purportedly will relieve pressure on the liability insurance system.

There are any number of other innovations that can be discussed in the Victorian context. These will be fleshed out in my April statement after discussions with the commonwealth and other states.

### **Conclusion**

The government is sensitive to the frustration of honourable members, community groups and businesses who would like to wake up one morning with the insurance crisis resolved. Regrettably the nature of the problem does not allow for any quick fixes. If there were, governments across Australia would have already implemented those initiatives and moved on to other pressing policy issues.

The contributions of members of this Parliament to finding solutions are appreciated.

I return to a point made several times in this statement. We cannot overemphasise the power of information in resolving the current problems. The community insurance scheme that will soon operate in Victoria will take off on a sound business footing because the parties involved did some hard work assembling the facts and the business case for consideration by insurers. Collecting data is not glamorous headline-grabbing work, but it is the precondition for communities and businesses that want to get out of the current predicament. The community insurance scheme is a model for many others to follow.

In the years ahead, issues associated with other long-tail liability products will impact on the operations of governments and communities around Australia. The debates of the next few months will have direct application to how we manage emerging issues with professional indemnity insurance, particularly medical indemnity.

I look forward to the contribution of all members and stakeholders as the government revamps aspects of how public liability insurance operates in Victoria over coming months.

I move:

That this house takes note of the ministerial statement.

**Mr CLARK (Box Hill)** — The ministerial statement the house has just heard is a curious mixture. Some of it is sound, some is vacuous, much of it is self-serving, and none of it shows a grasp of the sense of urgency and the need for action which is uppermost in terms of what is required to tackle the emerging problems of public liability insurance in Victoria. The entire community recognises the crisis that has been

caused by the difficulties with public liability insurance, from the threat to the Arthurs Seat chairlift, the cancellation of the Thorpdale potato festival, the threat hanging over horseriding in the Mansfield area, and the question marks over the Royal Melbourne Show. Every sector of the community has been affected, including small business. The problem is staring us all in the face.

There is a fair degree of agreement on a number of the underlying causes of this problem. It is generally accepted that the collapse of the HIH Insurance group and the end to the fierce competition that prevailed in the domestic insurance market is one contributor; the fall in earning rates by insurance companies is another contributor; 11 September and its aftermath has been a significant contributor, both in terms of the reduction in the volume of reinsurance funding that is available and also more generally in a reassessment of risk factors by insurers both in Australia and around the world. In that respect the role of expectations is pivotal.

Overall, there is a contractionary phase in the insurance industry at the moment where an avoidance of risk is dominating over looking for new profit opportunities. So there is general agreement on that range of factors.

Still unresolved in the public debate is the role of levels and changes in the levels of litigation. A number of a priori arguments have been put forward about rising levels of litigation, including changing social attitudes, changes to the way the legal profession is regulated, the commencement of no-win, no-fee possibilities, a willingness of the courts to lower the standard of proof or impose a greater duty of care in determining liability, and a tendency to award increased payouts.

It is argued that we have become a more litigious society. There is also a lot of anecdotal evidence that there has been a large increase in claims levels, and the Mansfield group has been strongly arguing that fact. Anecdotally, if you speak to insurance brokers they will almost to a person tell you that insurance companies have increasingly felt under pressure to pay out claims before they even reach the stage of litigation because they are fearful of what will happen if the claims get to court.

The cleaning contractors association is similarly arguing there is an increased propensity for claims to be made against its members in respect of cleaning in public places and accidents that are alleged to have happened. Of course, many local governments are concerned about the recent High Court case on liability for the condition of roads, footpaths and bridges.

There is also the statistical evidence put forward by the Australian Prudential Regulatory Authority about loss and payout ratios. On the other hand, the Australian Plaintiff Lawyers Association (APLA) argues that there has not been an increase in the total level of litigation in this country. The Our Community group has also argued that its survey backs up that point insofar as it shows there has been a low level of claims against the respondents to its survey. There has been talk by the APLA about opening up the books of some of its members to assess claims, and to the extent that claims reach legal offices, that may be helpful.

There is an opportunity for the state government, if it wants to contribute, to assess the records of the state court system and the claims filed and dealt with in the Supreme, County and Magistrates courts. But more information is needed, and if privacy issues can be overcome, evidence from the insurance industry would also be welcome. There may be a role for Health Insurance Commission information as well.

However, the question mark hanging over the role of litigation does not obviate the need for action. It is universally agreed that there is a combination of short-term actions and longer term reform options and other actions that need to be taken and looked at. There is not much disagreement across the house on that point. Where there is a difference is that the government, at a state level, is not doing anything, particularly at the level of need for short-term action. The forum held last September was only held because the National Party was going to hold a forum and the state government felt it had to have a forum ahead of that. A working party was set up following that with the Our Community organisation and the Municipal Association of Victoria (MAV) to look at a pooled insurance scheme, and that was fine as far as it went.

Pooled insurance is a sound concept that looks at a collective sharing or aggregation of risks and the adoption of standards, greater buying power with potential insurers, a reduction in administrative costs and the potential to seek overseas cover given the larger volume of business being put on the market. There is layered risk with particular operators accepting an excess, a pool within the scheme covering the next layer, and insurance or reinsurance covering the excess above that. A pooled scheme with sound risk management can demonstrate lower risk to insurers and can operate on a similar basis to the medical defence association. So the idea is sound, but what has the government done to get behind it? Very little indeed. It has left it to the Our Community organisation, the MAV, plus Jardines, its insurance broker, to do all the hard work on it.

Just a few days ago the government came out and tried to attach its name to this scheme. The problem is that the government's inaction has meant this scheme is far too late in coming. It will only take effect, assuming it all goes on track, on 1 July, and it will be a scheme only for community not-for-profit organisations. What has been needed all along is for the government to get behind the establishment of these pooled insurance schemes and to use the expertise from its in-house risk management insurance agency, the Victorian Managed Insurance Authority, to promote the development of these schemes rapidly, not only for the not-for-profit sector but for small businesses across the state, particularly in the tourism and related sectors. But no, that has not happened; things have been left to meander on. There has been no sense of urgency and priority. Now the government tells us how marvellous its track record has been over recent months.

If you look through the minister's claims as to actions the government has taken over the past year, they are pretty thin on the ground. I have already discussed the lack of support for the pooled insurance scheme for not-for-profit organisations. There have been some modest contributions to risk-mitigation and risk-management planning and development. The government claims credit for the HIH rescue package, but in that area it has still done absolutely nothing to help those hundreds of builders who were struggling to get insurance after the HIH group collapsed. The package looked after consumers as best the government was able, but it did nothing to help builders. That was a glaring failing at the time, and it continues to be so.

In more recent times the government has had to dramatically curtail the scope of builders warranty insurance, largely because it failed to get its act together on time and beef up regulation of the building industry to pick up exposures that became manifest following the HIH collapse. The government is therefore in no position to claim that it has handled that matter well. The government talks about data collection. Again it has left it to the Our Community group to collect that data. No doubt the information resulting from that survey will be useful, but because it is a self-selecting survey in terms of people who opt to respond to it, I do not think there will be as much value to be got out of that data as might otherwise have been the case.

The minister had the nerve to put forward the Transport Accident Commission and the Victorian Workcover Authority as role models for how insurance companies should conduct themselves. Given the Labor government's record over two and a half years in terms of what it has done with the authority and the bungled flood of dubious claims it unleashed due to its

ill-considered change in the cut-off date for the old common-law regime; the fact that unfunded liabilities in the authority are still \$237 million higher than they were when the Bracks government came to office; the fact that the Transport Accident Commission reported a \$640 million turnaround for the worse in its result to June last year; and evidence of issues that the TAC has to tackle on long-term claims management, I think it is a bit rich for the government to point to its management of those organisations as providing a role model for the rest of the community.

Furthermore, even assuming the minister is right in saying these are role models, what has he done to translate that into practice? It is all very well to come into Parliament towards the end of March and say these are role models, what has he been doing over the last six months to make this claimed expertise of the TAC and Workcover available to the community? The government's track record to date has been appalling.

The government today talks about its legal analysis of court reform options. Where is that analysis? Terrific to do that analysis, but why not let us have it? Why is that not being tabled in the house with the ministerial statement? Why is it not being released publicly to inform public debate before the forum takes place in Canberra tomorrow? Why is the minister not telling us now about a lot of the things he referred to towards the end of his speech about a number of other innovations that can be discussed in a Victorian context? Why is he not informing public debate about that now? Is it really an indication that he is making it up as he goes along and he does not have anything to tell us at this stage?

We have seen time and time again from the minister in his current speech, and from his predecessor in a number of things she said, an attempt to shift responsibility to the commonwealth government and create a smokescreen to cover up for their own inaction. The minister today had the hide to say that it is offensive for people to suggest that Victoria has resiled from its responsibilities, yet the previous Minister for Finance in a news release on 21 September last year said:

The capacity of state governments is extremely limited in this area but we will continue to assist where we can.

The Minister for Finance argues that Victoria is here to play its part and there are a lot of good things the state can do, but his predecessor said that the capacity of the state was extremely limited.

In his statement the Minister for Finance says he knows of no state that has threatened or attempted to deflect its responsibility for insurance issues to the

commonwealth, but probably 50 per cent of his statement in the house was an attempt to do exactly that. Towards the end of his remarks the minister told the house that in the absence of commonwealth engagement the efforts of the Victorian government and community would be at best incomplete and at worst a waste of resources. The Minister for Finance has been doing his level best to handball responsibility to the commonwealth.

I will drive that point home by making one further observation. We have the minister urging the commonwealth to amend the Trade Practices Act to allow individuals to assume legally and confidently an appropriate level of risk when they engage in adventure tourism. I draw to the attention of the minister and the house the fact that a similar set of provisions to those in the Trade Practices Act is contained in the Victorian Goods Act. I refer in particular to section 91 which relates to terms implied in the sale of services, and section 92 relating to fitness of services for purpose. In these sections there are implied conditions that the services will be rendered with due care and skill and that where the purposes of the services are made known to the seller they are to be fit for that purpose. These provisions parallel those of the Trade Practices Act. They apply to consumer contracts and to contracts relating to amounts of less than \$15 000.

As I read the legislation, if you go on a trail ride and pay \$30 or \$50 for it, the state Goods Act is operating to prevent the contracting out of those provisions: section 95 of the act says that such provisions are void, and section 96 provides a penalty for including a void provision. If the minister is urging the commonwealth government to amend the Trade Practices Act to allow contracting out, I trust he will introduce legislation into this house to do exactly the same thing at a Victorian level. If he is not, I have to say that his call on the commonwealth smacks of humbug.

To date, the government at a state level has provided very little by way of practical assistance when it could and should have been acting totally independently of the national forum. From an opposition point of view, we saw the outcome of the September forum where a number of worthwhile ideas were put forward, and perhaps unduly trustingly we watched to see how the government was going to implement them. After some time it became apparent that the government had done next to nothing to translate all those good ideas into action, so the opposition put forward its own package of measures, including both short-term actions and longer term reform options.

As I said earlier, pivotal to that in terms of short-term action is to make use of the in-house expertise that the government already has in the Victorian Managed Insurance Authority (VMIA). The government should have been and could still be using that authority to get pool insurance arrangements up and running quickly, not only for not-for-profit organisations but also for small businesses. Similarly, in relation to the many community and small business activities that operate on state government-owned land where the government must already cover its own risk exposure through the VMIA, there is an opportunity for a shared risk between the state and the community organisation or small business.

The government makes a lot of play about public-private partnerships, cooperation and those sort of things. Here is a classic instance where there is a combined interest and where combined management of that risk would be beneficial. It is not an option that would be available in all instances, but where there are reputable, long-established, well-regarded local tourism or community activities based or held on state government land, there would be an opportunity for that joint sharing of risk. The government should have taken up that opportunity and that option is still open to it.

**Mr Lenders** — You are a socialist.

**Mr CLARK** — The Minister for Finance seems to imply that in some respect that is a socialist activity. I thought that he was one of the New Labour types; one of the Tony Blair types, rather than one of the troglodytes. However, just to give some comfort to the minister, I am certainly not suggesting that that be done without financial contribution from the community or private sector organisation concerned. There would be that contribution and it would be a joint action on a matter of joint interest and a joint sharing of risk; it would not be a taxpayer subsidy.

The government has failed to act to date. In this statement today we have seen no sense of urgency, no recognition of the need for action. We have an agenda which is being taken to Canberra, and the first four or five items simply list options that the government might want to talk about without it really declaring its hand. We then have references to the Trade Practices Act and using the Transport Accident Commission and Workcover, as I have referred to.

We then have talk about the consideration of a Victorian insurance commissioner to act as a go-between for multiple parties. Will that replicate what the Department of Treasury and Finance or the VMIA could be doing already — that is, simply helping put

deals together? In that case, do not bother with a separate entity. The minister also said the commissioner could assist in the assessment of competing claims for reforms of one sort or another that may relieve pressure on the liability insurance system. That seems to me to be like a law reform or policy role and I cannot understand why that would be something that an insurance commissioner would do.

Last but not least, we have an unspecified collection of other innovations which we are not going to be told about now — if we are lucky we might be told about them in an April statement after the meeting in Canberra.

In conclusion, we have had today a statement that, like previous ministerial statements in recent times, while on an important subject, does not do a great deal to advance debate. In this case in particular we have a statement which, if anything, confirms yet again that this government is very good on talk, that there is lots of talk, but there is definitely not much action.

**Mr RYAN** (Leader of the National Party) — It is my pleasure to join the debate in relation to this ministerial statement. One of the first qualifications for coming into this place and making statements about any particular course of action is the importance of coming with what are colloquially known in the law at least as clean hands. Throughout the course of the discussions that have ensued about this critical issue of public liability insurance over the past months, I have done my best to stay out of the straight politics with regard to this very important issue. I have done that because it is not what people want to hear — they want to hear outcomes and results; they want to know that we have solutions to the crisis that country Victorians particularly are facing. People want solutions to those sort of issues as opposed to discussion about the politics. However, in what it has produced — this apologist document of a ministerial statement — the government has chosen to venture into this area and I cannot let the opportunity pass without comment.

The first of the two specific areas to which I will refer is the press release issued by the Minister for Finance yesterday. Page 2 of that document says:

Mr Lenders said the Bracks government was quick to recognise the seriousness of rising premiums particularly for community organisations in regional areas.

Not to be outdone today, in the course of the ministerial statement the minister says:

Victoria has not resiled from its responsibilities on any insurance issue, and it is offensive that this distracting line of argument has been pushed. A collaborative approach to fixing

problems would have advanced the interests of our community more quickly and professionally.

I am prepared to grant that the current Minister for Finance was not the minister when this issue first broke. I am prepared to make that concession, but I ask him to check carefully with whomever it was who wrote the ministerial statement he has just read to the house because it is absolutely and factually wrong. I take the opportunity to correct the record so that people who have consideration of this important issue know what happened. Basically it is this: on 29 July last year I issued a press release headed 'Ryan calls for summit on liability insurance'. I issued that press release as a result of a sequence of events which had occurred over the preceding weeks and months and which had just begun to bubble in terms of being a real issue of concern in country Victoria.

In fact I remember the occasion when I first made the call for that summit, which was eventually referred to in that press release. I was in a tent at a field day up in the western part of Victoria doing an interview with the ABC and I was asked about the issue. I said then that a summit needed to be convened. That was the first occasion that that call had been made, and it was made by the National Party — indeed, by me.

What happened then was that on 8 August the then Minister for Consumer Affairs, the Honourable Marsha Thomson, strode onto the stage. She said as reported in an article by Peter Hunt in the *Weekly Times*:

The Municipal Association of Victoria has joined the Victorian National Party in calling for a summit to try to alleviate the massive rise in public liability insurance premiums which have stifled rural community and business activities.

The article goes on to talk about the problem and refers to the fact that I had called for the summit. Then it says:

But the state government has rejected the proposal, with consumer affairs minister, Marsha Thomson, arguing it is a federal government responsibility. Municipal Association of Victoria chief Rob Spence agreed that while it was structurally a federal issue, morally the state government had to show leadership and help communities find a solution to the problem.

As at 8 August last year that is where we had got to with this government, which has purportedly led this issue and been part of it from the outset.

Next I announced on 29 August that the National Party would host a public liability forum. I did so because over the intervening weeks between the time of my initially calling for a summit and that date, 29 August, the government had done nothing. It had been absolutely silent on the issue. In the meantime, I had

complaints pouring into my office about problems to do with rising premiums. So it was that on 29 August I issued a press release headed ‘Nats to host public liability forum’. We had booked the room and organised whom we wanted to have come along. The forum was arranged for Monday, 24 September, here at Parliament House. We were all set to go.

Lo and behold, within a matter of a few days there was an announcement by the then Minister for Finance, the Honourable Lynne Kosky, in which she said, inspiration having apparently struck, that the government had decided to hold a forum on public liability insurance — and extraordinarily enough, and by an absolutely amazing coincidence, the government had set it down for Friday, 21 September, three days, or one working day, before the date I had nominated some weeks before!

I pause here to say that when the government did eventually make the arrangements I was invited, and I went along to it and made a contribution. Indeed, I remember saying on the day that, for the purpose of speaking on an issue which I regarded then and still regard as being above politics, I had left all the baggage of politics at the door. I also admitted to a potential conflict of interest, in that for many years before entering politics I had been a litigation lawyer, so these issues had been very close to my heart for a long time and I knew how the issues unfolded. I said I felt we had something to contribute from a National Party perspective, and I wanted to do so.

I put all those sentiments and more into that day. The meeting concluded on that Friday, 21 September. I might say, despite commentary across the table from the former Minister for Finance, I have never subsequently been invited to any other forum by the government. I simply take the opportunity to make that clear, because sometimes it is said that the contrary is the case.

The next thing that happened in the public domain was that nothing happened! Discussions were apparently going on in-house, with various people being called and meetings being convened. Some weeks after that forum on 21 September I received the minutes of a working group that had been brought together by the government showing that the situation had not advanced. The whole thing had stalled.

The next thing that happened was that on 30 October — I remember it well because it is my birthday — I issued a press release entitled ‘Public liability insurance: a critical issue in country Victoria’. In the course of that press release I said that the

government should establish a forum whereby organisations having difficulty with this critical issue could register their concern. I said that the government could coordinate a viable mechanism to address the issues referred to it and could investigate every possible option for resolving the issue to the best advantage of the people affected. To this day, Mr Acting Speaker, the motion I moved on that same day last year is notice 73 on the notice paper. It is there for everyone to read Well, you would not want to know, Mr Acting Speaker — —

**Mr Delahunty** — We do want to know.

**Mr RYAN** — You do want to know? Okay, I will tell you. A couple of weeks later an announcement from the government contained a blinding flash: a web site had been established where people could register if they were having difficulties with public liability insurance and organisations could register the sorts of details that were troubling them. We then had the material which has been produced by the government and which is, in part, reflected in the ministerial contribution made today.

In January this year we were the first political party to come up with any semblance of a practical suggestion to address the issues surrounding public liability insurance. The National Party produced a proposal to do with the way damages are awarded in our courts.

I pause to emphasise — and I will come back to this point — that we predicated that proposal on the basis that neither it nor anything else should be introduced unless and until the insurance industry was able to guarantee the people of Victoria that the introduction of any such proposal would bring about the beneficial changes which we are also desperately seeking.

That has been the sequence of events leading up to today. I summarise it by saying that the government has not come to this debate with clean hands or with any sense of urgency. It is patently wrong for the government to say that it has responded to the concerns of Victorians, just as it is patently wrong for it to say that in any way, shape or form it is leading the way. On the contrary, the government has been dragged by the scruff of the neck, kicking, screaming and squealing to having absolutely anything to do with an issue which is fundamental to the future of country Victoria. That is in fact what has happened. Today we have before us these apologist, half-baked 20 pages of nonsense, which do nothing by way of advancing the pertinent issues to a matter which impacts hugely upon country Victorians in particular. That summary represents the general background.

Why have we got the problem? Historically we know about HIH, 11 September and the reinsurance issues. Also, there is a lot of debate about the extent to which claims have increased over the years and the validity of assertions about the reasons behind that increase. Essentially it seems to me it comes down to two critical features. Firstly, is this an insurance issue? Is it to do with the fact that we are all being hoodwinked, and this is some carefully contrived mechanism by the insurance industry to pull the wool over everybody's eyes to enable it to get through a bit of a difficult time which it has been experiencing because of those contributing factors I have just outlined — and I might add, to accommodate the fact that the industry undercut its premium levels throughout the 1990s and did so absolutely fearsomely? Is it all that?

Or secondly, is it a litigation issue? Is it an issue where we now have a ballooning number of claims being made and that those additional claims have resulted in hugely increased payouts by insurers that in turn have been driven by voracious lawyers who are purportedly pressing the case on behalf of their clientele and doing so without having regard to the difficulties which are being created in all of this, the whole thing being driven by an increasing sense of greed on the part of the populous at large? Is that the sort of profile we should be looking to here? Or is it a combination of both of those issues? Are they the sorts of bases for the current problem?

Insofar as the insurers are concerned I say this, and make it very clear: the industry has a huge burden in all of this. Insurers have to satisfy the public that the changes that they seek to be made in the form of the submissions which they have just produced, which I have with me today from the Insurance Council of Australia, will result in a better way through on behalf of people. The insurance industry seeks to be the agent of change. In the course of the submission, which was emailed to me only late last week and produced to me in hard copy today — I readily admit that I have not had a proper chance to look at it — there is material that certainly bears consideration. But I come back to the fundamental point: the insurance industry seeks to be one of those which is the agent of change and it bears a strong responsibility to justify its place if the sorts of changes which the National Party and others have contemplated are to be brought about. And we need to put that in context.

Insurers have a position in our communities, particularly country communities, as providers of an essential service. As I have said before in this place, within my own electorate I have the pleasure of parliamentary responsibility for Wilsons Promontory

National Park — some 50 000 hectares, or 125 000 acres, of magnificence!

**Mr Mildenhall** interjected.

**Mr RYAN** — I hear the honourable member for Footscray. It is a good spot, but a helluva bad spot for a toxic waste dump, I can tell him. Wherever else he is looking in Victoria, he is to keep his eyes off Wilsons Promontory!

Within Wilsons Promontory National Park there are about 30 private providers of various services, and it highlights the real crux of this issue because many of those are to do with the provision of services in the park itself — that is, culinary, accommodation, walking, rafting and all sorts of different activities. However, if you want to be a private provider in Wilsons Promontory you must have a public liability insurance cover of \$10 million. The simple fact is that in this day and age people just cannot afford it any more. You can give all sorts of examples, and I will return to that in a moment, but I speak about this in the context that insurers are now a fundamental aspect of the provision of an essential service in relation to the way in which those activities function. Without the insurance you cannot operate that business, because on Crown land a permit will not be given to the operator of that business unless it is accompanied by a policy of public liability insurance. So the insurers are in a position of enormous force with regard to those sorts of activities. I therefore say again that there is a huge onus upon the industry, and the industry has got to commit to this.

The minister says, as I hear him — his ministerial statement reflects it as he read it out to us today — that there is a measure of uncertainty about all of this and it has been hard to get the insurance industry to commit to any of this. That is the general tenor of it, without seeking to quote him in the absolute sense.

Interestingly enough I have had a similar experience, but certainly not the same. Last Tuesday — but one week ago — I went to the Victorian Farmers Federation grains group conference at Horsham — that magnificent powerhouse of country Victoria, brilliantly and superbly represented by the honourable member for Wimmera. What a fabulous job he does. I am sure that in time to come — for decades to come, if he so chooses — he will be there, continuing to do the fabulous job he already does on behalf of the people of that area.

But in Horsham the important thing was that about 450 people were gathered at the grains conference, which was being opened by Mr Raymond Jones —

who coincidentally is the managing director of QBE Insurance and the chairman of the Insurance Council of Australia. Mr Jones made a wide-ranging contribution to this forum that was excellent in content and delivery, if I may say so. In the course of it he made reference to the public liability insurance issue.

