

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

27 March 2002

(extract from Book 3)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

The Governor

JOHN LANDY, AC, MBE

The Lieutenant-Governor

Lady SOUTHEY, AM

The Ministry

Premier and Minister for Multicultural Affairs	The Hon. S. P. Bracks, MP
Deputy Premier and Minister for Health	The Hon. J. W. Thwaites, MP
Minister for Education Services and Minister for Youth Affairs	The Hon. M. M. Gould, MLC
Minister for Transport and Minister for Major Projects	The Hon. P. Batchelor, MP
Minister for Energy and Resources and Minister for Ports	The Hon. C. C. Broad, MLC
Minister for State and Regional Development, Treasurer and Minister for Innovation	The Hon. J. M. Brumby, MP
Minister for Local Government and Minister for Workcover	The Hon. R. G. Cameron, MP
Minister for Senior Victorians and Minister for Consumer Affairs	The Hon. C. M. Campbell, MP
Minister for Planning, Minister for the Arts and Minister for Women's Affairs	The Hon. M. E. Delahunty, MP
Minister for Environment and Conservation	The Hon. S. M. Garbutt, MP
Minister for Police and Emergency Services and Minister for Corrections	The Hon. A. Haermeyer, MP
Minister for Agriculture and Minister for Aboriginal Affairs	The Hon. K. G. Hamilton, MP
Attorney-General, Minister for Manufacturing Industry and Minister for Racing	The Hon. R. J. Hulls, MP
Minister for Education and Training	The Hon. L. J. Kosky, MP
Minister for Finance and Minister for Industrial Relations	The Hon. J. J. J. Lenders, MP
Minister for Sport and Recreation and Minister for Commonwealth Games	The Hon. J. M. Madden, MLC
Minister for Gaming, Minister for Tourism, Minister for Employment and Minister assisting the Premier on Multicultural Affairs	The Hon. J. Pandazopoulos, MP
Minister for Housing, Minister for Community Services and Minister assisting the Premier on Community Building	The Hon. B. J. Pike, MP
Minister for Small Business and Minister for Information and Communication Technology	The Hon. M. R. Thomson, MLC
Parliamentary Secretary of the Cabinet	The Hon. Gavin Jennings, MLC

Legislative Assembly Committees

Privileges Committee — Mr Cooper, Mr Holding, Mr Hulls, Mr Loney, Mr Maclellan, Mr Maughan, Mr Nardella, Mr Plowman and Mr Thwaites.

Standing Orders Committee — Mr Speaker, Mrs Barker, Mr Jasper, Mr Langdon, Mr McArthur, Mrs Maddigan and Mr Perton.

Joint Committees

Drugs and Crime Prevention Committee — (*Council*): The Honourables B. C. Boardman and S. M. Nguyen. (*Assembly*): Mr Cooper, Mr Jasper, Mr Lupton, Mr Mildenhall and Mr Wynne.

Environment and Natural Resources Committee — (*Council*): The Honourables R. F. Smith and E. G. Stoney. (*Assembly*): Mr Delahunty, Ms Duncan, Mrs Fyffe, Ms Lindell and Mr Seitz.

Family and Community Development Committee — (*Council*): The Honourables E. J. Powell, G. D. Romanes and J. W. G. Ross. (*Assembly*): Mr Hardman, Mr Lim, Mr Nardella and Mrs Peulich.

House Committee — (*Council*): The Honourables the President (*ex officio*), G. B. Ashman, R. A. Best, J. M. McQuilten, Jenny Mikakos and R. F. Smith. (*Assembly*): Mr Speaker (*ex officio*), Ms Beattie, Mr Kilgour, Ms McCall, Mr Rowe, Mr Savage and Mr Stensholt.

Law Reform Committee — (*Council*): The Honourables R. H. Bowden, D. G. Hadden and P. A. Katsambanis. (*Assembly*): Mr Languiller, Ms McCall, Mr Stensholt and Mr Thompson.

Library Committee — (*Council*): The Honourables the President, E. C. Carbines, M. T. Luckins, E. J. Powell and C. A. Strong. (*Assembly*): Mr Speaker, Ms Duncan, Mr Languiller, Mrs Peulich and Mr Seitz.

Printing Committee — (*Council*): The Honourables the President, Andrea Coote, Kaye Darveniza and E. J. Powell. (*Assembly*): Mr Speaker, Ms Gillett, Mr Nardella and Mr Richardson.

Public Accounts and Estimates Committee — (*Council*): The Honourables D. McL. Davis, R. M. Hallam, G. K. Rich-Phillips and T. C. Theophanous. (*Assembly*): Ms Barker, Mr Clark, Ms Davies, Mr Holding, Mr Loney and Mrs Maddigan.

Road Safety Committee — (*Council*): The Honourables Andrew Brideson and E. C. Carbines. (*Assembly*): Mr Kilgour, Mr Langdon, Mr Plowman, Mr Spry and Mr Trezise.

Scrutiny of Acts and Regulations Committee — (*Council*): The Honourables M. A. Birrell, Jenny Mikakos, A. P. Olexander and C. A. Strong. (*Assembly*): Ms Beattie, Mr Carli, Ms Gillett, Mr Maclellan and Mr Robinson.

Heads of Parliamentary Departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey

Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

Hansard — Chief Reporter: Ms C. J. Williams

Library — Librarian: Mr B. J. Davidson

Joint Services — Director, Corporate Services: Mr S. N. Aird
Director, Infrastructure Services: Mr G. C. Spurr

MEMBERS OF THE LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT — FIRST SESSION

Speaker: The Hon. ALEX ANDRIANOPOULOS

Deputy Speaker and Chairman of Committees: Mrs J. M. MADDIGAN

Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella,
Mrs Peulich, Mr Phillips, Mr Plowman, Mr Richardson, Mr Savage, Mr Seitz

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:

The Hon. D. V. NAPHTHINE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:

Mr B. E. H. STEGGALL

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Leighton, Mr Michael Andrew	Preston	ALP
Allen, Ms Denise Margret ⁴	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
Andrianopoulos, Mr Alex	Mill Park	ALP	Lim, Mr Hong Muy	Clayton	ALP
Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	Lupton, Mr Hurtle Reginald, OAM, JP	Knox	LP
Barker, Ms Ann Patricia	Oakleigh	ALP	McArthur, Mr Stephen James	Monbulk	LP
Batchelor, Mr Peter	Thomastown	ALP	McCall, Ms Andrea Lea	Frankston	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McIntosh, Mr Andrew John	Kew	LP
Bracks, Mr Stephen Phillip	Williamstown	ALP	MacLellan, Mr Robert Roy Cameron	Pakenham	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	McNamara, Mr Patrick John ³	Benalla	NP
Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
Dean, Dr Robert Logan	Berwick	LP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
Dixon, Mr Martin Francis	Dromana	LP	Perton, Mr Victor John	Doncaster	LP
Doyle, Robert Keith Bennett	Malvern	LP	Peulich, Mrs Inga	Bentleigh	LP
Duncan, Ms Joanne Therese	Gisborne	ALP	Phillips, Mr Wayne	Eltham	LP
Elliott, Mrs Lorraine Clare	Mooroolbark	LP	Pike, Ms Bronwyn Jane	Melbourne	ALP
Fyffe, Mrs Christine Ann	Evelyn	LP	Plowman, Mr Antony Fulton	Benambra	LP
Garbutt, Ms Sherryl Maree	Bundoora	ALP	Richardson, Mr John Ingles	Forest Hill	LP
Gillett, Ms Mary Jane	Werribee	ALP	Robinson, Mr Anthony Gerard Peter	Mitcham	ALP
Haermeyer, Mr André	Yan Yean	ALP	Rowe, Mr Gary James	Cranbourne	LP
Hamilton, Mr Keith Graeme	Morwell	ALP	Ryan, Mr Peter Julian	Gippsland South	NP
Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Ernest Ross	Glen Waverley	LP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Spry, Mr Garry Howard	Bellarine	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Steggall, Mr Barry Edward Hector	Swan Hill	NP
Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar ²	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb ¹	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Treize, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantima	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

¹ Resigned 3 November 1999

² Elected 11 December 1999

³ Resigned 12 April 2000

⁴ Elected 13 May 2000

CONTENTS

WEDNESDAY, 27 MARCH 2002

PETITION	
<i>Forests: box-ironbark</i>	629
PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE	
<i>Environmental accounting and reporting</i>	629
PAPER	629
CRIMES (DNA DATABASE) BILL	
<i>Council's amendments</i>	629
STANDING ORDERS COMMITTEE	
<i>Membership</i>	629
MEMBERS STATEMENTS	
<i>Lilydale Heights Secondary College</i>	629
<i>Wimmera: regional events</i>	630
<i>Karingal centre, Geelong</i>	630
<i>Tooradin Primary School</i>	630
<i>Brimbank: investment and employment</i>	630
<i>Ern Wolfe</i>	631
<i>Kent Park Primary School</i>	631
<i>Colac High School</i>	631
<i>Prodela</i>	632
<i>Schools: funding</i>	632
MATTER OF PUBLIC IMPORTANCE	
<i>Frankston: central activities district</i> <i>development</i>	632, 635
DISTINGUISHED VISITORS	635, 663
MELBOURNE CITY LINK (FURTHER MISCELLANEOUS AMENDMENTS) BILL	
<i>Introduction and first reading</i>	658
JEWISH CARE (VICTORIA) BILL	
<i>Introduction and first reading</i>	658
ELECTRICITY INDUSTRY (AMENDMENT) BILL	
<i>Second reading</i>	658, 671, 715
QUESTIONS WITHOUT NOTICE	
<i>Frankston: central activities district</i> <i>development</i>	663, 666
<i>Timber industry: resource security</i>	664
<i>Biotechnology: government investment</i>	665
<i>Road safety: toll</i>	666
<i>Snowy River</i>	667
<i>Monash: mayoral election</i>	668
<i>Hospitals: nurses</i>	668
<i>Member for Frankston East: conduct</i>	669
<i>Housing: supported accommodation assistance</i> <i>program</i>	670
ABSENCE OF MINISTER	664
STATUTE LAW (FURTHER REVISION) BILL	
<i>Second reading</i>	682
CORPORATIONS (FINANCIAL SERVICES REFORM AMENDMENTS) BILL	
<i>Second reading</i>	683
JOINT SITTING OF PARLIAMENT	
<i>Victorian Health Promotion Foundation</i>	700, 725
COUNTRY FIRE AUTHORITY (MISCELLANEOUS AMENDMENTS) BILL	
<i>Council's amendments</i>	700
AUDIT (FURTHER AMENDMENT) BILL	
<i>Council's amendments</i>	700
CONSTITUTION (GOVERNOR'S SALARY) BILL	
<i>Second reading</i>	708
<i>Third reading</i>	715
<i>Remaining stages</i>	715
ADJOURNMENT	
<i>Rail: Geelong car-parking security</i>	716
<i>Gannawarra: farm rates</i>	717
<i>Monash Freeway: line markings</i>	717
<i>Nurses: medication administration</i>	718
<i>Greater Bendigo: electricity report</i>	718
<i>Gippsland: arts funding</i>	719
<i>Firearms: registry</i>	719
<i>Congo refugee</i>	719
<i>Roads: Monash</i>	720
<i>Melbourne–Geelong road: traffic control</i>	720
<i>Knox hospital</i>	721
<i>Employment: seniors</i>	721
<i>Responses</i>	722

Wednesday, 27 March 2002

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.34 a.m. and read the prayer.

PETITION

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

Forests: box-ironbark

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

The humble petition of the undersigned citizens of Victoria respectfully shows their great concern with the government's decision to accept the recommendations of the Environment Conservation Council to create extensive parks and reserves in the box and ironbark region, despite the council's failure to demonstrate that the area will be improved by declaring additional parks and by prohibiting or curtailing existing uses therein.

Your petitioners pray that the government give urgent attention to conducting an independent review of the effectiveness, social implications and full costs of any such parks and reserves prior to their implementation.

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

By Mr KILGOUR (Shepparton) (20 signatures)

Laid on table.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Environmental accounting and reporting

Mr LONEY (Geelong North) presented final report, together with appendices and minutes of evidence.

Laid on table.

Ordered that report and appendices be printed.

PAPER

Laid on table by Clerk:

Goulburn-Murray Rural Water Authority — Report for the year 2000–01 (*in lieu of Report previously tabled on Wednesday 31 October 2001*).

CRIMES (DNA DATABASE) BILL

Council's amendments

Returned from Council with message relating to amendments.

Ordered to be considered next day.

STANDING ORDERS COMMITTEE

Membership

Mr BATCHELOR (Minister for Transport) — By leave, I move:

That Mr Lenders be discharged from attendance upon the Standing Orders Committee and that Mrs Barker be appointed in his stead.

Motion agreed to.

MEMBERS STATEMENTS

Lilydale Heights Secondary College

Mrs FYFFE (Evelyn) — The school council of Lilydale Heights Secondary College in my electorate was delighted when it was announced that the school was going to get capital works funding of \$507 000 for an upgrade of science facilities and \$137 000 for technology enhanced classrooms. These capital works are essential from a teaching perspective. Current classrooms are too small and overcrowded and there is potential in the science rooms for very real occupational health and safety issues.

But now this government of smoke and mirrors, after announcing the funding, has come back and instructed that 10 per cent be cut from the capital works allocation for the new science rooms. The 10 per cent has had to be found by making alterations to the final structure and equipment.

What madness has inspired the Minister for Education to make this decision? Classrooms without equipment! What on earth is the point of having these classrooms if there is nothing in them? How can teachers teach and students learn without equipment? Ten per cent is more than \$64 000. Even with its dedicated school council the school cannot raise this sort of money. Where on earth does the minister think the school can get this money from?

Lilydale Heights is a great school. It is a former technical school that continues to teach practical skills.

It is a school that makes its pupils feel valued. It has dedicated teachers, a hardworking principal and a caring school council. It may not have rated in the top 10 per cent in Victorian certificate of education results but it does rate in producing citizens of worthwhile standing — young people who are proud to be there.

Wimmera: regional events

Mr DELAHUNTY (Wimmera) — With so much debate on population policy, and public liability insurance and its impact on country Victoria, I am pleased to advise the house of some fantastic Wimmera events that are happening at the moment. Today at the Windsor Hotel is the official media conference for the 125th Anniversary 2002 Australia Post Stawell Gift.

Mrs Shardey interjected.

The SPEAKER — Order! The honourable member for Caulfield!

Mr DELAHUNTY — Twelve months ago there was a move to relocate the 125th gift to Melbourne. I congratulate the Stawell Athletic Club, the Northern Grampians Shire Council, the competitors and the many volunteers who have contributed to this historic carnival in making this gift a most prestigious event for Stawell.

Over Easter the Jeparit community is holding a back-to-entitled Relighting Jeparit. Jeparit has been adversely affected due to a dry Lake Hindmarsh for the past two years. With the assistance of the honourable member for Mitcham, four days of events will be highlighted by the relighting of the Scotch thistle on top of the Sir Robert Menzies spire, a school and community concert, and fireworks which will light up Jeparit.

Last weekend teams from across the Wimmera raised in excess of \$83 000 for cancer research during the Relay for Life in Horsham. More than 670 people participated, with Pam Pay individually raising \$1899, the Horsham Willing Walkers Group raising \$7152, the Coles team \$5007, and Shine Hairdressers \$4464.

I congratulate chairman Gerry Smith and his dynamic team on organising a magnificent community event. As honourable members can see, Wimmera events are keeping the region on the move, and we are not going Brackwards!

Karingal centre, Geelong

Mr TREZISE (Geelong) — Within the community of Geelong, Karingal has been synonymous with providing quality service and care to intellectually and

physically disabled children and adults since 1952. Yesterday Karingal celebrated its 50th anniversary, having been formed, as I said, in 1952 originally as the Geelong Mentally Handicapped Welfare Association.

Initially Karingal started as a playgroup for disabled children, and eight children attended each weekday morning. As I said, Karingal has been an important and integral organisation within the community of Geelong since that time. I can recall vividly as a child often attending the Karingal school fete at its premises in McKillop Street, East Geelong. Since that time Karingal has grown and diversified its services. Karingal in 2002 now offers a wide range of disability support services, job network services and independent living services; and such services are no longer restricted to the community of Geelong but are now provided in the greater Barwon–south western region and also into the western suburbs of Melbourne.

I take this opportunity to congratulate all past and present staff at Karingal on their dedicated and sustained work.

Tooradin Primary School

Mr ROWE (Cranbourne) — Tooradin Primary School is an excellent school in my electorate. Prior to the last election the Kennett government promised \$1.3 million to replace the portable classrooms that had existed at the school for nearly 40 years. After the election the government had to be dragged kicking and screaming to honour the schedule to rebuild this school and provide a core. It promised that it would honour the \$1.3 million to build the permanent classrooms.

Unfortunately when it came time to plan the building of the classrooms, the interior design and the number of classrooms, the Bracks Labor government cut \$200 000 off the \$1.3 million. This meant there had to be compromises in the quality of the materials used, in the height of the ceilings in the classrooms, in the cooling systems for the classrooms and in the fit-out. This is just another example of the diversion of capital works funds away from deserving schools in my electorate to cover the black hole of teachers' salaries caused by the teachers' deal done by the Bracks Labor government last year.

Brimbank: investment and employment

Mr LANGUILLER (Sunshine) — This morning I am very proud to put on record that Brimbank is playing a key role in an investment, employment, knowledge and population boom that is transforming Melbourne's western suburbs. The region's peak

development body, the Western Region Economic Development Organisation, has released statistics that show the area is booming. Compiled by Victorian University economics PhD student Alexis Esposto, the regional profile analyses the latest economic figures.

The regional profile was unique in providing an up-to-date picture of the area, its investment opportunities and expansion. Mr Esposto said that another interesting finding in the report was the dramatic increase in knowledge-intensive occupations. Including tradespeople, 45 per cent of workers in the west are in knowledge-intensive jobs. He said the influence of Victoria University, which is presently undergoing a \$20 million expansion in the west, was another factor in this sector's growth.

The report also shows that unemployment in the region has fallen dramatically. In Keilor, for example, unemployment fell from 7.9 per cent in September 1999 to 6.1 per cent in September last year, while in Sunshine it fell from 14.8 per cent to 11.3 per cent. This is a good example of the Bracks Labor government turning things around. It puts in investment in terms of infrastructure and creating job opportunities, and in terms of attracting investment and industrial growth in the western suburbs in order to deliver to the people in the Labor heartland. It is a good opportunity and a good example to show — —

The SPEAKER — Order! The honourable member's time has expired.

Ern Wolfe

Mr SAVAGE (Mildura) — Some weeks ago the Mildura electorate was very saddened to hear of the death of one of our favourite citizens, one Ern Wolfe, who was aged 82. The town of Red Cliffs came to a standstill on the Friday when the cortege left the Red Cliffs Uniting Church.

Ern Wolfe was a soldier settler after World War II and had a block until 1980, when he retired. Ern was born in Rochester and was employed by what is now Australia Post before the war before joining the Second AIF 6th Division. He served throughout the Middle East campaign and was later captured in Greece, where he spent three years as a prisoner of war. He escaped at one stage and was recaptured in Italy.

Ern Wolfe was a member of the Mildura Shire Council for 12 years and served two terms as shire president. He was awarded an OAM in 1993 and was the north-western region Victorian of the year. Ern was one of our most significant and valued citizens, and his loss will be very much felt by our community, because he

was involved in almost everything in Red Cliffs. He will be very sadly missed by his family — his wife, Peg, son, Robert and his wife, Cherie, his daughter Carolyn and his grandchildren, Cameron, Michaela and Chafia.

Kent Park Primary School

Mr LUPTON (Knox) — Kent Park Primary School was very pleased when it was announced that it would be included in the next list of school capital building works. Regrettably, however, the school council dared to show concern about the children and asked for temporary classrooms to be provided so that when the construction works were going on those children would not have to suffer the inconvenience for an extended period of time.

Because they dared to do that a cost of \$15 000 was imposed. That \$15 000 was taken off the overall cost of the building, and the end result was no future works being proposed at the Kent Park Primary School in the immediate future. They were going to get buildings, but they were dropped right off the list.

This is an absolute disgrace. Kent Park Primary School has 7 permanent buildings and 14 relocatables, and because the school community dared to try and look after its children and its school it is now removed totally and utterly from the capital works program because it is \$15 000 short on what this government proposed.

This government is purely and simply cutting away costs in the education department. It is not appropriate for schools such as Kent Park primary to continue to suffer by having the children put up in temporary classrooms. I would ask the minister to urgently review the situation, since I asked about it on 26 February as a matter of urgency and there has still been no response. Cuts like these to our children's education are totally inappropriate.

Colac High School

Mr MULDER (Polwarth) — I refer to the recent revelation that government schools across Victoria have been asked to remove 10 per cent from their promised capital works grants. Furthermore, the Colac High School in the Polwarth electorate, which was promised funding to upgrade facilities, has had its funding delayed. The school expected that the works would be completed by the beginning of 2002, and now the minister has delayed the funding until April this year at the earliest.

I have seen at first hand the tremendous effort applied by school councils in relation to upgrades. The task involves weeks and weeks of voluntary labour along with lengthy negotiations with professionals and tradespersons. These cuts and delays will inhibit the school's ability to negotiate the best outcome for the school and furthermore endanger its endeavours to lock in construction dates.

What a vast contrast to the Kennett government's major upgrades, rebuilds and refurbishments to 35 schools in the Polwarth electorate! The Labor government cannot even get one project started in the education sector.

Prodela

Mr HOLDING (Springvale) — I congratulate an organisation in my electorate of Springvale on the occasion of its 20th anniversary. Prodela, the Latin American Association of Community Development and Welfare Services, is committed to upholding and promoting Latin American culture. Prodela provides a range of settlement services for migrants from Latin American countries. It also services four other established community groups — two women's groups and two senior citizens groups. It runs English classes through a volunteer, Zina Martin, and last year Prodela ran a project on family violence which included the publication of a book in Spanish. Prodela is involved in a range of community education initiatives, including promoting cervical and Pap smears, breast health, menopause awareness, tranquillisers and awareness of antidiscrimination laws.

Last Thursday evening I was pleased to join with president Sandra Maudier, secretary Marissa Collao, treasurer Silvia Venere, vice-president Geraldina Alvares Poblete and other members and volunteers to celebrate Prodela's 20th anniversary. It is a great challenge for community organisations to reach a milestone such as this, and I thank and congratulate all the past and current members who have worked so hard to make Prodela the organisation it is today.

Schools: funding

Mr HONEYWOOD (Warrandyte) — The opposition has revealed today that a budget fraud has been perpetrated on school communities throughout Victoria. Let's make it clear: we are not talking of situations where schools have let tenders for a project and those tenders have come in too high so that the project requires top-up funding from the education department. Instead, we are exposing today a systematic con where at the time of the state budget announcement a figure is published, then marketed to

the local newspapers by this government, often before the schools have been officially informed, and then by stealth the minister sends out her facilities officers from each regional education office to tell the principal, 'Bad luck; we are now taking away 10 per cent of what we announced in the state budget for your individual project'.

Although many government schools have already been required to raise funds from parents in order to meet the original state government budget figure, they are now having to shelve many projects simply because this government is taking 10 per cent off students' futures when it comes to the facilities in Victoria. Only last week the hypocritical Minister for Education and Training announced \$7 million for private schools capital works funding. Where did that money come from? Has that \$7 million been ripped off from government school projects so the government got the headline at the time of the state budget and has then taken the money away from government schools and given it to private schools as a \$7 million capital works bribe? It is an outrage. This government publishes that it gives something with one hand and takes it away with the other — a 10 per cent cut on students' futures.

The SPEAKER — Order! The time set down for this debate has expired.

MATTER OF PUBLIC IMPORTANCE

Frankston: central activities district development

The SPEAKER — Order! I have accepted a statement from the Leader of the Opposition proposing the following matter of public importance for discussion today:

That this house notes the serious public concern about the corrupt tender process for the development of the Frankston central activities district which has led, inter alia, to the standing aside of the honourable member for Frankston East from his duties as parliamentary secretary, and in the light of the Premier's commitment to 'restore decency and accountability to government in Victoria' the house calls on the Premier to immediately commission an independent judicial review to thoroughly investigate the tender process.

Dr NAPHTHINE (Leader of the Opposition) — I am a country vet, and I know that when it looks like a duck, waddles like a duck and quacks like a duck, it is a duck. I have looked into all the information concerning the Frankston City Council and the allegations of a corrupt tender process and the involvement of the honourable member for Frankston East and Cr Conroy. I know that

it looks like corruption, it feels like corruption and it certainly smells like corruption!

Mr Batchelor — On a point of order, Honourable Speaker, I draw your attention to standing order 108. It has two elements: firstly, it relates to the use of offensive or unbecoming words; and secondly, it relates to the inappropriateness of all imputations of improper motives and states that all personal reflections on members shall be deemed disorderly. I draw your attention to the latter thrust of the standing order. Clearly what the Leader of the Opposition was saying, and clearly that sets out the whole thrust of his proposed debate here, is in clear breach of standing order 108. The government is not going to tolerate the abuse of this process by the Leader of the Opposition.

The SPEAKER — Order! The Leader of the House has taken a point of order and I have heard him. He is now beginning to debate his point of order, and I will not continue to listen to him. I am not prepared to uphold the point of order at the moment. I was listening to the Leader of the Opposition, and I indicate to him as I will indicate to every other honourable member who participates in this debate that he must not infringe standing order 108 by impugning a member of the house.

Dr NAPHTHINE — As I was saying, this whole process looks like corruption, feels like corruption and smells like corruption.

Mr Batchelor — On a further point of order, Honourable Speaker, while I acknowledge your previous ruling, the Leader of the Opposition is flouting it. He is imputing improper motives; no other interpretation can be made of this. The standing order is quite clear. There are two elements to standing order 108, and I draw your attention to the second element.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to cooperate so I can hear the further point of order raised by the Leader of the House.

Mr Batchelor — I draw your attention to the second element of standing order 108, which refers to ‘all imputations of improper motives’. It is important for you to understand each of those words, Honourable Speaker. It is about imputations.

The SPEAKER — Order! I have called the Leader of the House on a further point of order, and he has again raised standing order 108. I was listening carefully to the words of the Leader of the Opposition,

and he referred to a process. At that stage he had not infringed, in my view, standing order 108. I will continue to hear him.

Dr NAPHTHINE — The people of Frankston deserve the truth; the people of Victoria deserve the truth; and it is an absolute indictment that the Leader of the House is once again trying to cover up the truth. He is trying to hide from the truth in this matter!

It is part of a government conspiracy to deceive, cover up and protect the honourable member for Frankston East and the federal Labor candidate, Cr Mark Conroy. It is part of a government conspiracy to cover up this issue. On 2 October 2001 Jon Edwards, as chief executive officer (CEO) of the Frankston City Council, wrote to the Minister for Local Government seeking an inquiry, and he got no response. On 10 October 2001 the issue was raised here in the Parliament by the honourable member for Frankston on a question without notice seeking an expeditious investigation, and the Minister for Local Government said, ‘I can tell her it will not happen’.

The upper house inquiry was established and the Labor Party opposed the upper house inquiry. Its members pilloried, boycotted and refused to cooperate with the inquiry. Indeed, they termed it as a witch-hunt.

When the government was forced kicking and screaming into conducting a local government inquiry, who did it put in charge of it? One of its mates, Kelvin Goodall, a former president of the public sector union, a Labor fellow traveller and a Labor financial contributor.

Last Monday the government, under enormous pressure, was forced to finally sack the honourable member for Frankston East from his position as parliamentary secretary. It was forced to widen the inquiry, but still it has failed the people of Victoria; it has failed the people of Frankston, and it has failed to meet its promise to be open, honest and accountable. It is still trying to continue the deceit, the cover-up and the lies to protect its mates, the honourable member for Frankston East and Cr Mark Conroy. That is what the government is trying to do, because it still refuses to have the police involved in this inquiry and to have a proper judicial inquiry.

It is part of an ongoing pattern of behaviour of the government. It promised to be honest, open and accountable, yet its pattern of behaviour is now emerging — that it is a government of denial, cover-up, deceit and lies.

You only have to look back at the Jim Reeves affair and the chroming scandal to see that. The Minister for

Doing Nothing, who is sitting at the table, lied to the people of Victoria about what she knew about the chroming scandal. The government is continuing that pattern of deceit, lies and cover-up with regard to the role of the honourable member for Frankston East and Cr Mark Conroy in this outrageous corruption scandal involving the Frankston City Council and the tender process for the bid.

We need to look at the relationship between Cr Mark Conroy and the honourable member for Frankston East. Clearly, Cr Conroy is a senior Labor figure in the Frankston area. He was the Labor candidate for the federal seat of Dunkley. Cr Conroy and the honourable member for Frankston East are in the same faction. Cr Conroy was the honourable member's campaign manager in 1999, and the honourable member for Frankston East was Cr Conroy's campaign manager for Dunkley. Material for the Conroy campaign for Dunkley was authorised with the address of the honourable member for Frankston East's electorate office.

The honourable member for Frankston East orchestrated the ALP members to be elected to Frankston City Council and Cr Conroy to be elected as mayor. Cr Conroy had previously worked for the honourable member's company, Auspoll, and also as the electorate officer for the honourable member for Frankston East. It is absolutely true that Cr Conroy and the honourable member are thick as thieves. Anything that Mark Conroy is involved in, the honourable member for Frankston East is also involved in — they are in the same mud heap together.

I will go through the process that happened at Frankston City Council with regard to the central activities district (CAD) tender. In 1999 the council authorised the chief executive officer to conduct negotiations regarding the redevelopment of the CAD. In September 2000 an advertisement was placed for expressions of interest; six were received, of which two remained after initial assessment and interview. In December 2000 the council established a working party of mainly council officers to keep the workings of the multimillion-dollar process at arm's length from the councillors who would make the final decision.

Early in 2001 Pricewaterhousecoopers were engaged as probity auditors. All through that process one can only say that the officers of the Frankston City Council behaved absolutely appropriately, and they have been beyond reproach in this matter.

However, I turn to the situation on the afternoon of 26 September 2001. The working group reported back

in an in-camera session to the council. The working group outlined its preference by an objective assessment process for the Grocon bid rather than the Gandel bid. Then the real situation started to unfold.

At page 15 the upper house report states:

Cr Wilson told the select committee that Cr Conroy was '... clearly agitated with the working party's recommendation' ... She also submitted that, 'Well, Mark is vocal. He is animated and I could tell he was not happy with Grocon outscoring Gandel ...

It also states:

In her evidence, Cr Fuller stated, 'I just felt the behaviour of Cr Conroy — he seemed to be on edge and my political antenna was up that something was wrong'.

Cr Fuller went on further to say:

... we were all a bit taken aback by the way the meeting evolved. I could not believe it. In fact I made a note. I have put in my diary, 'MC' — which stands for Mark Conroy — 'blatantly biased'. I could not believe anyone could operate that way in that arena.

The councillor was asked:

You actually wrote a diary note?

She replied:

I just wrote a diary note in here: 'blatantly biased'.

...

... Well, I did put a dash and did put 'corrupt' because I felt he was trying to corrupt the process. I have got it here, 'MC blatantly biased — corrupt'.

Cr Fuller said that Cr Mark Conroy was blatantly biased in his assessment of this situation and was corrupt.

The report further states:

... Cr Asker submitted that Cr Conroy appeared 'stressful ... certainly not the usual behaviour I would expect from Cr Conroy' ... He also stated that 'I knew Mark at that stage — sorry, Cr Conroy — at that stage was pushing about 100 miles an hour for the other bid. I did not know why'.

Cr Parkin told the select committee '... my impression was that Mark Conroy was pushing very strongly for the other party, for whatever benefit or whatever reason'.

There is a clear pattern of evidence that at the meeting Cr Conroy was very much pushing for another bid. Further, the meeting went into recess and Cr Conroy was seen making phone calls. Who was he calling? What was he telling them? Was he ringing the honourable member for Frankston East? Was he ringing people associated with one of the bidders, because later, at 5.16 p.m., suddenly one of the bidder's

representatives contacted the Frankston City Council and said, 'We want to change our bid. We want to drop some provisions, we want to add some dollars. We want to change our bid'?

What did the probity auditors say about that? The probity auditors fundamentally said that was absolutely inappropriate. They said it was possible that:

... such a breach may have occurred thereby jeopardising the probity of the process. If there was such a breach, then in our view the probity of the process will have been compromised and there is a risk that one party may have gained an unfair advantage over the other party in the negotiation process.

The probity auditors were scathing in their comments. It goes even further because 14 phone calls were made by Cr Conroy between 27 September and 2 October to the honourable member for Frankston East.

Subsequently, a meeting was called for 28 September in the electorate office of the honourable member for Frankston East. He called councillors together to rally them to the cause, to make sure they did the right thing. Further, it was admitted at that meeting that the honourable member knew who the bidders were and how much they had bid. The report states that Cr Wilson said:

He —

that is, the honourable member for Frankston East —

told me the price that the bidders ...

Other councillors said that a meeting was held on the Friday at the honourable member's office and on the Monday another meeting was held with another councillor. The honourable member for Frankston East was up to his armpits in the process and in knowing what was going on. I believe he interfered inappropriately and unfairly in the process.

There needs to be a proper inquiry. The questions that need to be asked include: why did Gandel change its bid at the last minute? Did it have knowledge of the council's working group that had recommended Grocon? Did it have knowledge of the various bids made by Grocon and Gandel? Did Cr Mark Conroy inform a third party who told Gandel about the working party's recommendations and the concerns of the Gandel bid?

We need to have questions asked of Mark Conroy, who refused to appear before the upper house inquiry. Who was he calling during the recess at the in-camera meeting? Did he compromise the probity of the process? How often did he talk to the honourable member for Frankston East, and about what?

Questions should also be asked about the honourable member for Frankston East: why did he call a meeting at his electorate office with Frankston city councillors? Why did he know about the bids? What was his involvement in knowing about amendments being put forward by Cr Conroy at the next council meeting? Why did the honourable member for Frankston East attempt to pressure councillors to support the Gandel bid?

Clearly, this matter stinks to high heaven and it is about time — —

The SPEAKER — Order! The honourable member's time has expired.

Debate interrupted.

DISTINGUISHED VISITOR

The SPEAKER — Order! It gives me great pleasure to welcome to the gallery this morning His Excellency Mr Song Young-shik, the Ambassador of the Republic of Korea. Welcome, Sir.

Debate resumed.

Mr RYAN (Leader of the National Party) — If the concepts of openness, honesty and accountability mean anything to this government, it should support the matter of public importance before the house. If those concepts, which are the basic pillar of the charter signed with the three Independent members of this Parliament are to mean anything, then those three Independents should support it.

This matter of public importance calls for the creation of an independent judicial review to thoroughly investigate the tender process for the development at Frankston in the central activities district. In my view it is important that it be a judicial review as opposed to a review under the Local Government Act and as opposed to that recommended by the standing committee, because the issues relevant to this go well beyond the scope of local government. It seems to me that if an inquiry were established under section 209, or whatever other provision of the Local Government Act, it would fall short of what is required to properly deal with the issues referred to in the report which has been tabled in the Legislative Council.

I will briefly look at some of the matters that are pertinent to these considerations being conscious of the time and of the fact that some have been canvassed by the Leader of the Opposition, and further that they have been set out in the report which has been tabled. As a

first observation I say that happily I think we have a successful outcome to the whole process, although it is more by accident than design. I am pleased to say for the people of Frankston and the Frankston region that on 17 December agreement was reached between the ultimate two tenderers to enable a joint project to proceed so that at the end of the day the people of Frankston will get a proper outcome — and that is important. But the process leading up to it is absolutely redolent with issues which are properly deserving of consideration in a judicial forum.

Without nominating them in any order of priority, I must say that it is a matter of concern that when these concerns were raised with the minister, who is at the table, he was dismissive of them and did not want to be part of establishing any appropriate form of inquiry under the terms of the act and in a manner which at that time might have revealed the sorts of problems we now see before us. That is regrettable, and I think he regrets not having done it. The second thing is that when the committee was established by the Legislative Council, the Labor Party was offered the opportunity to participate, and refused to do so. I am sure that in retrospect it regrets not only having taken the bat and ball and gone home but not even turning up for the game. It then of course eventuated that the committee proceeded in a completely appropriate way and made the findings now before the house.

Those findings are that there has been a breach of section 77, the confidentiality provision of the Local Government Act; that a further breach of section 77 may have occurred; and that a third breach of confidentiality was most likely to have occurred. They are three very serious issues for consideration. In all of this we must have regard to the fact that serious allegations have been rendered which involve a member of Parliament. That is why the scope of this goes beyond the Local Government Act and why this motion ought to be supported.

There is the issue of the involvement of Cr Conroy, who at the time of all this was an endorsed candidate for the federal election and represented the interests of the Labor Party. On any view there was protracted conversations between Mr Viney, the honourable member for Frankston East in this chamber, and Cr Conroy, who at the time was an endorsed candidate of the Labor Party for the federal election. There is the further fact that on all the evidence Cr Conroy clearly demonstrated a favouritism toward the Gandel bid. Having regard to the content of the report and the matters referred to by the Leader of the Opposition, it is surely without doubt and beyond contradiction that such was the case.

There was of course the very close association between Mr Viney and Cr Conroy, which had historical and also current aspects. The two of them were well known to each other and had had a previous close affiliation, and that association existed in the days when these events unfolded. There were meetings conducted in Mr Viney's office. There is also the record at page 20 of the report of at least 14 telephone calls having been made on Cr Conroy's council-issued mobile telephone to Mr Viney on the days of 27 and 28 September and 1 October. There is no doubt that confidential information was made available in the course of the meetings which were subsequently held in Mr Viney's office, which was patently in breach of the confidentiality arrangements which underpin the way this whole structure was effected.

There was the work of the separate working group, which I might say had been established very sensibly by the council, with advice. That confidentiality to which the separate working group was bound was breached not by the members of that group but after that group reported to the council and otherwise did what it was required to do. I endorse the point of view put by the Leader of the Opposition that there can be no criticism of the other councillors who were involved in this process for the way they conducted themselves in the course of all this.

There is the further fact that this is a multimillion dollar investment, a huge investment, and therefore issues of finance are very much of persuasion. There is the additional fact that at the very last moment — at 5 minutes to midnight, at the absolute death knell — by some mechanism or other Gandel saw fit to increase its bid effectively by about \$4 million or \$5 million. This had been a protracted process, yet when briefings were being undertaken and considerations were being dealt with by council all of a sudden out of the blue a bid increase occurred and a sequence of events occurred which are referred to in the report and which go to show that there must have been a leak of information out of the meeting where the report was being made to the councillors. There is the point of view put initially by the probity auditor in the draft report, and the further fact that that draft report was subsequently amended, and the issues giving rise to why that is so. That is an important factor in all of this.

With the combination of those matters it seems to me beyond any doubt that this issue needs to be investigated from a dispassionate point of view and from outside the realm of the Local Government Act. In fact, if the minister were to comply with what the committee has suggested, and if the Premier were in agreement with it and the government adopted that

course, it seems there is a distinct prospect that it will only lead to further complications. As I said at the outset, serious allegations have been made which involve a member of the Legislative Assembly of Victoria and which also entail a former Labor Party federal candidate, Cr Conroy, but which at the end of the day impinge upon matters that are outside the scope of the Local Government Act. These matters call for clarification in the public arena. They are matters which because of their nature I do not believe we will get a satisfactory outcome to through simply doing what the standing committee has recommended and merely having a committee established under the Local Government Act. That is why we need a properly constituted judicial inquiry to review all of this.

This is an instance where the upper house, the Legislative Council of Victoria, can properly be seen to be doing its job. All those who have championed the cause of increasing the powers of the Legislative Council to enable it to better carry out the role of an investigative agent and look into pertinent issues such as this should properly celebrate the report having been made available, because the excellent work done by that committee — albeit in the absence of the Labor Party, which chose to snub it — goes to demonstrate how the Legislative Council can do the task which it is properly ascribed.

I think the committee members are to be congratulated on the report that has been made. I differ from the committee's recommendations in terms of what should now happen to the extent that the inquiry that should now be undertaken should be of a judicial nature as opposed to being pursuant to the terms of the Local Government Act.

Mr CAMERON (Minister for Local Government) — The Leader of the Opposition says this matter should be examined in a dispassionate way. That is why we have the local government inspectors, so that these things are done in a dispassionate way. When we came to government the senior local government inspector was Kelvin Goodall, and he is still the senior local government inspector in the Department of Infrastructure. He was appointed by the former Minister for Local Government. There seems to be some inference from the other side of the house that somehow or another we should have sacked him because he is involved with the Community and Public Sector Union. Hasn't the Leader of the Opposition been a member of the CPSU? Of course he has!

Dr Napthine interjected.

Mr CAMERON — He hasn't? If he hasn't, I take it that — —

Dr Napthine — On a point of order, Mr Speaker, I just want to correct the record and make sure the minister does not mislead the house. I have never been a member of the CPSU.

Mr Cameron interjected.

The SPEAKER — Order! The Minister for Local Government will find himself outside the chamber!

That is not a point of order that the Leader of the Opposition has taken. If he so wishes, he can seek to make a personal explanation.

Mr CAMERON — I withdraw the comment that he may have been a member of the union, which subsequently — —

Mr Cooper interjected.

The SPEAKER — Order! I ask the honourable member for Mornington to cooperate.

Mr CAMERON — Last week the upper house produced a report, which was done in a politically charged environment. As the government said at the time, the issue of this inquiry and the issue of an investigation would be addressed in the normal way — that is, complaints are made to the department and they are dealt with by the department.

I shall just go over the history of this matter. In the *Frankston-Hastings Independent* on 2 October an article appeared which contained material which was confidential and which appeared to have come from a briefing of the council — the councillors and officers — on 26 September to do with the working party. The chief executive officer of the council met with the department the following day on 3 October.