With due respect to everybody, it was rather akin to putting the fox in with the chooks, because he had a lovely time talking about the problems the industry is having at the moment. He spoke about that, understandably, from an industry perspective and highlighted issues to do with claims, numbers, payouts, and all that sort of material.

He then said he would take questions from the floor. Half a dozen people stood and asked him questions, most of them related to public liability insurance. Again, with due respect to him, he gave what I would call, from an insurance perspective, the statutory responses. I then indicated to the chairman that I would like to ask a question, and I was called to the microphone.

The question I asked him was, in essence, whether he was aware of the proposal submitted by the Victorian National Party on solutions to public liability insurance premium rises. He said that he was. I then went through the broad shape of it, suggesting a threshold without specifically nominating a figure. We talked about the principle of it, and I then suggested a cap and said our proposal was that it be put at \$4.5 million. I said that insofar as the calculation of damages was concerned, we had put forward a number of suggestions that deserved consideration by the industry. I then said, 'But the National Party's perspective is that before we go taking the axe to common-law rights we want to know that the insurance industry will lower its premiums. What do you say about that, Mr Jones?'

I am pleased to say — and I am delighted to inform the minister, because he obviously knows nothing about this — that the managing director of QBE Insurance and the chairman of the Insurance Council of Australia said to me, a simple country boy from sunny Sale in downtown Gippsland, that the proposals being advanced by the National Party would, without doubt, reduce the premium levels being paid for public liability insurance.

I had the pleasure of having a conversation with him afterwards. I was concerned that, even with the best will in the world, these things can be said on the spur of the moment. You need to get it right, so I saw him afterwards —

**Mr Hamilton** interjected.

**Mr RYAN** — Don't leave yet, Minister, because the Minister for Agriculture is making a good point. When I had a conversation with him later I said to him, 'I am going to quote you', and he replied, 'That is fine by me'. He had expressed a personal view, but he said that it was fine by him. I subsequently issued a press release.

**Mr Lenders** — Another one?

**Mr RYAN** — I am the only one issuing press releases for this purpose, Minister. In the course of that press release I referred to what Mr Jones had said in his response to me in front of the 450 people gathered in the hall at Horsham. That has been out there running on the wires for days and days.

I come back to the good point made by the Minister for Agriculture, who said a moment ago by way of interjection, 'You have got to get it in writing'. Minister, you are right. But my point is that I am not the government, for heaven's sake. Why has the Minister for Finance not spoken to a big hitter like Mr Raymond Jones, who is prepared to stand on a stage in Horsham in front of 450 people and tell them openly and spontaneously that he accepts, without qualification, that the proposals advanced by the National Party in January would achieve the outcome of reducing premiums?

I cannot but ask why — in a rhetorical sense, of course, and, perhaps because he is new to the job, without being patronising. It is the sort of question that should be asked of a fellow like him occupying the position he does, in order to get his opinion. As the Minister for Agriculture said, and he is an old stager in this — I use the term advisedly and generously —

**Mr Hamilton** — And respectfully.

**Mr RYAN** — And respectfully. We should be able to get his position from him in writing to confirm that such is the case. That is the point I wanted to make, Minister. So from the insurance perspective there is a very heavy onus to bear.

I refer to a couple of aspects of the insurance industry submission, because in a couple of spots it is a bit troublesome to me. In the executive summary, under the heading 'Immediate actions', the insurers talk delightfully and ironically, as only they can. After referring to various things that could be done by way of immediate action, including pooling groups or associations collectively so they could approach insurers or insurance brokers to try to obtain better

premiums for their member groups based on volume of business, they say:

If these initiatives result in fewer accidents and injuries and less claims, this will, in time, be reflected in a consequential adjustments —

it says ‘adjustments’; I am sure it should be the singular —

in premiums.

I see the first sources of trouble. I would love to have whoever wrote this go along and talk to Mr Raymond Jones. He did not give any semblance of that qualification. Then towards the end they say:

Reform needs to be applied consistently across all jurisdictions, commonwealth, state and territory, and should be harmonised across tort, contract and statute law.

Proposed reform should be closely examined by an expert working party to ensure that the public liability issue can be addressed in an effective way.

This all appears under the further heading ‘Longer term initiatives’. There is also a troublesome term there, which says:

Reforms which lead to an improvement in claims predictability and stability, combined with reforms which curtail access to compensation, particularly for general damages, will be directly reflected in claims costs and ultimately —

I emphasise ‘and ultimately’ —

in premiums.

I must say that I do not like the sound of that. People want action now, and it is a point that I will return to in just a moment.

I want to quickly refer to their statement about structured settlements. I refer to it because the very first line of the media release which the minister issued on 25 March says:

Amend the commonwealth tax laws that prevent the use of structured settlements ...

This was his no. 1 point; this was the first thing he wanted the commonwealth to do. The comment that this minister is homing in on as his big issue can be compared to the submission made by the insurance industries, page 20 of which says:

Structured settlements are applicable mainly in major awards. Although there are no statistics to support it, experience suggests they have an interesting psychological effect in depressing motivation to claim for general damages: the expectation of an annuity is not as strong an incentive as a lump sum. The proposed taxation changes dealing with

structured settlements will be an important step in facilitating the use of this mechanism.

I have to tell you, Mr Acting Speaker, that it is not a big point. If I were the minister I would not start my press release by talking about issues that the government was going to press the federal government on. I reckon he could do better.

I refer to something else the industry people said. At page 21 they talk about contingency fees. With due respect, my problem with the way they have put it is that it is dreadfully misrepresentative of the position which applies in Australia and does no credit to the industry. It says:

‘No win, no fee’ facilities offered by lawyers unquestionably facilitate access to the courts. To the extent that it provides access to the law for those who might otherwise miss out, this facility provides a social benefit. To the extent that it increases legal costs for insurers, particularly in regard to small claims, it is a burden to the liability system.

I point out that has absolutely and utterly nothing to do with contingency fees. Indeed, as the insurance industry well knows, contingency fees are banned in Australia. Lawyers in Australia cannot charge contingency fees. I know it is an issue that happens with regularity in the American system, but it is absolutely forbidden here, and it should not happen.

There is then the second issue as to whether this is to do with an increase in litigation and whether the alternative proposition I proffered at the outset of this contribution to the debate applies. Again there is much uncertainty, and certainly that is the case from the perspective of the Law Institute of Victoria. I have had a number of conversations with Ian Dunn.

I pause to say by the way that on Thursday of this week Ian Dunn finishes his term of service as president of the law institute. He has served that organisation with distinction for many years, and I wish him well. One of the last things he did was to give me a telephone call yesterday to have yet another discussion about this and to make the points which he has made in the course of my conversations with him throughout this whole exercise. To summarise, in essence the institute is concerned that the National Party’s proposal in a way has jumped the gun, but as I repeated again to Mr Dunn yesterday, our proposals are predicated on the insurance industry being able to commit to the fact of those propositions making a difference. That is the way in which we framed those proposals in January, and that is what I have said on many occasions since.

As I said before, the National Party presented that proposition in January. The intention was, as I have

said to Mr Dunn and to the legal profession, to get a focus for discussion with regard to solutions to this whole issue, because the government, as it continues to do, has been floundering with this. There was nothing that bore any semblance to a concrete solution and so the National Party produced what it did. It was at a time when, I might say with due respect to him, Senator Hockey had wandered across the stage talking about New Zealand schemes. I am appalled to see this concept is referred to in the ministerial statement here today, and it is another point to which I shall return briefly.

The fact is there is a lot of pressure on the legal profession concerning this issue. I am very pleased to see the profession participating in it. I know a lot of work is being done between some of the larger plaintiffs firms in Melbourne to assemble the information that is needed with regard to the profession's interests in this matter and the representation of its clientele. I urge the profession to continue the concept of participating in this in a very focused way with a view to getting constructive outcomes.

In all of this I have memories of 1985 and 1987. In 1985, when I was practising, there was the prospect by the then Labor government of introducing the legislation which was Workcare — it was the initial run to what we now know as Workcover. I resisted those changes mightily. In 1987 when the then Labor government introduced the transport accident scheme I resisted those changes with even more might. Indeed, I remember calling public forums in Sale. I even had my good friend Wally Schubert, a local panel beater who happened to know a lot of people who suffered severe whiplash injuries and who ultimately made their way to my electorate office, tow a couple of wrecks down to the front of the hall at Sale, and I convened a large protest. I might say about 200 members of the Motorcycle Riders Association turned up that night and sat rank on rank in stony silence while I addressed the throng. Fortunately they did break into some semblance of applause when I had finished, and so I got out with both arms and legs intact!

But the point of all this is that I understand in all seriousness how people have a passionate commitment to the issue of common-law rights. I understand that, but I ask equally that in today's age when we are faced with the situation that faces us now everybody must re-examine their historical position, whatever that position may have been. I hope the profession is able to continue that task, and that we get appropriate outcomes.

This is a problem which is quintessentially of a country Victorian nature. As I have said, the fact is that there is not a lot of whitewater rafting in Malvern; as I have said, not a lot of horse rides are being undertaken in Springvale — a deal of horse trading, of course, but not many horse rides; they are running short of rock climbing in Richmond; but out in country Victoria, where by definition these activities occur, this is a burning issue. That is why the National Party took the trouble and time to develop a proposal that has gone to the summit being held in Canberra tomorrow. I shall quickly run through it.

In essence the proposal is this: the National Party says that in the first instance this is a state issue; certainly the federal government can contribute, and it is doing so by coordinating this conference; also, a number of amendments are in the longer term open to the government. I note that in his ministerial statement the minister refers to section 68A of the Trade Practices Act. In fact, I think what he meant to refer to is section 68, not 68A. I will not go into it now, but section 68A is the consequence of trying to do something to interfere with the impact of section 68. It seems to me that it is section 68 itself that the minister needs to focus on. The honourable member for Box Hill has referred to state provisions which will also require amendment.

The bottom line is that this is essentially a state issue. The commonwealth has that limited role of acting as a catalyst to bring the states together. It can also prospectively assist through the activities of the Australian Prudential Regulation Authority and the Australian Competition and Consumer Commission, but as I said, it is essentially a state-based issue. Ideally I agree that we need a system which applies across all jurisdictions, which can be introduced throughout Australia and which will give us a common basis for an approach to this matter. That is part of the proposition the National Party has advanced. It has said, and I say it again, that subject to the qualification of the insurance industry's approach to this a number of things could be done at a state level, and I shall run through them.

We have already announced that we intend to introduce legislation that will exempt from liability the acts of volunteers within the state of Victoria. We are also giving consideration to extending that exemption to the people working within small community organisations, but also to the community organisations themselves. The National Party has proposed the introduction of a threshold. Initially in putting the proposition it was suggested that that threshold be at \$36 000. The suggestion was made because the current threshold that applies in the Transport Accident Commission

legislation and in the arena of the accident compensation legislation is \$36 000. It is calculated on a different basis than that which the National Party has proposed, but in a sense the National Party's is broader in that respect and more generous in that it is intended to be a cumulative figure which would comprise medical expenses, past loss of income, future loss of income and a payment for general damages.

In suggesting that threshold at \$36 000 there was never an intention that it be drawn as an absolute, definite, defined, set-in-concrete, line-in-the-sand commodity. We are certainly prepared to consider something different. Indeed, having regard to the statistics which are appended to the report from the Insurance Council of Australia, it seems that a very high proportion of claims — probably about 75 per cent — do not exceed about \$20 000. So it may well be that the threshold should properly be set at a much lower figure to achieve the end result that was intended.

The National Party has also suggested the introduction of a cap on damages, and has nominated a figure of \$4.5 million. It has suggested the use of structured settlements as an overall aspect of a general proposal, but it certainly is only a small point in the scheme of things. We do not believe it has anywhere the priority which the government is attaching to it.

The National Party has suggested that various measures be adopted to reduce awards of damages, including the introduction of a discount rate of 6 per cent applicable to claims for future loss, the abolition of interest on damages, a deduction from damages awards to reflect non-refundable gains such as personal insurance policies, superannuation benefits and the like, to thereby avoid the concept of double dipping.

We suggested the abolition of advertising by legal practitioners in relation to no win, no pay. I pause to make a very clear distinction between the actual practice of solicitors and barristers providing no-win, no-pay services and the abolition of the advertising of those services. For the years I practised law it ran on the basis of no win, no pay. In the years I represented the timber workers union, for example, it was absolutely pointless having some 27-year-old young fellow — a young married man and father of two children aged five and three — sitting in my office having lost a hand as a result of an accident in a sawmill through the negligence of the employer and trying to say to him, 'Well, I will run your case if you put \$10 000 in the trust account'. If you did that, people simply would not be able to access their rights.

**Mr Robinson** — A denial of their common-law rights!

**Mr RYAN** — It would be a denial of their common-law rights — and because legal aid these days, under governments of all persuasions, is as tight as it is we simply would not be able to get the funding for these people. So I am an advocate of no win, no pay, but I believe the advertising of it should be abolished. I think it has reached the point now where it demeans the profession and should go. In so saying I appreciate that it was allowed to happen under the previous government of which I was part. Be that as it may, I believe it has its day and should be abolished.

We also believe that in other jurisdictions in Australia improvements for pre-trial mechanisms such as those we have in Victoria — I am not going to run through them now — should be adopted. We believe there are benefits in this in that people who are significantly injured will be able to continue to make common-law claims and be looked after. On the other hand there is the prospect of no cost to taxpayers. We do not need any brand new authority set up. There is minimal interference in those common-law rights. Certainly, to address the point I referred to a little while ago, there is no need for anything in the nature of the New Zealand scheme. I am extremely disappointed that the minister comes in here and trots out the prospect of this government in Victoria being interested in that half-baked arrangement from New Zealand. It is an absolute albatross, it is going out backwards. It is consistently being modified by that government, and I do not believe Victorians or Australians want to have anything to do with it. I am disappointed that the government has seen fit to refer to it.

I think we need to have a look at the stamp duty regime which applies in Victoria with regard to these policies. Talk about windfall gains! We had the Treasurer whingeing last week in Canberra about having been done in the eye, so he said, by the federal government over about \$30 million dollars, but I would have thought he would pick that up in stamp duty on these policies in the space of a year or two. So the Treasurer cannot have it both ways.

There is also a case to be made in this day and age to have another look at statute of limitations provisions. There is a problem with the long-tail business aspect of insurance, and it at least bears examination. I make it clear that I am not exhorting any particular change to it, I am just suggesting that in today's world it perhaps bears a look.

I also agree that the pooling of risk and the developing codes of practice are good ideas. So various things can be done on a state basis. I say again at the risk of flogging a dead horse that all of this, and certainly any legislative change, should happen if the insurance industry agrees that it will make a difference. I do not want to belabour that point too much, but the fact is that the industry has to honour its responsibility and make certain that the proposed changes it makes in its submission result in the outcome we want — that we can get immediate relief in the short term, that where there are longer term issues they can be addressed, and that it give longer term benefits as well.

Let me conclude on this basis — this government cannot abrogate its responsibilities. It is absolutely — to use the strongest of terms — a lie for this government to come in here and say that it has been responsive to this issue. For all the reasons that I have outlined, and in the manner I have demonstrated, that simply is not the case.

This government has been slow to react to a problem which is of crippling consequence to country regions, particularly of the state of Victoria. When the government reacted, it did so as though it were walking in quicksand. What it proposes to do, inasmuch as I read the content of the ministerial statement and the accompanying press release from the minister, is only going to perpetuate the myth that it is trying to do something constructive. My problem with all of that is that the government's track record says that it simply is not, which is combined with the fact that the propositions it is advancing are all redolent with the concept that it does not want to do anything to deal with this.

The government does not see itself as realistically having a place in making a substantive change that is going to bring about the result we so badly need. It does not even have a demonstrated capacity to talk to an insurance industry to get from it the sort of material that the industry itself has been saying for weeks and months that it has not got available, and yet in the body of its own submission there is information that we have not been able to get. The government should have enough clout to be able to get it and to be able to act accordingly and cannot abrogate its responsibilities.

I want to say something else to the government, and I offer this as fair warning: country Victorians will not cop this. If the government sits back on its hands and does nothing there is going to be trouble. Last Thursday I was in Mansfield's main street with the honourable members for Benalla and Brighton, the

Honourable Graeme Stoney in another place and various others.

Fifteen hundred people gathered and heard addresses from various people, and everybody present would know the mood. A place like Mansfield will be gutted by this proposal if it continues unchecked. It has to be dealt with. Speaker after speaker spoke of 30 June as being the deadline, because that is when a lot of policies will expire and the reinsurance issue is going to kick in, but so many of these other factors are going to apply, and they will not wait. People are going to be up the front steps here, without a shadow of a doubt, if the best this government can do is toss the issue out of the pack with a Kevin Bartlett handpass and say, 'It is someone else's problem'. It is not! It is this government's problem because it says it is here to govern on behalf of all Victorians.

I can tell you that there are a lot of Victorians out there in country parts of the state, including the areas represented by the honourable members for Benalla and Seymour, who are looking very carefully at each of them and others in the Labor Party who represent those electorates to get some action on this issue.

**Mr Robinson** interjected.

**Mr RYAN** — I hear the interjection that they will die of starvation if I do not finish. I will tell you what: they will die of starvation for a lot of other causes unless the issue of public liability insurance is fixed and, if that is the best that the honourable member can offer on behalf of the government, he ought to think again.

Apart from other things that the government can do, surely — and I will finish on this note — it can coordinate approaches by the various state and territory governments to do something about this. Governments of a Labor persuasion are now at all state levels, yet they are heading off to Canberra tomorrow in circumstances where they are running around like headless chooks in their own right, with propositions which they each say will solve this problem and where the state government of Victoria is saying, 'No, it will not work. We have got to go to Canberra. It is the federal government's fault'.

The Western Australian Labor government is introducing legislation on five or six different points to replicate that which I have talked about, exempting volunteers and doing a number of other things. Bob Carr has a range of proposals that he has been trotting out over the course of the past couple of weeks as the pressure has grown. I saw Premier Beattie on the

television the other morning giving an interview from Los Angeles, and it was an Academy Award performance in which he talked about all sorts of things that they want to do up in Queensland to solve this. The Victorian government is saying, 'It is not our problem. It is the federal government's fault. Someone else has got to fix this'. Surely the least they could do is to get together with the rest of the Labor states across Australia and make certain that we get a coordinated approach from those who are best placed to be able to solve this issue, because apart from anything else the content of this ministerial statement is patently defeatist. On the face of it, it is defeatist, and country Victorians are not going to stand for it. There are too many people out there, be they volunteers, small groups, volunteer organisations, small businesses and adventure tourism operators in particular, who are not going to cop it, and this government needs to be very aware of the fact.

**Mr HARDMAN** (Seymour) — Firstly, I must commend the Minister for Finance for his ministerial statement today. He has only been a minister for a few weeks, yet already he has made a ministerial statement. I believe that, in comparison with the previous government's ministers, it is a bit of an improvement, and I believe that next week or the week after he will be back again making another ministerial statement on the outcomes of tomorrow's summit or conference that is occurring with other finance ministers from across Australia. I commend the minister, and it is great to see him doing that.

I remember when the Minister for Finance was first given the job. Of course the first thing I said to him was, 'Congratulations!'. The second was to say that the public liability insurance issue is one that has the possibility of being one of the most disastrous issues for the social fabric of country Victoria and that it is important that the government does something about it. Since that day I have spoken with the minister on many occasions and he has understood directly what I was talking about and has already acted and made several improvements since that time. I think that is a wonderful thing to see and I will go on to what those improvements and those actions have been since he became minister. Only weeks into the job, the minister did that.

In country Victoria, specifically in my electorate, shows and festivals, sporting clubs, outdoor tourism and small business operators and many others such as builders and doctors — we do not even know who is next — are all affected by this issue. I was very encouraged by the discussion on the Jon Faine program between Senator Helen Coonan, the federal Minister for Revenue and

Assistant Treasurer, and the Minister for Finance — I think it was yesterday morning — regarding this particular issue.

It was marvellous because they were not point scoring but were talking about what they would both do, how serious the issue was and how important it was to resolve it. That was a far cry from the federal Minister for Small Business and Tourism, the Honourable Joe Hockey, who decided this was a good chance for the federal government to put the boots into the state governments because it wanted to wash its hands of those issues. We know there are some areas where the federal government can help, and it is fantastic that it has been taken up by the Minister for Finance. I am sure that people with sensible heads, like Senator Helen Coonan and the honourable member for Dandenong North, the new Minister for Finance, will eventually find a solution.

There is a big point here. The problem will be solved but it will not be solved in one day. It is a complex issue. Unlike the mostly crash-through approach of the previous Liberal–National coalition government we see that governments are taking a considered approach based on sound and good advice. They are looking at solving this problem in the long term rather than making crash-through decisions that have to be fixed up and the resultant mess cleaned up, as the Bracks government has had to do in many areas since being elected.

Almost daily my constituents come to me with concerns about public liability issues. There is a variety of issues. The two major issues involve not-for-profit organisations and outdoor tourism operators, which are mostly trail riders or equestrian centres, who seem to be badly affected. Yesterday a trail rider from my electorate contacted me as late as 6.00 p.m. He told me his insurance will run out in June. He has borrowed and invested a lot of money, but he will not be able to continue with the business unless the issue is addressed.

I have had discussions with various peak body organisations, such as the Victorian Tourism Operators Association (VTOA), to which as honourable members are probably aware the state government has given \$100 000 to help address this issue by looking into such things as risk management, increasing insurance players in the market and better pooling arrangements. The VTOA is taking a proactive approach for its members and is not trying to politically point score or to raise its profile by saying, 'Look, aren't we heroes?', like the opposition parties are trying to do. The VTOA is out there working to find a solution, like the Bracks government — and like the Bracks government it cares

about people, about the country and about regional Victoria. It is hard for honourable members opposite to understand or be able to take that, because they know it is true. They do not understand the word 'care'. They do not understand what it is like for a government to think about people and put people first. That is what the Bracks government does.

A number of stakeholders are involved in this insurance issue. Obviously they include the insurers mentioned by the Leader of the National Party; the legal profession, whose members have to look at themselves; and obviously members of the whole community, who are either insuring themselves against being sued for public liability or victims of mistakes or accidents that occur in outdoor adventure activities or in other areas such as at shows and festivals.

As we found out recently, insurance is expensive — and the cost is increasing in a range of areas and not just public liability. I know from talking to many of the victims of the fires around the Seymour area that they did not insure their fences and livestock because the amount they would pay for insurance for a few years would have paid for a new fence. That cannot be practical, but it is difficult when it all hits you at once, which is what has happened. Within the 6400 hectares that were burnt there are probably hundreds of kilometres of fences that need to be replaced. I am working with the Minister for Agriculture to try to find some solutions to that, and he has already been very receptive, as have the Treasurer, the Minister for Police and Emergency Services and the Minister for Environment and Conservation, in looking for ways to assist those people who were not insured. That is fantastic, but it really is people's responsibility to insure themselves against such disasters.

Several suggestions have been passed to me by my constituents, which include what we have already heard today from the minister and the Leader of the National Party. It may be that somewhere we will find an answer, but the answer is not simple; it is a complex problem. I am afraid a simple answer will not address all the issues. I know the Leader of the National Party said that an insurer with QBE said if his policy were implemented it would lower premiums, but what would it do for people's rights and making sure people lived up to their responsibilities?

Through my participation on the Victorian Tour Operators Association, of which a member for Central Highlands Province in another place was a member before me, I know that the tourism operators know the sense of making sure their colleagues in the outdoor tourism industries, whether on public land or elsewhere,

are responsible people in the marketplace and are therefore not putting their premiums at risk. They know those people, whether they are ignorant of good and safe practices or not, need to pick up their game. I can only commend that body and its representatives for their good work in this area.

We all know the HIH collapse had a large effect on the Australian market, particularly the building industry. It is fantastic to see that through legislation the government has recently endeavoured to address those most affected. I am looking forward to more good legislation coming through to address other issues.

The minister also spoke about 11 September, where maybe 20 per cent to 30 per cent of the actual capital in the pool for insurers was drained. Along with HIH that has had a major effect in Australia and has caused a great deal of concern among insurance players. Something like the collapse of HIH would probably have happened eventually, and perhaps could have been prevented by a good government — if there had been one here for the seven years of the former government — doing something about it beforehand to make sure we were ready. If the federal government had been on the ball it would have made sure legislation was in place to ensure proper practices were being followed by insurance agencies. As the Leader of the National Party pointed out in his speech, they are almost providing an essential service, which as I said before is why in country Victoria, especially in the area I represent, public liability insurance goes to the heart of so many different things. I will go into those in better detail now.

One of the owners of an equestrian centre near Healesville came to see me recently with members of the Victorian Horse Council. They participated in the summit. They were pleased with it and thought it was a good idea, despite criticisms from the other side and their point scoring. They are concerned that the SLE group is pulling out and that they will not be able to run any more. Some of the stories they told me were pretty horrific. Apparently liability insurance for members last year was \$200 to \$400 a year and has increased up to \$4200.

Basically I was being told at that meeting that many of those people will be pulling out at the end of this financial year because they will not be able to continue operating profitably. He also informed me that 20 per cent of the 900 NCA coaches had already resigned as at the end of February.

I was at Yea Autumn Festival on the weekend of 16–17 March. The spruiker who was encouraging

people to buy raffle tickets said that the festival organisers, who had paid several hundred dollars for public liability insurance last year, had had to raise \$3600 alone for the same insurance this year before they could consider other things like making money or improving future festivals. This is a fantastic festival which promotes local produce — for example, the cheese and wine — and provides an opportunity for schools and other organisations to showcase their wares and talents. It would be a shame if a better arrangement could not be made for that festival to enable it to go ahead, not just next year but in the future.

When I spoke to Sue Marstaella from the Wandong Country Music Festival, which restarted only a year ago, she told me that a serious issue for her was that the public liability insurance costs had increased several times over despite no real increase in any risk.

One of the events that closed in the Seymour electorate was the Broadford Amateur Show. Although it was only a small show, it was probably more of a real country show than others I have been to at Seymour, Yea or Whittlesea. These are all quite grand affairs, with very good competitions. Broadford had these features as well, but they were more country orientated, with foot races and an animal nursery which proved to be the highlight of the show. It was pretty sad to see this show no longer being staged.

The organisers of this year's Seymour Rafting Festival had to get the participants to sign indemnity forms. These may or may not have been legal, and that needs to be addressed in relation to several sections of the Trade Practices Act. This is necessary so that the festival can continue into the future. I could read the sections, but I do not intend to. Provided the festival organisers are doing the right thing by ensuring the safety of people in the rafts by making sure the State Emergency Service, the Country Fire Authority and St John's Ambulance are on hand for emergencies, this would be a fantastic festival.

I know this requires a lot of work, because we have to ensure that people are not going to abuse the situation. We cannot just say that we will change the Trade Practices Act. We have to make sure it can be done in a responsible manner where people's rights and responsibilities are protected. That is an area that is lacking, in that people are not expected to be a little bit responsible — for example, if you fall and break your arm while riding a toboggan down a hill at Whittlesea, although I do not think there have been any claims for that particular matter. But if you undertake a dangerous activity, provided all the safeguards are there why

should you not accept some kind of minimal risk if it is not going to seriously hurt you in any way?

A lot of people say to me that if they tripped over on my front step they would say, 'Wasn't I silly for tripping over, I got a broken arm and that's it'. However, there are some people who will not do that, or so the insurance companies are telling us.

In regard to that particular area, an outdoor tourism operator told me that he had the insurance assessors come to visit his place. They spent 6 hours there and said he had done a great job so they were going to lower his premium marginally on the previous year. Then all of a sudden the following year they increased that from \$15 000 to \$32 000. Those things have an effect. Businesses are worrying about whether that is going to happen on an ongoing basis and whether they are going to cop a 100 per cent rise again the next year. They will not invest in country Victoria and regional areas if they do not get a fair go here. The tourism industry and the former Minister for Tourism, who is at the table, will tell you that when you invest dollars in the tourism industry there is a direct return for each of those dollars; it is one industry where that particularly happens. However, if things such as the public liability insurance issue continue, people will be reconsidering.

I would like to mention that sporting clubs are the fabric of country communities and they are at great risk. We have not yet come across any good solutions for them as we have with other non-profit organisations. I encourage the Minister for Finance to continue working there. All many small communities have left is a school — if the Kennett government did not close it — the Country Fire Authority brigade and a Landcare group. Landcare is a non-profit organisation which has suffered through public liability insurance, but it provides great social, economic and environmental benefits.

I commend the Minister for Finance for the fantastic job he has done today. I applaud him for going up there and working closely with the other states, the federal government, and local government through the community survey to get a great solution for Victoria so our social fabric will remain in perpetuity. I commend the ministerial statement to the house.

**Ms ASHER** (Brighton) — This ministerial statement has very much in common with the style of this government — that is, we had a 20-page speech which took 20 minutes to deliver and there is no action and no commitment at all to any form of action from this state government.

**Mr Robinson** interjected.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Mitcham is out of his place and is disorderly.

**Ms ASHER** — We have had a summit, we have had press release after press release, we have had announcements and reannouncements, and now we have a ministerial statement, but we still have no action on the part of this government. The government has done absolutely nothing other than regurgitate the press release issued by the Minister for Finance yesterday and put it into a ministerial statement today. We have seen nothing but buck-passing to the insurance industry, buck-passing to the commonwealth, buck-passing to other states, and still no action. Most alarmingly we have seen today yet another hallmark of this government — deferral. We not only have to put up with this ministerial statement of absolutely no action, but we will have another ministerial statement in April — more deferral and more failure to make decisions on behalf of this government.

If honourable members look at the ministerial statement itself and the language of that statement in terms of the so-called action plan that the minister has put forward, they will see that other than asking the commonwealth to do things what the Minister for Finance has suggested is more reviews, more inquiries, more fiddling. I specifically refer to ‘investigate and report publicly’, ‘provide to the states and territories a proper evaluation’, ‘analyse and use information’, ‘address the regulatory confusion’, ‘direct commonwealth agencies to monitor and advise’, ‘establish a role for the states’, and ‘include a reference to an independent body’. None of those suggestions is direct action from the state government. What this state government needs to do more than anything else is act to protect tourism in this state.

I particularly want to refer to the tourism industry, wearing my hat as shadow Minister for Tourism. We are seeing a crisis in the tourism industry, particularly in adventure tourism. Many members of this chamber may not know what adventure tourism is, so I refer to Victoria’s adventure tourism action plan. The definition of adventure tourism is:

a nature-based tourism activity that involves a perceived element of risk and is physically or personally challenging to the participant.

Activities range from the extremely dangerous such as abseiling, rafting, caving, horseriding — I regard anything like this as dangerous — to softer adventure activities such as bushwalking and vehicle touring. The

critical point is that the definition of adventure tourism inherently involves risk — it is part of the nature of adventure tourism that there is risk involved. It is fundamentally this society’s incapacity to handle this issue of risk that has in part led to this circumstance.

The Victorian Tourism Operators Association advises that 50 businesses have already shut down specifically because of the increases in premiums. It expects more businesses to shut down if there is not action by 1 July. That is the crisis in adventure tourism.

On 14 March I attended the Mansfield rally, along with my parliamentary colleague the Honourable Graeme Stoney, a member for Central Highlands Province in the other place, who is the chair of my tourism committee. The whole town understands the ramifications of the impact of increased premiums on adventure tourism. Indeed, adventure tourism is worth something in the vicinity of \$250 million per annum to Mansfield, and the whole town will be gutted if further adventure tourism businesses are forced to shut down.

There are many examples of operators whose premiums have increased by 400 per cent and 500 per cent. In terms of the horseriding operators, the average cost of premium for these very small businesses is now estimated to be \$11 000 per annum and rising. The problem for these businesses is that a short-term solution is needed. They have a cash-flow problem, and they need a solution now. More businesses than the 50 that have already gone will go broke in July as they will be unable to pay these increased public liability premiums. More businesses will go broke if something is not done now. That is why I am concerned that this statement contains no action other than, ‘We will have another ministerial statement in April’. Small businesses in the adventure tourism area do not have this amount of time.

The worst of it is these adventure tourism operations are located in country Victoria. I particularly want to refer to one of the speakers at the Mansfield rally, a man by the name of Geoff Burrowes, who would have no association at all with my party. Geoff Burrowes is the producer of *The Man from Snowy River* films and he made a powerful speech at that rally. I acknowledge the *Weekly Times* of 20 March as the source of my quotes. In a fabulous speech Geoff Burrowes said:

I have seen the enemy within, and he is us, all of us.

...

We’ve caused the problem, ripping off the system and going for the payout, looking for the main chance.

Mr Burrowes went on to say that this rise in public liability insurance is an assault on small businesses and pointed out how the impact of it would cover the entire Mansfield community. He posed the question: what can we do to arrest the slide? He then suggested a couple of things we could do. He said:

We first need a generational shift in values, that people take greater responsibility for their actions and lives.

I could not agree more with him.

But time is running out. We're looking at June 30 (when the second wave of insurance premium rises hits many small businesses and community groups).

We need political leadership.

This is not the fault of government, but our state and federal leaders must respond.

Today I am calling on the state government to respond, to take action. Not by a speech, not by a summit, not by yet another speech, but to take action to save these tourism businesses from going broke. The fundamental problem is the small claims that are being paid out. People, for whatever reason, are issuing claims, and the consequence of this is that small tourism operators are being forced out of business.

A number of solutions have been put forward. The Liberal Party, through its shadow Treasurer, has put forward a solution involving the Victorian Managed Insurance Authority, and the shadow Treasurer has articulated that to the house again today. The National Party has also articulated a solution, and that was put forward to the house again today. However, one solution that has not received a lot of coverage, except in Mansfield, is the Mansfield proposal. After the rally I was pleased to meet with a group of Mansfield tourism operators, who have come up with a proposal that would remove 94 per cent of the claims covering 77.5 per cent of the dollar value of these insurance claims.

I commend this group, and I have raised the Mansfield proposal in the house on one other occasion for the attention of the Minister for Tourism, because it appears to me that the government has not given sufficient attention to the proposal.

**Ms Allen** — That is absolute rubbish!

**Ms ASHER** — I am delighted that the honourable member for Benalla informs me that that is rubbish. I look forward to the Minister for Finance taking a bill to the meeting tomorrow which reflects the Mansfield proposal. This is not about attending meetings, Mr Acting Speaker; this is about the preparation for a

meeting and about not relying on everyone else's ideas. This is an opportunity for the Minister for Finance to show some leadership, to show that he has the capacity to solve the problem and to take a bill to the meeting tomorrow. I look forward to seeing that bill.

The following have been suggested as elements in the bill. The operators in Mansfield have suggested that those who suffer injuries by virtue of negligence should be allowed to continue that right to compensation. However, the Mansfield operators have asked for 'serious injury' to be defined in statute, and they have suggested that the Transport Accident Commission guideline would be worth considering.

Most fundamentally, however — and this reflects the speech of Geoff Burrowes — the tourism operators are suggesting that those who participate in adventure tourism should accept minor accident as a risk or as the price they pay to participate in it. They have also said, for their part, that they would be prepared to have a legislative obligation to offer participants personal accident insurance prior to their participation in any adventure tourism. That particular proposal was put to me and to my tourism committee chair, the Honourable Graeme Stoney, who is well credentialed in the area. He is a former member of the Victorian Tour Operators Association (VTOA) and a former adventure tourism operator. As a resident of Mansfield he understands fully the fact that unless we have action now, not speeches, these businesses will go broke come July, which would be a tragedy.

I now move on to refer to the people the minister thanked in his ministerial statement as incorporated in *Hansard*. He thanked government MPs, the Independents and the Leader of the National Party, but it was interesting to note whom he did not thank. He did not thank the Minister for Tourism. Although he thanked Tourism Victoria, the minister's government department, he did not thank the Minister for Tourism.

I would like to advise the house why the Minister for Finance did not thank the Minister for Tourism. First of all — —

**Mr Robinson** — Let's have an upper house inquiry!

**Ms ASHER** — We do not need an upper house inquiry for this one, because everyone knows there has been a monumental failure by the Minister for Tourism to act, not only in relation to this problem but in relation to tourism overall. The first failure of the Minister for Tourism is that he has done nothing since the ALP summit. The ALP took the idea of holding a summit

from the Leader of the National Party, and nothing has happened in tourism since that summit. Nothing at all.

The second failure of the minister is that when I raised — and, I might add, in a neutral manner — the Mansfield solution in the adjournment debate last Thursday, he said not one word about it. He chose to play politics — that is his choice — but I do not think tourism operators in Mansfield will be impressed with that. Not one comment, even though he had been briefed on the proposal, came from the Minister for Tourism regarding a critical issue for the future of tourism in this state.

The third failure of the Minister for Tourism is that he has announced and reannounced the provision of \$100 000 for the Victorian Tour Operators Association to prepare risk management plans. Indeed the VTOA asked the minister for that money. However, that is not helping businesses that have already paid for their own risk management plans. I was recently in the electorate of Yan Yean, where an adventure tourism operator there said to me, ‘I have paid out of my own pocket for a risk management plan and my premium has still gone up. The \$100 000 is doing absolutely nothing to help me’.

The fourth failure of the Minister for Tourism is that he has been incredibly slow to act on one of the requests the tourism industry has made of him. Although the VTOA asked for that \$100 000 for risk management plans in September, the money did not flow until February. He loves his press releases and his announcements, but he did not hand over the money to a group of people who actually needed it until February.

The fifth failure on the part of the Minister for Tourism is that he is very selective in what he reports to the house and what he puts in his press releases. He keeps saying, and honourable members will be aware of this, ‘I gave \$100 000 to the VTOA because the association asked me for it’. The VTOA did ask for it, but the only problem with that is that the association asked him for eight things and he ignored the other seven.

Let me go through what the VTOA asked him for, because it might be a good idea if he actually considered some of them. VTOA members asked him for a consultancy to assess insurance options and best practice models, at a cost of \$50 000 to \$100 000. They asked for a risk management assessor to visit individual operators, at a cost of \$150 000. Note that the minister gave \$100 000, less than what was requested. They asked for industry-specific minimal activity standards for all outdoor recreation users, including tourism

operators and others, at a cost of \$300 000. They asked for exemptions from a public land-use fee.

One of the interesting things about adventure tourism is that there are 280 operators licensed to operate on public land, so they are probably some of the most critical things the operators could have asked for — an exemption from the requirement by government to take out public liability insurance, or an extension of time, or an exemption from the public land-use fee, which is \$1.10 per person for the next 12-month period.

That would equate to only \$50 000 of lost revenue for this high-taxing government.

I note in particular that at the Public Accounts and Estimates Committee (PAEC) hearing of 2 August 2001 I asked the Minister for Small Business, and I quote from the Hansard transcript at page 334:

Is there any capacity for DNRE to assist these operators by not requiring such high levels of insurance? Is there any capacity to extend the time?

The minister said:

I have not had discussions with DNRE about the extension of the time lines.

I then asked:

Are you prepared to make an approach to Sherryl Garbutt about this issue to try to afford some sort of assistance to the operators?

The minister then said, and obviously I am quoting her:

I will certainly have a discussion with Sherryl about the time lines and understandings that DNRE has committed to requiring the certificates.

However, reflecting the fact that this is a do-nothing government — surprise, surprise! — when the Honourable Graeme Stoney asked in the other place what were the results of these discussions to see if tourism operators on public land could get some relief, it was very clear that despite assuring the PAEC that she would have discussions with the minister in charge of the Department of Natural Resources and Environment — and I use the term ‘in charge’ loosely — the Minister for Small Business did nothing. That is completely typical of this government, and that dishonoured an undertaking to the committee.

Next the VTOA asked to conduct an Australian horsemanship in safety and education training course at a cost of \$40 000. The association asked the government to complete the current review of the Parks Victoria fee structure; it asked for a central incident register for all sectors of the tourism industry; and it

further asked for the minister to lobby the federal government to review competitively restricting legislation pertaining to Australia's insurance market. It is all very well for the minister to come into this place and say, 'I gave the VTOA \$100 000 because they asked for it', but the problem is that the association asked for seven more things, and he has completely ignored those requests.

I also refer to the minister's tourism action plan, which is a long-term plan. While there is reference to the public liability challenge — it is certainly mentioned as a threat to the industry, on at least two other occasions — in addition to the long-term focus the minister needs to think short term. These businesses will go out of operation if there is no action by 1 July.

I note that when the minister went to launch the tourism action plan he went to Mansfield. I think he was trying to make out there was some sort of connection between public liability and his long-term action plan, which is of course unsustainable. He launched the plan on a horse — our Minister for Tourism is always one with an eye out for a photo opportunity — and the horse started playing up. The minister became very concerned and he said to the tourism operator who owned the horse, 'I'm a bit nervous about this; what do I do if the horse plays up?'. The old hand said, 'Well, Minister, you put your right hand up in the air'. The minister then said, 'Will that help?', to which the operator said, 'No, but it looks good'. So guess what the Minister for Tourism did? He put his right hand up in the air because he was in a bit of trouble. I suggest the minister come into this chamber and put his right hand up in the air. He certainly won't look good, but at least it will indicate that he is in trouble!

There is overwhelming disappointment among the tourism industry about this minister's performance on public liability. It is always someone else's fault — it is the commonwealth, it is the Minister for Finance; it is never the fault of the Minister for Tourism.

The issue of public liability insurance premiums is the greatest single threat to tourism we have seen for some considerable time, and the Minister for Tourism is only interested in adventure tourism plans that are long term not short term. He is only interested in photo opportunities, he is only interested in announcements and reannouncements. He does not, in short, have any sense of urgency.

I was at Mansfield the other day and I can assure this house there is a sense of urgency. There is a sense almost of panic among the tourism operators and the businesses dependent on tourism operators. There is a

sense of real concern that adventure tourism in Victoria may not exist if these businesses cannot get an acceptable premium by 1 July.

We are sick, and the industry is sick, of statements, reviews, ministerial statements, deferral of decision making, blaming others, shifting blame and playing politics. The Minister for Tourism and the Minister for Finance need to get down to work. They need to produce action and they need to produce a draft bill for tomorrow's meeting. They need to find a solution that will allow these businesses to continue to employ the many Victorians that they do.

I urge both ministers to stop this charade, stop the chatter, stop the statements, stop all the talk and actually get on with the job they were elected and appointed to do.

**Mr INGRAM** (Gippsland East) — It is a pleasure to speak on the ministerial statement, which is about an issue that really is at crisis point right across my electorate and rural Victoria. I raised this issue last week during the debate on the government business program as something that we should be discussing as there was not a lot of legislation listed in the program. This is one of the critical issues that needs to be raised, discussed and solved in country Victoria.

The rise in premiums is causing a crisis and we need to address that. It is a problem right across community groups, businesses, local government and government agencies, and it is cutting the heart out of my electorate. The last speaker referred to the tourism industry. My area has a large number of tourism businesses and the rise in insurance premiums has hurt those businesses. I suggested taking action on this issue like the action suggested by the Leader of the National Party. We put a press release out on the same day, which caused some concern to him at the time as we cut across each others bows a bit.

On 30 July 2001 I issued a press release after representations from a large number of tourism operators within my electorate. I said, 'There is a problem here, let's try to address it. Here is a potential answer'. The Leader of the National Party criticised me for my contribution, and I was severely criticised also by the Australian Plaintiff Lawyers Association at the same time. I must have been doing something right!

I said, 'We have got a problem, let's try to find solutions'. I did not have all the solutions, but the model I put forward was similar to the New Zealand model — that is, its accident compensation corporation. I recognised there were problems with it at the time, but

we needed to find solutions and limit the exposure those businesses were facing.

I followed that up with another press release, because after a number of meetings, including a meeting with the Australian Plaintiff Lawyers Association and a number of legal representatives here at Parliament House, a number of solutions were put forward. It is important to recognise that there is the potential for solutions, and I put those solutions to the government. I issued a press release on that on 29 August and contacted the government at the time.

The federal government joined in the call, and on 21 January the federal Minister for Small Business and Tourism, Joe Hockey, was lobbying the states to adopt the New Zealand model. I noticed that although the Leader of the National Party was extremely critical of me at the time, he did not criticise his federal colleague, who was asking for the same thing. A lot of people have been putting a lot of effort into trying to find solutions.

When the National Party put out its proposal for insurance I supported it because it contained a number of good proposals. I also wrote to the minister to say, 'There are a number of propositions that we could implement immediately. Let's address them and try to work out which ones can work and let's bring them forward'.

I also called for the removal of stamp duty on public liability insurance premiums; I wrote to the Treasurer about that. An incredible windfall gain is coming to the government through the size of premiums, because when you have increases of up to 600 per cent in some instances, a large proportion must be going on stamp duty. It would be an act of good faith for the government to do something about the stamp duty.

**Ms Asher** — What did the Treasurer say?

**Mr INGRAM** — I have not had a huge response on a number of things I have put forward.

The ministerial statement contains a number of suggested actions. A summit has been called, but it has reached the stage where serious action must be taken on this subject.

I will talk about some of the causes of the problem. They include the HIH collapse and the 11 September disaster in the USA. I put up another that has not been raised so far — that is, the flogging off of the state insurance offices. Previously all state governments had state insurance offices and some level of control over how insurance operated. If we had that now we would

have a better idea of how premiums are impacting and where the real problems are coming from. I think some of the insurance companies are playing games with us at the moment.

I put to the house a couple of positions. I know of two recent examples that have caused me to raise serious concerns about whether insurance companies are coming to the table with a free hand. One example concerned a horseriding establishment in my electorate that fought for nearly 12 months to get its insurance premiums down. The company had incredible problems when its original insurer was quoting it about four times the previous premium. After a lot of toing-and-froing it came up with a number of solutions to some of the risk management options, but still could not get its new premiums lowered.

Finally the company decided it would go out of business; it said it would be out of business as of a couple of weeks ago. However, before that happened it had one last go at it and managed to get insurance with a very small increase on its original premium from the same insurance company that had said, 'We are going to sting you about four times the amount you previously paid'. Is it doing that through charity or good grace, or as a community service? I think not. Games are being played.

The second example concerns a floating restaurant in my electorate. The restaurant owners went through their normal insurance broker, who tried hard to get insurance. It was said the restaurant was not insurable because it was on the water. The owners went to a range of companies, but could not get insurance anywhere. Finally, in frustration they went to a large city-based broker and got the insurance for only a small increased margin on their previous premium from the same insurance company they had approached originally. Some of the insurance companies seem to be trying to kill off the small brokers. We need to address a number of things. The last thing we need do is to amend legislation to give windfall gains to insurance companies if they are not coming to the table with a free hand. I am sure I will get into trouble for saying that!

Some insurance companies appear to be double dipping with public liability insurance. I take the example of an event that is being held on the Department of Natural Resources and Environment land; the public liability in that instance would be covered by the government. A shire would cover an event being staged on its land and, in addition, the event organiser would take out insurance. They all need public liability cover. We could even end up with a function where there is no

insurance company double dipping and everybody pays reasonable insurance rates.

Other factors include the increases in claims and in the costs of claims. Some extremely large payouts have been made. The potential risk impacts on the insurer's bottom line. On the issue of lowering the test of negligence I refer to an article in the *Australian* last weekend. The article heading reads 'Insurance cost our fault, says judge'. It states:

'The judiciary has a lot to answer for this', Justice James Thomas, an authority on judicial ethics, said yesterday in his retirement speech from the Queensland Court of Appeal. 'Some [judges] have enjoyed playing Santa Claus, forgetting that someone has to pay for our generosity.'

'We have allowed the tests for negligence to degenerate to such a trivial level that people can be successfully sued for ordinary human activity'.

That is an extremely interesting comment from a former judge. Some of the lawyers and barristers who approached me raised certain issues. We were talking about what was negligence and what matters you could take to court. The Australian Plaintiff Lawyers Association put the case of a small country hall where a function was to be held. If somebody spilt a drink and the organisers did not erect a sign to that effect or did not stop people going into the hall, there would be a potential claim for negligence. We are getting away from what is commonly considered to be negligence.