Subsequent to that the senior local government inspector, who was appointed by the previous government, pursuant to his powers under the Local Government Act asked for certain other information, and that certain other information was required. Certainly he made further inquiries, as he is required to do in the normal course of events to determine whether a full investigation should be undertaken. That is what occurred and later in October a fuller investigation commenced. Certainly the people of Frankston were well aware of that and indeed it was reported in the *Frankston-Hastings Independent* that the probe had been commenced

The government has gone about this business in a thorough and a dispassionate way. The upper house, however, went about the business of producing a report. This report came out last week; it slipped out right in the middle of one afternoon and not a boo was heard. And why was that? The reason that nothing was said — —

Dr Napthine — On a point of order, Mr Speaker, it is my understanding of the standing orders that members should not reflect on decisions of the other place. It is my understanding that this report was tabled at the appropriate time — that is, the first opportunity the upper house sat following the conclusion of the report. So I think the reflection being made on the decision of the upper house is inappropriate and I ask him to withdraw.

The SPEAKER — Order! I do not uphold the point of order raised by the Leader of the Opposition. I was listening carefully to the Minister for Local Government and I do not believe he used words that were unbecoming in regard to the upper house.

Mr CAMERON — Not a boo was heard from the opposition. Certainly the people of Frankston were alerted to that and to the fact that the probe had drawn a blank, which was reported in the *Frankston Standard*. All the upper house wanted was to have a local government inspector. Here we have the upper house that went about this inquiry in a politically charged way. You would think they would get to a culprit, but they have not. All they recommended was that there be a local government inspector, and that is precisely what has occurred. The view of the department and the inspector was that as the inspector went about his inquiries in relation to the breach of confidentiality as reported in the *Frankston-Hastings Independent*, other issues were raised. As a result of a progress report we have provided additional resources. What was sought was a person with legal and tender probity expertise. To that end I have appointed Christopher Wren, a well-known barrister who has done work for the previous government as well as this work. He will go about this business in a thorough way to help get at the additional matters.

Certainly the house will appreciate the complexity of this matter in trying to get to the truth, but that is what the municipal inspector and the department are seeking to do. The house will appreciate the complexity of the issue, given that the CEO of the council, Mr Jon Edwards, told the upper house inquiry that he had no information to suggest there had been a breach, nor, should I suggest, did the probity auditor. If honourable members read the report of the probity auditors,

Pricewaterhousecoopers, they will see they also said the working party process had been signed off in every regard. Although that is the view of the CEO, issues were raised which the department seeks to go behind and get to the truth on, as one would expect of a municipal inspector and a department which go about their business investigating matters dispassionately, properly and thoroughly.

The terms of reference that have been provided — and it is necessary for formal terms of reference to be given when you appoint an external inspector for a limited period of time, in this case, Mr Wren — cover the matters raised, but in addition they go specifically into the confidential information concerning the Frankston central activity district development project — —

Mr Rowe — On a point of order, Mr Speaker, the minister is obviously quoting from a document containing the terms of reference and I ask that he make that document available to the Parliament.

The SPEAKER — Order! As the minister was quoting from the document, I ask him to source the document and make it available to the house.

Mr CAMERON — The document was released yesterday, Sir.

The SPEAKER — Order! The minister has indicated he will make it available at the end of his presentation.

Mr CAMERON — It concerns any alleged change of bid by Gandel and also whether discussions had been had to which the honourable member for Frankston East was privy. They will not only look at these matters in relation to the Local Government Act but they will also report whether there are other matters which warrant investigation. As one would expect and as honourable members will be aware, where there are, for example, prima facie breaches of other acts they would be referred to the relevant authority. For example, if it is a Crimes Act offence it would be reported to the police, as one would properly expect.

Certainly the honourable member for Frankston East has made it clear that he wants to cooperate, so you would expect relevant questions to be asked not only in relation to whether he was privy to information, but in relation to the broader matters. The honourable member for Frankston East wants to cooperate — that is a sensible approach.

If we just go back one step, as I have outlined, to the thorough process undertaken by the department — which is essentially removed from government,

because a municipal inspector goes about his business as required by the legislation — and if we go back and have a look at the upper house report, which was put out one afternoon when not one comment was made by the opposition, we see that this inquiry in the upper house did not in any way interview all of the relevant witnesses. Whole slabs of relevant material have not even come up. It has been a shonky inquiry. It has been nothing but a political inquiry and it was nothing more than an effort designed to get through the federal election process. The government has ensured that appropriate action has been taken so that we can get to the truth of this issue.

Let's have a look at the opposition and its hypocritical approach. Here we have the Liberal Party opposition and members of the National Party adopting the upper house inquiry and saying that a local government inspector should be appointed. As you are aware, Mr Speaker, a local government inspector has been appointed for months. The opposition and the National Party have the position that there should be a local government inspector when there has already been one for months, but then they change their tune. Early in the week the Leader of the Opposition said, 'Yeah, there should be a local government inspector'. Then I said, 'No, there should be a police inquiry'. Then he said, 'No, there should be a judicial inquiry'. What is he going to say tomorrow and what is he going to be saying by Good Friday? Is he going to say there should be a Spanish Inquisition?

The National Party and the Liberal Party want a municipal inspector, and that is not only what we have; we also have an additional municipal inspector with legal and tender probity expertise to be able to delve even further and even more thoroughly.

Dr Napthine interjected.

Mr CAMERON — Not at all! The interjection is that the government would be nervous. The government wants to go about this business thoroughly and that it is what it has done.

Dr Napthine interjected.

The SPEAKER — Order! The Leader of the Opposition!

Mr CAMERON — That is what the government has done all along, and the honourable member for Frankston East has made it very clear that he wants to cooperate because he wants to clear his name.

I will just point out the role the inspector has under the act. An inspector effectively has powers similar to those

of a magistrate or a coroner — that is, to call witnesses, call documents, and quiz people under oath. That is what the municipal inspector has been doing and that is what will continue to happen with the added expertise of Mr Wren to delve even further into the deeper issues relating to the matters around the alleged change of bid by Gandel on the afternoon of 26 September.

I appreciate that this is a complicated issue, particularly given the tender probity issues. I appreciate that the CEO believes that the appropriate probity has been put in place, but the municipal inspector is of the view that this matter needs to be probed further, and it is as a result of that view that Mr Chris Wren has been appointed.

Honourable members interjecting.

Ms Asher interjected.

The SPEAKER — Order! The Deputy Leader of the Opposition!

Mr CAMERON — I hope this inquiry is concluded by the end of April. The terms are that I have appointed Mr Christopher Wren until 30 April. Of course if there are outstanding issues he will come back to us, but it is my hope and his that we will have a report at that time so that we are then fully apprised not only of the initial allegations but also of the allegations that have arisen and have been probed and will continue to be probed.

Questions are asked about —

The SPEAKER — Order! The honourable member's time has expired.

Ms Asher interjected.

The SPEAKER — Order! The Deputy Leader of the Opposition!

Ms McCALL (Frankston) — Isn't it interesting? We have just heard a woeful contribution from the Minister for Local Government, and not once in his speech did he defend the honourable member for Frankston East. He merely said he had stood aside for an inquiry. Not one word of support. How very interesting!

I want to put this all in context for the people of Frankston and emphasise how important this is for them. There are two seats in Frankston, one called Frankston East and one called Frankston, but I am delighted to report that soon there will only be one called Frankston. The seat of Frankston East was won at a supplementary election after the state election in

September 1999 as a result of the untimely death of Peter McLellan. The result of that supplementary election delivered government to Bracks. Make no mistake about this! Mr Viney's accession to the throne of the seat of Frankston East gave Bracks government. That means that this government owes Viney, and that is probably why it is going to be very careful about how it handles this matter.

The people of Frankston have said from the beginning that they are tired of continually hearing about corruption allegations, about rumours, about innuendo, about difficulties in council, about reports of councillors not getting on with each other and about hidden agendas that have influenced the way in which Frankston City Council has operated. May I place on record first of all my support for the council's CEO and the council's staff. They have behaved in an exemplary fashion throughout this entire process.

But on the other hand, the elected councillors, and in particular Cr Conroy, have acted in ways that can only be described as thoroughly shameful. In the old days, when you were investigating detective stories or trying to find the result of a crime, you sought to 'cherchez la femme'. This time, you should follow the money trail, because there is money in this. A grubby financial deal was done. There are brown paper bags: there was money handed from one hand to the next, and that went continually around. And there is no doubt in my mind that the honourable member for Frankston East knows where the money is.

The SPEAKER — Order! The honourable member for Frankston is now infringing under standing order 108, and I ask her to desist.

Mr Maxfield interjected.

The SPEAKER — Order! The honourable member for Narracan is being disorderly.

Ms McCALL — I think it is crucial — and this is why we have put up this matter of public importance — that at the very least a judicial inquiry should be conducted. I believe that the upper house inquiry opens some important doors and asks some serious questions. The appointment of Christopher Wren, a very worthy individual, is a step in the right direction, but I think we have a long way to go. A lot more information needs to be discovered, because the people of Frankston deserve to hear the truth. They have been dogged by rumour, innuendo and misleading news reports, and by misleading statements made by both Cr Conroy and the honourable member for Frankston East. There is no doubt in my mind that there is a lot more to be found. It

is incumbent on this government, given that the seat of Frankston East delivered it government, to get to the bottom of what has gone on.

The people of Frankston have had enough of their council being in the firing line. The current councillors — the current mayor, Cathy Wilson, Cr Di Fuller and Cr Vicki McClelland — have worked exceptionally hard to turn this council around, and I commend them on their role. However they, as they reported to the upper house committee, were tired of the bullying, of the intimidation and of the threats that were pushed towards them when this whole process was going through the town.

Nobody has any doubt that a project the size of \$100 million would be very good for the City of Frankston. It has had difficulty attracting investment into the city as a result of poor decisions made by previous councils. This house, and certainly the previous Minister for Local Government, would be well aware of the difficulties we had with the quayside development and also with Christopher Wren's last inquiry into Frankston City Council in 1999.

As I said, this project would be good for Frankston. But there is no doubt in anybody's mind that the process by which this development was progressed should have been open, accountable and honest — the great axioms by which the Bracks Labor government claims to stand. The government has failed. It has misled the parliament and it has deceived the community. And as a result, its representative in Frankston East has betrayed the very community that sent him to this house. The behaviour is outrageous. There is no question that if the police do not get involved in this, a judicial inquiry must — along with the police — get to the very bottom of the negative side of this process. I can only commend the people who have been involved in the council for trying to get this out in the open.

The upper house inquiry did its level best — without the cooperation of this honest, open and accountable government! — to get to the bottom of the problems because of what the people of Frankston have the right to expect from their elected representatives and those they elect to council. There will be a council election next year, and it will be very interesting to see whether Cr Conroy puts up his hand, although I suppose that if we do get to the end of the money trail he may not be able to support the council representatives he tried to bully and intimidate once before!

There is no question in my mind that there is a lot more mud and a lot more evidence, and it is incumbent on this government — this open and accountable

government that was delivered government as a result of a supplementary election — to put things right for the people of Frankston and to do the right thing.

Mr HULLS (Attorney-General) — The Leader of the Opposition started his speech by saying he is a country vet and he knows a duck when he sees one. I am not a country vet, but if it looks like a dork, it sounds like a dork, it walks like a dork, it is a dork! That was one of the most dorky contributions I have ever heard in this place!

This report was released ages ago. We now have the Eric Pearces coming in with the late news and pretending to release the report when it has already been released. The opposition realised at the time it was released that there was nothing in it. They had to be advised by journalists that the report had been released, and now suddenly they are getting het up about it. We understand that different standards always apply to Labor governments than to Liberal governments, and that is reflected in the matter of public importance, which says:

... in the light of the Premier's commitment to 'restore decency and accountability to government in Victoria' ...

That is what we are all about — restoring decency. In politics all you can trade on is your credibility and your integrity — that is all you have — and that is what we have on this side of the house. The honourable member for Frankston East has shown in standing aside pending the outcome of the inquiry that he has credibility and integrity. The Libs have none. They have still not said sorry for the devastation they wreaked on Victoria. I do not know what it is about the Libs and that word 'sorry', but they just do not seem to be able to say it. Sorry! It is not that hard, and they will not have credibility in this state unless they are prepared to say sorry for the havoc they wreaked on it.

The opposition is calling for a judicial inquiry. When we were in opposition we called for judicial inquiries on 34 occasions and not once did the Kennett government have a judicial inquiry. For this mob to be lecturing us about standards is an absolute disgrace and quite extraordinary. It is like Robert Doyle defending the Leader of the Opposition — it has no credibility at all.

Mr Wilson interjected.

The DEPUTY SPEAKER — Order! Will the honourable member for Narracan stop hitting the table! The honourable member for Bennettswood is interjecting and is disorderly; I ask him to desist.

Mr HULLS — We have long memories in this place. Some people have only short and muddled memories, but we know what the term 'standards' meant two years ago — it meant dodgy deal transactions, widespread credit card abuse, selling grog illegally at Parliament House, secret contract deals with mates, advertising contracts for family businesses —

Mr McArthur — On a point of order, Madam Deputy Speaker, on the issue of relevance, I ask you to direct the Attorney-General's attention to the words in the matter of public importance that is now before the house. It deals with issues relating to members of the Frankston council and the honourable member for Frankston East; it does not deal with issues of the past.

Mr HULLS — On the point of order, Deputy Speaker, the matter of public importance clearly refers to the Bracks government's commitment to restore decency and accountability to government in Victoria. I am talking about what decency, accountability and standards are all about, and of course that means a comparison with the dirty, stinking deals that happened under the Kennett government.

The DEPUTY SPEAKER — Order! There is no point of order. The matter of public importance put forward by the opposition canvasses a number of areas, including the behaviour of the current government and also judicial reviews. I believe the Attorney-General was referring to those in his comments.

Mr HULLS — So when we were in opposition we uncovered a whole range of outrageous deals such as credit card abuse, and we remember names like Graham Morris, Ian Smith, John Kerr —

Mr Wilson interjected.

The DEPUTY SPEAKER — Order! I have spoken to the honourable member for Bennettswood about being disorderly. I remind him again that he is not to interject. The honourable member is not in his seat and he should remain silent or leave the chamber.

Mr HULLS — We remember former ministers using their taxpayer-funded credit cards for personal items. We remember, for instance, massages taking place on health farms at taxpayers' expense; we remember the former Attorney-General using her credit card to buy hundreds of dollars worth of expensive cushions and paying for a night at the opera; we remember senior public servants using taxpayer-funded credit cards to go to Asian strip shows, to place bets on TAB phone accounts, to purchase clothing and jewellery; and we remember the former Minister for Police and Emergency Services spending hundreds of

dollars on South African jewellery. So opposition members should not come into this place and try to lecture us about standards. This opposition, when in government, had absolutely no standards at all. They went about government like an Indian bookmaker stalking the hallways at cricketers hotels looking for the next deal. They were the Hansie Cronjes of politics.

Mr McArthur — On a point of order, Madam Deputy Speaker, in relation to standing order 99, will you request that the Attorney-General make at least a passing reference to the matter before the house?

The DEPUTY SPEAKER — Order! In this case I uphold the point of order. I feel the Attorney-General has strayed from judicial reviews and the behaviour of the Bracks government, and I ask him to return to the motion before the house.

Mr HULLS — When we were talking about dodgy deals, whether it be vet labs or Intergraph or any of those matters for which the opposition at the time called for judicial inquiry upon judicial inquiry, we were simply ignored by the former government. It went on its merry way getting involved in all those dodgy deals.

If we look at the report, what has happened on this occasion is that there has been no adverse finding in relation to the honourable member for Frankston East — none whatsoever! There are some suggestions that there may have been breaches of section 77 of the Local Government Act, which applies to —

Mr Smith interjected.

The DEPUTY SPEAKER — Order! The honourable member for Glen Waverley is being disorderly!

Mr HULLS — That section applies to councillors and there has been no allegation against the honourable member for Frankston East. Despite that, he has decided to step down from his position pending the outcome of a further inquiry. Did the former Premier step down pending the outcome of an inquiry in relation to his credit card abuse? No! Did the former Premier step down when allegations were made that he actually used his public office for private gain? No! Did any minister step down when accusations were made about them using public office for private gain? No! So the opposition has absolutely no credibility at all in relation to the calling of a judicial inquiry.

In fact, its calling for this inquiry has as much credibility as calling in Wayne Carey for marriage counselling. It has absolutely no credibility at all and it should be treated with the disdain it deserves. In fact,

this mob comes from the Senator Bill Heffernan school of credibility. Its calling for an inquiry about this matter has as much credibility as Senator Heffernan, and as much credibility as Robert Mugabe has in overlooking democratic elections. It is not to be believed and the MPI ought to be dismissed by this place.

The proper course has been taken. The honourable member for Frankston East has stepped down pending the outcome of the inquiry, which has broad terms of reference. That is the difference between them and us. We are prepared to be open, transparent and accountable.

This mob hid behind dirty, stinking rotten deals and had no judicial inquiries, despite the fact that they were warranted on at least 34 occasions. Yet now opposition members come into Parliament to lecture us. You are an absolute joke, every single one of you!

Honourable members interjecting.

The DEPUTY SPEAKER — Order! I ask the house to come to order. I point out that the honourable member for Glen Waverley continues to be disorderly, and I ask him to cease interjecting.

Mr COOPER (Mornington) — I have no confidence in the inquiry that the Premier has belatedly set up into this corruption scandal which centres around the honourable member for Frankston East and a number of his Labor Party cronies in the Frankston area. Despite what the Minister for Local Government said, the inquiry will not have the power or the capacity to be truly independent, as would a judicial inquiry. This corruption scandal, which centres around the honourable member for Frankston East, should be investigated properly. Every Victorian should be able to feel confident that the matter will be handled honestly and openly. That is certainly not the case at present.

In the Frankston *Leader* on 25 March there was an article with the headline ‘Probe fails on “breach”’. Clearly, because it was printed early this week, the quotes for this article were obtained last week. One of the people quoted was the honourable member for Frankston East, Mr Viney, who said:

I saw the report as a vindication of what Mark Conroy was saying. It found no evidence.

Aren't a couple of days really long days in politics! The honourable member for Frankston East saw this report as a vindication of Cr Conroy, and through that he saw it as a vindication of himself. On Monday he suddenly resigned as a parliamentary secretary. Despite the fact that the Minister for Local Government and the

Attorney-General have claimed that the honourable member resigned in a spirit of wanting to clear the air and have an open inquiry, the fact is that he was pushed by a very reluctant Premier who did not want him to go. Everybody knows that is what happened: he was pushed! Everybody knows that he did not go willingly. Everybody knows that the Premier was not willing to push him out, just as everybody knows that there is a stench around Frankston and a stench around this commercial development proposal.

The air needs to be cleared. Everybody knows that. All around Frankston the dogs are barking about corruption, dirty deals, underhand tactics, coercion and standover tactics. These are the things that are being talked about in Frankston, and these are the things that a judicial inquiry needs to come to grips with in a very open and accountable way.

It is no good the government wheeling in its chief thug, the Attorney-General, to berate the opposition and come out with a whole lot of crazy, stupid stuff which avoids the issue. He barely touched upon the issue before the house today. All the Attorney-General talked about were things like — and you have to give him 10 out of 10 for gall — credit cards and the misuse of government money. Here is a man who has been called upon to justify the travel he undertook as the federal member for Kennedy and to keep his unequivocal commitment to the Victorian public to produce his travel diaries from his time as the federal member — and there is a notice of motion to this effect — no. 72, under general business — on the notice paper. Yet the Attorney-General came in here and laid out all over the place a whole lot of unsubstantiated rubbish that he raised in calling for judicial inquiries when he was in opposition.

We remember his call for a judicial inquiry — I think it might have even been a royal commission — into the casino, but we never heard anything about that when Labor came into government. Oh no, that got swept under the carpet. The Attorney-General is a windbag, a bluster merchant and a thug. He has employed the tactics of a thug in the way he has addressed this issue.

Mr Holding interjected.

Mr COOPER — I will be around a lot longer than you will, mate.

Mr Nardella — On a point of order, Honourable Deputy Speaker, the honourable member for Mornington has referred to the Attorney-General as a thug, and under standing order 108 I ask him to withdraw.

Mr COOPER — On the point of order, Madam Deputy Speaker, if the Attorney-General has any truck with anything I have said, it is up to him to ask me to withdraw. The honourable member for Melton cannot ask me to withdraw a remark I have made describing the Attorney-General.

The DEPUTY SPEAKER — Order! There is no point of order.

Mr COOPER — There are a lot of questions about the Frankston commercial development issue and about matters involving the Frankston council that require answers and require them in an open and accountable way. The only way that can occur is through a judicial inquiry. As I said earlier, right around Frankston and all over the Mornington Peninsula there are rumours of corruption and bribery. There is talk that the whole issue stinks, that deals have been done and money has changed hands, and all of that needs to be brought out into the open.

Like many others I cannot help but wonder where the ALP got the huge bankroll of money it had for its campaign in the federal seat of Dunkley. There are people who are saying it came from developers. It was quite fortuitous for the ALP to have as its candidate for Dunkley the then mayor of Frankston, Cr Mark Conroy, at the same time as we had this development deal going on in the city of Frankston. The honourable member for Frankston East was the campaign director for Mark Conroy. Alistair Harkness is an electorate officer to the Premier and he was authorising all of the documents put out by Cr Conroy on behalf of the ALP. Mr Harkness is now the ALP candidate for Frankston. How fortuitous is it that we have all of these people roaming around? They are like snakes in a barrel — they are crawling all over each other. We have the developers being represented by that well-known Labor activist and ex-Labor Party candidate Rogan Ward. We have another one-man band real estate agent from Carlton, Shayne Sheehan. He has extra special connections to the Labor Party as his father, who was a member of this place, would be able to testify.