I refer to the impact of insurance issues on country shires. We have a declining infrastructure across country shires; many have large debts. The number of small claims has increased, and too often they are freely paid. The people give in. We have to start getting people to defend such cases vigorously. They need to fight the insurance companies, which will cost money, but it needs to be done. We need to establish case law to reduce the number of continuing claims.

What is the impact? In country areas playgrounds and swimming pools are being closed.

As was raised earlier, it really also has an impact on doctors practising obstetrics in rural areas. Doctors just do not want to practise anymore because of the cost.

I refer to the closing of tourist attractions in national parks. In my area the steps to climb Mount Ellery have been shut off. Lookouts and jetties have also been affected, and the impact on sporting clubs and adventure tour operators has been raised. Spray contractors have also been affected. The public liability insurance for one spray contractor who works for the national parks rose to over \$30 000. I am talking about

two people working in the bush, spraying blackberries and so on for the national parks. He just went out of business because his turnover was not high enough to cover that. That has to be dealt with.

In a short while a fishing competition is coming up. Unless this is addressed by the end of the financial year that will not be able to go on. A fishing competition is an activity that people in country areas like to participate in. Landcare groups and adventure tour operators in my electorate are also affected. The last speaker, the Deputy Leader of the Opposition, raised tourism. In my electorate is a whole range of adventure tour operators of activities including whitewater rafting, canoeing, rock climbing, abseiling, parasailing, adventure caving tours, horse riding, offshore fishing trips and adventure tourist park activities. All these activities have had an incredible increase. I know the government has addressed some of that, but there needs to be more. The people participating in these activities need to recognise that what they are doing has a risk. When someone walks out onto a football field they recognise that what they are undertaking is a potentially dangerous activity. It has to be acknowledged that people have to take on their own risk, and that can be recognised in law.

It was disappointing to read a recent article in the *Sunday Herald Sun* about equestrian contests. I have to declare my interest in this because my family are horse riders and participate in some of these events. My wife made it clear to me that we have to solve this problem so my children can still ride at the pony club on the weekend. It raised the issue that unless this issue is solved, one-day events, three-day events and all events at pony clubs will be at serious risk. This is something that people in our society undertake as a sporting activity and have a huge passion for.

This weekend coming I will be up at Buchan, where my children will be riding in the one-day event. In a couple of years they may not be able to do that. A rodeo is on that same weekend, and that rodeo raises a huge amount of money for the community. Events at both Omeo and Buchan are on this weekend, and this year they have raised \$1500 for the Buchan bush nursing centre and \$1500 for the Gelantipy bush nursing centre, and made a couple of donations of \$500 to the State Emergency Service. If their public liability insurance rises too far and unless there is a benefit to the community, the committeemen and committeewomen will not sit there working all weekend to raise money. They put in their time and energy to support the community, and if we cannot fix this, that commitment will not happen. What are some of the solutions to this? We do need to find solutions.

It was raised with me that British Columbia went through the same process in the mid-1980s. There was an increase in the frequency of deaths among participants of adventure tours in activities like whitewater rafting, so insurance at that time was withdrawn — they could not get insurance, and this is 20-odd years ago. This led to a serious reassessment by the industry, insurers and the government. A review was conducted, the desired outcomes of which were an absolute minimisation of deaths and injury and a provision of public liability insurance at affordable rates.

They needed to get these outcomes, and the circumstances there were similar to if not worse than those in Australia at present. So they put the following into practice: effective risk reduction processes; formal operator training; strict operating codes; indemnity for the insurer which would stand up in court; a change of public attitudes — you have to get the public to change its attitude; and contested selected negligent cases to build up case law. That is what needed to be done over there to reduce that impact.

The conclusions of the British Columbia story are that it is possible to make effective, lasting improvements to public liability circumstances. The task is not simple; it takes time and it requires the active involvement of all the parties — the business operators, insurers and the government. There are solutions out there, and we need to address those. These examples highlight the need for urgent action. It is essential that at the meeting tomorrow with the federal Assistant Treasurer, Senator Cooney, energy be directed to concrete outcomes and a timetable. This has not got a long lead time. We cannot sit around and wait forever on this. There has been too much political buck-passing on this issue up until now, and that is very damaging with a lot of these issues. State and federal governments going hammer and tongs at each other is not conducive to a good outcome.

All the relevant people need to get together to find solutions, not just for another forum. We have had the forums, and there have been discussions there. There have been some solutions to some things, but one solution will not fit all. I think we have to go down a number of different paths to address a number of different issues. I have put up some of the issues in the past. In a letter I wrote to the minister I referred to additional mechanisms, including good Samaritan legislation to protect volunteers and a legal recognition of risk management protocols deserving investigation. I refer to the letter I sent to the minister dated 25 September 2001. In it I stated that we need:

... a combination of regulation and the legal recognition of the inherent risk associated with participation in certain activities ...

I also said we need:

... caps on public liability payouts.

A number of measures were put forward in that. It also referred to taking up the recommendations in the 1997 report of the Law Reform Committee on the legal liability of health service providers, in which a number of issues were raised.

In conclusion I state that I come here as a country member of Parliament. I put it in the strongest possible terms that it is essential that governments, both state and federal and on both sides of politics, take what action they can to address this issue, because it is crippling country areas. It is having an impact on the social cohesion and values that we hold dear in country areas, where people can get together and have a go. The government needs to take action on this as soon as possible, preferably yesterday.

Finally, I indicate that all parties should recognise that the government cannot go to the next state election without solving this, because I think if not resolved it will become an election issue. Any party that goes to the next election without real solutions to this will find that there will be a political backlash, because the feeling I get out there is that people are after solutions — they are after answers to how to fix it. If we do not do that as a Parliament, if members cannot come together with a solution to these problems, we will feel the wrath of the public.

**Mr JASPER** (Murray Valley) — In joining this debate I indicate that this is one of the most critical issues that has faced Victoria, and indeed my electorate of Murray Valley, since I was elected to Parliament 25 years ago.

It is interesting that across our electorates we get representations from all sorts of people and organisations on a huge raft of issues, but I say without equivocation that in the past 12 months this has been the issue that I have had the most representation on, and had the least action on. That really is upsetting to me.

I have listened with a great deal of interest to what the earlier speakers have said and to what the minister said in the statement he presented to Parliament this afternoon. What he has been handed, really, is a poisoned chalice. I am not a good historian, but don't they say that back in the Roman days Nero fiddled while Rome burned? That is what the government is doing now — fiddling while public liability insurance

is not only crippling organisations, small business and others but driving them to the wall. We are in a difficult situation and it must be addressed.

I listened with a great deal of interest also to the comments made by the honourable member for Seymour. At one stage he said the new Minister for Finance is doing a fantastic job. I suggest to the honourable member that the new minister is probably a very decent fellow. Since he has been in Parliament I have found him to be a person with whom you can discuss things, but to say he is doing a fantastic job as a minister is really drawing a long bow. I think we should wait to see his performance, and perhaps this will be the real test.

The honourable member for Seymour joined with all sorts of comments made by previous speakers. He spoke about the need for a long-term decision. We want a short-term decision, not a long-term one. Small businesses and organisations will just not be there unless they have short-term decisions made on this matter. I wonder whether the honourable member for Seymour really understood the urgency of the issue when he talked about the various organisations in his electorate that were having difficulties. I think he understands it is a difficult issue, but he has just joined in the comments of other government speakers and supported the minister's comments today. He agreed that it is a massive problem for organisations, but I suggest again that if the government procrastinates these organisations, volunteers and others working within those organisations will not be there in the short term. Do not talk about the long term. Look at the short term. That is what we need to look at.

The ministerial statement is long on rhetoric and short on action. It passes the buck to the federal government. That is how I have summed up the minister's comments in his statement. I think I should quote some extracts from it. In it the minister said:

Unfortunately, in some minds this approach has been misinterpreted as an abdication by state governments of their responsibility to manage issues within their jurisdictions.

I think he is dead right in saying that:

Victoria has not resiled from its responsibilities on any insurance issue,

I suggest to the government it has. In the ministerial statement he went on to say:

A collaborative approach to fixing problems would have advanced the interests of our community more quickly and professionally.

Again it is passing the buck to the federal government. He went on to say:

... the Victorian government has taken a rational approach to solving the problem.

I suggest it has been doing nothing to date other than talking about it, saying, 'It is a critical issue and we need to do something about it'. The minister talked in his statement about defending the insurance companies and said there is a need for evidence. He went on to say:

The absence of reliable information is of major concern when a government is asked to assess competing claims about the origins of the crisis and the impact on premiums of allegedly rising public liability claims and compensation payouts.

He went on further to say:

In the absence of reliable data, the Victorian government has taken the view that caution has to be exercised before tinkering with the common law.

I suggest if the government continues with the sorts of comments that have been made in this ministerial statement we will have more organisations and small businesses going out of business. They will not be operating unless urgent action is taken by the government.

The ministerial statement also lists all the organisations contacted by the Victorian government. If more than 50 organisations have been contacted surely they would have suggested to the government action that could be taken now — not in 6 or 12 months, but now — to alleviate the situation.

The minister continued:

In the meantime Victoria calls on the commonwealth to tackle some issues that are fairly and squarely in its patch.

Again, it is passing the buck to the federal government.

**Ms Allen** interjected.

**Mr JASPER** — The honourable member for Benalla says, 'Some issues'. The fact is that the government has done nothing. Do not talk about some issues. What about positive actions that have been taken? No such actions have been taken. I suggest the honourable member should go and talk to the organisations and small businesses and ask them how they feel about it.

I shall quote the comments of someone who has already gone out of business because of a lack of action, and the state government can do something about it. Do not just say it needs to be a collaborative act. I accept there

needs to be collaboration, but the state government could take action immediately, which would help to resolve the situation. Yes, there is a responsibility on the federal government and other state governments, but action can be taken. The last paragraph of the ministerial statement I want to quote says:

In the absence of commonwealth engagement on these points, the efforts of the Victorian government and the community will be at best incomplete and at worst a waste of resources. Our citizens deserve better.

I agree with that, but there has been no action. The government has had time to do that. Even in June or July last year the difficulties facing these organisations were first brought to my attention. The Rutherglen Country Fair, as everyone knows, is part of the Winery Walkabout. The Minister for Sport and Recreation in the other place, the Honourable Justin Madden, was at Rutherglen for the celebrity grape tread; it was a great function. But I talked to organisers beforehand and they said that while in the year before last they paid \$1700 in public liability insurance, last year they paid \$5279. The organisers tell me they cannot run this year unless they can get public liability insurance at a lower level that they can handle. More importantly, they have had no claims. If they had had claims you would understand why there might be an increase, but there is no justification for that increase whatsoever.

Like every other member of this Parliament I have had all sorts of representations from all sorts of organisations bringing to my attention their concerns and the difficulties they are having with public liability insurance. I have already quoted the Rutherglen Country Fair as just one example that was brought to my attention last year. I first took it up with the Minister for Small Business and the Minister for Finance in July–August, and I have put out a string of media releases since that time bringing to the attention of the general public, but more importantly the government, the fact that action is needed.

There are people who are not only angry but upset about this. They are telling me the future is bleak. In country Victoria we rely on the volunteers who work in a range of organisations continuing to work in them so that these country cities and towns can continue to survive. No-one knows better than I that the success we have in country areas relies on the efforts of volunteers and their organisations, but they are tired and they have had difficulties in recent years, and if you add public liability to it, it makes it even worse.

I shall read to the house a letter sent to me by Terry Walshe, who runs Red Gum Horse Tours at Yarrowonga. It says:

Red Gum Horse Tours has been operational for 10 years. We do guided tours through the bush of Yarrowonga along the Murray River — mainly 1 and 2 hour rides — but we also (have) day rides and give lessons to beginners.

At the moment we have 20 horses — suited for beginners as well as advanced riders. We generally operate at full capacity when there is school holidays. Full capacity is 16 horses — five times a day, and two rides a day for the off-peak season. At present Red Gum Horse Tours has ceased to operate due to the cost of (public liability) insurance.

Its public liability insurance in 2000–01 was \$3349, and for the current year of 2001–02 it was quoted \$10 175. It is an absolute outrage to be quoted that sort of insurance premium. Do you know what Terry Walshe did? He closed down. That horseriding tour company does not operate in Yarrowonga now purely and simply because of the increase in insurance costs. The reply from the minister was interesting — it took the same attitude as the Minister for Finance has taken in his ministerial statement today:

Since July last year, the Bracks government has been seeking a national response to this public liability insurance issue.

I will not quote the whole letter. Although most of the comments made in it are interesting, I think two sentences are worth quoting in my contribution this evening:

However, the Victorian government believes that there needs to be a detailed investigation of the issues and closer examination of all possible solutions.

To this end, we welcome the call by the Assistant Treasurer, Senator Helen Coonan, for a national summit on public liability insurance in March this year.

That is a letter I received earlier this year. That does not help Terry Walshe. I sent a copy out to him and apologised for the response I had received and for not being able to get any positive action. His business is just one of many examples brought to my attention.

I think it is worth reading into *Hansard* a fax that I received from Ian Soulsby, the general manager at radio 3NE at Wangaratta, which states:

Just a brief note in support of your efforts [to] turn around this public liability debacle. Every day we hear many different reasons why business won't promote and market the goods and services they offer — today on two separate occasions public liability insurance increases of 300 per cent were the reasons why these businesses could not go ahead with good marketing strategies — it should be mentioned these businesses are award winners and employ many people.

Good luck, Ken.

That is the manager of radio 3NE Edge at Wangaratta. He was saying that these businesses are having difficulty because of public liability insurance and that

that is affecting the 3NE radio station as well, because they were not doing publicity with them. And it goes on further than that. The classic example I had brought to my attention only a couple of weeks ago is that a small rafting business, which last year had an insurance premium of \$2600, as yet has not been able to get a quote for the next financial year. Its best estimate is the first written quote of \$30 000 obtained by a similar business owned by a person named Geoff. The person who sent this information to me on behalf of this rafting company says, 'Geoff is considering his future, as will I, if my insurance is even half of this quote'. Those are the sort of problems we have.

I heard the honourable member for East Gippsland talking about pony clubs, and I have had representations also from the Pony Club Association of Victoria. It says that it has 8000 riding members in Victoria and is supported by 12 000 adults. Its insurance at present is with SLE Worldwide, and it expires on 30 June 2002. The insurance company says it will not continue with the coverage. The association is in a situation where unless it can get coverage by 30 June 2002 it will not be able to proceed. And what is the government doing? Nothing at this stage. Members of the government say, 'Well, we will go to this federal conference'. At this stage all we are getting is a lot of talk.

As far as we in the National Party are concerned, the situation is desperate. What we have done is put forward a range of corrective actions that can be taken by this government immediately. The sorts of issues that were mentioned by the Leader of the National Party need to be put on record again. We need to be looking at minimising the types of claims which people can make on public liability insurance. We need to look at no-claims experience. That is an interesting one too, because when I mentioned Red Gum Horse Tours at Yarrowonga, Terry Walshe has indicated that he has been operating for 10 years with no claims, yet his insurance premiums went up by about 300 per cent.

We have to look at exempting volunteer organisations. The suggestion from the National Party is that those with a turnover of up to \$300 000 should be exempted from public liability insurance. The government can act on that within the state of Victoria. Let's do something about it! Capping claims is also mentioned. Insurance companies must open up their books. It is interesting to note also that it is believed, according to some figures presented to us, that the public liability insurance collections by insurance companies within the state of Victoria amount to about \$812 million. It has been indicated to us that about \$212 million of that \$812 million — that is about 25 per cent of it — is

soaked up in administration costs. That is another issue that needs to be looked at.

Surely the government can come to grips with these sorts of issues. Surely it can have a look at those suggestions that have been put forward in good faith by the National Party. I am suggesting to this house — and I support the minister in what he is seeking to do in going to Canberra tomorrow to meet with the other states — and I also suggest again to the state government that it can act. The state government can do things on its own; it does not need to wait for action at a federal level.

Time and time again that ministerial statement passed the buck to the federal government — 'We need to see evidence! We need to see facts and figures! We need clarification!'. I suggest the state government has had time to do that. This started in July last year, and still we had the procrastination. We had the summit addressed by the National Party initially in September last year, but no action yet — no real action. What we want is real action. Then the minister indicated 50-odd organisations that have been contacted.

If those organisations have been contacted, surely they will have come up with recommendations to the government. Surely they have staff who can look at the problem immediately and say, 'We must address this!'. I say to the house — and I say it with great sincerity — that action should be taken immediately, not in the longer or the near term. Unless positive action is taken by the government on this issue, during the next few months and through the rest of this year we are going to see more and more organisations close down. They will not operate, and they will not be able to conduct their activities. These actions are critical not only to the continued viability of those organisations but, importantly, to the viability of the cities and towns within my electorate of Murray Valley. I have great concern for those organisations and the development that I want to see continue in north-eastern Victoria.

Finally I say to the government that I am quite clear on the issues we are talking about, which are also made clear in the evidence that has been put forward. These issues have been canvassed, and urgent action is needed. Solutions have been put forward, and I want to see some action from the new Minister for Finance so that we can say in times to come, 'He did a fantastic job'. I would be the first to say that if he gets results. Small businesses and other organisations within my electorate and right across Victoria would benefit from positive action being taken to reduce public liability insurance to realistic levels so they can continue to operate effectively.

**Ms ALLEN** (Benalla) — It is with pleasure that I get up to support the Minister for Finance on his ministerial statement. I congratulate him on the wonderful job he has done since he became the Minister for Finance in tackling this very difficult issue head-on. He has certainly facilitated meetings between me and the Mansfield Public Liability Task Force effectively and constructively.

We seem to be forgetting that the issue has to be approached in a bipartisan way. But having listened to the opposition, I have to say that all it has done is played politics with this particular issue. After listening to the Leader of the National Party and his self-flattering, ‘Me, me, me! I’ve done this and I’ve done that!’, I suggest the Mansfield Public Liability Task Force has done far more and come up with a far better idea than has the National Party.

We should not forget that this issue has come about due to the collapse of HIH Insurance over 12 months ago. The reason why HIH collapsed is sheer greed. The general public right across Australia — be they in the adventure tourism industry, small businesses, insurance companies or any other businesses that are affected — are suffering because of Ray Williams’s greed and the collapse of HIH. And we must never forget who was supposed to be auditing the HIH group. That responsibility fell purely and utterly on the commonwealth government. Ray Williams was on the television not long ago and it was stated he had the audacity to apply for legal aid to fight this particular issue. I believe he is still living in his \$7 million home on Sydney’s north shore!

My electorate of Benalla is an adventure tourism electorate. I have been working extremely hard with the tourist operators there, both in Mansfield and up to the north of the electorate in Myrtleford and Bright — —

**Mr Maughan** interjected.

**Ms ALLEN** — We are going to do a lot to reduce their premiums, I can assure you, because we have got the best Minister for Finance, who took over from the previous best Minister for Finance!

*Honourable members interjecting.*

**Ms ALLEN** — Nevertheless, my electorate of Benalla is an adventure tourism electorate. I have worked very closely with the Mansfield Public Liability Task Force, which has produced the Mansfield proposal. As I said, this proposal is much better than the National Party’s.

I have spoken to tourist operators right across my electorate, and yes, they certainly have had absolutely massive insurance premium rises. At the Mansfield rally two weeks ago Steve Junghenn, who operates Homestation Trail Rides, talked about how last year his insurance policy was \$1600 but how the latest quote he had was for \$32 000. That is absolutely outrageous! I do not think any insurance company anywhere can justify charging \$32 000 for an insurance policy for one year.

Australian insurance companies take up only 2 per cent of the world market. The rest are owned by either American or international companies. In Australia we are paying not only for the collapse of HIH but also for the 11 September attacks in the USA. We are paying for the cost of the insurance premiums that affected American companies, including those companies that operate in Australia. It is an absolute shame that these insurance companies are now turning their backs on small tourist operators and other small businesses right across this country by charging them absolutely astronomical insurance.

The Mansfield Public Liability Task Force is led very capably by a group of Mansfield people. Peter Clark, QC, who is the community representative, has extensive general experience over 25 years as a barrister. He was the commonwealth Deputy Director of Public Prosecutions from 1984 to 1985 and a member of the National Crime Authority from 1987 to 1989. Mr Clark has appeared in numerous royal commissions and on boards of inquiry. He specialises in personal injury, insurance, banking and general commercial law. His keen interest in the welfare of the Mansfield and district community has given the task force the most expert legal opinion available in liability insurance.

Mr Sandy Tod, who is the participant from the Mansfield and District Residents and Ratepayers Association, is a retired businessman with vast general management experience gathered over 30 years. He is a past president of the Mansfield District Tourism Association, a foundation board member of the Mansfield-Mount Buller Regional Tourism Association and a member of the High Country Booking Service.

Mr Tod was a founding member of the Mansfield and District Residents and Ratepayers Association, which had a huge win with the separation of the Delatite shire, which will be implemented in March next year. He represents the Mansfield and District Residents and Ratepayers Association on the task force. He has acted as the economic spokesperson for that association throughout the Delatite de-amalgamation process. In

addition to their farming interests, Mr Tod and his wife Lindy operate a short-term accommodation facility on their property, Billongaloo.

Next is Simon Ritchie, the president of the Mansfield District Tourism Association. He is also a foundation board member and current director of the Mansfield-Mount Buller Regional Tourism Association and High Country Booking Service. He operates a multifaceted tourism business at the historic Delatite station, which is one of the district's earliest farm accommodation providers.

Rachel Parsons is an adventure tourism representative. Ms Parsons is a shareholder and general manager of Stoney's High Country Adventure. She has operated the business from the ground up and has an intimate knowledge of all aspects of adventure tourism management. Stoney's is a showcase adventure tourism business. It has a 20-year history of alpine trekking in both summer and winter. It is an award-winning business that is a jewel in the crown of the state's adventure tourism capital. Stoney's is a pioneering family in the district. Its place in Mansfield history enriches the district's status as a world-renowned horseriding centre.

Next is Michael Watson, adventure tourism representative. Michael and his wife Sally operate a horse trail riding business in Mansfield's high country. Michael has been actively involved in the family-run business since its inception in 1982. Michael took over the reins in November 2000 and operates in some of the most scenic country Mansfield has to offer. Michael has a business background in banking management, and in his 10 years with the Bank of Melbourne completed a Diploma of Business (Accounting).

Also on the task force is Ian Geer, the Delatite shire representative. He is also the Delatite shire tourism development officer.

The reason I wanted to give the qualifications of the Mansfield task force is that these people are highly qualified. They know exactly what they are doing. With the expert leadership of Peter Clark, QC, they have put together the Mansfield proposal and it is a fantastic document. It is a document that the Mansfield people have put forward in order to seek solutions to the public liability insurance crisis. It is a wonderful document and I suggest anybody who has not got a copy should get a copy and read it.

The Mansfield and Mount Buller area, together with Myrtleford and Bright, are part of the legends, wine and high country Jigsaw tourism promotion. Mansfield and

Mount Buller, and Myrtleford and Bright are the two main areas in my electorate for adventure tourism. For the year ended December 2000 the legends, wine and high country received more than 1 285 000 visitors, who spent 3 815 000 nights in the region. Fifty-eight per cent of all visitors and 55 per cent of all nights originated from Melbourne; 25 per cent of all visitors and 28 per cent of all nights originated from other parts of Victoria; 59 per cent were on holiday; 29 per cent were visiting friends and relatives; and 9 per cent were on business. Seasonal occupancy rates peaked at 62 per cent and troughed at 31 per cent, with an average of 46 per cent. The average overnight expenditure was \$75.87; average day trip expenditure was \$53.15.

The value of adventure tourism around my electorate, particularly around the Mansfield district, exceeds \$134 million, and in the whole of the electorate it exceeds \$250 million. Adventure tourism is vital and valuable not only to the tourist operators and small towns in my electorate but also to Victoria as a whole.