All of this goes towards some very large questions that need a very full probe. It is no good having some Labor mate running a municipal administration inquiry. That is not good enough. The people of Frankston will not accept that as being a full and independent inquiry. The people of Victoria certainly are not going to accept that as a full and independent inquiry, and neither will the media. The media know there is something dirty and smelly about this and they want to see a full, open and independent inquiry take place.

We want to know about the business and financial connections between the honourable member for Frankston East, Cr Mark Conroy, Rogan Ward, Shayne Sheehan and Steve Luby. Steve Luby is renowned throughout Frankston as the money man, the man who collects the dough and passes it on through Rogan Ward so it ends up in the ALP coffers. We want to know from where the ALP got its money for the Dunkley campaign. We believe now that this situation demands that the Labor Party give evidence at a judicial inquiry to disclose where it got the money. Who donated money to the Labor campaign for Dunkley? We know some of the names and we are prepared to have people come forward and give evidence to an inquiry.

This is a dirty, stinking mess that centres around the honourable member for Frankston East. He needed to resign; in fact, he has not gone far enough — he should have resigned from this Parliament over the dirty mess that he has presided over.

Mr HOLDING (Springvale) — What hopeless fizzers the contributions of the members of the opposition who have contributed to the debate on this matter of public importance have been. We had the Leader of the Opposition come in here but he had no traction. Members opposite have been playing catch-up on this issue since they got involved in it in October last year. They were playing catch-up with their upper house inquiry and they have been playing catch-up this week as they try to get ahead of the issue, but they have no idea about the circumstances surrounding this situation. All members opposite have is rumour and innuendo and mud to fling around, and that is all they have been doing.

By their own admission their story has lacked one important element, and that is evidence. They can come in here and throw around a list of people's names, people they allege have Labor Party connections; they can throw around their conspiracy theories about where the money might have come from and who paid off whom for what. But at the end of the day their story lacks one important element, and that is evidence.

What evidence was the upper house able to collect? Remember we have had a full upper house inquiry into this issue, instigated by members of the opposition and comprised exclusively of members of the National and Liberal parties in the upper house. Without the benefit of a Labor Party member to provide an alternative line of questioning or to suggest other witnesses, these members conducted their own inquiry and they have not been able to make any adverse findings against the honourable member for Frankston East. There are no

adverse findings or adverse implications against the honourable member in the upper house committee's report. No evidence was collected which was able to establish that the honourable member for Frankston East breached in any way the provisions of the Local Government Act 1989 or any other piece of legislation.

There was no evidence to suggest that the honourable member for Frankston East was in any way involved in any activities which involved a breach of the law. No evidence was presented to the upper house inquiry in relation to those things, and the upper house inquiry was not able to make a single adverse finding against the honourable member for Frankston East.

The upper house inquiry did not call for a police investigation, a judicial investigation, a royal commission or any other investigation save for the investigation that had already been established by the Minister for Local Government — the investigation being conducted by the inspector from the local government division. The upper house inquiry, the Liberal–National parties inquiry, that was established to look into these events was not able to make any adverse finding against the honourable member for Frankston East and it did not suggest that any additional inquiry be established or that a judicial inquiry be set up to look into these activities.

The only mention of the honourable member for Frankston East that comes through in the upper house inquiry was a meeting that allegedly took place in the honourable member for Frankston East's office with, I think, Crs Conroy and Asker. When Cr Asker presented himself at the upper house inquiry and was cross-examined about this meeting even he, one of the three people present at this apparent meeting, was not able to say categorically whether the honourable member for Frankston East had any information which was not publicly or generally available.

There was information on public display at the city of Frankston in relation to the Frankston central activity district. There was information in the local newspapers, and we know that the Gandel Retail Trust provided information to various members of Parliament. It is my understanding that the discussions which occurred between Crs Conroy and Asker and the honourable member for Frankston East centred around that material. Therefore, if there is any allegation which members of the opposition wish to make in relation to the material available to participants in that meeting, they need to make the same allegation against the honourable member for Frankston. The honourable member for Frankston in this place had the material supplied by the Gandel Retail Trust. The honourable

member for Frankston was privy to the information that was on public display at the city of Frankston.

The honourable member for Frankston would have read the newspaper articles in the various local newspapers. So if members of the opposition wish to make — —

Mr Leigh interjected.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc!

Mr HOLDING — If they wish to make an allegation against the honourable member for Frankston East they should come in here and make an allegation against the honourable member for Frankston because she, too, had access to the information from the Gandel Retail Trust, which was supplied quite legitimately and quite appropriately to local members of Parliament in the Frankston area.

What about the allegations against Cr Mark Conroy? There was the allegation made by the honourable member for Cranbourne in a 90-second statement in this place in, I think, October last year that Cr Mark Conroy had somehow made a phone call during the critical meeting. In the report we find that the chief executive officer of the City of Frankston, Mr Jon Edwards, did a complete investigation of all council phone records, and not only of the landlines of the council but also of mobile phones supplied to councillors. He was able to conclude categorically that no call to the Gandel Retail Trust or any of its intermediaries or principals was made during the course of that meeting on any council-owned phone; no call was made by the then mayor of the City of Frankston, Cr Mark Conroy, on his council-supplied mobile phone; and the allegation that the honourable member for Cranbourne made in here was based on the testimony of a councillor who said they saw Cr Conroy using his council-supplied mobile phone.

So the very statements, the very bases of the allegations made by the honourable member for Cranbourne were completely undermined by the evidence supplied to the upper house inquiry by the chief executive officer of the City of Frankston — that is, that no phone call was made on a council-owned landline or on any council-supplied mobile phones by Cr Mark Conroy or by any other councillor as a consequence of the investigations undertaken by the chief executive officer of the City of Frankston.

That is why the upper house inquiry was such a fizzer. It could find no evidence that linked Cr Conroy with the release of any confidential information to the local newspapers or to any other parties. It could find no

evidence on or make any adverse finding against the honourable member for Frankston East. That is why the upper house inquiry was such a fizzer and why it did not call for a judicial inquiry, and that is why attempts by honourable members in this chamber to beat some life into this issue this week will ultimately fail. They have no evidence on which to base their claims. They have no credibility on the issue because they would not understand the question of appropriate standards if it marched down the street with a marching band saying, ‘Appropriate standards are here again!’. Members of the opposition were members of a government that presided over the worst standards in public administration that Victorians have ever been subjected to. The lowest standards of ministerial accountability and the lowest standards of appropriate probity and conduct were presided over by members in this chamber who were members of the previous government.

This government, on the other hand, upholds the highest standards, and because the investigation established by the Office of Local Government and undertaken by Inspector Kelvin Goodall now has expanded terms of reference, the honourable member for Frankston East felt it was appropriate that he stand aside in his duties as parliamentary secretary. That is a decision that was taken by him, and the members of this government support him in making it because he is insisting on upholding the highest possible standards, in contrast and contradistinction to the pathetically low standards set by members of the previous government, members who presided over pathetic standards of ministerial accountability, public administration and appropriate probity, accountability and transparency. Those were the standards of — —

Mr Leigh interjected.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc!

Mr HOLDING — They have no credibility when they come into this place and talk about appropriate standards and make claims about the honourable member for Frankston East or any other member of this government or about any councillors of the City of Frankston. They have no standards whatsoever. We have upheld high standards.

They had their upper house inquiry, which could find no wrongdoing by the honourable member for Frankston East, by Cr Mark Conroy or by any of the individuals they wanted to name in their report. It was a fizzer. This matter is a fizzer.

Mr ROWE (Cranbourne) — Why a judicial or police inquiry? Let us start simply by looking at how open and honest this government is actually being in this matter. Yesterday in question time the Premier said he received a letter about this matter, yet today in his contribution the Minister for Local Government said he received an interim report. Attached to the documents I asked the minister to table is a copy of what is supposedly the interim report.

One would expect that if a government is releasing an interim report to the media and the public it would be the full and complete interim report, yet we find four paragraphs on page 1 under the heading 'Background', plus a fifth one that has been whited out! Paragraph 5 is missing!

We turn over the page and go to 'Offences against section 77(2) Local Government Act'. Clauses 9, 10 and 11 are whited out — they are not there! They are hidden from the public and hidden from the media. Why? Because they are damning of the Labor government and of Matt Viney. The only mention of a possible breach in here is that Matt Viney may have received information —

The DEPUTY SPEAKER — Order! I remind the honourable member for Cranbourne to refer to members by their correct titles.

Mr ROWE — Thank you, honourable Deputy Speaker. The honourable member for Frankston East, Matt Viney, may also give rise to an allegation that Matt Viney was privy to confidential information prior to the consideration of the matter by council on 2 October. So this is your open and accountable government — blank spaces!

We had to drag the minister last year kicking and screaming to a local government inquiry. A representative from his own office said it was a politically motivated witch-hunt — silly season because of a federal election. That came out of the office of the Minister for Local Government. The government had to be dragged kicking and screaming to the original inquiry, and it did that reluctantly. It only did it and went to a full inquiry after the opposition established an upper house inquiry into this matter.

The honourable member for Springvale raised the issue of telephones. That is one of the areas that is central to a full proper judicial or police inquiry, because following discussions between Messrs Edwards, Kerr and O'Connor, as the report says, Mr Edwards did check all council telephone landlines and all council issue mobile phones. The honourable member for Springvale said

that that proves no phone call was made. However, I will quote Cr Vicki McClelland, who was sponsored into council by the honourable member for Frankston East and Cr Conroy, and they therefore thought they owned her, but who refused to attend their secret clandestine meetings. When asked in the committee about Cr Conroy making phone calls, she stated:

Well, I saw him — I saw Mark Conroy on the phone — on the mobile phone. It did not occur to me at the time what he was doing — he could have been ringing anybody; I don't know.

She is honest. She did not know who he was calling. She continued:

What caught my eye was the fact that he closed his door to the mayor's office. He never does that when I am around.

Interesting? She said that he never did that when she was around. She continued:

If there are a couple of other councillors he might —

probably the independent and Liberal councillors who are on the council —

but certainly not me.

So Mark Conroy has used a mobile phone.

Let us look at what the upper house committee was able to investigate, because as others in this house who have some investigative background would know there is a limited number of people and organisations that can gain access to records of third-party telephones — namely, judicial inquiries and Victoria Police — commonly known as consumer call records, which show all details of incoming and outgoing calls. They can also find from Telstra records the numbers of all phones issued to a particular person. We could look at all phones issued to the honourable member for Frankston East. We could look at all phones issued to Cr Mark Conroy. We could match those records and see who they phoned at what particular time. The Minister for Local Government says that his inquiry will do a full and frank investigation. How can it? It does not have the power to get the telephone records; it cannot investigate them.

When you look at the records that have been made available you see an interesting pattern of phone calls around the time of the breach of section 77. You see a whole string of phone calls by Cr Conroy to the office of the Premier, so how far and how high does this stink go? There are a number of calls to the electorate office of the Premier.

An Honourable Member — The electorate office?

Mr ROWE — The electorate office of the Premier! These are the questions you can ask. How high does it go? Why was he contacting the Premier? Why was the Minister for Local Government so dismissive of the original allegations? Why was his political office so dismissive of the timing of it? We did not make the timing of it — Cr Conroy brought on the vote, not us. Cr Conroy insisted and defeated a motion of council deferring the vote — deferring consideration — until after the federal election. Cr Conroy insisted that it take place. He is the one who did the timing. Any claims that it was a political witch-hunt are baseless because this man brought about his own downfall.

He has been running around Frankston for years. In 1999 we had an investigation of the City of Frankston by the previous minister for local government. This was brought about in part by allegations that Cr Conroy had been to see a Mr Geoff Hunter and that Mr Hunter was attempting to get a permit to extend a property in Beach Street, Frankston. It is alleged that at the time Cr Conroy suggested to Mr Hunter that he would have problems getting his permit through council, but that that might be greased a little bit if certain things took place. There is an allegation and an inference that if money were paid the permit would go through.

So what is the common thread that we have in Frankston?

An Honourable Member — Corruption.

Mr ROWE — We have a common thread of corruption. We have a common thread that runs through the Labor Party: we have Rogan Ward; and we have Garry Burly, a former BLF member, who blackmailed the Gandel group during the construction of the shopping centre with false work bans — false safety issues raised on the work site. Then we have Cr Mark Conroy, who was sponsored and supported into council by the honourable member for Frankston East, prior to his entry into this place. Cr Mark Conroy was supported into council by the then private citizen Matt Viney. His employment record at that time says that he was employed by a company called Auspoll. Who owned Auspoll?

An honourable member interjected.

Mr ROWE — The honourable member for Frankston East!

We then saw the then civilian Matt Viney elected into state Parliament, with Mark Conroy as his campaign director. Who employed Mark Conroy after his election to Parliament?

Mr Leigh interjected.

Mr ROWE — Matt Viney! He was an electorate officer to the honourable member for Frankston East. Where did Matt Viney conduct all his campaigning from?

An honourable member interjected.

Mr ROWE — Matt Viney's office — and Mark Conroy was doing all the work. Viney engineered Conroy's rise to the issue.

The DEPUTY SPEAKER — Order! I again remind the honourable member for Cranbourne — —

Mr ROWE — The honourable member for Frankston East engineered his rise to the mayoralty. They sought to influence the election of councillors to the Frankston council and then thought they owned them.

We then saw campaign material for Mark Conroy authorised by the Premier's electorate officer and numerous phone calls made to the Premier. This needs a judicial police inquiry with all the powers to investigate fully all the information that is available.

Mr SAVAGE (Mildura) — I rise to indicate my position on this matter of public importance (MPI). It is true that I have had some serious concerns about the issues surrounding the parliamentary Select Committee on the Frankston Central Activity District Development.

This week the Premier announced an inquiry into these allegations — and further, that a barrister by the name of Chris Wren will assist the inquiry. This will assist the municipal inspector in determining the veracity of the allegations that have been made in this document. I have been apprised of the terms of reference and am satisfied that the inquiry will be satisfactory and will look at the allegations made in the select committee report.

The honourable member for Frankston East has stood down voluntarily, and I think that is appropriate. It is unfair and a denial of natural justice for this house to further publicly look at issues relating to this inquiry, which is now set in train, and I do not support the MPI in this way.

There is no such thing as a judicial inquiry in Victoria. No judges take part: it is either a royal commission or it is not.

I will be brief, in the sense that I think what the Premier has done is appropriate, and I am satisfied that there will be an outcome which will be of benefit to this house.

Ms BURKE (Pahran) — Sadly this has become a matter of public importance. It is a travesty that it has had to be addressed for so long and that we still do not have an outcome.

The 1990s saw radical changes in the way our Australian public and private sectors did business. The restructuring of local government in Victoria in particular embraced the climate of change and recognised that it would bring benefits to ratepayers across the board. Councils are now adapting to this new environment and the associated administrative systems covering issues such as codes of conduct for councillors, rigorous financial disciplines, transparency and accountability — all of which are vital to the success of each and every Victorian council.

This means that councils today have the capacity and are willing to play an active part in furthering state and national policy objectives specifically through the facilitation of economic growth and investment. The climate with which we are now presented suggests that the effect of local issues is no longer confined to their immediate surroundings. It has repercussions that are felt in a much wider sphere. To that end, state and federal governments have recognised that local issues in many cases have global dimensions.

Our companies and regional environments, and that includes local government, are the primary units of change. Perhaps more importantly, they are the units of success — and conversely, of failure.

The Frankston council is no exception to this rule. Let me begin with the chief executive officer (CEO) and staff of the City of Frankston, whom I know to be both competent and responsible in executing their duties and who are proud of the city they serve. The professional manner in which they have performed their duties throughout this inquiry has been exemplary. Anyone who has read the available documents of this inquiry would be able to confirm that.

I was particularly impressed by the memo issued by the CEO to the mayor and councillors on 5 March 2001 setting out very clearly the responsibility of the council to abide by the conflict of interest guidelines as required under the act.

I cannot begin to imagine the disappointment felt by these dedicated public servants who have worked so diligently to benefit the community of Frankston,

particularly in their efforts to provide a chance of increasing much-needed employment in the area. They have done their job, and they have done it well — only to now be let down by a self-serving mayor and his self-serving mate outside the council who promised so much in the fever of the East Frankston supplementary election campaign and who has delivered so little in such a short time.

Seventy per cent of investment in regional areas comes from businesses already operating in those areas. Therefore, business and community leaders play an increasingly important role as agents of change. The two people that I have previously named are certainly not leaders. Despite the fact that some of the Frankston councillors are relatively new to their council, they have had integrity all the way through and understand the importance of their role as leaders of their community. I commend the strength of today's mayor, Cr Cathy Wilson, Cr Vicki McClelland and many other of the councillors who gave evidence, who would not be bullied or abuse the electoral trust their ratepayers placed in them for a self-serving mayor of the day who had lost his way.

As the shadow Minister for Local Government it would be remiss of me not to draw attention to the gross incompetence of the Minister for Local Government. While I enjoy many of his benefits as a member of this house, I must say that he is not a leader. Not only was he slow in picking up that there had been a breach of section 77 of the Local Government Act, but he seemed not to understand how important that was. It makes me wonder if he even knows what section 77 is, let alone what it relates to.

Despite being given a broad range of powers, in some instances even more powers than those of the police, the municipal inspector the minister appointed last October proved to be so ineffectual that he required replacing, opening the government up to the criticism of the Independents and their demands to appoint a real inspector to investigate whether confidential information concerning — —

Mr Cameron — On a point of order, Deputy Speaker, I draw to your attention the reflections being made by the honourable member for Prahran. In particular, the municipal inspector is not a new appointment but rather is an ongoing appointment which was made originally by the honourable member for Pakenham — when, I suspect, the honourable member for Prahran was the parliamentary secretary.

The DEPUTY SPEAKER — Order! There is no point of order. In fact, the minister was raising a point of debate.

Ms BURKE — I would not like to reflect on the staff of the local government department, who are good and hardworking. Nevertheless, we have a new inspector to review the Frankston central activities district development project, which was provided — —

Mr Cameron interjected.

Ms BURKE — Sorry, additional material.

Mr Nardella — On a point of order, Deputy Speaker, the shadow minister is reading her speech. I ask you to get her not to read her speech but to give it without reading it.

The DEPUTY SPEAKER — Order! Is the honourable member reading her speech or using copious notes?

Ms BURKE — Copious notes.

The DEPUTY SPEAKER — Order! The honourable member can continue; there is no point of order.

Ms BURKE — We will now have to wait until 30 April to hear those findings, which is unfortunate for the people of Victoria and for those closely associated with local government, who in many instances have demonstrated what a fine level of government it is. Local government is proud of the work it does each day, and it is embarrassed by the performance of the minister's department and the efforts of the past mayor of Frankston and the honourable member for Frankston East.

Mr LONEY (Geelong North) — The fact that this matter of public importance is even being debated today is really a sad reflection on the priorities of the Liberal Party. What we now have on the opposition side of the chamber is a mob that is far more interested in personalities than in policies, far more interested in gutter crawling than in government and far more interested in knifing its leader than in leadership. Its deterioration from a once-proud party of conservative values is now complete with this motion. It is now simply a shrivelling, putrid, pusillanimous shadow of a once-proud party, lurking somewhere in the darkest shadows of politics.

Given the opportunity to say something about issues of importance to Victorians for 2 hours today this mucky little motion is what they have brought into the house.

They have nothing at all to say about the massive turnaround that is taking place in Victoria in education, health, employment and many other areas where Victorians were massively let down by the Liberal Party in government. This motion shows the opposition's total frustration and lack of credibility on the matter it seeks to raise. Its members cannot even get their basic lines right on it.

An upper house report was produced on this matter. What does it do? It calls for an Office of Local Government inquiry. The upper house looked into this matter, took evidence, held public hearings, got transcripts — the whole works — and what conclusion did it come to? It concluded there should be an Office of Local Government inquiry!

Then about 24 hours ago the Leader of the Opposition went out holding press conferences and called for a police investigation. So we have gone from the Office of Local Government inquiry to a police investigation. Showing his influence in the party room, the opposition has come in today with a matter of public importance that calls for a judicial inquiry. So we have had the calls for an Office of Local Government inquiry, a police inquiry and now a judicial inquiry — which the honourable member for Mildura pointed out we do not have in Victoria. But that does not stop opposition members. They are confused and frustrated.

Why does this confusion exist? Why is the opposition constantly changing its position? The reason is one simple fact: it cannot produce one single shred of evidence to back up the allegations it is making against the honourable member for Frankston East.

Mr Leigh interjected.

Mr LONEY — I thank the honourable member for Mordialloc. I say to him that if he has the evidence he should put it on the table now. Put it out in the open!

Mr Leigh — What did you do?

Mr LONEY — It is time for the honourable member for Mordialloc and his cronies on the opposition side to put up or shut up. We know he is not very good at shutting up. We will see how good he is at putting up — I suspect he is not very good at it because he does not have one shred of evidence to support the allegation that has been made.

The irony of this motion being moved by the Leader of the Opposition is that it actually attacks his own members. This is an attack on his own opposition upper house committee for incompetence. That is what it is.

Mr Steggall — Get to the GST as well!

Mr LONEY — I reckon we can get it in.

Mr Steggall — Go on, talk about seven years of darkness.

Mr LONEY — If the honourable member just bides his time we will get to the lot of it!

The motion today is an attack on opposition members in the upper house for incompetence. By moving this motion the Leader of the Opposition is saying they could not come up with something in the way of evidence, so he is trying to find somebody else who might be able to find something. The select committee's report says:

The select committee finds that a breach of section 77 of the Local Government Act 1989 occurred ...

What a fabulous discovery! It was all over the front pages of the *Frankston-Hastings Independent*. It was pretty hard to come to that conclusion! It then lists two other findings:

... that a further breach ... may —

'may' —

have occurred.

The third finding is:

... a third breach of confidentiality was most likely to have occurred.

What terrific findings from this upper house committee! And it was totally an opposition committee: the opposition had the numbers on it and the committee could not make a single finding on the evidence. That is what came out of this report — not a single finding could they make on evidence. Instead, to pad out the report they talk about things like the breach 'may' have occurred, or a breach was 'most likely to have occurred'; they do not make a single substantial finding. So what we get out of this is simply, as I explained — —

Mr Steggall interjected.

Mr LONEY — I am glad the honourable member for Swan Hill agrees with me that confusion reigns in the opposition. I am glad he supports me in that observation.

This opposition has now simply become a branch office of the Lying Liberals of Canberra Inc. It has adopted their classic business motto as its own: 'Dirty deeds done dirt cheap' is its new slogan. And like the Lying

Liberals of Canberra Inc., if the opposition does not have the evidence to back up its allegations it just dodgies it up. If you do not have the evidence, dodgy it up. We have seen this at work in Canberra recently.

But this Leader of the Opposition wants to have a think about what he is doing. He should be warned, and he should take the warning, that by embarking on this path he is setting himself on the road to becoming the Victorian version of Senator Bill Heffernan. No doubt in time when the source of the allegations — those muck-covered allegations he wants to run — that the Leader of the Opposition brings in here is revealed it will be just as dodgy as the source that Senator Heffernan used.

We have said what this upper house report actually says. It has made no finding against the honourable member for Frankston East at all on the evidence. Not one recommendation in the report refers to him. There is no finding against the honourable member for Frankston East at all anywhere in the report. There is no recommendation against the honourable member for Frankston East on the evidence presented to that committee.

The committee's total recommendations amount to saying something was leaked. The Leader of the Opposition has been unable to produce a single shred of evidence for the attack he has made today. What he has embarked on is a course of saying, 'I am going to use this place to come in and throw up any allegation and then demand that somebody go out and dig me up some evidence'. That is all this is about.

In response, the Minister for Local Government has taken action, which I believe will result in clearing the honourable member for Frankston East, because there is no evidence that can be substantiated. That is what this is about.

The local government inspector has been appointed by the minister. He has been given an expanded — —

The DEPUTY SPEAKER — Order! The honourable member's time has expired.

Mr LEIGH (Mordialloc) — I was very interested to hear the comments of the honourable member for Geelong North. He is a member on the other side of town who spends his time sticking it to a chief executive officer (CEO) on this side of town. Out of all of this he must be thinking, 'My, how glad I am that I live where I live and am not involved!', because here the government has truded out the Labor Party's big guns to defend one of its own.

Mr Nardella interjected.

Mr LEIGH — No! The big guns from your side. Let's get the facts right.

The interesting thing about this whole inquiry is that it has been set up. The Premier said he was not forced to do it, but clearly the honourable members for Mildura and Gippsland East seem to have forced the Premier into a change of mind. This is a circumstance where he was sort of dragged across into doing it.

For a start, it is interesting that in October last year the Labor Party wanted nothing to do with the inquiry. Indeed it boycotted the whole of the inquiry, and no-one here wanted to sit on it! Yet what it calls a hanging inquiry has resulted in the honourable member for Frankston East standing down — voluntarily according to the Premier, but not so according to the honourable member for Mildura, who spoke before of how he sees it. We are waiting to see whether the honourable member for Frankston East has really been caught out. I believe he has.

For a start let's get the facts straight for the honourable member for Geelong North. When he sat on this side of the chamber he and his shadow Attorney-General used to trawl issues. They said the Premier of the day was crooked, but there was no evidence in the end and the inquiry was dropped. They had no evidence, yet they now come into the chamber and say, 'You have got to give us all the evidence'. If there is no evidence, why has the honourable member for Frankston East stood down?

The fact of the matter is that I have watched this at one seat removed. Next door to my electorate is the seat of Carrum, which is occupied by that great Labor fundraiser's wife, the honourable member for Carrum. Her husband is another Labor Party fundraiser and the chief of staff of the Honourable John Lenders. On the other side of my electorate is Frankston East.

This whole relationship is sort of incestuous — what goes on down in the Frankston area. You have Cr Mark Conroy, who obviously worked for the honourable member for Frankston East. At one time he even worked for the Honourable Bob Smith, a member for Chelsea Province in the upper house. In fact when Cr Conroy was running for the federal seat of Dunkley he was so concerned about his image that he drove a better car than his boss. He actually got rid of his Statesman and got a Vectra, because he did not want to look too bad — because where was he? Also in Bob Smith's office. So we have this whole incestuous little group down there working together.

I know the CEO of Frankston very well. Prior to becoming CEO of the City of Frankston he was the CEO of the City of Mordialloc prior to amalgamation. From my knowledge he was and is a very credible CEO. He never played politics. He was straight down the line.

Mr Steggall — He worked at Frankston?

Mr LEIGH — No, we are talking about the CEO of the City of Frankston.

Mr Steggall — Yes?

Mr LEIGH — He was and is, to my knowledge, a very good CEO and a professional officer who did everything he could the right way. I am sure that when he sees the sort of comedy capers going on down in Frankston, he must be alarmed. The Labor Party has a history of this, and I have some knowledge of the history of these things at Frankston.

Mr Wilson — Tell us about it!

Mr LEIGH — I am going to! My recollections go back to a particularly corrupt city called the City of Oakleigh, which in the end was found to be so corrupt that the residents threw out the Labor Party. That city was run through the garbage department, which is very fitting for the Labor Party. In those days the garbos ran the city through the union. You can then go across the river to what was then the City of Footscray, which has out of that council — —

Mr Nardella — On a point of order, Deputy Speaker, I do not mind the debate being wide and broad, but the matter is not about the City of Yarra or the City of Oakleigh, and I ask the honourable member to bring his comments — and I am happy for him to talk broadly about the issues — to the matter before the Chair.

Mr LEIGH — On the point of order, Madam Deputy Speaker — —

The DEPUTY SPEAKER — Order! What is the point of order?

Mr LEIGH — Mine are passing comments, but they show a pattern that has led to this particular matter. Therefore I believe my comments are clearly relevant to what is going on.

The DEPUTY SPEAKER — Order! I uphold the point of order. I believe the honourable member for Mordialloc has strayed too far away from this matter of public importance. I ask him to return to the matter.

Mr LEIGH — I am disappointed by your ruling, but I accept it. My point is — —

Mr Wells — What about Richmond?

Mr LEIGH — My point is that there is a whole series of councils around this city. Indeed there was almost a royal commission into the City of Richmond, and there are documents that are about that thick that prove it to be a corrupt city. The City of Footscray was corrupt. The City of Oakleigh was corrupt. And we go on to Frankston — —

The DEPUTY SPEAKER — Order!

Mr LEIGH — I know! I am sorry, but I am saying the pattern of this leads from one element over here and follows right around the bay to Frankston — —

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc will return to the matter of public importance!

Mr LEIGH — With great respect, Madam Deputy Speaker, I am sticking to the point. As you move around the bay and watch this process, it winds up in Frankston. Unfortunately Labor has only got one council to go on the other side before it is the sea! What this has shown again today is Labor Party members behind the scenes doing grubby deals to assist themselves. The question is: why would the honourable member for Frankston East be doing these things if he were doing them? That is what this inquiry found.

Mr Nardella interjected.

Mr LEIGH — I can tell you why — because the Labor Party — —

The DEPUTY SPEAKER — Order! Through the Chair!

Mr LEIGH — The Labor Party was seeking developers off the side and saying, ‘Listen! Give us a brown paper bag so we can have some money for campaign funds’.

Mr Nardella — Rubbish!

Mr LEIGH — Why were the phone calls being made to Premier Bracks’s electorate office? Who is the candidate for the Frankston electorate? It is none other than the electorate officer of the Premier!

Do honourable members seriously think that in a boss–employee relationship, when Premier Bracks goes around to his electorate to talk to the ALP candidate for the seat of Frankston, who is involved in all of this, the

Premier never talks to him about it? I do not believe that.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc is imputing incorrect motives to a member of Parliament. I ask him to be extremely careful.

Mr LEIGH — I am — —

The DEPUTY SPEAKER — Order! I remind the honourable member for Mordialloc that he is required to take guidance from the Chair whether he agrees with it or not. In my view he was impugning honourable members of this house. I ask him to return to the matter of public importance and keep in mind the provisions of standing order 108.

Mr LEIGH — Absolutely! You are entitled to make your recommendations, Madam Deputy Speaker. I guess I am also entitled, in a democracy — —

Honourable members interjecting.

Mr LEIGH — If you really want a free and open debate, you hear the truth. I know what happens in my office, or let’s say in the office of the honourable member for Frankston East or the honourable member for Frankston; do they seriously think that a boss and an employee — two honourable members, the honourable member for Frankston East and his staff — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc will sit down!

Mr Nardella — On a point of order, Deputy Speaker, I ask you to direct the honourable member to stop making imputations upon another honourable member of Parliament. It is inappropriate.

The DEPUTY SPEAKER — Order! I ask the honourable member for Mordialloc to come back to the matter — —

Mr LEIGH — The — —

The DEPUTY SPEAKER — Order! It is very impolite and disorderly for the honourable member for Mordialloc to commence speaking and debate the issue with the person in the chair before the person in the chair has finished speaking. I ask the honourable member for Mordialloc to come back to the matter of public importance before us and be mindful of standing order 108.

Mr LEIGH — Well, I am. What I am simply saying is that in any electorate office, whether it be the office of the honourable member for Frankston East, of the honourable member for Frankston, of the honourable member for Bennettswood, yours, Madam Deputy Speaker, as the honourable member for Essendon, or of the honourable member for Dandenong over here, we all talk to our staff and those involved in the electorate office. So the fact is, no matter what anybody says I am not necessarily impugning the Premier or anything, I am simply saying that in discussions in electorate offices in politics we talk about issues such as fundraising, where we think we are going to get the money for the campaign, letterboxing, what press statement we are going to put out, and say, ‘Oh, I got a phone call from a developer’ — all those types of things are relevant to this inquiry.

The honourable member for Geelong, the honourable member for Geelong North and other honourable members have come into this house and said, ‘There’s nothing to it!’. Well, if there is nothing to it, why is the honourable member for Frankston East not now a parliamentary secretary? He is not because somebody thinks there is something that is not right — and they are making scurrilous accusations against the honourable member for Mildura because he stood up to them. Now the Premier says there is an inquiry in place. He was dragged kicking and screaming to put this in place, and as a result of that — —

The DEPUTY SPEAKER — Order! The honourable member’s time has expired.

Ms GILLETT (Werribee) — I must say it is not usually my experience, having listened to any of the contributions made by the honourable member for Mordialloc, that there is anything intrinsically sensible, enlightening or unique in them, but he has strangely and uniquely asked a very sensible question. I think it is the first time in six years that I have heard him ask a sensible question, but that question probably deserves an answer. The honourable member for Mordialloc wants to know, because it is totally inconceivable to him, why the honourable member for Frankston East would have stood down in the face of the witch-hunt that has been carried out against him in the upper house for the last many months. The answer is simple.

Mr Leigh — On a point of order, Madam Deputy Speaker, the honourable member for Werribee has described the upper house as conducting a witch-hunt, and I think that is an inappropriate comment to make about a parliamentary inquiry that is going on. Given that you, Madam Deputy Speaker, have made certain rulings concerning me, I would assume that you are

going to follow exactly the same course and watch very carefully when one honourable member in this chamber is impugning a group of honourable members in another chamber who simply conducted an inquiry.

The DEPUTY SPEAKER — Order! There is no point of order. I think that if the honourable member for Mordialloc cares to check the report of this morning’s proceedings he will find that honourable members of his party used similar expressions in their part of the debate as well.

Ms GILLETT — If the honourable member for Mordialloc takes exception to my referring to the upper house conducting a witch-hunt, perhaps I could help him a little by saying that it is actually a witch-hunt by the Liberal Party — a consistent witch-hunt by the Liberal Party.

I was explaining in answer to this unique and isolated occasion when the honourable member for Mordialloc has asked a sensible question that the honourable member for Frankston East has something that the honourable member for Mordialloc can only ever inspire to having, and that is integrity, decency and the real courage to stand in the face of this onslaught and say, ‘Well, if allegations have been made, however inappropriately, falsely and inconclusively, I will nonetheless remove myself from the equation so as not to damage my colleagues and my government’, which I know the honourable member for Frankston East supports wholeheartedly and with all of his energies and efforts.

I add my congratulations and thanks to the honourable member for Frankston East on conducting himself in these difficult matters with such integrity and dignity. It stands him in remarkably good stead. The contrast between his behaviour and the behaviour of people such as the honourable member for Mordialloc bears no comparison. It is wonderful to be part of a government and a caucus with members who behave in such a dignified manner and with such outstanding integrity. That is reflective of the government’s leadership.

The actions of this government simply demonstrate its commitment to accountability and transparency. We do not ask people to listen to what we say, we ask them to judge us by what we do. The government’s behaviour in this matter has been unquestionable in that it acted immediately and in an appropriate way to take the appropriate steps to bring this matter finally to a conclusion.

I refer to the background of the matter. A municipal inspector has been conducting an investigation into the

possible leaking of confidential council information following a request from the chief executive officer of the Frankston City Council in October 2001. The inspector sought expanded terms of reference to investigate issues related to this ongoing inquiry into the council. The Minister for Local Government, being the fine minister he is, agreed to that request. The inspector also sought the assistance of a person with relevant legal expertise. The minister agreed to that request.

The honourable member for Frankston East was concerned that he had become the subject of an ongoing and disgraceful smear campaign over this issue so he determined it was most appropriate for him to stand down pending the outcome of the inquiry, which could take a couple of months. At all times the government has done everything it could in as timely a fashion as it could to make sure that the issue was examined appropriately and quickly. The contrast with opposition members and those who formed part of the last government could not be starker.

Both the municipal inspectors are decent and upstanding experts who are above reproach. The existing inspector, Kelvin Goodall, has been an inspector for six years. He was originally appointed by the Kennett government, by the former Minister for Planning and Local Government, the Honourable Rob Maclellan. The new inspector, Chris Wren, has been a barrister for 25 years with direct experience in local government and planning law. He was appointed twice as a municipal inspector by the Kennett government. He is familiar with the Frankston City Council, having undertaken an investigation in 1999 into various planning issues and procedures of that council. The attempt by the Leader of the Opposition to damage those men's reputations was a disgrace and demonstrated his complete lack of integrity and his desperate desire to prove his relevance. To seek to damage those two highly reputable gentlemen is an absolute disgrace.

The expanded terms of reference, which were released yesterday, address all the issues raised by the inspector in his progress report to the minister. They are very broad and allow an extensive and thorough investigation of all issues surrounding the Frankston matter. Specifically, in case opposition members have not read them or perhaps are not interested in the truth, the expanded terms of reference provide the inspector with the capacity to determine whether confidential information concerning the Frankston development was provided to the honourable member for Frankston East; and whether there have been any breaches of the Local Government Act, and if so by whom, which is a

fundamental matter that the Legislative Council inquiry could not and did not deal with. Given that select committees have almost the powers of a standing royal commission, I find it extraordinary that it could not acquire the evidentiary material it needed to do more than suggest there may have been or could have been, or say 'seems to suggest that'. It is a completely unsatisfactory use of a select committee.

The expanded terms of reference provide additional room for any other matters arising under other legislation that might require further investigation. The extremely broad terms of reference will allow an extensive and exhaustive examination of all the issues, including those concerning the honourable member for Frankston East.

The powers of the inspectors are also broad and are similar to those of a magistrate. An inspector can examine or investigate any matter relating to a council's operations and any possible breaches of the Local Government Act. An inspector can require a person to produce any document that relates to any matter under investigation, and give evidence or answer questions under oath in person. An inspector has the power to administer the oath and to take possession of any document given to him or her by witnesses. A person appearing before an inspector is entitled to be represented by another person, and an inspector has the full power to refer any matter to the police if he thinks it is appropriate.

In conclusion I refer to the Legislative Council select committee which was established to inquire into these matters. Everybody knows it was a political stunt from day one aimed at muckraking in the lead-up to the federal election. It produced nothing but speculation and innuendo. It produced no conclusive evidence to substantiate who was responsible for the possible leaking of information, and it chose to ignore the evidence of several key witnesses, including the chief executive officer and the council's probity auditors, Pricewaterhousecoopers, both of whom supported a signing off of the tender process to that point.

The Leader of the Opposition now says there needs to be an independent judicial inquiry, yet his own upper house inquiry did not recommend it. In fact, it recommended the matter be investigated by the municipal inspector — —

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

Mr STEGGALL (Swan Hill) — Mr Acting Speaker — —

Mr Hardman interjected.

Mr STEGGALL — Isn't that nice. Before I start my integrity is challenged. I will put a few things on the table which might help the honourable member for Seymour. I thank him for recognising that I am here in my integrity!

The role of the upper house in this matter has been very good. Upper houses have a function to perform in such matters. A lot of contributions to the debate today have tried to belittle the upper house. Did you ever move an upper house inquiry when you were in opposition?

Mr Nardella — Yes, I did.

Mr STEGGALL — And didn't you get it through? You have to go out and get your numbers, old-timer!

The debate today has vindicated the role of the upper house. I listened with interest to government members who said there is no evidence and no issue, that this has been a bit of a whitewash. I hope government members will read some of the contributions to the debate, particularly that of the honourable member for Cranbourne, and learn what the issues are and what needs to be examined in this place.

One of the problems that the Labor Party has always had is its involvement in local government — that involvement has always been a problem to the Labor Party in the City of Melbourne and the metropolitan area.

They do not get involved so much in the country, where local government is very different, but the involvement of the ALP in municipal elections and the functions of councils has led to a lot of embarrassment over the years, and this is another one of those areas where this is happening. You can only get away with saying that nothing has happened and it has all been wrong until you get to the stage where a parliamentary secretary has resigned, resulting in an inquiry to which a local government inspector and a barrister have been appointed.

I take up the point of the honourable member for Werribee, who was worried that the upper house and members on this side of the Parliament were damaging the reputations of the local government inspector and barrister appointed to the inquiry. The point is that that inquiry is to report to the minister on 30 April, and the minister must then make his decision. Following the 30 April report we will probably have a further discussion on those issues raised in the report which have not been fully examined. The reputation of those people is not being impinged upon at all. It is the power

that inquiry has to carry out its investigation that will be its shortcoming. If you listen to the information that has been forthcoming this morning, you would be aware that there are many issues that go beyond the investigative powers of that inquiry, so that is the reason for our support of the matter of public importance.

This Minister for Local Government has not become involved in these issues. As the honourable member for Prahran said this morning, the minister has created a problem by letting this issue go so far. It should have been cleaned up and he should have intervened a lot earlier. We on this side of the house go into this challenging the ability of the inquiry to go to the depths that are needed to achieve a proper resolution. There is no doubt that Frankston is in a mess, and that it has been a mess for a long time. This is about a multimillion dollar deal. The local government process seems to have been flawed, and political involvement has muddied the waters. As I said, the ALP has always been very keen to involve itself very closely with local government. This is one of those areas where it is now going to have to — —

Mr Nardella interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Melton will get the call if he bothers to stand at the end of the contribution of the honourable member for Swan Hill.

Mr STEGGALL — Labor is now going to have to guarantee that the proper processes took place at that time. It was interesting that today the honourable member for Geelong and even the minister did not at any time defend the parliamentary secretary. The only one who defended the honourable member for Frankston East was the honourable member for Springvale. He was the only one who came through with any defence. The minister gave a less than impressive explanation of what had happened and what is currently going on. It would appear that there is no support for the honourable member for Frankston East among the ALP, apart from the honourable member for Springvale. We look forward with a lot of interest to the next month or so of the inquiry.

Irrespective of what the report says, I believe the government would have been far better placed had it taken a judicial course rather than set up a local government inquiry, purely because of the embarrassing situation this minister will be in when the report is tabled. No doubt any arguments in there which have not been thoroughly investigated because of the lack of powers of that inquiry will be challenged in this

place. Bearing in mind the comments raised today, when the Minister for Local Government gets that report and it is properly scrutinised, he will have a very difficult time.

Mr NARDELLA (Melton) — Let me make it clear to the Deputy Leader of the National Party that every single member of Parliament on the government benches — remember we are on this side, you are in the opposition — supports the honourable member for Frankston East. Let me make that clear in case it did not get through his thick head. This matter of public importance is a grubby, gutterlike, farrago of allegations put together by the opposition and supported, unfortunately, by members of the National Party, who are also being shown to have no integrity.