I listened to the honourable member for Murray Valley when he was talking about volunteer groups and community groups, particularly pony clubs. He obviously has not listened to the news or read the newspapers in the past few weeks, because the Minister for Finance announced the community group insurance scheme, which the Bracks government developed in conjunction with the Municipal Association of Victoria and Our Community Pty Ltd. The broker to the scheme, Jardine Lloyd Thompson, and specialist adviser, Max Salvesson, have been instrumental in guiding the project through the insurance realities of today's world. The community group insurance scheme will help those people that the honourable member for Murray Valley said will go out of business and will not be able to operate, such as those running pony clubs.

On Saturday I was pleased to launch the fundraising appeal for the Bindaree nursing home at Mansfield — which again back in December 2000 the Bracks government amalgamated with the Mansfield hospital, and didn't that make the Mansfield people happy! At that launch I was speaking to the president of the Mansfield pony club and he was delighted when I told him we had announced the community group insurance scheme. It is one of those schemes — —

**Ms Beattie** — Are they happy?

**Ms ALLEN** — Absolutely happy, and it will make those sorts of community groups and clubs across my electorate and Victoria delighted because they know now that we have put in place a scheme under which they will be able to operate.

Two weeks ago in Mansfield the tourist operators held a public rally. I know I keep talking about Mansfield, but it is one of the most beautiful areas in my electorate, along with Myrtleford and Bright. Not only is my electorate the adventure tourism electorate, but it is also the most beautiful electorate in the state. Approximately 1500 people attended that rally and it had statewide media coverage. Tourist operators and small business people spoke about their concerns and experiences. As I said earlier, Steve Junghenn, who owns Homestation Trail Rides, spoke about how he had this massive insurance premium of \$32 000.

The shadow Minister for Finance was talking before about the urgency of this situation. It is certainly urgent, and if the previous federal Minister for Financial Services and Regulation, Joe Hockey, instead of thumbing his nose at the previous state Minister for Finance, Lynne Kosky, had heeded her call last year for a national summit we would perhaps be about five or six months ahead of ourselves now.

**Sitting suspended 6.30 p.m. until 8.02 p.m.**

**Ms ALLEN** — This issue of public liability insurance is very important to my electorate. I wish the minister well in his meeting with the commonwealth tomorrow. I certainly hope the commonwealth comes to the party in supporting the state government on this issue of public liability, and I commend the minister for the action he is taking.

**Motion agreed to.**

## CONSTITUTION (GOVERNOR'S SALARY) BILL

*Second reading*

**Debate resumed from 28 February; motion of Mr BATCHELOR (Minister for Transport).**

**Dr NAPTHINE** (Leader of the Opposition) — In 2001 the commonwealth government repealed the income tax exemption granted to vice-regal officers. This followed the announcement in 1993 by the Queen of Australia that from that point on she would pay tax on her remuneration assets in both England and Australia.

*Honourable members interjecting.*

**The ACTING SPEAKER (Ms Davies)** — Order! There is too much audible conversation. It would be good if honourable members could keep it down a bit or, if not, leave the chamber.

**Dr NAPTHINE** — The purpose of this bill is to ensure that the net salary of the Governor of Victoria is not affected by recent changes to tax laws at the commonwealth level. The amendment only applies to future governors. Currently the Governor's salary is set at the net rate of that of a Supreme Court justice. Future governors will now receive a salary set at the gross rate of a Supreme Court justice, which will allow them to pay an appropriate amount of income tax without affecting their net take-home pay.

The Liberal Party supports this bill to ensure that future governors are not disadvantaged by what are fundamentally administrative changes.

**Mr Helper** — We don't want to disadvantage the current one, either.

**Dr NAPTHINE** — If the honourable member for Ripon had read the second-reading speech he would have seen that this amendment does not affect sitting governors but applies only to future governors. I suggest to the honourable member, who is renowned throughout his electorate for not checking his facts — —

**The ACTING SPEAKER (Ms Davies)** — Order! I ask the Leader of the Opposition not to respond to government interjections.

**Mr Holding** interjected.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member for Springvale!

**Dr NAPTHINE** — Given that this is an administrative matter that deals with taxation and the effects of changes instituted by the Queen in England and the commonwealth government here in Australia, the Liberal Party supports the legislation and wishes it a speedy passage.

*Honourable members interjecting.*

**Mr RYAN** (Leader of the National Party) — If I could just get a word in here.

**The ACTING SPEAKER (Ms Davies)** — Order! I call the government benches to order. They are a bit too excitable after dinner, I think!

**Mr RYAN** — This is important legislation in the sense of relating to the remuneration of the Governor. It is important in an additional sense given the wonderful job that the current incumbents, Governor Landy and his wife, Lynne, do on behalf of the people of Victoria. I might say that they have a rich history to live up to,

bearing in mind their immediate predecessors, the Honourable Sir James Gobbo and Mrs Gobbo, who performed the role magnificently over the years they were able to fulfil it.

After Governor Landy was appointed he made certain that he recognised the importance of the position from a whole-of-Victoria perspective. He certainly has not concentrated his endeavours on the metropolitan area; rather, he has visited country Victoria extensively. He has thereby ensured that all of us throughout Victoria have the benefit of the presence of the Governor. In turn he is making certain that the important office he discharges is conveyed to everybody, wherever they may live across the state.

The bill has two aspects. The first is that it amends the Constitution Act 1975 so that the Governor, whoever may hold the position in time to come, will be paid on a gross basis as opposed to a net basis. That is reflected in an amendment to section 7(1) of the act. It is pertinent to have regard to that provision, which says:

- (1) The Governor is entitled to an annual salary equal to the annual salary payable to a judge of the Supreme Court (other than the Chief Justice, the President of the Court of Appeal or a Judge of Appeal) from time to time less an amount equal to the income tax payable under the Income Tax Assessment Act 1936 of the commonwealth as amended and in force for the time being, by a person whose total annual income is the amount of that salary and who —
  - (b) is entitled to all allowable deductions in respect of a wholly dependent spouse; and
  - (c) is not entitled to any other reduction.

Then there are various other subsections. The essence of it is that the Constitution Act as currently constructed says that the Governor should be paid on a net basis after tax. This legislation ensures that in time to come the salaries of future incumbents will be paid on a gross basis, with deductions being made and paid as may be appropriate. That follows the position that now applies in England. In 2001 the Queen offered to pay tax on her income, and in the United Kingdom amendments were made so that she did. Subsequently relevant amendments are being made to pertinent legislation in Australia so that appropriate positions of a vice-regal nature — the Governor of Victoria is one of those — fall into the same sort of formula as that adopted by the Queen in England.

I regret to say that there is no more money for the Governor in net terms, but the legislation will be altered to reflect the position which applies in an English sense. The mechanics of the payment to the Governor will be altered so that a gross payment is made and tax is

deducted, but at the end of the day a future Governor will be in precisely the same position in that he or she will receive precisely the same sort of net outcome as would apply in the event of the payment being made as it is today.

The other element of the amendment means that the changes will take effect insofar as the successor of the current titleholder is entailed. That means the present Governor will not be subject to these provisions; rather his successor will be subject to them and these salary changes will take effect from that time.

I have a couple of asides, the first of which is the interesting point that in Victoria we can pass legislation which affects the commonwealth legislation pertaining to taxation. As I recall this was raised by the honourable member for Rodney in the course of the party meeting when the National Party was considering this legislation. It is an interesting and moot point, because it means, as I said, that by the terms of the Constitution Act we are able to directly interfere with the way commonwealth taxation acts apply.

Secondly, I want to pay due regard to the way the Governor and Mrs Landy discharge their roles. Over the past four weeks I have made a quick note of the events I have attended where they have been present. They have included the St Patrick's Day mass at St Patrick's Cathedral on the Friday before St Patrick's Day, which of course was 17 March. A little earlier they were in attendance at the mass for the opening of the legal year, or the red mass, as it is known. That was also conducted at St Patrick's Cathedral. On a further occasion I had the pleasure to be part of the grand prix reception at Government House. I hope I am not telling tales out of school, but I know that they had returned from the United States at 1.00 p.m. on the day of the reception. Having made that flight, which is arduous in the most generous of terms and takes about 14 hours, they were here at about 6 o'clock that evening, fulfilling their duties at Government House.

I well remember Anzac Day last year, and indeed look forward to Anzac Day this year, when I marched along Swanston Street to the shrine with a large number of others. In the front row was the Governor, on the left side of the ranks was Bruce Ruxton in his role with the Returned and Services League, on the right side was the Premier of the state, the Honourable Steve Bracks, and also present were the Leader of the Opposition, myself and a couple of others.

The whole length of the march, with great respect to the Governor, was punctuated with commentary directed to Bruce Ruxton; much of it, to be generous, not

necessarily able to be repeated here but certainly to the general effect that Bruce Ruxton is regarded in life as having a position that is completely apolitical and that therefore the point of view he often puts in political circles is of an apolitical nature and is directed very graphically to those who have a position over political issues of whatever political persuasion they may happen to be. It was a sense of encouragement, I think, from the crowd to Mr Ruxton to keep putting his strongly held views to those of us who occupy political positions. There were many cheers and much acclaim for the role Mr Ruxton fulfils on behalf of the RSL.

The Governor led that march with distinction and fulfilled his role admirably that day. Then only last Friday — —

**The ACTING SPEAKER (Ms Davies)** — Order! I call the attention of the Leader of the National Party to the actual content of the bill. I hate to interrupt him while he is speaking at length on Bruce Ruxton, but I call him back to the bill.

**Mr RYAN** — Last Friday night I was in the company of the Governor and Mrs Landy when we jointly in company with about 250 other people attended a function for the self-same Mr Ruxton. It just goes to demonstrate that the Governor's role is very broad and that he fulfils it with aplomb. Mrs Landy accompanies him in the course of these various undertakings, and I think it is to the eternal credit of the Governor that he is able to discharge the role in the way he does.

At the end of the day this legislation will effectively cause no net change to whoever is the successor of the current incumbent. It will mean that in time to come the successor will be paid on a gross salary basis as opposed to the net basis that now applies; but as I say, that will only apply to whoever succeeds Governor Landy in this very important role. I wish the bill a speedy passage.

**Mr MILDENHALL (Footscray)** — It is a great pleasure to join this debate on the Constitution (Governor's Salary) Bill, to follow the positive endorsement of the legislation from the Leader of the Liberal Party and the Leader of the National Party, and particularly to have the detailed explanation of the legislation and its impact presented by the Leader of the National Party. The position of the Governor is one in respect of which, where at all possible, any government would want to see a totally bipartisan approach to legislation on moves the Parliament might make in regard to the role of the Governor. It is gratifying

indeed to see that that is the case with this legislation this evening.

To recap, the bill provides for the salaries of future governors of the state of Victoria to increase to equate with the gross salary of a Victorian Supreme Court judge. The measure has been made necessary by recent changes to commonwealth taxation laws. The commonwealth acted on the matter following the offer by Queen Elizabeth to pay income tax on her remuneration and tax on her assets dating back to 1993, when the first discussion was started with regard to that. It is only recently that that has come forward to be implemented, and the changes in our commonwealth taxation legislation occurred only last year.

It is clear from this that the Governor of Victoria receives the same net salary as a Supreme Court judge — which is an interesting nexus. I would have thought there might have been a greater salary rate for the Governor than for a Supreme Court judge, given that we expect — —

**Dr Napthine** — I hope you don't appear before one!

**The ACTING SPEAKER (Ms Davies)** — Order! The Leader of the Opposition is out of his place.

**Mr MILDENHALL** — In a time of crisis the often-seen route of ascension, so to speak, is that a chief justice of the Supreme Court steps up to take on some of the functions of the Governor, and appointments to the role of Governor have often come from that level. So in terms of an assumed hierarchy it is interesting to note that there is parity between the Governor and judges, not between the Governor and the chief justice, and — —

**Mr McArthur** — On a point of order, Madam Acting Speaker, I raise the issue of the scope of this debate. In raising this with you, I refer you to a number of things: firstly, standing orders; secondly, rulings of the Chair; thirdly, the second-reading speech; and fourthly, the bill itself. This bill is an extraordinarily narrow bill. It deals with one thing and one thing only — that is, an amendment in relation to the Governor's salary and post-tax equivalents for him. The second-reading speech moved by the Leader of the House comprises some 14 lines and less than 200 words. It is very brief and concise.

I refer you also to *Rulings from the Chair 1920–2000* at page 77, which states:

Scope of debate — narrow bill following.

I think on any test this bill meets that criterion. It is a very narrow bill following. It states:

In debating a bill dealing with the change of ownership arrangements for — —

**The ACTING SPEAKER (Ms Davies)** — Order! I have heard enough on the point of order.

**Mr McArthur** — I need to outline my points, Madam Acting Speaker. This is without doubt a very narrow bill — —

**The ACTING SPEAKER (Ms Davies)** — Order! I suggested that I had heard enough. The honourable member for Monbulk stated he believes that the bill is very narrow. I note that a couple of the previous speakers have strayed for some sort of time. I ask the honourable member for Footscray to address his remarks on the bill, but there is no point of order.

**Mr MILDENHALL** — Thank you, Madam Acting Speaker. Had I the opportunity I was going to talk about the remarks made by the Leader of the National Party, who spoke at some length about the magnificent role of the Governor, the way the Governor has performed his role in relation to country Victoria and some of the functions at which the honourable member has appeared with the Governor. It is also worth noting that the lead speakers in any debate have, by tradition, established the parameters — —

**Mr McArthur** interjected.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member for Monbulk is a little excited, and I suggest that he maintain his seat and silence and listen to the honourable member on his feet.

**Mr MILDENHALL** — It is all very well that after the horse has bolted, that after the Leader of the National Party has talked at some considerable length — —

**The ACTING SPEAKER (Ms Davies)** — Order! And I ask the speaker on his feet to address the bill.

**Mr MILDENHALL** — I think this was an unbecoming trap that was sprung too late — one speaker too late. It was an attempt to try to narrow this debate, and it should not work. The parameters of the debate have been established by the lead speakers. The honourable member for Monbulk has missed his chance and ought not now try to come in and browbeat either the Acting Speaker or the government benches to try to limit the ability and right of honourable members to talk on the role of the Governor and the legislation that is before the house.

**Mr Ryan** — On a point of order, Madam Acting Speaker, the rules of the house clearly indicate that a lead speaker, which I was — —

**The ACTING SPEAKER (Ms Davies)** — Order! Does the honourable member have a point of order now about this speaker?

**Mr Ryan** — I do have a point of order, Madam Acting Speaker, and I am making it. A lead speaker is entitled under the standing orders and rules of this place to have more breadth for the purpose of an address than otherwise. They are the rules of this place; that is accepted to be the case. I ask you therefore to bring the honourable member for Footscray back to the point of debate, which is necessarily more narrow and which you, if I may respectfully say so, enforced insofar as I was concerned — and with which I complied — in circumstances where the capacity for my speech was broader than that which is available to the honourable member for Footscray under the terms of the standing orders and their interpretation. That, Madam Acting Speaker, is my point of order.

**Mr MILDENHALL** — On the point of order, Madam Acting Speaker, the Leader of the National Party is asking the house to accept, or asking the Acting Speaker to accept, that all succeeding speakers beyond his contribution will not have the scope of the debate that he enjoyed. My contention is that the scope of the debate is dictated by the convention, by the scope, by the parameters laid out by the lead speakers. It is against the traditions of this house that there be an attempt to narrow the scope of the debate following the contributions of the lead speakers.

If that were to be the case it would be an interesting interpretation of the rights of normal members of this place that they did not get the same opportunity — certainly we do not expect to in terms of duration — to either respond or continue the discussion on the range of topics introduced by lead speakers. I would have thought that the traditions of this place were that those parameters are laid down by precedent and that the debate should continue in that vein.

**Mr Smith** — On the point of order, Madam Acting Speaker, I thought that the Leader of the National Party put very succinctly what obviously has been brought to your attention by the Clerk in the former Speaker's rulings. The honourable member for Footscray was trying to get you to extend what I have understood over many years to be the rulings of this house — that is, that the lead speaker certainly has wider scope than the rest of the speakers, but that after that he or she is returned to the scope of the bill.

This was the point he was making. Madam Acting Speaker, the honourable member for Footscray is trying to get you to narrow that to allow him to talk about whatever he likes. I think you should refer to the Speaker's rulings that you have in front of you.

**The ACTING SPEAKER (Ms Davies)** — Order! I have heard enough. The honourable member for Burwood, briefly, on the point of order.

**Mr Stensholt** — Thank you, Acting Speaker. I draw your attention to the standing orders. Obviously standing order 109 talks about irrelevance, but in looking at the index I see there is nothing about the indulgence that lead speakers may be offered. The only reference is in terms of relevance, and I draw your attention to that.

**The ACTING SPEAKER (Ms Davies)** — Order! I believe the point of order was phrased in such a way as to be slightly out of order, in that it referred to the lead speaker rather than to the honourable member who was on his feet. So I rule the point out of order. However, I draw the honourable member's attention to previous rulings by the Chair, which allow less latitude to speakers after the lead speaker.

I have been listening very carefully to the honourable member for Footscray, and I believe he has been largely talking about the salary of the Governor. But I draw his attention to those rulings by the Chair and point out that it is the custom of this house that speakers after the lead speakers are given somewhat less latitude, so I ask him to take care to speak on the bill.

**Mr MILDENHALL** — I note and respect your ruling, Acting Speaker, although I was looking forward to the opportunity of paying tribute to Bruce Ruxton in the same way that the Leader of the National Party has.

An interesting chain of decisions and circumstances have led to this legislation. I ask the house to dwell on the events that have seen the Queen of England, someone very much removed from the day-to-day affairs and operations of this house — despite her titular role — make a decision about her own relationship with British laws insofar as taxation matters, her remuneration — which I think is called the royal list, or something like that — and the liabilities relating to her assets are concerned. She has made an offer to the British government — to the British people, I guess — to pay tax after responding to a low-level but significant controversy that had continued in Great Britain for some time.

That offer, and a series of decisions taken subsequently, has resulted in this house voting on a bill to affect the

salary of the Governor. It is a fascinating example of the role of the monarchy in our system of government. I would imagine that that series of events and decisions and the offer resulting in this legislation would puzzle many from other jurisdictions, other societies and other countries. It again causes me to think about how removed the institution of the monarchy is from the day-to-day workings of our government and our laws — again acknowledging her titular role and the fact that a lot of what we do is on behalf of Her Majesty.

**Mr Robinson** interjected.

**Mr MILDENHALL** — Certainly from Footscray.

**Mr Robinson** — Humble Footscray.

**Mr MILDENHALL** — It causes me to also reflect on the time of the changeover of the Governor and to some comments made by Greg Craven, who was often — —

**Mr Smith** — A good man, Greg.

**Mr MILDENHALL** — Yes, he is regarded as a good man by members of the opposition, and he often found himself being an advocate for the previous government. Talking at the time of the changeover about the role of the Governor and how he was appointed, Greg Craven reflected on how easy it is for a Premier or a Governor-General to change an incumbent.

**Dr Napthine** — On a point of order, Madam Acting Speaker, with respect to relevance, this is a very narrow bill to do with adjustments to the salary of the Governor and appropriate taxes.

*Honourable members interjecting.*

**The ACTING SPEAKER (Ms Davies)** — Order! Will the government benches come to order!

**Dr Napthine** — I ask you to bring the honourable member back to the bill itself.

**The ACTING SPEAKER (Ms Davies)** — Order! I uphold the point of order and ask that the honourable member address the bill.

**Mr MILDENHALL** — I will conclude on that by referring to the main point of Mr Craven's comment, which was that if we had had some sort of presidential system it would have required the approval of the legislature before an incumbent could have been changed, thereby relieving a lot of the misery that was experienced on the conservative side of the house.

But like the leader of the National Party and the leader of the Liberal Party, I also want to congratulate the Governor, Mr John Landy, on the way he has carried out his role. I saw him when my community was extremely traumatised by the Coode Island issue. The sensible, thoughtful, logical and intelligent way he moved through that issue impressed everybody. It was certainly good news for my community when he decided to take up the role of Governor. If anyone deserves to have their salary maintained, despite the legislative changes around them, it is the present incumbent. Unfortunately this legislation does not relate to the present incumbent — he will not be affected by the legislative changes — but to his successors. Certainly the illustrious careers of the governors of Victoria give us every confidence that his successors will be as impressive as our present incumbent.

**Mr STENSHOLT** (Burwood) — I also rise to speak on the Constitution (Governor's Salary) Bill, the purpose of which is to increase the gross amount of annual salary payable to future governors as a consequence of the salary being subject to income tax.

I am delighted to speak on this bill, because one of the first jobs I had as a young graduate in the table office of the House of Representatives in Canberra resulted from being asked by the current Clerk of the House of Representatives, Ian Harris, to research the Governor-General's salary. I know I am talking about the Governor here using an analogy, but I must admit that, being very young and idealistic and thinking I could do many things all at once, I thought it would be a rather dry subject.

But I had studied history at university and, being a bit of a history buff — I used to teach history at VCE level as well — I warmed to the task of researching the Australian Governor-General's salary. I discovered that the annual salary of the Governor-General was originally £10 000 — I am talking about the first Governor-General here — and it remained the same for many years — from recollection, I think until at least about 1953. I could be wrong about the exact date, but it certainly remained the same for many years. I will refer to the figure of £10 000 again later when I talk about the salary of the Governor of Victoria.

Of course, the Governor-General's salary was untaxed. Governors, and indeed the Governor-General in 1901, were very much meant to provide from their own means as well as from the £10 000 they were given at the time. I recall from my research then that the first Governor-General of Australia — remember, he received £10 000 — actually spent more than that on

the Federation ball and the concomitant festivities that the Governor-General arranged. It is no wonder that some years later he went back to England bemoaning the personal cost of being the Governor-General.

I must admit that Victorian governors also suffered similar problems regarding their salaries. In 1877 Sir George Bowen, who was then Governor of Victoria and who was paid an annual salary of £10 000 — I mentioned that figure before, and I understand he had another £5000 in expenses — wrote to the Colonial Office in London saying, 'With great difficulty it is, Sir, that I can make both ends meet with my salary of £10 000 a year'.

This is not the first time — and this bill relates to the salary of the Governor of Victoria — that the salary of the Governor of Victoria has been the subject of rich debate in the Legislative Assembly. I recall also from my research that in 1893 there was a very vigorous debate about the salary and allowances of the Governor. Those who can remember the history of Victoria — and of the world — would know there was a great depression in the 1890s. Victoria's was one of the leading economies in the world. Some people will well know that in 1900 it was Victoria and Argentina that led the world as having the highest gross national product per capita.

However, the great depression of the 1890s hit Victoria severely. The Governor's salary then was £10 000, and the Earl of Hopetoun was the Governor at the time. The proposal made at that stage in the Legislative Assembly was to reduce the Governor's annual salary to £7000. This does not apply in the case of the present Governor, but there is an analogy with the bill now before the house, because we are talking about the salaries of future governors, and in 1893 they were also talking about the salaries of future governors. The legislation then before the Legislative Assembly was seeking to reduce the salary to £7000 for the new Governor, who turned out to be Lord Brassey.

I should note — I rely on the book by a former Governor of Victoria, and in fact a former teacher of mine, the good Professor McCaughey, *Victoria's Colonial Governors 1839–1900*, in which he mentions that Gillies — —

**Mr McArthur** — On a point of order, Madam Acting Speaker, in relation to relevance, I respect the erudition of the honourable member for Burwood about past salaries for past governors, but this bill deals with future issues in relation to salaries for future governors. I ask you direct him back to that.

**Ms Beattie** — On the point of order, Acting Speaker, we can see what the honourable member for Burwood is trying to do. He is trying to build a case as to what has been the practice with past governors leading to this bill being introduced into the house. I urge you to let the honourable member for Burwood go on in this broad-ranging debate.

**Mr STENSHOLT** — On the point of order, Honourable Acting Speaker, I am very much speaking on the matter of the bill. The bill is called the Constitution (Governor's Salary) Bill. I am seeking to provide analogies and a direct picture in terms of the history of Victoria. I am very disappointed that the opposition is not interested in the history of it. Many speeches have been given in which people have talked about the precedents in regard to particular bills. Precedents are very important. Indeed I noticed you, Honourable Acting Speaker, talking about precedents in your last ruling in your role as Acting Speaker. I am talking about precedents in terms of what has happened here in the Legislative Assembly regarding the salaries of previous governors.