Let me give honourable members one example of the lack of integrity on the part of the members of the opposition. In making his grubby, gutterlike allegations the honourable member for Mornington attacked Steve Luby for being a bagman or something along those lines. I want to make it clear to opposition members that there is no brown paper bag like there was on the Crown Casino tendering fiasco during their term in office. There are none of those allegations in the report tabled in the house. No evidence has been presented of any brown paper bag anywhere — and yet the honourable member for Mornington attacked somebody on his side!

The honourable member attacked Steve Luby, a person of great integrity and the Gandel Retail Trust manager for Frankston. He should have known that Steve Luby attends all the breakfast fundraising club meetings of the honourable member for Frankston that are designed to help get her re-elected, and all the other functions held by the Liberal Party at the local level. Further, he attends the Liberal Party functions here in the city. We have the Liberals attacking one of their own, attacking somebody with integrity and a trusted businessperson in that region. These are the grubby depths that the Liberal Party will go to in this process. It is a disgrace.

However, this is all about the opposition going after an honourable member in this chamber — and members opposite were going after him before the last federal election. That attack was led by the honourable member for Cranbourne, and I was present in the house when he was on his feet. Members opposite have pursued that honourable member relentlessly in this chamber, day after day, week after week and month after month, and they will not stop until they get him. However, I am not talking about the honourable member for Frankston East — I am talking about the Leader of the Opposition.

This is all about Liberal Party members posturing and putting themselves in a position to become shadow ministers when the leadership challenge comes and they finally dump the Leader of the Opposition. The matter before the house is nothing more than that.

Mr Smith interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Glen Waverley will have his opportunity if he cares to stand at the end of the contribution of the honourable member for Melton.

Mr NARDELLA — All you have to do is look at who stood up. We had the honourable member for Cranbourne, the honourable member for Frankston, and even the honourable member for Mordialloc. He wants to retain his position in the shadow ministry, but I do not think that will happen.

Mr Leigh interjected.

Mr NARDELLA — Even he is saying no to that; he does not want to stay on the front bench.

This process is not about policies, because the Liberal Party does not have any. It is not about the report that has been tabled in the Parliament or even about supporting opposition members in the upper house. What the report says and recommends has been put in place. We have a disinterested Leader of the Opposition who disregarded the report when it was released last week because it was irrelevant but who is now raising the high-jump bar. He does not accept that the report of the upper house inquiry says that a municipal inspector should go in because there was absolutely no evidence that any wrongdoing had occurred.

Mr Smith interjected.

Mr NARDELLA — There has been no evidence presented of any wrongdoing. Honourable members on the other side say there is evidence of phone calls. Of course there are phone calls! Honourable members opposite make phone calls every hour of every day of the week. They have presented no evidence to this house, and they presented no evidence of any wrongdoing to their own committee, and yet they want to come in here and say there is something wrong.

Another interesting aspect of this matter of public importance is that it shows the opposition is lazy. Members opposite have had 2½ hours to present evidence to the house regarding any wrongdoing, yet they have not done it. They do not have the grey matter — and it also means doing the hard work. They would have to go out there and do some investigation

and some hard work, and that is beyond them. The only person who did some hard work in the previous government was the former Premier.

Mr Leigh — On a point of order, Mr Acting Speaker, given that the Deputy Speaker has ruled consistently that members should stick to the debate before the Chair, talking about whether the opposition is lazy or otherwise is moving away from the issue. I ask you, Mr Acting Speaker, to simply bring the honourable member back to the relevant point.

The ACTING SPEAKER (Mr Kilgour) — Order! I uphold the point of order. I ask the honourable member for Melton to adhere to the matter before the Chair.

Mr NARDELLA — We have heard opposition members calling for a judicial inquiry. They do not know what a judicial inquiry is; that is how lazy they are. They had an inquiry, and they have, through the upper house, a report called the *Select Committee of the Legislative Council on the Frankston Central Activity District Development — Report*. They have had their opportunity to get into the gutter and seek the evidence and ask the questions. But they could not do it, because there is no evidence and no foundation for any of the allegations in this matter of public importance or in anything members opposite have said today. Instead they come in here and whinge and whine about integrity, accountability and the other things they never had in government and still do not have in opposition.

Labor asked for 34 inquiries, including one into Intergraph. We saw \$34 million go down the toilet with Intergraph, but members opposite did not have an inquiry. And what about the Guangdong shares affair? Did they have an inquiry into that? Of course not.

Mr McArthur — On a point of order, not only is the honourable member wrong, but there was actually an inquiry — —

The ACTING SPEAKER (Mr Kilgour) — Order! I do not uphold the point of order. The honourable member for Melton, concluding his contribution.

Mr NARDELLA — What about the KNF affair? The Premier actually had to come in here and save his own seat using section 62 of the constitution. But did they have an inquiry? Did they have the integrity or the guts to put that in place? No, they did not — and they stand condemned for it.

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

Mr SMITH (Glen Waverley) — I support the matter of public importance, which calls for an independent judicial review to thoroughly investigate the tender process at Frankston. It has been a fascinating debate throughout this morning. We saw the Attorney-General throw up a smokescreen, and what a whitewash we have heard from various other Labor Party members as this debate has gone by.

The fascinating part is that they have brought up nothing of any substance, whereas what has been brought up on this side of the house has had substance throughout. If there were no substance to any of these allegations there would not have been the enormous media interest we have seen to date. It is fascinating that in her approach last night to the story printed on page 3 of today's *Herald Sun* regarding the Monash council, the government spokeswoman, Melissa Arch, said that allegations should be raised with the Office of Local Government and the police.

Bringing things up with the local government office is just one way of doing things. The main thing we are calling for is not just for the police to investigate this but that it go to a judicial inquiry. When the Premier was asked yesterday about whether the interim report would be released he said there was a letter but that he did not know about the interim report. The report has been released, and it is fascinating to see so many white-outs, blanks and gaps because of things that have been left out. They say they are open and accountable, but they are not.

Mr McArthur — It has been doctored.

Mr SMITH — 'Doctored' is the word for it. It has been doctored completely to try to deceive the media, but the media has not been deceived. This is the biggest story to have hit the Bracks government to date. This story is going to be the beginning of the end of this government.

Last night an honourable member for Waverley in the other place, Maree Luckins, brought up the point about the link with Cr Lake, the new mayor of Monash, who worked in the office of the honourable member for Frankston East. He is now being accused of blackmailing another Labor councillor in the area, Cr Felicity Smith. It is fascinating, whether right or wrong!

Honourable members interjecting.

Mr SMITH — We knew we would get them in, and they are coming in — —

Mr Batchelor interjected.

The ACTING SPEAKER (Mr Kilgour) — Order!
The Minister for Transport!

Mr Stensholt — On a point of order regarding relevance, Mr Acting Speaker, we are talking here about Frankston, not about Monash.

The ACTING SPEAKER (Mr Kilgour) — Order!
I do not uphold the point of order.

Mr SMITH — No wonder he is sensitive about it. I do not have the time to go into that, but what do we find in this same statutory declaration from Cr Morrissey, the former mayor? The honourable member for Burwood is mentioned in this one too — and we can give him a look at it. No wonder he is so sensitive.

The point is that the government does not know what it is doing. It is running around in circles, releasing reports that are doctored and not being accountable, which it claimed it would be when it got into government. The speech by the Minister for Local Government was just a waste of time, and all the Attorney-General and chief head kicker did was try to throw up a smokescreen. This has a stench about it.

The ACTING SPEAKER (Mr Kilgour) — Order!
The time for discussing the matter of public importance has expired.

MELBOURNE CITY LINK (FURTHER MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) introduced a bill to amend the Melbourne City Link Act 1995 and for other purposes

Read first time.

JEWISH CARE (VICTORIA) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill relating to Jewish Care (Victoria) Inc. and for other purposes.

Read first time.

ELECTRICITY INDUSTRY (AMENDMENT) BILL

Second reading

Debate resumed from 21 March; motion of Mr HULLS (Attorney-General).

Mr PLOWMAN (Benambra) — I will be brief in contributing to the debate on the Electricity Industry (Amendment) Bill, in much the same way as the bill itself is extraordinarily brief.

The bill consists of three clauses: the purpose clause, the commencement date clause, and one proposed section that has five provisions. I must ask why this was not introduced as part of an omnibus bill. Is it because there is so little government business before the house that the government must treat such a small provision as this as a separate bill? It does not make any sense at all. Why would you want legislation of this sort coming before the house when it is just a tiny amendment to the Electricity Industry Act? This is another indication of a government that is not doing anything.

Mr Perton interjected.

Mr PLOWMAN — I take up the interjection by the honourable member for Doncaster in saying that this is an opportunity for the government to say it is doing something about greenhouse gas emissions. This bill does absolutely nothing towards reducing the amount of greenhouse gas emissions.

This is a minuscule bill, which I will not take any time over at all. It is a minuscule bill that deserves little time. It is a minuscule bill that achieves absolutely nothing in respect of the reduction of greenhouse gas emission.

As I said, clause 3 inserts proposed section 23A, with five provisions, and I will run through each of them briefly. Proposed section 23A(1) states:

A licence to sell electricity is deemed to include a condition requiring the licensee to include in each bill issued to a customer for the supply or sale of electricity the information concerning greenhouse gas emissions connected with the generation of the electricity ...

That is laudable because all of us, as consumers, need to know what the government is doing about reducing emission rates. I am sure my friend and colleague the honourable member for Doncaster will go into that in much greater detail because of his great knowledge about greenhouse gas emissions.

However, at present only about 14 licensees hold retail licences for the distribution of electricity. This deemed

provision is a strange way of introducing a condition to a licensee that is part of the contractual arrangement it has with the government. Clearly, this is an oversight and something that the government should have introduced at an earlier stage when it was looking at licence provisions. The only way it can do that is to have it as a deemed provision, so that for the licensee to meet its licence obligation it also has to meet this provision — that is, that the conditions are required that a customer, when supplied with the bill, is also supplied with the information concerning greenhouse gas emissions directly related to the generation of electricity.

Under proposed section 23A(2) the commission must prepare and issue guidelines to those retailers, although I understand that the guidelines are unlikely to be available until the end of this fiscal year. The guidelines will be for minimum disclosure, and it is then up to those retailers, if they choose to, to enlarge on that and give further disclosure, and that disclosure is certainly permitted.

Proposed section 23A(3) states:

The Commission may amend any guidelines issued under this section.

That is sensible and needs no further comment.

Proposed section 23A(4) states:

The Commission must consult with the Sustainable Energy Authority Victoria before issuing a guideline ...

In practice the authority will prepare those guidelines for the government and the Essential Services Commission will be asked to formally approve them, but the authority will do the preparation.

The fifth and last issue dealt with in proposed section 23A(5) states:

The Commission must publish each guideline ...

Again, it is a sensible provision so the public will know what is to occur and how it will occur.

The Liberal Party consulted with all the licensees, the distributors, the generators and the leading advocacy groups. We received no opposition to this inclusion, except that a few distribution companies asked, 'Why does this government automatically assume that the retailers should meet the cost of what is little more than a public relations exercise?'. Clearly, that is all that this bill is. The bill is a public relations exercise by this government trying to show the public that it is doing something to reduce greenhouse gas emissions. The government is not reducing emissions at all by the

actions it is taking. Although the government is big on talking about its actions to reduce greenhouse gas emissions, something like this does absolutely nothing to improve the situation for all of us.

Mr HOWARD (Ballarat East) — I am pleased to be able to speak to the Electricity Industry (Amendment) Bill. Although the honourable member for Benambra suggests that this is just a cosmetic thing of no importance, this is a significant move by the government — it is in line with our election policies brought forward at the last election — which recognises that a significant range of actions has to take place to reduce greenhouse gas emissions, and that is the basis of this significant change.

Yes, in some ways it only requires a small change in the overall Electricity Industry Act, but it is a very significant change nonetheless because it ensures that the public gains a clearer understanding of what greenhouse gas emissions are all about. It ensures that people will then be in a position to take an interest and to recognise that even in their use of electricity in their own homes they are in some way a part of the greenhouse gas emission issue.

Either the young people in a family or all members of a family will be able to take an interest. As a result of this legislation they will be able to see on their electricity bills what their contributions to greenhouse emissions are, which is significant. That will ensure that the community understands the issue of greenhouse emissions and how they affect our lifestyles in this country and throughout the world — if they do not already understand the issue.

It will also ensure that as we move forward greater pressure will be placed on our electricity producers, and more broadly across our community, to reduce them.

Mr Perton interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Doncaster shall stop interjecting across the table. He will have the opportunity to join the debate later.

Mr HOWARD — There are two sides to this issue. One is about public education and public involvement in what is a very significant environmental issue for the Victorian community and the international communities. The second is about putting pressure on producers to look at ways they can reduce greenhouse emissions.

What is the bottom line? We ought to be concerned about global warming. It is an issue that has been

discussed for probably two decades, in particular when we first started to record data and see that temperatures around the globe were gradually rising. We need to do something about that.

Ms Pike interjected.

Mr HOWARD — Yes, some people are getting overheated in here. Temperatures are rising.

Mr Perton interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Doncaster shall cease interjecting.

Mr HOWARD — In 1992 a meeting in Rio de Janeiro of representatives from countries around the world looked at the issue.

Mr Perton — On a point of order, Mr Acting Speaker, the debate is very narrow and short. Obviously the minister and the lead speakers for the National Party and the Liberal Party have wider ambit in the debate, but is the honourable member for Ballarat East to spend his allocated 20 minutes talking about the Rio summit and 20 years — —

The ACTING SPEAKER (Mr Kilgour) — Order! I have heard enough on the point of order. It is not up to the honourable member for Doncaster to suggest the debate should be short. The honourable member on his feet can decide how long he would like to debate the bill. At this point he is being relevant. I ask the honourable member for Ballarat East to continue his contribution.

Mr HOWARD — It is vital that the background to the legislation is understood. Whenever legislation is being debated its key aspects need to be discussed and understood. As the house is aware, when any legislation is discussed it is not just the words in the legislation that are being discussed but the reasons for it, so that everyone understands why the legislation is important.

As I was saying, we know that the world community first came together significantly on this issue in Rio in 1992. That was followed by what has become the most notable of the meetings of the international community in Kyoto, Japan, in 1997. As a result of that, the world now has the Kyoto protocol.

That requires countries to look at reducing their greenhouse emissions by in the order of 5.2 per cent on 1990 levels and their having until the end of 2008 and 2012 to achieve that. Since then there have been a number of meetings around the world to try to get

countries to be signatories to the Kyoto protocol and to further work out how we can ensure that countries will take this concept seriously — how they will take action to reduce greenhouse gases and how this can best be done. I will not go into the issue of carbon credits, but there is a range of issues that are broadly based as to how we can best reduce greenhouse emissions.

However, on the evidence about global warming and climate change the Intergovernmental Panel on Climate Change (IPCC) recently published its third assessment report. I will read the details, because it is important that we get them right. It indicated that:

... globally averaged surface temperature is now projected to increase by 1.4 to 5.8 degrees Celsius from 1990 to 2100.

That is a significant temperature increase.

New evidence that most warming over the last 50 years is attributable to human activities.

1990s were the warmest decade and 1998 the warmest year in the instrumental records since 1961.

Sea levels are now projected to rise by 0.09 to 0.88 metres from 1990 to 2100.

Further evidence is being developed and is coming forward to show how serious it can be. We know that many negative impacts would occur around the world if global warming were to continue. Although I am the honourable member for Ballarat East and periodically in our cooler winter days I think, 'I wouldn't mind a bit of global warming, and if we did have a rise in our sea levels it would put us closer to the coast, which may be pleasant', we do not want to see such significant changes happen because they would cause massive social economic and environmental impacts that would be catastrophic for our whole world situation. We need to work seriously to reduce those.

There are other issues that we need to examine about greenhouse emissions. This legislation takes a significant step in ensuring the community understands where we are heading in this regard. Community education is a vitally important component. It is not just a matter of discussing theory among scientists, politicians and other well-educated members of the community regarding greenhouse gases but of making sure the whole community appreciates what the greenhouse issue is all about and why it is important to react; and more specifically, what they as individuals can do to see greenhouse emissions reduced. This is an important piece of legislation in that regard.

The government is working on a range of activities, and it will continue to work on them to ensure we can move to sustainability and to reducing greenhouse gases.

They relate in the electricity industry to trying to have more green energy and reducing the reliance upon carbon dioxide producing activities that are the basis of our electricity industry at the moment — that is, the coal-fired power stations, gas-fired power stations and other forms of producing electricity by combustion are clearly contributing to greenhouse emissions because carbon dioxide is, after all, one of the significant by-products of any burning or combustion process.

We need to try to reduce the amount of combustion or burning activity that takes place; therefore we need to build on opportunities for alternative energy. We know wind energy has been significantly developed under this government, and I trust that will continue to be developed so that we can have cleaner forms of energy. As we know, there are many other opportunities in alternative energy production, whether it be in tidal or other forms.

Counter to that we also need to have carbon dioxide sinks. The wonderful thing about nature is that there are two cycles that take place in the way plants and animals, or living things, operate. One is by respiration. By their daily activity humans and plants pump out carbon dioxide, and combustion processes carried on by burning pump out carbon dioxide and other greenhouse gases.

We need to use plants that carry out photosynthesis, because it reverses the process, using up the carbon dioxide and turning it into oxygen, thereby helping to reduce greenhouse gases. With the significant reduction of forests around the world there has been a significant reduction in the ability of plants to take carbon dioxide and greenhouse gases out of the air.

The amount of forestation taking place around the world needs to be increased. Hence, at other times in this place we have discussed the carbon credit system and increasing tree planting and other greening opportunities to reduce greenhouse gases.

Methane is another significant greenhouse gas — even more significant, because a molecule of methane is larger and has the effect of warming the environment more. It is harder to stop methane gas production, which is produced by the metabolism of animals, particularly, but we need to look at reducing that.

The honourable member for Doncaster might be getting concerned that I am straying more widely on this issue, so I will not talk any further about methane gas emissions. But they are issues that this government, and any government serious about reducing greenhouse gases, needs to work on. There are opportunities for

methane to be collected at waste management facilities, where it collects as a result of rotting garbage.

Mr Perton interjected.

Mr HOWARD — As the honourable member for Doncaster notes, when we see cattle — —

Mr Perton interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Doncaster will have his opportunity shortly.

Mr HOWARD — As the honourable member for Doncaster notes, one of the great producers of methane gas is the bodily production of animals. As the honourable member for Doncaster and everybody around this house knows, it is difficult to find a way of collecting this gas and recycling it. One way, as the honourable member for Doncaster has identified, is to find ways for cattle to more effectively utilise their food and produce less methane. But I defy the honourable member for Doncaster or anybody else to trail around behind cattle to try to catch their methane gas and have it recycled. I would like to see that one, though!

Honourable members interjecting.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Benambra has had his opportunity to make a contribution to the debate.

Mr HOWARD — Moving back more specifically to this bill, it will ensure that people will be able to see on their electricity bills what contribution their use of electricity has had towards greenhouse gas production. A significant amount of work has been done on assessing that, and it has developed to a phase where the government is confident that a figure can be put on that, and it will therefore require electricity retailers to put that piece of information on people's individual bills.

Most honourable members will have seen samples of how that information might be shown on their electricity bills. As people would be aware, their electricity bills generally show graphic information about their electricity usage over previous recording periods. The greenhouse gas disclosure will be shown in a similar column graph manner, which will mean that people will see how their electricity use over a period of time has contributed to greenhouse gas emissions.

The government is pleased to have worked with the electricity retailers in developing this system and has

had their cooperation in recognising that while it is a novel move, at the same time it is a significant move.

The honourable member for Benambra seemed to have problems with expecting the retailer to put that information on the bill. I fail to understand that point, when we know that at little expense retailers can do that. As it is within their graphics, it is simply a matter of their adding that information to the bills before printing them, which they have to do every bill-paying period. It would place on them a very minor but very useful requirement.

I am pleased the government has developed this innovative concept to a stage where it can now be initiated. I commend its officers and members of the electricity industry who have been working together to put this in place. I am pleased the government has looked at the range of ways it can address the significant greenhouse gas problem and has found some novel and important ways of bringing this issue down to the general community level. It has brought the greenhouse gas emission issue from the elevated level of academic debate where people in the community ask, 'What is all this about?' down to a level where the community can take a greater interest in and can over a period of time understand the issue, and has put in place an incentive to see greenhouse gas emissions reduced.

Although by way of the number of words it contains this is not a large or powerful bill, it is very significant. I completely reject the comments of the honourable member for Benambra to the effect of, 'Why couldn't we just wait and include this with another requirement to change the electricity act?'. That would have meant waiting unnecessarily. The timeliness of this bill is appropriate. Bringing it forward as a separate piece of legislation allows us to focus on the reason for it. It is all about helping to reduce greenhouse gas emissions.

This state is serious about following through with its responsibility to reduce greenhouse gas emissions. This government will continue to work in that way in the coming years and will encourage the federal government to take seriously its responsibilities for reducing greenhouse gas emissions and bringing the community along in that whole process. That is the important aspect of this piece of legislation, and I am pleased to commend the bill to the house.

Mr PERTON (Doncaster) — The Parliamentary Secretary to the Minister for Environment and Conservation should hang his head in shame during this debate. As the honourable member for Benambra rightly said, this piece of legislation ought to be part of an omnibus bill. Indeed, it ought to be part of an

implementation of the government's greenhouse strategy.