**The ACTING SPEAKER (Ms Davies)** — Order! I have been listening very closely to the remarks of the honourable member for Burwood and I must say he is probably speaking about governors and salaries more than any other speaker so far, so I do not find in favour of the point of order.

**Mr STENSHOLT** — Thank you, Honourable Acting Speaker. I was talking about the debate in 1893 on the Governor's salary at that time. I was referring to the contribution of Duncan Gillies in his speech at the time, when he noted in talking about the Governor's salary being reduced from £10 000 to £7000 that there was a whole range of aspects for which the state was responsible outside the salary, including the upkeep of Government House and the home at Mount Macedon.

It is interesting to note that it was revealed at that stage that the Governor also had to pay for the salaries of servants, and that had to be taken into account. It was also noted in that 1893 debate that the Governor of Victoria was indeed well remunerated — probably much better remunerated than the Governor is today or future governors to whom this bill will apply will be — because the salary that was paid to the Governor at that time was the same as that paid to the President of the United States or to the Governor-General of Canada, and in fact it was greater than the salary paid to the Governor of any other Australasian colony. As I have already said, the governors at the time felt obliged to provide more than simply what their salary could pay for; and particularly the governors then — the Earl of

Hopetoun, followed by Lord Brassey, easily spent £40 000 or £50 000.

**Mr McArthur** — Madam Acting Speaker, the honourable member for Burwood mentioned that he hoped other people would take a keen interest in history. I think he is right. I direct your attention to the state of the house.

**Quorum formed.**

**Mr STENSHOLT** — I was actually talking about the life and labours of Mr Brassey, who ended up being Lord Brassey, and the fact that he had to provide extra funds to the salary he was given — remember it was £10 000, possibly plus a number of expenses — and tended to spend up to £40 000 or £50 000 a year at that stage.

In Davis McCaughey's book it is stated that according to *Ladies Pictorial* of London in 1896 it was said at the time that no man knew a yacht better than Lord Brassey. But the governors at that stage had their own courts, and private expenditure by all governors in Australia at that stage had to be supplemented. So the problems that governors had in terms of their salaries and that issue having to be addressed is not something new. Indeed an ex-private secretary observed in 1895 that in New South Wales, Victoria, South Australia and Tasmania all those governors had to provide extra funds — out-of-pocket expenses — to do the job they were appointed to do.

Coming back to the debate today on the role and salary of the governor, making sure that the governors' salaries were looked at certainly exercised the minds of our founding fathers. It was noted that Sir William Lyne — as honourable members may remember, the first Governor-General offered the prime ministership to him almost inadvertently — said in a message to Mr Chamberlain in England that he thought the salary of the state Governor in Victoria was going to be reduced by the legislature there. It was generally admitted, he said, that present governors could not remain long after the arrival of the Governor-General. He said this in 1899; now here we are in 2002, still talking about the Governor's salary. The institution of the Governor has remained with us, and indeed has formed part of our institutions.

Other speakers before me have given great praise to our current Governor. I agree with them in praising John Landy and his wife.

I might add that at Federation the smaller states feared the financial domination of Victoria and New South Wales. Of course that has not happened; in fact Victoria

still subsidises Queensland, South Australia, the Australian Capital Territory and the Northern Territory at the rate of 17 cents in the dollar. Victoria only gets 83 cents in the dollar of its taxes back, but our institutions have remained sound for well over a century.

The bill provides that future governors' salaries will be equivalent to that of Victorian Supreme Court judges. At present the Governor's salary relates to net salary, but in future it will relate to gross salary, because we are introducing the issue of taxation. As has been pointed out, this has happened because in 1993 the Queen acceded to the wish of her people that she be taxed. The purpose of the bill is not to disadvantage the Governor by the application of taxation. Obviously all sides of the house commend that.

It is not the first time this issue has been raised. Those who are familiar with their history will know that back in 1842 the first Lieutenant-Governor and later Governor of Victoria, Charles La Trobe, was paid the grand sum of £800 from 1839 to 1842. However, Governor Gipps of New South Wales appointed the first judge to Victoria, whose salary was actually set at £1500 — a lot more than that of the Governor. The issue of judges' salaries compared with the salary of the Governor became an issue for the fledgling colony of Victoria. This was solved by raising the Governor's salary in January 1842 to the magnificent sum of £2000, and subsequently in 1851 to £5000. It was not easy for our first head of the colony, because he had to provide his own house, paying rent or purchasing land. Governor La Trobe elected to purchase land at Jolimont, bringing his own prefabricated house with him from England.

However, the issue of parity with judges' salaries was very much to the point in 1842. I am running out of time, and there are some very significant precedents that I have not yet mentioned. There was a Governor of Victoria who sent his resignation to the Colonial Office over the issue of governors' salaries. The Heales government in 1861 attempted to halve the Governor's salary. The Governor of the time, Sir Henry Barkly, who had been Governor of British Guiana and whose salary was fixed at £10 000 — that number keeps coming up — was rebuffed by the Council, which has not changed its manners in over 150 years, and, as I said, resigned. However, the Colonial Office refused to accept his resignation and sent it back — and the bill was not approved by the Colonial Office.

**Mr LEIGHTON** (Preston) — As a republican I am enthusiastic about this bill to protect the Governor's salary. That might sound a bit of a contradiction in

terms, but it is one that I will shortly be happy to explain to the house.

Firstly, I should refer to some of the main features of the Constitution (Governor's Salary) Bill. The bill is designed to ensure that there is no disadvantage to the Governor's salary following commonwealth tax law changes. It provides that the salaries of future governors of Victoria will be increased to equate with the gross salary of a Victorian Supreme Court judge. The increase is necessary to maintain the net salary of the Governor of Victoria, which as I said has been recently affected by commonwealth tax changes.

Until 2001 vice-regal officers, the Governor-General and various state governors were exempt from commonwealth income tax. But this exemption has been repealed by the commonwealth because of the Queen's offer in 1993 to pay tax on her remunerations. The removal of this exemption will only take place from the appointment of the next Governor, so it does not apply to the current incumbent, Mr John Landy, who as members on both sides have remarked is doing a wonderful job. Currently governors, including Mr John Landy, effectively receive the salary of a Supreme Court judge, but it is the net salary because they do not pay tax. This bill will preserve the Governor's salary relative to that received by Mr John Landy and by previous governors.

As a republican, I made the point that I was enthusiastic about this bill. That is because I see it as another nail in the coffin of the office of Governor or Governor-General. As I see it, it actually achieves removing some of the mystique and aura surrounding the Governor. I suspect it is quite a cunning plot by that well-known republican, Peter Costello, so that while the monarchist Prime Minister, Mr Howard, has been happy to swan around with the Queen —

**Dr Dean** — On a point of order, Madam Acting Speaker, this is a very narrow bill. It concerns the increase in salary to take the place of tax which used to be paid by the monarchy. The second-reading speech contains about three paragraphs. To discuss debates between Mr Costello and the Prime Minister and republicanism is way beyond the relevance of the bill, and I ask you to bring the honourable member back to the bill.

**Mr LEIGHTON** — On the point of order, Madam Acting Speaker, I was starting to explain that it was the commonwealth government that had removed the taxation exemption and I was going to some of the motives behind that. It is because of the removal of the taxation exemption that the bill is before the house, so I

think I am entitled to canvass those commonwealth tax changes.

**Mr Perton** — He is trying to get around you, Madam Acting Speaker.

**The ACTING SPEAKER (Ms Davies)** — Order! I uphold the point of order. I ask the honourable member to address the bill.

**Mr LEIGHTON** — As I said, the bill is a result of commonwealth tax changes, and as a cynic I wonder if the republican federal Treasurer is going down the same path as some members on this side of the house.

The honourable member for Burwood recounted the history of governors' salaries, and I congratulate him on his contribution. Missing from the debate so far is the fact that this house is being asked to agree to set the Governor's salary at that of a Supreme Court judge. I wonder what the basis is. As an old trade union official, I wonder if some work value has been done on the Governor's salary. In my day as a public service trade union official we would have done a PFES on it, a points factor evaluation score, and in that you would examine the various functions — —

**Mr McArthur** — On a point of order, Mr Acting Speaker, this bill is not about the basis of the work value or the basis on which the Governor's salary is established. It is simply about whether or not the Governor should get the same salary after the impact of taxation, that is all, and the debate should be confined to that.

**Mr LEIGHTON** — On the point of order, Mr Acting Speaker, the heart of this bill is a decision to maintain the Governor's salary at the same level as the salary of a Supreme Court judge, and I am entitled to canvass whether that is the correct — —

**The ACTING SPEAKER (Mr Lupton)** — Order! The Chair will make up its mind whether the honourable member is entitled to canvass that aspect or not. I uphold the point of order, because the bill is extremely narrow. We are talking about the current Governor and future governors. There is no way to go back into the past. I ask the honourable member to stick within the confines of the bill.

**Mr Mildenhall** — On a point of order, Mr Acting Speaker, I draw your attention to the contributions of the lead speakers in this debate. We had a discussion about the role Bruce Ruxton plays in the community; we had comments about the role of the Governor — —

**The ACTING SPEAKER (Mr Lupton)** — Order! I do not uphold the point of order. The honourable member for Footscray will please resume his seat.

**Mr LEIGHTON** — We are not talking so much about the current Governor but about future governors and the decision, because of the tax changes by the commonwealth, to take action to set their salaries at the level of that of a Supreme Court judge and to maintain that nexus. I apologise for coming from that perspective, but as a former trade union official I will ask the question: is it the correct decision to maintain the Governor's salary at the level of that of a Supreme Court judge? One wonders just how you value the work of a governor. Is it based on how many fetes they have opened or how many times they have had to use their reserve powers over the past 12 months?

As a republican I am enthusiastic about the bill because the Governor is put on the same level as any other taxpayer — —

**Dr Dean** — Mr Acting Speaker, I draw your attention to the state of the house.

**Quorum formed.**

**Mr LEIGHTON** — I am deeply disappointed that the opposition is not treating this bill anywhere near as seriously as is this side of the house. I and other speakers have been continually interrupted by points of order and quorums. At the start of each parliamentary session as we have debated the address-in-reply to the Governor's speech I have heard some of the sycophants on the other side get up and profess loyalty to the Governor. However, when it comes to defending the office of the Governor and ensuring his salary is maintained, they are found lacking. It has only been members from this side of the house who have been prepared to go in to bat for the Governor. It is the Labor Party and the socialists who are defending the Governor's salary. After all, he is just another worker. These tax changes recognise that, like any other worker, the Governor will pay tax. In my view we are entitled to apply a work value test to determine just what the salary of a Governor should be.

The government has made the very clear policy decision to set the salary of Governor at the level of the salary of a Supreme Court judge and because of the tax changes to ensure it is lifted so that the Governor's salary maintains the nexus with the salary of a Supreme Court judge. As I said earlier, while I welcome the contribution from the honourable member for Burwood, missing from his contribution was a way of trying to test whether that is the correct salary and

whether you apply a work value or some sort of points factor evaluation score. We need a check list to see how many fetes the Governor has opened over the past month and whether it has been necessary for him to use his reserve powers. Of course some governors and some governors-general would score a higher rating in a work value test than others.

I am enthusiastic about the bill because, as I said earlier, republican Treasurer Peter Costello has got under the guard of the monarchist Prime Minister, Mr Howard. While the Prime Minister has been busy swanning around London and attending the Commonwealth Heads of Government Meeting, the republican, in a very cunning move, has changed the tax rules to take the Governor and the Governor-General off their pedestals and bring them back to the same status as any other worker.

The Governor and the Governor-General will pay tax, just as any working person in our society does. I congratulate the federal Treasurer for striking an enormous blow in support of the Treasurer. I am aware that time is on the move and there are a number of members on this side of the house who would also like to go in to bat for the Governor, so with those comments I support the bill.

**Mrs MADDIGAN** (Essendon) — It gives me much pleasure to join my colleagues in supporting the Constitution (Governor's Salary) Bill. Whilst this is not a large bill, it deals with an area of Victoria which is of great interest to all of us and certainly supports the office of the Governor. It is interesting that the honourable member for Preston spoke of his republican views still making him pleased to support this bill. I think we have to look also at what the Governor does to earn this money. It is quite interesting that the powers conferred upon the Governor in his relationship to the state government, which I will mention shortly, are higher than those conferred upon the Queen. It is, as we know, a unique position.

This bill came about because until last year vice-regal officers were exempt from commonwealth tax. I think the Leader of the National Party said that in 2001 the Queen agreed to pay tax. That is slightly inaccurate; it was actually in 1993 that she agreed to pay tax, but it has taken several years for that decision to filter through to vice-regal officers in Australia. It is only now that Australian state governments are assessing what they need to do to retain the status quo by keeping the Governor's salary in line with that of a Supreme Court judge. As I believe other honourable members have mentioned, this does not apply to our current excellent Governor, but will apply to future governors.

The current Governor works very hard for his money, and you only have to look at his web page to see the numerous activities that he, his wife and his staff are involved in — and that includes the Lieutenant-Governor. A quick glance at the list of the activities he has been involved with shows what a strong community involvement he has and how hard he works for what is in fact a modest salary compared to those of some business leaders and others in the community who probably do not work as hard or as extensively as the Governor. As other honourable members have said, I am sure all members here can recall functions at which they have met the Governor. Since the selection of Governor Landy — and Sir James Gobbo before him — all of us have had the opportunity of seeing how hard governors work in the service of their state.

For example, the current Governor is or has been chairman of the following bodies: the Meat Research Corporation; the Wool Research and Development Corporation; the Athletics Task Force; the Coode Island Review Panel; the Clean-Up Australia Committee up to 1994; the Australia Day Committee; the Athletics International Trust until the year 2000; the AWTA Ltd Wool Education Trust until the year 2000; and the board of governors, Australian National Insect Collection housed at CSIRO; director of the Australian Sports Drug Agency; president of Greening Australia; and board member of Habitat Trust (Sustainable Development in the West Port Phillip Region).

I know that the Governor still works with these bodies, although he has resigned from most of them since he became Governor of Victoria. Members here would have met him at functions involving these people — certainly Greening Australia is one that the Governor is still closely associated with. He still does work for the Habitat Trust in his capacity as a board member. He is on the advisory committee for the Centre for Plant Biodiversity Research at the Australian National Herbarium.

He was a member of the Australia-Indonesia Institute, a member of the Australian Science, Technology and Engineering Council external earnings review working party, and he served on the board of directors of the Bicentennial National Trail in the 1980s. The list of activities in which the Governor has been involved goes on and on. His wife receives no salary. That is quite inequitable. I suppose it refers to some of the gender imbalance in the way that husbands and wives are looked at in terms of the performance of their duties. She in fact performs many duties without salary.

**Ms Overington** interjected.

**Mrs MADDIGAN** — If you look at the Governor's salary you are really looking at the salaries of two people, given the contribution they make to Victoria. As the honourable member for Ballarat West said, perhaps we should be looking at the salary rates for governors and the spouses of governors. Obviously spouses are required to undertake many activities. I have met Mrs Landy on a number of occasions when she has been representing the Governor and has made a significant contribution; and she does all of that without a salary. Perhaps the next bill we have on the Governor's salary should take into account some of the activities of the Governor's spouse.

**Ms Overington** interjected.

**Mrs MADDIGAN** — Although, as the honourable member for Ballarat West says, perhaps we will have to wait until it is a male spouse.

The Governor's salary is set to be equivalent to that of a judge of the Supreme Court. Currently a judge of the Supreme Court gets about \$200 010 gross and the Governor \$122 131 — of course that is the Governor's net salary, and no tax is taken out of it. It is important that that salary comparability be maintained. Various states have approached this matter in relation to their governors in different ways — for example, I understand that South Australia and Tasmania are seeking legislative change in the same way as Victoria, but other states have managed to change the situation via administrative means. It has been a bit of a mixed bag in relation to this.

I think the honourable member for Burwood mentioned how the Governor's salary has been estimated over the years. It is interesting to note that when he was appointed in Melbourne on 3 October 1839 the first Governor of Victoria, Charles La Trobe, received a salary of £800 a year. This was later raised to £1500. I think it was the honourable member for Burwood who noted that, unlike our current Governor, many early governors — —

**Dr Dean** — On a point of order, Mr Speaker, I draw your attention to the state of the house.

**Quorum formed.**

**Mrs MADDIGAN** — As honourable members will recall, before the unnecessary quorum was called I was referring to a comparison between the salary of the first Governor and that of the current Governor. I was referring to the time when, as the honourable member for Burwood mentioned, like later governors in the 19th century the first Governor had to supply considerably more things out of his salary than

governors have to today. In fact Governor La Trobe had to provide his own house. There is a nice little story about that house. Governor La Trobe brought his house with him in sections and erected it on 12.5 acres of land on the fringe of the city which is now called Jolimont. He bought the land at auction at an upset price of £20 an acre, which was incredibly cheap at the time.

**Dr Dean** — On a point of order, Mr Speaker, this is a bill of very narrow area. The second-reading speech has three paragraphs in it and it has already been held by acting speakers that this is about future governors and what will happen to future salaries concerning tax. A history lesson as to governors in the past who used to earn £800 is totally irrelevant to this bill. I ask you, Mr Speaker, to bring the member back to the bill.

**The SPEAKER** — Order! I do not uphold the point of order raised by the honourable member for Berwick. I was listening carefully to the honourable member for Essendon, and she was being relevant in her comments on the bill.

**Mrs MADDIGAN** — I was attempting to discuss the salary of future governors in relation to the salary rates that are set now as compared to what the salary rates were at the beginning of the first governorship and show how salaries have changed and the requirements for governors to spend them over the years have varied. I thought the honourable member for Berwick might have found the story I was telling quite interesting because it related to the fact that Governor La Trobe bought a house, which he had to pay for out of his salary, at an auction in Jolimont where apparently all the residents of Melbourne had agreed not to bid against him so he could afford this house. It was considered at the time that governors' salaries were very low. Governors more recently would probably agree that their salaries are too low, and no doubt governors in the future will also have the view that their salaries should be higher.

When Governor La Trobe bought this land Governor Gipps of Sydney was a little concerned that Governor La Trobe seemed to be implicated in some sort of land scandal. However, Governor La Trobe was able to assure Governor Gipps that he knew nothing about this agreement by the Melbourne residents and had nothing to do with it. The sale was approved, and Governor La Trobe was allowed to build his house. Luckily our current and future governors do not have to pay for their houses or the salaries of their servants, as the honourable member for Burwood mentioned; they can spend their salary in the way that is most appropriate for them or save it for future days.

Governor Hotham took over on pretty much the same salary as Governor La Trobe, and they worked extremely hard for their money. I have referred to some of the many activities that the current Governor does and future governors will do for their money. I think we might have some sympathy for Governor Hotham, the second Governor of Victoria. He had the most unfortunate experience and very difficult job of being Governor during the time of the Eureka Stockade. I am sure he would have felt that he was severely underpaid during such an insurrection.

The salary of governors is not the sort of thing that residents of Victoria dwell upon at length when they are sitting at home contemplating the future of the universe. However, it is important that we pay governors an amount of money that is appropriate to the great contribution they make to the state. The previous Governor, Sir James Gobbo, who was appointed by the Kennett government, was highly regarded by all people in the community. He worked hard for the amount of money he received, particularly in the area of the arts and multicultural affairs. I think governors now have to take on a much broader role for their salaries than they had to previously. One would expect that in the future, regardless of whether we are a republic or not, governors will be expected to do a great deal more, and we need to take that into account when considering their salaries.

As I said before, in his role the Governor has greater powers than the Queen. He is not, as many people think, under instruction of the Queen; he is really under instruction of the Victorian Premier or the Executive Council. That is shown in the area he has authority over. He has the power to dissolve the lower house and call an election. He has the power to appoint or dismiss ministers, and numerous powers are conferred on him as Governor in Council. These are very heavy responsibilities. I think the community would expect that the Governor's rate of salary should be commensurate with that level of responsibility.

It is interesting that the opposition is not keen to extend this debate to perhaps consider some of the broader issues about the Governor. I think all people in Victoria think very highly of the current Governor, as they did of the previous one. Given the discussions we have had over the past couple of years about the republic and possible changes in the role of the Governor it is important that Parliament give consideration to these matters, and not only in a very narrow way in looking at the changes necessary to ensure that the Governor's salary is kept at the same level as that of a judge of the Supreme Court.

I would like to pay tribute to the Governor and Mrs Landy for the extremely hard work I have seen them do. In particular, I was most impressed by their attending a function I attended, which was for a group setting themselves up as Grandparents Incorporated. They had invited the Governor to attend their function, which was held in Flemington in the electorate next to mine. It was a great effort by the Governor and Mrs Landy to attend what was not a major function. From what I have heard, they are tireless in attending smaller functions. They do not just go to the ones that attract a great deal of publicity. They came and spoke about their experiences as grandparents, and their contribution to that afternoon was very significant. The people there went away with a high regard for the Governor and Mrs Landy, who have shown great dedication to the people of Victoria. That sort of thing really shows the value of the Governor and certainly supports the pay rates that we are conferring on governors by this piece of legislation.

There would be very few people in Victoria who would find fault with the Governor. He showed great leadership during the aftermath of 11 September, and most of the people of Victoria would have been impressed by the way he spoke at the multifaith gathering and other activities. Through his activities he raises the profile of Victoria and, indeed, the profile of the Governor's office.

As I believe the honourable member for Footscray mentioned, there have at times been governors of our state who have caused some controversy, which is not good for the office of Governor. I think we can all be well assured that that situation is not likely to occur with our current Governor.

Who knows what future governors might come! New South Wales now has a part-time Governor, which affects the salary rates accorded to that office. I am not sure that Victoria is ready yet to take that leap; and certainly, if you look at the amount of work our current vice-regal family does, it would be very difficult to work out how they could exist. Suggestions have been made in this house, even today, about who future governors of this state might be, including current parliamentarians or previous parliamentarians. I am not sure that the people of Victoria would always welcome previous parliamentarians holding that office, but I think people such as John Landy are strongly supported. I know that at the time John Landy was appointed a number of newspaper articles spoke very highly of him and strongly supported his selection by the Premier.

The honourable member for Burwood spoke of controversies over governors' salaries over the years and referred to comments that were made by some governors. I am glad things have changed, to the point where the Governor now does not need a private income. The following was written in 1895:

A private expenditure on the following scale will in all cases be found, I think, necessary. I have sought information from persons qualified to offer it, and the sums given have been very largely exceeded of late. In Victoria the Governor will need to spend from his private income quite £6000 a year. In New South Wales a private expenditure of £4000 will be found necessary; in South Australia, under the new and reduced salary, a Governor will find himself some £2500 or more out of pocket; in Tasmania his salary should be fixed at £5000. From what I learnt when I stayed in the island, any less salary renders it necessary for the Governor either to make up deficiencies from his own private purse or to reduce his style of living to a condition inconsistent with the requirements and dignity of his office. In Queensland the present salary will be found, I think, sufficient to meet all necessary expense.

I am glad we have moved on from those days and now recompense governors to the degree where I sincerely hope they do not have to go into their own private purses to carry out all the excellent duties they undertake on behalf of the residents of Victoria. I think, therefore, that this bill is essential to protect the level of the Governor's salary.

This is a good location for honourable members to acknowledge, as they rarely have the opportunity to do, the great work of Governor Landy and Mrs Landy and to wish them and all future governors well, along with providing them with ongoing salaries commensurate with the level of responsibility they have and in recognition of the many, many hours of work they put in on behalf of all of us on both sides of this house and the residents of Victoria.

**Ms BEATTIE** (Tullamarine) — I am very pleased to join what has been up until now a broad-ranging debate on the Constitution (Governor's Salary) Bill. Previous speakers have talked about past governors, the present Governor and future governors. I intend to continue in that vein.