That begs the question: where is the government's greenhouse strategy? When it came to power it tore up the Kennett government's greenhouse strategy, which at that stage was the best in the country, with good funding and a large promise of increased spending as part of the last Liberal election platform. Today all one has to do is look at the government's greenhouse web site to identify the weakness. It says that the closing date for submissions to the government's greenhouse strategy options paper is 17 November 2000, and it invites people to consultation — I note the honourable member for Warrnambool is in the chamber — on 5 September. Of course it does not have a year, but as the honourable member for Warrnambool would be aware, the consultation was on 5 September 2000. On the web site consultation was listed for many towns around the state — all for 2000.

In other words, this miserable and lazy minister and this lazy parliamentary secretary have not done their work. For over two and a half years this state has not had a greenhouse strategy. For over two years this government has claimed it is working on a strategy. Bringing in this minor clause, which requires electricity companies to disclose the amount of greenhouse gases generated during the course of consumers' consumption of electricity, is a little piece of action which does not sit within any context, any plan or any strategy. This is a government that is desperate for some environmental qualifications.

The Premier obviously got on the phone and said, 'Sherryl, have you got anything at all on greenhouse?', and the minister probably said, 'Well, no, I don't'. The Premier then probably got on phone and said, 'Candy, can you do something?', and that minister would have said, 'Crikey, we'll put an extra line in the bill'. What solutions will there be for people to resolve their personal emissions of greenhouse gases? I must say this is absurd.

Ms Pike interjected.

Mr PERTON — The Minister for Housing is yabbering away, asking, 'Are you supporting the bill?'. Of course you would not oppose this bill, but you would have to say that any government that brought in this bill instead of a greenhouse strategy should be hanging its head in shame. It is no wonder that the Greens party has demolished them in the City of Yarra. It is no wonder that the Greens have a slogan in the seat of Richmond that refers to a Wynne/Lose strategy.

Ms Pike — On a point of order, Mr Acting Speaker, I know from previous rulings of the Chair that lead speakers are allowed to canvass issues in passing. I put it to you that the honourable member for Doncaster is straying far beyond that ruling — he is not canvassing issues in passing, but is — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Kilgour) — Order! I have heard enough on the point of order. I ask the honourable member for Doncaster to make his comments on the bill.

Mr PERTON — Indeed, I return to the bill — this miserable bill that fails to deal with the problem of greenhouse and instead puts an extra line or graph in a consumer's bill.

You would expect a government that wants green credentials to have a greenhouse strategy, and this government obviously does not. That is like its other promise to create an office of the commissioner for ecologically sustainable development — its major environmental promise — because there is not even a notice of motion on the notice paper about it.

What did the government promise to do in the field of ecologically sustainable development, which the greenhouse strategy is all about? It promised a state-of-the-environment report for Victoria. I can just imagine Sherryl and Steve, the conservation minister and the Premier, saying, 'Not before the election'. What else did the government say in its election promises? It promised an audit of the Flora and Fauna Guarantee Act. I can just imagine the public servant, Robert Begg, and conservation minister Sherryl Garbutt saying, 'Not before the election. Don't audit me, don't produce any document that would hold me to account'.

It is quite clear that in greenhouse strategy the government has done nothing. It cannot be held to account on anything because it does nothing. As the honourable member for Benambra rightly pointed out, the government introduced this paltry piece of legislation as a substitute for action on a greenhouse strategy. I suspect that the time the greenhouse strategy will be released will be weeks before an election campaign. The government will then produce another glossy document, another fine strategy statement, but the difference between Liberal and Labor on the environment is that Labor waffles and produces strategy documents but it does not take action. If there is one thing the Liberal Party is known for in respect of the environment, it is action.

Ms Pike interjected.

Mr PERTON — I am happy to debate marine parks with the Minister for Housing in this Parliament and on any platform out there, and I am happy to start today if she likes. Mine is a short contribution, because this is a short bill that deserves a very short debate in this house.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.04 p.m.

DISTINGUISHED VISITORS

The SPEAKER — Order! It gives me great pleasure to welcome to the Parliament of Victoria today distinguished members of the regional parliaments of Italy. They are: Dr Gava and Dr Sottana from the regional parliament of Veneto; Dr Santaniello and Engineer Scianameo from the regional parliament of Puglia; and Professor Nicolais and Dr Ruffo from the regional parliament of Campania. Welcome, gentlemen.

Honourable members applauded.

QUESTIONS WITHOUT NOTICE

Frankston: central activities district development

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to the fact that he said on radio yesterday morning that he had received a progress report into the Frankston City Council tender corruption scandal and to his response in the house yesterday, when he said there was no such report but simply a letter, which he initially said had been released and subsequently said would be released. I now note that the government has found the report, without the letter, and I ask: why has this honest, open and accountable government deliberately deleted 5 of the 13 items from the progress report released yesterday?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. I think in the last question that was asked of me yesterday I indicated that the letter which I thought had been released would be released, and we did release it. I also indicated that those matters which might prejudice or which might be deemed by the inspector to prejudice the future inquiry would be deleted. I mentioned that to the house yesterday.

The Leader of the Opposition made a preliminary comment about the openness and transparency process

of this government. All you need to do is compare it with the last government.

Honourable members interjecting.

Mr BRACKS — You have to ask the question — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Glen Waverley is being disorderly.

Mr Perton — On a point of order — —

Mr Batchelor interjected.

Mr Perton — Mr Speaker, firstly I ask you to ask the Leader of the House to withdraw the comment he has just made.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order so we can all hear the proceedings. The Chair is asked to make rulings on matters that sometimes are not heard by the Chair and certainly not by other members. The Chair needs to hear what is being said.

Mr Perton — On a point of order, Mr Speaker, the Premier is debating the question, which was quite clear — why has the Premier not released the document? — and he is now heading off on a different tangent.

The SPEAKER — Order! I am not prepared to uphold the point of order raised by the honourable member for Doncaster. I am not of the opinion that the Premier was debating the question.

Mr BRACKS — You have to ask the question whether the Liberal Party, when it was in government, would have taken the action to have an inquiry under the Local Government Act. No, it would not. Would it have had a parliamentary secretary stand aside, as the honourable member in this case volunteered to do? No, it would not.

Honourable members interjecting.

Mr BRACKS — What about KNF and the Guangdong shares, and what about all those events and scandals which they stood by?

Mr McArthur — On a point of order, Mr Speaker, the Premier is now very clearly debating the question. I ask you to draw him back to answering it.

The SPEAKER — Order! I ask the Premier to come back to answering the question.

Mr BRACKS — In conclusion, I am very proud of the fact that this government has taken action. We have instituted new terms of reference for an inquiry. The parliamentary secretary has stood down while that inquiry has gone on. You only have to distinguish that action from those of the previous government to see how the standards are different.

Questions interrupted.

ABSENCE OF MINISTER

The SPEAKER — Order! I wish to advise the house that I have been informed that the Minister for Finance will be absent from question time. The Treasurer will answer questions directed to the Minister for Finance.

Questions resumed.

Timber industry: resource security

Mr RYAN (Leader of the National Party) — I direct my question to the Premier. Given that it is now almost four weeks since the timber industry protest at Parliament, and given also that a key request of the industry was for legislative protection of hardwood resources — a request that the government said it would look into — has the Premier looked into it and is he going to do it?

The SPEAKER — Order! I ask the Leader of the National Party to rephrase the latter part of his question so that he can conform with the requirements of this chamber.

Mr RYAN — Has the Premier looked into it and is his government going to do it?

Mr BRACKS (Premier) — The Leader of the National Party is referring to a number of matters, including the need for legislation to enable a prescribed area to be enshrined in legislation for forestry. That is what he is referring to. We have indicated from the very start that we will consider that matter as part of a package. We are much more persuaded to review the total forestry legislation, which is well overdue. As part of that process we will have further discussions with the industry on that matter.

We have to remind ourselves of why the problem was there. At least the Leader of the National Party has been honest enough to say in this house that previous

governments mucked up on this when they should not have. I commend him for saying that and for having the guts and fortitude to do so. The Liberal Party is yet to apologise for what it has done: signing up to licences from which there was no yield. It has unceremoniously — —

Mr Perton — On a point of order, Mr Speaker, the Premier is debating the question. I ask you to bring him back to order.

The SPEAKER — Order! I am not prepared to uphold the point of order raised by the honourable member for Doncaster. I will continue to hear the Premier.

Mr BRACKS — My final point is that this government has taken action on receipt of information to ensure we have a sustainable forest industry in the future. It will be the first government to do just that — to be open, to be transparent and to ensure action is taken.

At least the Leader of the National Party recognises it, but the previous administration, the Liberal Party, signed up to these leases when it knew the yield was not there. It signed up when the leases were not there. It should apologise to the public of Victoria and to industry. It caused the pain which we are attempting to fix.

Biotechnology: government investment

Mr ROBINSON (Mitcham) — Will the Premier inform the house of the latest action the government is taking to ensure Victoria is well positioned to grasp the opportunities of the biotechnology revolution and, in particular, to ensure Victoria becomes one of the world's top five biotechnology locations by 2010?

Mr BRACKS (Premier) — I thank the honourable member for Mitcham for his question and his continued and sustained interest in ensuring that we have new leading-edge industries in this state, including biotechnology, which is an important industry in Victoria.

As the honourable member for Mitcham mentioned, last year we released at the biotechnology conference in San Diego — when I say 'we', I was with the Treasurer and Minister for State and Regional Development at the time — our biotechnology plan for Victoria. Its centrepiece is the ambition that we want this state to be amongst the five top biotechnology locations in the world by the year 2010. I am pleased to report to the house that we are well on the way to achieving that aim.

If you look at the total biotechnology industry in this country, you see about 40 per cent of it occurs in Victoria, principally in Melbourne but also in Geelong and some of our regional centres, yet we represent something like 25 per cent of the population and 25 per cent of the economy. Over the next five years — to 2004–05 — we will be investing some \$320 million in science, in technology and in innovation in the biotechnology industry as part of our commitment to ensure that it has the right structure, the right infrastructure and the right investment in the future.

We are also providing \$100 million towards a significant investment for a synchrotron, which will be located at Monash University. This will be the first such large synchrotron in the Southern Hemisphere. The only other nearby one is a small one I visited recently in Singapore. This will be extensive and will enable world-class research to be undertaken. For example, the bionic ear was developed, marketed and sold in and exported from Victoria. The synchrotron used in its development was located in the United States. In future we will use our own, and that will be an important part of our research.

Mr Perton interjected.

The SPEAKER — Order! The honourable member for Doncaster!

Mr Perton interjected.

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

Mr BRACKS — I am also very proud of the fact that we have responded to the request to locate our biotech industries on a Parkville site in the new Bio21 precinct, which will be a real winner for our state.

Victoria is also a leader in the commercialisation in Australia of the biotechnology industry. Biocom, which is advising and supporting on the right time to take research into commercial activity, is a world leader in deciding on that matter in the future. We learnt that in San Diego.

The matter I referred to yesterday on stem-cell research is a crucial part of the whole biotechnology industry. The use of embryos which are not used in the reproductive process will play a very important part in future research.

I am very proud, and I want to praise the members of the Labor Party behind me, for having a proper and open debate on that yesterday and for agreeing for the first time in more than a quarter of a century to have a

conscience vote on the matter. I congratulate the members of my party for doing that.

I would hope that that debate is one every member of Parliament can have a conscience vote on, because this is important for our scientific community, it is important for consistency and it is important to redress the 1995 act, which is inappropriate now. Our support for the biotech industry in this state is unparalleled. We want to achieve by 2010 leadership as a location — one of the top five in the world.

Frankston: central activities district development

Dr NAPTHINE (Leader of the Opposition) — Given that the Premier has deliberately deleted five sections of the progress report into the tender corruption scandal at the Frankston City Council, I ask —

Honourable members interjecting.

The SPEAKER — Order! I ask the Treasurer to cease interjecting.

Dr NAPTHINE — In answer to the interjection, we will cut payroll tax by 10 per cent, not be the highest taxing state, like you've got it!

The SPEAKER — Order! Similarly, I ask the Leader of the Opposition not to take up interjections. The Leader of the Opposition, asking his question.

Dr NAPTHINE — Given that the Premier has deliberately deleted five sections of the progress report into the tender corruption scandal at the Frankston City Council, I ask the Premier: do any of the deliberately deleted sections contain any reference to the conduct of the honourable member for Frankston East?

Mr BRACKS (Premier) — As I indicated in my comments yesterday, and reaffirm today, those matters were excluded in order not to prejudice the inquiry which is being undertaken.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Glen Waverley!

Mr BRACKS — In answer to the direct question of the Leader of the Opposition, 'Do they relate to the honourable member for Frankston East?' — that was the question, was it not? — the answer is no — no, they do not.

Road safety: toll

Ms GILLETT (Werribee) — Will the minister responsible for the Transport Accident Commission, the Minister for Workcover, advise the house what action the government is taking to reduce the number of accidents on our roads, and in particular during this Easter long weekend?

Mr CAMERON (Minister for Workcover) — Honourable members of this house and the Victorian community are very saddened that last year 451 people were killed on Victorian roads and over 6300 people were seriously injured. The road toll is a very sensitive issue in the community and requires a shared responsibility across the whole community to bring about a reduction, which we all so earnestly want.

Last November the government launched the Arrive Alive strategy, where we sought to bring about a reduction in the road toll. Last Easter, 7 people were unfortunately killed on Victorian roads and 109 people left that Easter long weekend with serious injuries. That was a 22 per cent increase on the year before. For one quarter of those people involved, fatigue was a major contributor to the death or serious injury. Fatigue is one of the most difficult issues to tackle when it comes to road safety. It is difficult from an educational point of view and difficult from an enforcement point of view, because, unlike drink-driving and speeding, it is not a punishable offence and does not have the same social stigma attached to it as drink-driving and, increasingly, speeding.

The government recognises that sleep deprivation is a killer on our roads and as a result is very dangerous. During the lunch break I joined with the Minister for Police and Emergency Services, the Transport Accident Commission and the Victoria Police to launch the TAC's pre-Easter fatigue campaign. There are three new advertisements, which will go to air from tonight, which show the horrific effects of nodding off, even momentarily, when behind the wheel. We know from research that fatigue is subtle, but it is a deadly condition. A driver who has not had any sleep for 17 hours is impaired to the same extent as someone with a blood alcohol content of .05. Just like drink-driving, fatigue is also preventable. This campaign will run for two weeks over Easter and during the school holidays.

Also at the start of Easter is the start of the Australian Football League season.

Mr Steggall — And the Swan Hill league.

Mr CAMERON — And the Swan Hill league, but if the honourable member for Swan Hill is watching the AFL tomorrow night he will see speeding and drink-driving featured in a way that will highlight that issue with Victorians. This is a community responsibility. It is a responsibility that as a government we share, and we want to bring about reductions in deaths and serious injuries on our roads.

Snowy River

Mr INGRAM (Gippsland East) — I refer the Premier to the announcement made on 6 October 2000 by him and the New South Wales Premier that they had reached agreement to restore environmental flows to the Snowy River. I ask the Premier to explain to the house the reasons for the delay in the corporatisation of the Snowy scheme, and when it will be finalised so that environmental flows can be restored to the Snowy River?

Mr BRACKS (Premier) — I thank the honourable member for Gippsland East for his question, and for the work of the Snowy alliance and the other group that is working hard to ensure environmental flows to the Snowy. As the honourable member referred — —

Mr Perton interjected.

The SPEAKER — Order! The honourable member for Doncaster!

Mr BRACKS — We know the other side has not got a commitment to this policy, but we have.

As was correctly mentioned in the question of the honourable member for Gippsland East, in October 2000 the New South Wales Premier, Bob Carr, and I announced we would seek the corporatisation of the Snowy, which required multijurisdictions — it required the federal government, the South Australian government — —

Mr Smith interjected.

The SPEAKER — Order! The honourable member for Glen Waverley is being disorderly!

Mr BRACKS — As well as the four governments involved there are about 30 intergovernmental agreements. We have had several elections in the meantime, including a federal election, but also — —

Ms Asher interjected.

Mr BRACKS — There is absolutely no commitment to this from the other side. I am not surprised that the — —

Mr Perton interjected.

The SPEAKER — Order! I warn the honourable member for Doncaster.

Mr BRACKS — I am not surprised that the Liberal Party and the National Party are not committed to restoring environmental flows to the Snowy — they never have been and they never will be. We are, and we will achieve this.

I can report to the honourable member for Gippsland East that the two remaining difficulties have been resolved. The first one was a wording change which was required by the New South Wales government. The Minister for Energy and Resources in another place, the Honourable Candy Broad, met with her counterpart recently and has resolved that matter satisfactorily. I can report that to the honourable member for Gippsland East, and I think that is a good outcome.

Secondly, with the change of government in South Australia and the caretaker period, the signature required from the South Australian government was not able to be obtained because new policy was required. I am pleased to say that this afternoon I will be discussing the issue with the new Premier of South Australia, Mike Rann, and I expect that to be resolved within a matter of a few weeks. That was the second part of the question.

With those resolutions — that is, the Australian government is signing on, the Victorian government is signing on, the New South Wales government is now signing on, and my conversation this afternoon with the South Australian Premier, which I believe will be successful — I believe we can have this agreement on corporatisation signed within the next two weeks. That will be an excellent achievement. I know it is one of which we on this side of the house will be proud, and I know the honourable member for Gippsland East will be proud of it because of his consistent advocacy on this issue.

In conclusion, if you did not have a Labor government in Victoria you would not have the Snowy restored with environmental flows.

Mr Steggall interjected.

Mr BRACKS — You are shaking your head, but it is absolutely true.

Mr Steggall interjected.

The SPEAKER — Order! The Deputy Leader of the National Party! The Premier, concluding his answer.

Mr BRACKS — We know what the previous views of the National Party were, and I do not think it has changed on this one iota. The only way the environmental flows can be restored to the Snowy, the only way we can get a good environmental outcome, is with this government. We will deliver it; they will never ever commit to it!

Mrs Peulich interjected.

The SPEAKER — Order! The honourable member for Bentleigh!

Monash: mayoral election

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to serious allegations of blackmail and breaches of the Crimes Act over the election of Matt Viney's electorate officer, Cr Geoff Lake, as mayor of the City of Monash. Will the Premier now ensure that there is an immediate police investigation into these blackmail allegations, and specifically the involvement of the honourable member for Frankston East?

Mr BRACKS (Premier) — Just to make it clear to the house what the opposition leader is referring to, late last night an honourable member in the other place sought to use parliamentary privilege in a similar way to the way Senator Heffernan has used parliamentary privilege.

Mrs Peulich interjected.

The SPEAKER — Order! The honourable member for Bentleigh!

Mr Perton — On a point of order, Mr Speaker, the Premier is transgressing the rule again by casting aspersions against an honourable member of the other house, particularly in light of the fact that the Honourable Candy Broad allowed the papers to be tabled.

The SPEAKER — Order! The honourable member for Doncaster raised a point of order, and at the end of his point of order he was clearly making a point in debate. He would be out of order in making such a point. On the first part of the point of order, whether the Premier was reflecting on another member, I am not of that opinion.

Mr BRACKS — I would have thought the Liberal Party would have learnt from the Senator Heffernan

affair, but they have not. That have not learnt one thing from the continual abuse of parliamentary privilege. Let me go to the reason why there is an abuse of — —

Dr Napthine — On a point of order, Mr Speaker, the Premier is clearly reflecting on members in another place when he is saying they are abusing parliamentary privilege. The honourable member had two statutory declarations that clearly showed there was blackmail involved in the selection of the mayor.

The SPEAKER — Order! I was listening to the Premier, and he clearly did not indicate or name a member of Parliament. I am not prepared to uphold the point of order.

An honourable member interjected.

Mr BRACKS — I am not finished yet, either, by the way. Mr Speaker, it is about the Senator Heffernan-like procedures which have been used by the upper house under parliamentary privilege. Let me go to the refutation of that by the councillor involved, as I understand it, Felicity Smith, who has written a letter which says:

The allegation that a family member of mine was threatened with the sack from his job if I voted against Cr Lake is absolutely untrue and without foundation. Nor have I communicated any of this to — —

Honourable members interjecting.

Mr BRACKS — You should check your facts! Just as Senator Heffernan did not check — —

Honourable members interjecting.

The SPEAKER — Order! I ask the house to calm down, and I ask the Premier to address his remarks through the Chair.

Mr BRACKS — Just as Senator Heffernan failed to check the facts, so has the Leader of the Opposition, in repeating this today at question time, also failed to reveal the facts. He stands condemned, as Senator Heffernan stands condemned. The Liberal Party has learnt nothing from its recent foray.

Mr Smith interjected.

The SPEAKER — Order! The honourable member for Glen Waverley is warned!

Hospitals: nurses

Mr LIM (Clayton) — I refer to the government's announcement in January 2002 that it was limiting the use of agency nurses. I ask the Minister for Health to

give a progress report on how this policy is working in public hospitals.

Mr THWAITES (Minister for Health) — I thank the honourable member for his question. As he indicated, earlier this year I announced that hospitals would be reducing their reliance on private nursing agencies. Action was certainly needed, given that in the last year charges for these private agency nurses had increased by up to 100 per cent. This is costing our public hospitals more than \$1 million a week, which could be much better spent on treating more patients rather than going into the pockets of private companies.