It is important to acknowledge the precedent that has been set. I want the bill to be debated fully, because I am sure no-one, including people who have come to view these proceedings, would like to leave this house thinking that previous governors of Victoria have in some way been tax evaders or tax dodgers. It is important for us to have this debate to correct any misapprehension on that score. Like the honourable member for Preston, I believe it is important that

governors be seen to pull their weight as far as paying tax is concerned.

I was very pleased to hear the honourable member for Essendon talking about the current Governor's role, particularly in Greening Victoria. I too have been present at functions where the Governor has got down on his hands and knees, planted a few trees and pulled some weeds. What we truly have here in Victoria is a people's Governor. It is particularly important that the Governor is remunerated well and is not penalised for his time in office.

In the past many of the governors have been military men who have subsequently served for a very long time. I point to the very distinguished career of the late General Sir Dallas Brooks, KCB, CMG, DSO, who served in the position of Governor from 18 October 1949 to 17 May 1963 — some 14 years. If we are to expect a lot of our governors, including giving up 14 or so years of their lives, they must be remunerated very well.

Also, as the honourable member for Burwood said, there are certain household expenses that a Governor has to keep up. Governors in the past, the current Governor and governors in the future will have many household expenses. It was my privilege to be an acquaintance of Sir Henry Winneke, AC, KCMG, KCVO, OBE, who was in office for a long time too — from 3 June 1974 to 28 February 1982. We expect our governors to reside in Government House. Sir Henry had two very big dogs, an Airedale and an Irish setter. To maintain his full lifestyle, he took the dogs with him to Government House — —

**The ACTING SPEAKER (Mr Lupton)** — Order! Maybe the honourable member for Tullamarine would like to name the dogs for the benefit of Hansard and then come back to the bill.

**Ms BEATTIE** — I cannot remember, but I am sure that if I go back to my pedigree books I will recall the name of the Irish setter and its certain bloodlines.

**Dr Dean** — On a point of order, Mr Acting Speaker, as has been said by previous Acting Speakers, this is a narrow topic. The second-reading speech was only three paragraphs long. The bill has to do with future judges — —

*Honourable members interjecting.*

**Dr Dean** — Future governors! I have been so bemused by the nonsense from the other side that I am starting to get a bit confused. The bill is about increasing the salaries of future governors with respect

to a tax component. It has nothing to do with dogs, their pedigrees or even the past activities of past judges.

**Mr Stensholt** — On the point of order, Acting Speaker, I find the reference to Sir Henry Winneke very relevant, because he was a judge and there is the issue of his judge's pension as well as his salary as Governor. Therefore as a precedent it is entirely relevant to this debate.

**The ACTING SPEAKER (Mr Lupton)** — Order! I am afraid there is no way that I can support the government in this instance. I uphold the point of order. The bill is extremely narrow. We are talking purely and simply about the current Governor and future governors; we are not talking about Sir Dallas Brooks, Sir Henry Winneke or anybody else. I have already ruled on it once. I hope the honourable member for Tullamarine will stick to the bill and speak about the current Governor and the future — and not about governors' dogs.

**Mr Stensholt** — On a point of order, Acting Speaker, I seek clarification of your ruling. I understand that the tradition of this house has been to include the use of precedents in discussing bills — —

**The ACTING SPEAKER (Mr Lupton)** — Order! There is no precedent in this particular case, which is about whether the Governor will pay income tax as decided by the federal government. It has nothing to do with any precedent, because there have been no precedents. There is no point of order.

**Ms BEATTIE** — My sincere apologies, but I was taken in by your interjection asking what the dogs' names were.

**The ACTING SPEAKER (Mr Lupton)** — Order! The Acting Speaker was trying to guide the honourable member on this particular matter. The honourable member should get on with the bill; the debate has been dragging on for a long time.

**Ms BEATTIE** — I would like to talk about the current Governor, John Landy, MBE, as we are talking about current and future governors. Although I do not pretend to be a visionary, it is hard to imagine how any future Governor could do as fine a job as the current Governor is doing — and, of course, his wife.

Along with many honourable members I was privileged to attend the swearing-in ceremony of the current Governor on 1 January 2001. The honourable member for Burwood was there, as too were many members of the opposition. We partook of the champagne, the sandwiches and all those sorts of good things on what

was a very hot day. I reflected on that day on how much the function must have cost. Surely it came out of the Governor's expenses.

The Governor of Victoria, as well as others who hold high office such as Supreme Court judges, should lead by example. I do not think there should be anybody in this state who is above paying taxes or who is above the law of the land. We want to see the Governor live in a style where he can entertain overseas delegations and perhaps royalty when they come here. I know they have to be paid very well for that. As the honourable member for Essendon pointed out, we cannot ask people to take on this awesome role without recompensing them very well.

This is a good bill. I commend it to the house and wish it a speedy passage.

**Mr HOLDING (Springvale)** — It gives me a great deal of pleasure to enter the house at this late hour and have the privilege of making a contribution on this significant piece of legislation, which is a bill to amend section 7 of the Constitution Act 1975, the bill being known as the Constitution (Governor's Salary) Bill 2002. It is a very significant piece of legislation because it will ensure that in future the annual salary of the Victorian Governor will be increased when governors are subject to the provisions of the commonwealth Income Tax Assessment Act 1936 and pay income tax, like all other taxpayers in Australia. That is a worthy principle, which all honourable members could support. I hope and trust that the bill receives the support of honourable members in the upper house.

**Mr Robinson** — Don't bet on it.

**Mr HOLDING** — It is presumptuous of me to anticipate what may occur in the upper house. However, all honourable members should support the proposition that the Governor of Victoria should pay income tax in the same manner as other taxpayers in Victoria are expected to pay that tax.

An important and significant principle that must be considered in the context of this legislation is that the salary and conditions of the Governor of the day ought not to be changed during the term of that Governor.

**Ms Allan** interjected.

**Mr HOLDING** — It is vital to our constitutional democracy, as the honourable member for Bendigo East interjects; so vital that section 7 of the constitution provides that a Governor's salary is not to be changed during the period of their tenure. The Governor's salary

is taken to include not only the actual remuneration but also certain conditions relating to that remuneration.

**Dr Dean** — Mr Acting Speaker, I again draw your attention to the state of the house.

**Quorum formed.**

**Mr HOLDING** — As I was saying before I was interrupted by the honourable member for Berwick calling a quorum, an important component of the bill is that it does not take effect until the commencement of the term of the next Governor. It is an important principle of our constitutional system that the entitlements and remuneration of a Governor are not altered during their term but take effect only from the commencement of the tenure of the next Governor.

It is an important principle because the government of the day ought not to be in a position where it could be seen to offer some enticement, inducement or other improper remuneration to the Governor that would place him or her in the unfortunate position of possibly being seen in the community to be somewhat compromised by such a decision of the legislature. An important principle of this bill is that it takes effect from the commencement of the tenure of the next Governor.

A similar issue arose during the negotiations surrounding Sir John Kerr's ascension to the position of Australian Governor-General in 1973–74, when he raised with the then Prime Minister the question of his salary in office because the salary at the time was seen to have fallen behind community standards. He sought an assurance from the then Prime Minister, Edward Gough Whitlam, that his remuneration could be dealt with before the commencement of his tenure, obviously because that could not be dealt with during his period in office.

In the same way this bill only takes effect from the commencement of the next term of the next Victorian Governor and does not have a retrospective effect; nor does it apply to the salary and conditions of the existing Governor. It is an important principle of our constitutional system and an important underpinning in ensuring that the position of Governor and the conditions surrounding its remuneration and entitlements are in no way sullied or compromised by negotiations that may occur in the cut and thrust of daily political life. Sir John Kerr was later to repay the generosity of the government of the day in an unprincipled act of constitutional — —

**Dr Dean** — On a point of order, Mr Acting Speaker, I realise it is tough going to keep speaking for 20 or 30 minutes on such a small bill, but surely discussion

about previous governors and whether they did or did not repay favours to governments has nothing do with future governors — —

**The ACTING SPEAKER (Mr Lupton)** — Order! I have heard enough on the point of order. The honourable member for Springvale was being relevant in the early parts of his contribution, but he began to stray during the latter parts. I uphold the point of order. The honourable member for Springvale will speak on the bill, which is narrow, but I hope he will keep to those particular confines.

**Mr HOLDING** — Thank you for your guidance, Mr Acting Speaker; as always, it is much appreciated.

The Governor's salary is an important issue when we consider what his appropriate entitlements and emoluments ought to be. When we consider that question and what should be the appropriate taxation regime, we can only do so if we properly consider the role of the Governor in Victoria, because it is only in the context of that role that we can ascertain whether the proposed changes to allow for the Governor's salary being subject to the provisions of the Income Tax Assessment Act are relevant.

The Governor has a considerable role, because as well as appointing the Premier of the day the Governor has the important role of dissolving the Legislative Assembly from time to time and issuing writs for an election. Should a person who performs these important functions have their salary subjected to the provisions of the Income Tax Assessment Act? I think all honourable members would agree that certainly that should be so. The Governor also performs the role of swearing in the Premier, the Premier being defined as the person who — —

**Dr Dean** interjected.

**Mr HOLDING** — No, handwritten notes. The Premier is the person who enjoys the confidence of the Legislative Assembly. Naturally the person with the important responsibility of swearing in such a person should have their salary subjected to the provisions of the Income Tax Assessment Act 1936.

The Governor of the day chairs the Executive Council, which I understand meets at about 10.00 a.m. on most Tuesdays. Only 10 per cent of the items brought before the Executive Council have been considered by cabinet; the remainder are brought under the auspices of individual ministers. The Governor has the awesome responsibility of considering all those instruments, delegated pieces of legislation, statutory rules and other matters. Should a person who has those onerous

responsibilities have their income subjected to the provisions of the Income Tax Assessment Act 1936?

**The ACTING SPEAKER (Mr Lupton)** — Order! I remind the honourable member for Springvale about tedious repetition. I ask him to get on with debating the bill, because tedious repetition is not acceptable.

**Mr Nardella** — Keep going.

**The ACTING SPEAKER (Mr Lupton)** — Order! I ask the honourable member for Melton to be quiet and not to direct the Chair.

**Mr HOLDING** — So we can see that the Governor has a considerable role, and an important part of his role is a community role. He represents people in the community in a whole range of different facets and capacities, and he is the patron of many significant organisations. Therefore, the question of his emoluments, entitlements and remuneration and the conditions under which that remuneration exists should be a matter of concern not only to this Parliament but also to all people in the community who come into contact with the Governor or with the office of Governor from time to time.

Former Governor Richard McGarvie described the community role of the Governor thus in a speech that he gave in about 1993:

The office of Governor should be seen as a symbol of unity influencing social cohesion and all citizens should be able to feel an empathy and secure relationship with the occupant of that office.

I was interested to see that the current Governor's wife, Lynne Landy, has played an important role in the field of interior decoration. It was recently brought to my attention that she has redesigned the interior of the Johnson collection, the legacy left by William Johnson to the people of Victoria — a wonderful Regency Georgian collection that is housed in East Melbourne. Lynne Landy lent her considerable expertise in this field to reconfiguring the collection that is housed there. As a friend of the Johnson collection and a person who has visited the collection on numerous occasions I look forward to visiting it again soon and having an opportunity to see what she has been able to do as the spouse of the vice-regal officer in ensuring the collection is a constant living —

**Dr Dean** — On a point of order, Mr Acting Speaker, on a point of relevance, the various collections of the various governors' wives has nothing to do with the narrow topic of the increase in salary to ensure that taxation is taken account of.

**Mr HOLDING** — On the point of order, Honourable Acting Speaker, the point I was attempting to make is that the considerable role of the Governor and the Governor's spouse is directly relevant in considering the conditions of his remuneration and the sorts of arrangements, taxation and other, that should exist in relation to his high office.

**The ACTING SPEAKER (Mr Lupton)** — Order! I thank the honourable member for Springvale for his edification of what he is saying, but this bill is about paying the Governor an extra amount of money as compensation for the fact that he has to pay income tax to the federal government. With all due respect, the Chair has difficulty accepting the relevance of the Governor's wife being responsible for the interior decorating of any particular collection. I do not believe it has any relevance to the bill. In fact, I cannot see what the Governor's wife has to do with anything in the bill. So I ask the honourable member to come back to the bill. We are talking about the possibility —

*Honourable members interjecting.*

**The ACTING SPEAKER (Mr Lupton)** — Order! The bill is about the Governor, the Governor's salary and the Governor's ability to pay income tax. It is not about the Governor's wife and her ability to interior decorate Government House or any other situation. I ask the honourable member for Springvale to come back to the bill.

**Mr HOLDING** — Thank you, Honourable Acting Speaker, for your ongoing direction. Until 2001 vice-regal officers throughout Australia were exempt from commonwealth income tax, and this, as I understand it, was something we inherited from the United Kingdom. In the United Kingdom the Queen has traditionally not paid income tax, and as a consequence of the Queen not paying income tax it was an accepted practice of our constitutional system that the Governor-General and the governors in the various states would also not pay income tax. This is seen as something of an anomaly.

As I understand it, in 1993 the Queen offered to have her remuneration and assets subjected to the provisions of British income tax and other tax legislation. So it seemed appropriate that constitutional practice here in Australia would reflect constitutional practice in the United Kingdom — hence the piece of legislation the government has introduced into this chamber, which Parliament has before it.

Earlier I mentioned that the amendment before the house does not affect existing governors; naturally, it

also does not affect previous governors, and will only affect future governors. That is an important provision of the bill, and I dealt with that earlier in my contribution.

When we consider the question of the remuneration of governors it is relevant to consider some of the controversies that have beset previous governors. One in particular I would like to briefly recall is the significant controversy that affected Governor Sir Charles Darling during the colonial period prior to the granting of statehood in Victoria.

The extraordinary circumstances that prevailed at the time were that the Governor was put in the unenviable position of being in conflict with the Colonial Office. He was recalled to England, from where he had been sent out to assume the position of Governor, and so his salary was cut short. The people of Victoria were so outraged that his salary was cut short that they decided through a vote of the Legislative Assembly to grant him a gift of £20 000. Unfortunately it was not constitutional for the Governor of the day to be granted a gift of £20 000, or indeed any other amount, so the Legislative Assembly decided that the only way to get around this provision was to grant the gift to the Governor's wife. So the Legislative Council granted a £20 000 gift to Lady Darling. So obviously the — —

**Mr Stensholt** interjected.

**Mr HOLDING** — I am coming to that. The honourable member for Burwood reminds me that it included not only Lady Darling, but also the children. The reason was that not only was it considered inappropriate to grant this sum of money to the Governor, but Governor Darling felt that it was also improper for his wife to receive such a gift. Arrangements were made to ensure that the children of Governor Darling were also looked after. So when Sir Charles Darling passed away in 1870, the Victorian Parliament voted for a pension not only to Lady Darling but — —

**Debate interrupted pursuant to sessional orders.**

## ADJOURNMENT

**The DEPUTY SPEAKER** — Order! The time for government business has now expired. The motion is that the house do now adjourn.

### Wellington Road, Rowville: safety

**Mr LUPTON** (Knox) — I refer the Minister for Transport to the situation of Wellington Road,

Rowville, between Taylors Lane and Napoleon Road. This two-lane road has an extraordinarily high accident record. Since 1996, 49 accidents have occurred there, 27 per cent of which have been of a serious nature.

I wrote to the Minister for Transport some time ago supporting the City of Knox in its request for road funding for this area. I am not aware of any response. As I said, 49 accidents have occurred, 27 per cent of which involved serious injury.

The interesting part about it is that of the casualty accidents, 55 per cent occurred at intersections, 90 per cent involved other vehicles, 80 per cent occurred at T-intersections, and 77 per cent occurred during daylight hours. A shocking 96 per cent of them occurred between 6.00 a.m. and 8.00 p.m. In most of the cases the roads were dry, and it was always on a paved surface. The anticipated cost to — —

**Mr Holding** — On a point of order, Deputy Speaker, I have been listening very carefully to the contribution of the honourable member for Knox, and I do not think he has sought any action. The honourable member is required under the standing orders to seek action.

**The DEPUTY SPEAKER** — Order! There is no point of order.

**Mr LUPTON** — The situation is that this particular road is extremely dangerous. As I have indicated previously, I have written to the minister asking for his intervention. The cost to duplicate this road is some \$7 million, and although this is a lot of money the situation is that in peak times the residents who live in estates on both sides of Wellington Road take between 20 and 30 minutes to exit their estates and come out onto that road.

The disappointing part about the whole situation is that although I have sought statistics on the number of vehicles travelling along Wellington Road I have only been able to get the statistics on the number of vehicles travelling on the road between 8.15 and 9.15. At that time during the morning peak there were 1172 vehicles going to the city, and at night there were 1846. That is only a 1-hour period. The peak periods operate from about 6.30 to 9.30 in the morning and from about 4 o'clock until about 7 o'clock at night.

I ask the Minister for Transport to investigate this as a matter of urgency. It is only a matter of time before deaths occur on this road. I remind the house that all the accidents to which I referred occurred in daylight hours.

### Chiltern-Mount Pilot national park

**Mr JASPER** (Murray Valley) — In raising a matter for the attention of the Minister for Environment and Conservation I refer to the final box-ironbark report produced by the Environment Conservation Council (ECC). It refers to four areas which come within my electorate: the Boosey–Broken Creek area, which is proposed to be a state park; the nature conservation reserve, which was formerly the Wangaratta Common; an extension of the Killawarra forest to be included in the Warby Range park; and — this is the one I wish to bring to the minister’s attention particularly — the extension of the area around Chiltern and Beechworth through to Eldorado, which it is suggested should become the Chiltern-Mount Pilot national park.

Because of concerns that have been expressed to me by a number of residents, particularly those in Eldorado, I arranged a meeting at Eldorado on Wednesday, 30 January, which was attended by two representatives from the Environment Conservation Council, the chief executive officer, Shane Dwyer, and a senior officer, Paul Peake. There were about 200 people at the meeting, and those two gentlemen explained details of the report. In fact, it was a very good meeting in that there was an interchange of ideas. People put forward recommendations that they felt should be incorporated in the report or changes that should be considered. The ECC representatives responded to a large range of issues which were raised for consideration.

At the close of the meeting three recommendations were passed unanimously, and a petition was presented to me signed by about 350 people, which I have now sent on to the minister.

The first recommendation seeks a review of the boundaries of the park as it comes close into the Eldorado township. There is a belief that this would restrict the activities of people within the township and that consideration should be given to redrawing those boundaries more realistically.

The second recommendation relates to wood collection by people living in small centres such as Eldorado. In fact it says that there should be approval for wood collection in the park area and that this should be designated and protection provided.

The third recommendation relates to the excision from the park of an area along Reedy Creek which is now used by a number of people for camping and a range of activities that would not normally be allowed in the park along that part of the creek.

I seek from the Minister for Environment and Conservation her reaction to the recommendations that came forward from the meeting and ask what consideration will be given to the petition that was presented and to the three areas of concern that were raised by people at that meeting at Eldorado.

### Insurance: public liability

**Ms ALLEN** (Benalla) — I raise with the Minister for Finance the very important issue of public liability insurance. I want the minister to take action to ensure that adventure tourism operators in my electorate will be supported in their endeavours to seek affordable public liability insurance premiums.

My electorate of Benalla is not only the tourism electorate but also the adventure tourism electorate of Victoria, with the beautiful town of Mansfield being the predominant district in Victoria, closely followed by Bright and Myrtleford. The only other area in Australia that comes close to this region so far as adventure tourism is concerned is Cairns in North Queensland. The many activities that constitute adventure tourism in my electorate include canoeing, abseiling, whitewater rafting, ballooning and, most importantly, trail rides.

With the failure of HIH Insurance 12 months ago and subsequently the tragedy of 11 September, the insurance industry has unpredictably and outrageously increased its insurance premiums to unacceptable amounts, in some cases by up to 300 per cent. This has caused a number of businesses, particularly in adventure tourism, to close their doors.

In September 2001 the then Minister for Finance, now the Minister for Education and Training, held an insurance summit here at Parliament House. She then called for a national summit, but the then federal Minister for Finance, Joe Hockey, ignored her call. However, the federal government subsequently called a national summit for tomorrow, 27 March. Had this meeting been held six months ago, when the former Minister for Finance called for it, this very difficult issue would be six months advanced and the adventure tourism businesses that have closed their doors may still be open.

The Mansfield Public Liability Insurance Task Force was organised in November last year to come up with ideas to rein in soaring insurance premiums. Out of its discussions the Mansfield proposal was born. Two weeks ago the town of Mansfield held a rally on public liability insurance which 1500 people attended and which received statewide media coverage.

Many people spoke on this particular issue, including many tourism operators — and of course Geoff Burrowes, who was the director of *The Man from Snowy River* 20 years ago. Since the movie was filmed and became a worldwide hit the area around Mansfield has become known as the premium trail ride area not only in Victoria and Australia but worldwide as well.

Prior to that rally I facilitated a meeting with the present Minister for Finance, at which the proposal was presented to the minister. The Mansfield representatives were only too thrilled to have met the minister and been able to present their proposal to him. Another meeting took place with the minister on the evening of Monday, 25 March, at which further discussions occurred and progress was made.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! The honourable members for Springvale and Mordialloc!

### **Buses: Mornington Peninsula**

**Mr DIXON** (Dromana) — I raise a matter with the Minister for Transport regarding public transport on the Mornington Peninsula. I ask the minister to include the Mornington Peninsula in the Met zone and to adopt a plan that has been put forward by the Grenda group, the Mornington Peninsula Shire Council and me.

The current service:

... does not meet the needs of the communities it services because it is not frequent enough; is overcrowded, with people often being forced to stand up for long stretches of the journey; does not cater for the needs of the local community; is not part of the Met fare structure.

Those are not my words, they are the minister's words in this place.

The situation with the fares is unfair and discriminatory.

These are not my words, these are the words of the minister.

None of route 788 is covered by the Met system, even though Rosebud is as far from Frankston as is Balnarring.

Again, they are not my words, they are the words of the minister.

The minister said these words in this place in 1993, when funds were not available to the government at the time to make these sorts of changes. But this government has had a windfall from stamp duty, and it

was left a lot of money from the previous government, so my community and I think that the money is there and available for this minor recurrent cost.

The plan would involve a far more frequent service. It would include the Mornington Peninsula as either a fourth Met zone or as part of the third Met zone, and it would mean the Mornington Peninsula Shire Council handing over its minibus service to turn it into an at-call service that would feed into the current bus route. The minister must deliver on something he knows is true.

### **Insurance: public liability**

**Ms DUNCAN** (Gisborne) — I raise a matter for the Minister for Finance regarding public liability insurance. As has been said by the honourable member for Benalla and other members in this place, it is of critical importance in a whole range of areas. We had a press release from the minister dated Wednesday, 20 March, saying that some of these issues have been resolved. The announcement the minister made was of a group insurance scheme that was being developed through an alliance between the Bracks government, the Municipal Association of Victoria, our community and a leading broking firm, Jardine Lloyd Thompson.

This is fabulous news and will assist many of those groups that have been concerned about holding festivals, youth groups, et cetera. While this will deal with many of those not-for-profit community groups that were very fearful of not having insurance cover, there are still other people whose ongoing concerns have not been addressed. I ask the minister to take action to assist those other groups who are facing the potential of losing all insurance coverage as of about 30 June.

Two groups in particular have written to me. One is the Gisborne Pony Club, which is part of the Pony Club Association of Victoria. As is pointed out in its letter, the association is essentially a youth movement, with 8000 riding members in Victoria supported by 12 000 adult riders. I know there are other honourable members in this chamber who share my passion for horseriding. This is a fabulous group that supports young riders who in turn support the care of horses and do a terrific community service. The club has been told that SLE Worldwide will not renew its public liability and professional indemnity insurance when it expires on 30 June 2002.

Similarly, I have a letter from Mrs Maureen Milburn. Honourable members may remember when the Attorney-General got on a horse by the name of Cheeky down in the parliamentary gardens. That horse

was owned by Maureen Milburn, who is a member of the Australian Quarter Horse Association. Cheeky was a beautiful quarter horse. If we do not have ongoing insurance cover, we may never again see the spectacle of the Attorney-General sitting on a horse in the gardens of Parliament House. I think that would be a tragic loss to Victoria!

It would be an even more tragic loss if we were to lose groups like the Pony Club of Victoria and the Australian Quarter Horse Association. Again, as Mrs Milburn points out, the underwriter, AON Risk Services, has said it will no longer provide cover to equine groups — —

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

### **Raymond Island ferry**

**Mr INGRAM** (Gippsland East) — I address an issue to the Minister for Transport. The action I request is that minister have the road to Raymond Island, including the Raymond Island ferry, declared a tourist route of significance and a state government-funded road.

There is a long history to this process, and it has been a fairly disturbing one for the people of East Gippsland. It currently costs the East Gippsland Shire Council about \$400 000 a year to subsidise the operation of that ferry. When in the dying days of the period before amalgamation the former Shire of Bairnsdale councillors opposed the transfer of the ferry — it used to be operated by the Country Roads Board — the council was effectively responding to an ultimatum from the then Minister for Roads and Ports in the other place, the Honourable Bill Baxter, that Vicroads would not fund the operation and maintenance of that ferry, because Vicroads would be privatised. The commissioners of the newly formed East Gippsland Shire Council opposed that transfer and tried to give the ferry back to the state government — they actually drew up a cheque for \$1.82 million and endeavoured to return it to state government operation.

After five years the tolls on the ferry have gone up to \$5 per crossing, and it is very onerous on the ratepayers of East Gippsland and the people of Raymond Island. I have led a delegation of people from Raymond Island to see the minister. We have put a submission to the minister basically explaining why we believe that road is a tourist road. In the year 2000 approximately 208 827 vehicles crossed using that ferry, yet only 250 local vehicles use that road.

I seek that the minister declare the road as a tourist road, a C-class state government-funded road, to relieve the burden of the ratepayers of East Gippsland and remove the tolls from the ferry to ensure that the people of East Gippsland are not burdened any further.

### **Somerville secondary college**

**Mr HONEYWOOD** (Warrandyte) — I would like the Minister for Education and Training to investigate the need for a secondary school in Somerville. As the minister is no doubt aware, there is already state government-owned land at a site in Somerville right next to a local primary school. Despite the best attempts by the current government to sell off this high school site, which was allocated by the previous Kennett government, it would make an excellent location for a new secondary college for the 900 students who are being bussed out of the area every day. Indeed there is a one-off opportunity here to establish a total education precinct for this wonderful community.

While the minister recently reannounced a number of new schools that had already been announced in the last state budget to avoid adequately addressing this particular issue in Somerville, I rise in this adjournment debate to request an answer from the minister specifically related to the Somerville proposal. The opposition questions the motives of the government in opening schools in areas such as Fitzroy with long-term estimated enrolments of only 300 students, when in the case of Somerville three times the number of children are being forced to travel away from their community every day on long bus trips to four or five different high schools, even though they are in one of the fastest growing growth corridors in Australia.

Will the minister provide this house, and more importantly the people of Somerville, with a commitment to build a secondary school so that children are not being bussed out constantly and do not suffer social dislocation, which this government could not care less about?

### **Housing: Keilor**

**Mr SEITZ** (Keilor) — I ask the Minister for Housing to ensure that in the second round of socially affordable housing the electorate of Keilor is considered very favourably. I also draw to her attention the extra effort that needs to be put into providing housing in the electorate, particularly given that it is a growth area with a large migrant intake.

When one looks at the statistics for migrants coming to my area from war-torn countries, whether they come

here as refugees or as professional or other migrants, one sees that most need housing. The community organisations in my electorate are continually strapped for affordable housing for those people as well as for existing residents. Furniture and electrical equipment are very hard to come by now, even through the charitable organisations that are helping migrants set up homes. Having to pay private market rental makes it difficult for these people, in particular when they have to shift constantly and do not have a permanent address, which makes it even more expensive for them to get established in this country and more difficult to catch up with social security correspondence.

Sometimes migrants have to move on to other accommodation in the private rental market when a landlord wants to sell or upgrade a house or when a family member of the landlord gets married and wants to move into the property. That can leave migrants vulnerable and on the move again looking for affordable housing.

One of the highest number of requests I get in my electorate office is for affordable housing for migrants, as the electorate is a very popular area to live in and it services the migrant community with a migrant resource centre and English classes for migrants. People from a multicultural background are attracted to my electorate because the languages spoken in the area enable them to go into the shops and the banks and to receive medical treatment without the added expense of an interpreter.

My electorate of Keilor has a multicultural population and therefore it attracts people from all walks of life. Sometimes people arrive directly from the airport and move in with somebody who can put them up temporarily or move into temporary accommodation that someone has found for them. I ask the minister to look at this problem of a shortage of affordable housing for migrants.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

### **Manningham Road, Bulleen: safety**

**Mr KOTSIRAS** (Bulleen) — I raise for the attention of the Minister for Transport the installation of traffic lights at the Manningham Road entry to the Bulleen Plaza Shopping Centre. The intersection is used by primary school students and also by the elderly members of our community. I ask that the minister investigate the situation and provide partial funding to allow the installation of traffic lights at that intersection.

Manningham City Council has made an application for black spot funding for the intersection, but it has been advised by Vicroads that the project is unlikely to attract any of that funding. However, Vicroads did indicate to the council that if the traders and/or the council made a contribution to the cost of the project, then Vicroads would consider the project for partial funding. I am advised that the council wrote to Vicroads on 7 December 2001 and again on 5 February 2002 advising that the council and the traders would contribute to the project. Following a third letter from the council to Vicroads on 22 February of this year, Vicroads finally responded requesting additional information. The council is currently providing this information, but the theory is that Vicroads will sit on its hands and do nothing.

I therefore ask the minister to ensure that Vicroads responds to this request with some urgency. This is vital because the improvement works for Bulleen Plaza are expected to be completed by October 2002. In order to minimise disruption to trade and to the locals, it would be ideal if the traffic lights were undertaken in the 2002–03 financial year. I ask the minister to take appropriate action to ensure that Vicroads keeps its promise and provides appropriate funding for this project.

### **Rail: Noble Park crossings**

**Mr HOLDING** (Springvale) — I raise a matter for the attention of the Minister for Transport concerning two level crossings in my electorate of Springvale. At the outset I must say that this does not relate to such situations as one which occurred in December last year with a tragic death at the Heatherton Road, Noble Park, level crossing in which a woman in a wheelchair was killed by a train.

**Mr Leigh** interjected.

**Mr HOLDING** — I note that the honourable member for Mordialloc inately interjects, but it was actually a tragic situation, and it is my hope that the task force that has been established by the government will look into such tragic events.

**Mr Leigh** interjected.

**The DEPUTY SPEAKER** — Order! The honourable member for Mordialloc has been warned before about his behaviour!

**Mr HOLDING** — I understand the task force will be reporting soon on those issues, but the action I seek is that the minister urgently investigate the status of any proposed works at two level crossings to which I will

refer, to ensure that they are addressed by appropriate authorities. I refer firstly to the level crossing in Corrigan Road, Noble Park, and secondly to the level crossing in Heatherton Road, Noble Park, near the corner of Douglas Street. The roundabout in the vicinity of the second level crossing was the recipient of \$306 000 in black spot funding from this government, and its refurbishment has done much to alleviate the transport problems in the area.

Concreting is required at both the level crossings I have mentioned to ensure that traffic flows more smoothly over the rail lines. Both roads take a great deal of traffic. Both are used by many people who live in my electorate and also people commuting from Noble Park North who travel south towards Keysborough or those who travel from Springvale in the direction of Dandenong. Both of these level crossings take considerable amounts of traffic, and the road and rail areas in the vicinity of both level crossings require work to ensure that traffic is able to flow smoothly over them.

Considerable inconvenience is caused to local motorists travelling along these roads, and I hope the minister is able to investigate the status of any proposed works to address these level crossings and have action taken as soon as possible to make sure that motorists can more safely and conveniently use the roads that traverse these two level crossings.

### Monash Medical Centre

**Mrs PEULICH** (Bentleigh) — I raise a matter for the attention of the Minister for Health relating to some trends that are of concern in terms of declining access to health services for the constituents of Bentleigh as a result of some fairly deliberate decisions made by the current government.

There are two important facts. The first is the taking out of Sandringham hospital from the health network, thereby exacerbating the waiting list for elective surgery in or for the Bentleigh electorate. The second is the recent announcement about agency nurse caps, causing the cancelling of elective surgery for the months of March and April at the Monash Medical Centre.

I draw the attention of the house and the minister to the statistics from the government's own *Hospital Services Report*. In particular I refer to the Monash Medical Centre emergency department statistics for patients waiting longer than 12 hours. In December 1999 there were 653; in December 2001, under this government, there were 1097 — a staggering 168 per cent increase within this government's term of office. Also, similarly

Monash Medical Centre statistics for emergency department elective surgery for semi-urgent cases were 510 in December 1999 and 1051 in December 2001 — a staggering 206 per cent increase within those two years. The number of people on Monash Medical Centre waiting lists who have waited for longer than the ideal period for semi-urgent cases has increased from 94 in December 1999 to 428 in December 2001 — an horrific 455 per cent increase in those two years.

It is the responsibility of the Minister for Health to make sure that access to quality health services for my constituents is maintained, despite the government's mismanagement of the health system, and to ensure that as a result of the cancellation of elective surgery my constituents — many of whom are elderly, because my electorate has the third-highest number of over-65s in the state — are not left waiting for much-needed surgery.

Despite the name, elective surgery is not a lifestyle choice. The performance of the government, from the point of view of the Bentleigh electorate, has been nothing short of disgraceful and appalling. I call on the minister to take whatever action is needed to correct it.

### Responses

**Ms KOSKY** (Minister for Education and Training) — The honourable member for Warrandyte raised a matter for me in relation to a Somerville secondary college. I notice he is not in the house, and I am not surprised, given the background to this site.

If the honourable member had any memory or any gumption he would know that the minister in the previous government, the Honourable Phil Gude, approved the disposal of the site for a Somerville secondary college.

**Mr Doyle** — He did not!

**Ms KOSKY** — He did indeed! The site was on the disposal assets register, as I understand — —

**Mr Honeywood** — On a point of order, Madam Deputy Speaker, I ask the minister to table the document she is referring to, particularly if it relates to alleged disposal, because the government is yet to provide any documentation — —

**The DEPUTY SPEAKER** — Order! There is no point of order.

**Ms KOSKY** — It is clear. I feel sorry for the honourable member for Warrandyte. Because he has been unable to get a question up in question time in

these sittings he feigns concern during the adjournment debate.

However, the previous government did attempt to sell the site that was allocated for Somerville secondary college. The previous minister in this government, now the Minister for Planning, put the sale on hold, pending a report from an independent consultant on future enrolments. As the honourable member clearly understands, and certainly as the parents understand, analysis shows that there are not sufficient potential enrolments to warrant a new secondary college at this point in time.

It is very clear that the government has held onto the site not because it wants to hold onto vacant blocks of land but because it has a commitment to opening up new schools right around Victoria — unlike the previous government, which closed over 300 schools.

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! The honourable member for Mordialloc!

**Ms KOSKY** — We are opening new schools around the state. I am pleased to inform the house that there will be discussions in July with the school community, representatives from local government and other key stakeholders to look at enrolment growth. We are keen to look at facilities on that site, but they need to meet the enrolment growth test that is applied to other areas around Victoria for new schools. It would be fantastic if the shadow minister would not show the hypocrisy he has shown in relation to the previous government's history and supported what the government has done in opening new schools and making a commitment to education around the state.

**Ms PIKE** (Minister for Housing) — The honourable member for Keilor highlighted the ongoing need for affordable housing for many of his constituents. I commend the honourable member, who is a consistent advocate for these needs in the community.

The Bracks government is doing something about the shortage of housing for disadvantaged members of the Victorian community, particularly for people in the Hobsons Bay, Maribyrnong and Brimbank areas. A partnership between the Bracks government and the local community will deliver \$2.5 million in housing projects to this area. As many other partnership programs demonstrate, there is enormous value when we join with community groups and use government resources to add to the commitment and resources within the local community so that we can really address some of the needs of people within this local

area. The government is providing \$1.8 million of funding to build 14 units for families. The Salvation Army Property Trust is providing the balance of those resources.

This project is one of a great number of projects that are now being funded in the second round of the social housing innovations project. Honourable members will recall that this is a program of nearly \$100 million of new money that is being provided over and above the commonwealth–state housing agreement, money that demonstrates the government's commitment to providing high-standard and low-cost accommodation for people in the community.

As I said, the Bracks government is working in partnership with community organisations such as the Salvation Army that have expertise on the ground, and that will provide the kinds of support services required to assist people with housing to make sure they have a more hopeful future, because we know how fundamental safe and secure housing is to people's basic needs.

Another terrific dimension of this project is that it also creates real jobs and real opportunities in those local communities. The government is making good its commitment to reinvest in affordable housing. We know how significant and important this housing is in local communities. Tonight I am pleased to inform the honourable member that this \$2.5 million housing project in his community will make a real difference to families in that area.

**Mr LENDERS** (Minister for Finance) — The honourable member for Benalla raised the issue of public liability insurance. She has sought solutions from her community and particularly referred me to the Mansfield proposal that was presented by a group of citizens and tourism operators from Mansfield. Some weeks ago they got an amazing group of people together and held a large public rally in Mansfield. A number of different groups got together and put forward different proposals on how to deal with some of the issues facing their town.

I commend the honourable member for Benalla for her active work in attending to and working with the people who are trying to find solutions for their communities. I also commend the honourable member for, firstly, getting a delegation, which was led by the mayor of the Shire of Delatite, down to Melbourne to present a proposal to me, and secondly, bringing a group of people down with a concrete proposal, which was a draft bill which they thought would assist in dealing with the problem.

The honourable member specifically asked what action the government could take for adventure tourism operators. She mentioned a range of worthy groups in her electorate, some very industrious businesses and recreational groups, and asked what the government could do to address their adventure tourism issues. I am delighted to inform the honourable member that tomorrow I will raise the issues contained in the Mansfield proposal with the federal Minister for Revenue and Assistant Treasurer, Senator Coonan, who is convening a summit of ministers from across the country who deal with the insurance issue. A number of specific issues — —

**Mr Leigh** interjected.

**Mr LENDERS** — The honourable member for Mordialloc thinks the crisis in public liability insurance is one of mirth and does not take it seriously. Fortunately the honourable member for Benalla is far more concerned about seeking solutions to issues in her electorate than is the honourable member for Mordialloc.

The issues we will raise specifically with the federal government tomorrow include seeking it to urgently amend section 68A of the Trade Practices Act to allow individuals to assume legally and confidently an appropriate level of risk in a company's tourism and sporting-type activities.

This is an important issue in the Mansfield proposal, as a number of adventure tourism operators say that that as one plank of a number of proposals will help address the issue in their industry. Additionally, I can let the honourable member for Benalla know — and she is well aware of this because she has been a very active and keen participant in this area of government policy development — of some of the work that the government has been doing with community groups, the Municipal Association of Victoria and a number of other groups, organisations and insurers to get a not-for-profit group insurance scheme up and running.

It is based primarily on collecting data so that a reasonable business case can be made for insurers to take out public liability insurance. A scheme is already in place for the not-for-profit organisations; and hopefully, with enough data this model will work in some other areas of industry. In immediate response to the honourable member for Benalla's question, I will raise her issues at the national summit in Canberra tomorrow.

I commend her for her keen interest in the affairs of her electorate and her hard work, particularly in dealing

with her constituents who not only identify problems — which is very easy to do — but come up with solutions.

The honourable member for Gisborne also raised an issue regarding group insurance schemes. She is another MP who works tirelessly for her electorate. She is one of those members who has a work ethic of fighting tenaciously for the community groups and small businesses in her electorate. She continually advocates for her electorate with every minister in the government. I commend the honourable member for Gisborne on her hard work.

She specifically raised the issue of the Gisborne Pony Club, which is unable to renew its policy. She mentioned some very worthy citizens, and Mrs Maureen Milburn in particular — the owner of the horse Cheeky. She drew the attention of the house to an historic occasion with the horse and how the Attorney-General dealt with it.

The serious issue raised by the honourable member for Gisborne, which again is part of her tenacious advocacy for her electorate, is what action the government can take to address the lack of access to public liability insurance policies. The honourable member has worked tirelessly. She has gone through every government agency. She has been on the phone seeking insurance policies for her — —

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! I think honourable members are letting their enthusiasm carry them away. I ask them to be quiet and allow the minister to complete his response.

**Mr Leigh** interjected.

**The DEPUTY SPEAKER** — Order! The honourable member for Mordialloc!

**Mr LENDERS** — I can assure the honourable member for Gisborne that the immediate concerns about the pony club and the other businesses and community organisations in her electorate will be taken to the national summit on public liability insurance in Canberra tomorrow. I will raise the issues with the federal minister and my interstate and federal colleagues. These are serious issues that require immediate attention. The development of group insurance schemes is something that the government will be pursuing. We will be pursuing an urgent amendment to section 68A of the Trade Practices Act to allow individuals to assume legally and confidently an appropriate level of risk that accompanies tourism and sporting-type activities. This is an issue for a lot of sporting and adventure tourism clubs.

The government will specifically pursue those issues because by all levels of government working collaboratively and by this government working with the community, the business sector and insurers — and if we can get a good business plan for these insurance schemes — we will have succeeded as we have in a number of areas. The government will give its undivided attention to this issue and look for solutions for the honourable member for Gisborne.

**Ms GARBUTT** (Minister for Environment and Conservation) — The honourable member for Murray Valley raised with me issues arising from the Environment Conservation Council (ECC) report on the proposed box-ironbark national parks. In particular he referred to a meeting at Eldorado and a 350-signature petition. He mentioned the resolutions passed at that meeting, which included requests for a review of the boundaries around Eldorado, wood collection continuing in the area proposed for the national park, and an exemption along Reedy Creek because of traditional activities including camping and other activities which he did not mention tonight, but has mentioned on other occasions.

First of all I thank the honourable member for his approach, which is always to resolve the issues in the interests of his community. I have appreciated that and I am sure his community has too. Recently I visited Wangaratta Rural City Council with him and the members of council whom I met were also taking a very positive approach and coming up with innovative ideas to assist with the transition. This included firewood, about which they put forward several good ideas which we will be able to pursue.

I recently announced that we will undertake a park management process for each of the new national parks and the community and stakeholders will be involved. Activities such as camping, which the honourable member for Murray Valley specifically mentioned tonight, are traditionally allowed in national parks, and the management process would identify where that could take place and assist in continuing that practice. We will get that park management under way and I will approach the honourable member for Murray Valley to make sure that his communities are involved in that process.

In addition, for each of the new national parks and the Castlemaine national heritage park, a new category of park, park advisory committees will be established when the parks are formally up and running to provide assistance and advice to Parks Victoria as they implement the management plans and manage those parks into the future. In relation to the park that the honourable member for Murray Valley mentioned, the

Chiltern-Mount Pilot national park, I have asked the Indigo shire council to implement a process to come up with a name acceptable to the community. There has been some concern about the proposed name, so I have asked for local input.

Finally, in regard to prospecting, the Environment Conservation Council recommended, and we have accepted, a new approach to prospecting for those particular new parks, reversing the onus in state parks where traditionally prospecting has only been allowed in designated areas. We have reversed that and said that prospecting can be allowed anywhere except in designated sensitive areas, and in some of the new proposed national parks prospecting will be allowed in designated areas. That is a first for those national parks. Prospecting has traditionally not been allowed there, but in line with the ECC recommendation in these cases we have done that.

I stress that these parks will recognise the traditional activities in those parks and involve the community in the management process, both in the lead-up to the establishment of the parks and in their ongoing management. I will take what the honourable member for Murray Valley had to say on board as we make further decisions about implementing these parks.

**Debate interrupted.**

### DISTINGUISHED VISITOR

**The DEPUTY SPEAKER** — Order! I would like to acknowledge the presence in the gallery of a former leader of the Liberal Party and Minister for Public Transport, Mr Alan Brown.

**Debate resumed.**

**Ms CAMPBELL** (Minister for Senior Victorians) — The honourable member for Knox raised a matter with the Minister for Transport relating to the duplication of Wellington Road between Napoleon Road and Taylors Lane. That matter will be relayed to the Minister for Transport.

I will also pass on to the minister four other items, including one raised by the honourable member for Dromana about public transport on the Mornington Peninsula, particularly about including that area in the Met system.

The honourable member for Gippsland East raised a matter regarding a proposal to have the road to the Raymond Island ferry declared a tourist road to enable the removal of the tolls on the ferry service. I will pass that on to the Minister for Transport.

The honourable member for Bulleen raised the possibility of Vicroads partially funding the installation of traffic lights in Bulleen Road near the Bulleen Plaza Shopping Centre. I shall raise that matter with the minister.

The honourable member for Springvale raised an important issue involving two level crossings, one in Corrigan Road and another in Heatherton Road. I particularly acknowledge the importance of those two railway crossings, and I shall relay that to the Minister for Transport. I am familiar with those two dangerous intersections. The honourable member for Springvale outlined their importance, and their increased safety will be given special attention by the Minister for Transport.

The honourable member for Bentleigh raised a matter for the Minister for Health.

**Mrs Peulich** — On a point of order, Madam Deputy Speaker, only a few minutes ago I saw the Minister for Health outside in the hallway. I am disappointed that he is not here to respond on an important matter raised on behalf of Bentleigh constituents. He was happy to come to Bentleigh with Labor candidates in tow to take a photograph — —

**The DEPUTY SPEAKER** — Order! The honourable member for Bentleigh's behaviour is totally inappropriate for an honourable member in this house. The honourable member knows better and should remember that such behaviour is disorderly. She has shown contempt for the house and the Chair, and I ask her in future to control herself. There is no point of order. In fact, her matter was a point of debate.

**Ms CAMPBELL** — I intend to ensure that the honourable member — —

**Mr Leigh** — On a point of order, Madam Deputy Speaker, this government said that it would have many ministers in the chamber on the adjournment debate and that a new standard would apply. What we have is the minister responsible for nothing and no other ministers in the chamber. It is perhaps time some of the ministers came into this place to answer the concerns of local members.

**The DEPUTY SPEAKER** — Order! There is no point of order — and I consider the point of order frivolous.

**Ms CAMPBELL** — The honourable member for Bentleigh raised a matter with the Minister for Health, who I am sure will respond in very clear terms. The government has put an extra \$1.1 billion into the health system in this state, and we will ensure that constituents

in the Bentleigh electorate are well aware of that. We have over 3000 new — —

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! I ask honourable members to conduct themselves in a manner appropriate to the house.

**Mr Holding** interjected.

**The DEPUTY SPEAKER** — Order! I ask the honourable member for Springvale to be silent or to leave the house.

**Mr Doyle** — On a point of order, Madam Deputy Speaker, I concur —

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! I ask honourable members to show proper consideration for the honourable member for Malvern and allow him to make his point of order in silence.

**Mr Doyle** — In raising this point of order I concur with your wise advice. I point out that it has been the tradition of this house that either the minister responsible answers the question or the minister at the table refers the matter to the responsible minister. At the moment we have the minister at the table trying to have it both ways. We are happy that the minister at the table refers it to the responsible minister, but this is not an appropriate forum for her to debate and issue — either that or the honourable member for Bentleigh's point of order is a valid one.

**The DEPUTY SPEAKER** — Order! There is no point of order. The honourable member is correct in that the matter must be referred to the Minister for Health. I understood that that is what the Minister for Senior Victorians was doing while making some comments in response to it, which is often done by ministers at the table.

**Ms CAMPBELL** — I thank you for your ruling, Deputy Speaker. The important matter of health is well and truly known and understood by people in Victoria. They understand that the Minister for Health will be thoroughly prepared to answer this question in depth in relation to the amount of additional funding that this government has put into the health system. I will refer this matter to the Minister for Health.

**The DEPUTY SPEAKER** — Order! The house stands adjourned.

**House adjourned 10.51 p.m.**