It is also very important to note — and I know that the honourable member is concerned about the quality of care — that having permanent nurses improves the quality of care. Permanent nurses are familiar with the wards and the patients, compared to nurses who come in on a temporary basis. I indicated at the time, as I have subsequently, that there would be some short-term difficulties with the introduction of this new system, but I am pleased to advise that the hospitals which have implemented the new system — Monash, Dandenong and Western — are doing a very good job indeed. I would like to compliment those hospitals and their doctors and nurses for doing a magnificent job in the face of not only increasing demand but also untrue allegations like those made by the honourable member for Bentleigh and the honourable member for Malvern, who are scaremongering.

Mrs Peulich — On a point of order, Mr Speaker, the Minister for Health is making reflections on me against standing order 108, especially given that the information I provided to this house came from his own department's report on hospital services.

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

Mr THWAITES — Since the agency policy has been introduced, Southern Health has advised — —

Mrs Peulich — Resign!

Mr THWAITES — You won't be there soon, don't worry; Rob Hudson is coming to get you!

The SPEAKER — Order! I ask the honourable member for Bentleigh to cease interjecting. The Chair has called her a number of times.

Mr THWAITES — Southern Health has advised that it has recruited an additional 105 nurses, half for the permanent staff and half for the nurse bank. Thirty-two of those bank nurses are available for the

Monash Medical Centre emergency department. Given the interjections and the comments that have been made, I am pleased to inform the house that the Monash Medical Centre has advised that in the week after the policy was introduced it treated more emergency patients than it had in the week before and that was when the opposition was claiming there was a diabolical situation.

I am also pleased to advise that this policy has the express support of the Royal Australasian College of Surgeons. It has indicated that the quality of care for patients in the Victorian public hospital system was under threat with the overreliance on nursing agencies. As the college said in relation to those agency nurses, we get nurses with less experience at almost twice the money. That is not the sort of policy we as a government want to follow. Labor does not believe that just because they are private they are better. It believes that permanent nurses in our health system do a magnificent job. That is why the government is engaging an extra 3000 nurses to provide a better quality of care across our hospital system.

Mr Batchelor — On a point of order, Mr Speaker, given that the Bill Heffernan of the upper house is in the gallery, I ask that she apologise for her outrageous behaviour.

Honourable members interjecting.

The SPEAKER — Order! That is clearly not a point of order. I remind the Minister for Transport that it is disorderly to recognise members in the public gallery.

Member for Frankston East: conduct

Dr NAPHTHINE (Leader of the Opposition) — I refer to the awarding of at least four Department of Human Services consultancies worth more than \$100 000 to Essential Media Communications, a company which is headed by former business partners of the sacked parliamentary secretary for health and honourable member for Frankston East. Can the Premier guarantee that the honourable member for Frankston East did not use his position to corrupt the tender process and favour his business mates?

Mr BRACKS (Premier) — My memory is that this is similar to the question the Leader of the Opposition or another member of Parliament asked some two years ago, and the answer is the same: everything was done according to tender process. The allegations made by the Leader of the Opposition show the contempt he has for this house. He is prepared to use this forum to make wild allegations without any skerrick of evidence or

support. As the upper house was used last night, so the Leader of the Opposition is using this house in a desperate attempt to try and look relevant and shore up his position. I reject totally the allegations made by the Leader of the Opposition.

Housing: supported accommodation assistance program

Mr NARDELLA (Melton) — Will the Minister for Housing advise the house of what action the government is taking to improve care and support for homeless people, particularly through the supported accommodation assistance program?

Ms PIKE (Minister for Housing) — I thank the honourable member for Melton for his question. Today I am announcing that the Bracks government is expanding crisis and support services for Victorians who unfortunately find themselves homeless. The government will provide \$1.5 million of additional funding to deliver an extra 27 crisis and support workers right across Victoria. These initiatives are very important because they are designed to find long-term solutions and assist in preventing homelessness.

They are also very important actions because the government is addressing some very serious inequities in funding, particularly for rural services. These were very uncaring inequities and an example of the way the previous government regarded rural communities with disdain. When additional support services were provided to metropolitan areas under the previous government, about half of the funding was provided to rural human service organisations. When a metropolitan service got one extra support service person, a rural community service program only got a half. The government is addressing that inequity.

The government is building on a very substantial record in working with homeless people in this community. Since coming to government Labor has provided an additional 30 per cent in resources. In last year's budget \$28 million provided 300 new crisis and transitional homes.

The packages of support services that I am announcing today will support people living in these crisis and transitional homes. This is a caring and humane initiative by a government that has a genuine vision for bringing the Victorian community together. What a contrast to years of an uncaring approach where there was no growth in support for homeless people despite the obvious need.

Today the government is helping people right across Victoria. I am happy to advise the honourable member for Melton that his community and the council areas of Brimbank and Wyndham will benefit, as will people in Portland and Hamilton, so I hope the Leader of the Opposition is pleased and can affirm that additional support in his community. People in Colac, Geelong, Seymour, Heidelberg, Dandenong and right across Victoria will benefit from this additional support.

The Bracks government is turning things around in health, in education, in community safety and in homeless services. We have a plan to support people in this community. We are a caring, humane and responsible government, and we will continue to show compassion and support for some of the most needy and most disadvantaged members of our community.

The SPEAKER — Order! The time set down for questions without notice has expired, and a minimum number of questions has been dealt with.

Mr Hulls — On a point of order, Mr Speaker, in light of — and this is a very important issue — the recent gross misuse of parliamentary privilege in —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc!

Mr Hulls — In light of the gross misuse of parliamentary privilege — and I am sure all honourable members of this house would condemn it — in the Senate recently, and indeed its apparent misuse by a member of the upper house last night, I ask you to consult with the President of the upper house to ensure that gross misuses do not occur, and that if indeed it has deliberately occurred by an honourable member for Waverley Province, that an appropriate apology be made.

The SPEAKER — Order! At that point I will cut the Attorney-General off. It is clearly not a point of order that he is raising with me. Should he wish to pursue questions of privilege he knows that the correct method of doing that is in writing to the Speaker. There is no point of order.

Dr Napthine — On the point of order, Mr Speaker, the Attorney-General, who should know better, made an allegation that an honourable member for Waverley Province deliberately abused parliamentary privilege. I ask him to withdraw that.

The SPEAKER — Order! The Attorney-General should not use the terminology that he has used in

regard to another honourable member. I ask him to withdraw his remark.

Mr Hulls — I said ‘apparent deliberate misuse of parliamentary privilege’. I am happy to withdraw the word ‘deliberate’.

The SPEAKER — Order! On the point of order, I ask the Attorney-General to withdraw his remark.

Mr Hulls — I withdraw.

Mr Leigh — On a point of order on a different matter, Mr Speaker, you will recall some days ago the honourable member for Mitcham raised with you an issue concerning my allegations about corrupt practices of the ALP mayor of the City of Kingston from a planning point of view and asked you to rule on some statements that I had made and that he had made as a subsequent matter to the privileges committee. I ask you, Sir: are you now able to rule on that matter; and if not, when will you rule on it?

The SPEAKER — Order! On the point of order raised by the honourable member for Mordialloc, that matter is under active consideration by me, and I hope to be making a ruling on it very shortly.

ELECTRICITY INDUSTRY (AMENDMENT) BILL

Second reading

Debate resumed.

Mr RYAN (Leader of the National Party) — It is my pleasure to join in the debate on the Electricity Industry (Amendment) Bill. I am only sorry that by dint of other arrangements the Treasurer has had to leave the chamber.

This piece of legislation is another one of those fill-ins the government has dropped upon us to try and keep the place occupied for some time while it tries to think of something else for us to do. In principle it is a short debate, although it has a wide compass in a number of other areas and it will be necessary to refer to them. The second paragraph of the second-reading speech states:

This bill fulfils a government election commitment to require all energy companies to disclose, as part of their billing information, the amount of greenhouse gas (in particular, carbon dioxide) produced in supplying electricity.

I am pleased to see that this election promise is being kept, at least in part, because there are a few within the electricity industry that have not been kept. I will read

one to the house from the pre-election policy provisions of the Labor Party:

Labor is committed to governing for all Victorians and vigorously opposes the abolition of the uniform tariff. In government Labor will reinstate a maximum uniform domestic electricity tariff across Victoria.

That is what it says. You cannot help but wonder whatever happened to that little gem! In *Hansard* of November 1999, soon after he was elected as the Premier of the state, the Premier is reported as still talking about the reinstatement of the maximum uniform tariff. What a circus that has turned out to be, and it is another of those many instances increasingly being highlighted throughout Victoria, and throughout country Victoria in particular, where a government that made all sorts of promises before it gained power at the last election did so in circumstances where it had absolutely no intention of keeping those promises and subsequently has doubled the sin by ensuring that the promises have not been kept. Here is the best of them in terms of this industry:

In government, Labor will:

Reinstate a maximum uniform domestic electricity tariff across Victoria ...

It has been another furphy by this government and one for which, again, it stands condemned.

I might say, in discussing the electricity industry generally, that the government compounded the sin over the recent circus concerning the \$118 million special power payment. First of all it abolished the payment of \$120 million a year which the former government used to make to Victorians by way of a dividend, if you like, upon the privatisation of the electricity industry. It was a valuable payment and well regarded by our elderly and the disadvantaged in our communities. Instead, after a gap in time, the government decided upon this special power payment.

An announcement was made in December last year that the special payment was to take effect on 1 January. But what happened? The government botched it! Again it had not done the necessary homework to accommodate what had to be done to introduce this special power payment. The government has had to crawl around the state ever since trying to explain to Victorians why it is that yet another promise which it made — in its own time, this time — is not able to be kept.

To top it all off — and this is one of those lovely ironies — the government is now going to have the special power payment operate from 1 April. Of all the

dates that one can think of to introduce this bungled policy of this bungling, fumbling government, 1 April would have to be the most appropriate, because as the house will know, but the government may not, 1 April is colloquially known as April Fool's Day. I might add that saying the initiative will have effect from 1 April is an act of faith on my part, because such may not necessarily be the case. We will all have to wait and see — but the principle stands.

Firstly, the government completely abandoned the promise which it made to Victorians prior to the last election about the maximum uniform tariff. Having assumed government — and even after talking about it for some time after assuming government — it turned its back on the issue.

Secondly, when the government tries to do something by way of a subsidy to country Victorians for power price increases, it mucks that up as well. Throughout country Victoria we now find price hikes that would not be happening if this government had gone about the task properly.

The third element associated with this important issue is the utter transition in the language of the present Treasurer from the days when he led the Labor Party in opposition to the lead-up to the last election. Those of us who have been members of this place for some time remember distinctly how the present Treasurer would beat the bushes regarding the privatisation process, calling it the end of civilised mankind as we knew it.

What have we now got? One of the great advocates for contestability in the electricity market is the present Treasurer. Similarly, the Minister for Energy and Resources in the other place, the Honourable Candy Broad, is out there selling the benefits of contestability, describing how, with the passage of time, we will achieve amendments to our pricing structure in ways that the now Treasurer once upon a time utterly condemned. Now he is the champion of the cause!

It is interesting to reflect, as I am sure Victorians — and country Victorians — increasingly do, that one of those who was most critical of the process now sees it as his role to champion contestability on the basis that, by definition, it cannot happen unless you have a privatised mechanism of delivery. Again, it is another one of those instances where, having assumed office, the language of the government and the way it delivers policy have changed completely from what was said and done in the lead-up to the last election. It is another remarkable aspect of the way this government presents itself, particularly on an issue so vital to all of us as the electricity industry.

There is a fourth element I want to put into this debate, because it is extremely relevant to the electricity industry. The privatisation process returned a dividend of \$23 billion to the coffers of Victoria. It meant that that amount of money could be dedicated to the reduction of the debt which had resulted from the activities of the previous Labor government. In addition to that, every year Victoria reaps a benefit of about \$800 million in savings that would otherwise have had to be paid over and above the money that would have had to be paid to meet the interest payments on that outstanding debt. I might say that that is a net benefit, over and above what the dividend payments would have been under the old State Electricity Commission. So there is now an \$800 million benefit available to Victorians, year on year. It has been six or seven years since the privatisation process, so at \$800 million a year it is a lot of money.

I remind the Treasurer of what he had to say in his days in opposition about the power industry and what should happen with the distribution of dividends, and I call upon him to honour the comments he made in that period of time insofar as the future of Victoria is concerned.

The real issue is this: as a matter of public policy I believe it is perfectly justifiable and appropriate that a significant component of that repetitive \$800 million is devoted to the needs of country Victoria, and most particularly to the many industries which have been built on the basis of their having power available at the D rate. One industry which is a standout and to which it should apply is the dairy industry. It is perhaps foremost among many others where developments have occurred over the past decades that have been founded upon the provision of power at a cheaper rate, particularly the night rate.

The government has a clear obligation to continue to return to country Victorians, and to our country businesses in particular, the benefits which it continues to derive from the privatisation process. A component of that \$800 million a year could in my opinion be justifiably devoted to our country industries.

From those I single out the dairy industry, because it is uppermost in my mind in considering this issue. Recently I had a discussion with Peter Owen, the president of United Dairyfarmers Victoria. The point he made to me is a point I have taken for a long time anyway, and I take this opportunity to renew that suggestion to the government — that it make certain that an element of its annual windfall derived from the privatisation process is available to our country industries to ensure that they continue to flourish.

The bill relates to greenhouse emissions and the way in which customers' electricity bills will in time to come contain emissions information. As I said at the outset, this fulfils what is said to be a government commitment on this matter. A number of matters arise from the content of the bill. I understand that a cost of \$1 million to \$2 million will apply to the reprogramming of customer billing. I ask the government to explain who will bear the cost of the implementation of this legislation. Will it be the customers, or will the cost be absorbed by the entities associated with the distribution of power throughout Victoria? Who will wear the cost of the \$1 million to \$2 million? I also ask the government to explain the content of the material that will be contained on electricity bills.

I envisage a difficulty arising in trying to assign a saving applicable to the production of any particular style of power from the different sources from which it is produced. For example, obviously a very different cost factor is associated with the production of power through burning coal as opposed to wind power, solar energy, hydro-electric power or any variety of the other mechanisms that enable Victoria to produce power. How will the system operate to reflect the respective contributions from those different sources?

Alternatively, will the figures contained within the bills simply be an average of those productive sources? If it is the latter, it surely makes a mockery of this legislation. If it is the latter, what is represented on the bills will not reflect actual costs and the end to which the government says this legislation is designed.

The other fact is that this is said to be a deeming provision which is to apply within the existing contracts and the licences for the electricity retailers. I am interested to know from the government the extent to which conversation has taken place with the current licensees, because this deeming provision will represent a new condition of the licences. It is one that by definition the licensees could not have known of at the time the licences were let, and therefore it is important that the public know the extent to which the licensees are reacting to having this imposed upon them. What is the import of the deeming provision for those licensees, and as I have said, who will wear the cost associated with the introduction of the scheme anyway?

The next issue about which I seek comment from the government is the guidelines. The second-reading speech refers to the Essential Services Commission developing guidelines in consultation with the industry, other interested parties and the Sustainable Energy Authority Victoria. I ask the government whether the process of establishing those guidelines has been undertaken as yet and what is the actual process, rather

than just having the general statements made in the second-reading speech. Who is being consulted specifically with regard to those matters? Are there any draft guidelines which can be made available to honourable members so that we, as legitimate stakeholders in the process, can have a point of view? They are matters within the context of that issue that I would like the government to respond to in dealing with this question.

The second-reading speech refers to a state-based greenhouse coefficient being derived from the national greenhouse gas inventory. I readily confess that I do not have that booklet by my bed at night, but I would like the government to expand upon the issues of how that process will apply, and I look forward to its contribution in that regard.

I note that this is to have application not only to electricity that is produced within Victoria. The second-reading speech refers to the fact that:

This greenhouse gas coefficient will reflect the average greenhouse gas intensity of electricity sold in Victoria, including electricity generated in Victoria and purchased from interstate.

I pause to ask how this legislation will affect power purchased interstate. The question of the power which would come within the ambit of this bill and which is to be purchased from interstate is of enormous currency and great relevance to the discussion of this piece of legislation. It brings into play the vital issue of the Basslink project and the fact that that project is proposed to see 600 megawatts of power notionally being able to be transmitted to Victoria from Tasmania. It also brings into play that the power produced will primarily be hydro-electric power, but also through the use of wind farms.

Insofar as the latter point is concerned, I refer the house to an article which appears in the March edition of *Electricity Supply* headed 'Hydro Tasmania takes next big wind step — and waits on Basslink'. The article states:

Hydro Tasmania has announced a partnership agreement with the world's leading wind turbine manufacturer, Vestas. The generator's chairman, Peter Rae, says it has, in essence, placed an unconditional order for 128 megawatts of wind turbines — the largest of its kind in Australia — on which it will call over several years as its wind farm developments progress. Rae says the Woolnorth project, starting at Bluff Point in the state's north-west, involves a total outlay of \$200 million — starting with a 10.5 megawatts first stage.

The article quotes him as saying:

'We can go no further without development of Basslink ...

And further on:

... Basslink is the key enabler for full development of Tasmania's wind resources and is fundamental to the pace and momentum of development'.

Further, he quotes comments by Tasmania's Deputy Premier Paul Lennon, who said:

... the state has one of the world's best wind resources. The state government estimates Tasmania could support up to 1000 megawatts of wind power.

I pause to say that I do not want to be around in the event that that happens, because Tasmania will truly take off. The article goes on to say:

However, Lennon too emphasises the importance of the Basslink interconnector with Victoria to future developments. 'Basslink is vital to enable the government to fully implement its \$1.25 billion energy plan ...

This brings up the issues that are very pertinent to this debate. This debate talks about greenhouse issues and about this legislation having specific relationship to the purchase of interstate power, particularly that which has greenhouse credits, if I can loosely term it that way. That is why issues regarding the Basslink project must be determined by this government.

Recently the report was released of the joint assessment panel (JAP), which comprises representation from Victoria, Tasmania, and the commonwealth. The draft report from the JAP is now open for comment until 16 April. There are critical issues that arise for Victoria, for Victorians and for Gippslanders in particular. They have been spoken about before in this house. The route which has been chosen in that draft report is not one which was realistically contemplated by the people of Gippsland as occurring.

There is the further issue of whether this government will honour the commitments it has made to country Victoria and respect the wishes of the 500 or so people who supplied submissions to the joint advisory panel process and who in doing so made it very clear that they did not want pylons marching across the countryside of Gippsland.

Under this draft arrangement we are faced with the prospect of about 200 of these unsightly pylons being built across some of our most productive country. The aesthetics of it are appalling to contemplate. It is yesterday's technology for what is said to be tomorrow's project. Again, the legislation now before the house highlights that fact. It remains to be seen what this government will do by way of a response to that draft report from the joint advisory panel.

On that point it is pertinent for the house to note that when the argument is being made by the proponents of Basslink, and I am one of them, one issue that arises, and it reared its head once again in the course of the joint advisory panel process, is the cost of the undergrounding. I pause to make it clear that I have always supported this project; what we are talking about here are the mechanisms by which it is built.

The proponent has consistently said that it is prohibitively expensive to do. It has said it would cost something of the order of \$1.2 million per kilometre to underground the cable in Victoria and that therefore it will not do it. Its response to the joint advisory panel report was very interesting in this particular context, because that report now contemplates that work will have to be done to modify the cable which is being used under the sea, and that could entail \$20 million or \$80 million.

The interesting thing is that money is not a big issue in this. Somehow or other this money will be found, even though the proponent has for years been espousing the view that it cannot put up any more money for undergrounding because it would mean this project would not be commercially feasible — yet when we are faced with the prospect of extra money having to be found to do something about the cable component of the interconnector, more money suddenly materialises.

The other important element is that the Tasmanian government has signalled its preparedness to contribute to the project to enable this financial gap to be overcome. If that happens it will impose pressure on this government, because it has said throughout that this is a Tasmanian-based project, not a Victorian project. Mind you, the advisory panel report makes it very clear in the second of two big points that Victoria's interests are very much at stake and that this is an issue in which the Victorian Parliament and Victorian government have a very keen interest.

I have consistently put the argument that the Victorian government has a responsibility to in some way contribute to the cost of undergrounding the cable given that there is a benefit for Victoria and that this is also an environmental issue. Just as it is putting another \$71 million into the extension of the Eastern Freeway on an environmental basis, it should adopt the same principle — —

Mr Robinson interjected.

Mr RYAN — I hear the honourable member for Mitcham saying it is a good idea. I applaud the fact that extra money is being put into the Eastern Freeway. He

and I are in furious agreement on that. I ask him to consider — rhetorically, of course — why as a matter of principle the same sort of approach should not be adopted by this government on this issue. Funnily enough there is no interjection in response, so I shall move on. The principles are precisely the same.

So there are decisions which this government will be faced with. The recently appointed Minister for Planning is, I am sure, having regard to these matters. I tell her now that if ever she is to make a decision of consequence to country people in particular, this is one. If ever there were a sense that people in Gippsland see the responsibility standing squarely on the shoulders of this government, particularly through the agency of this minister, this is it. An enormous number of people are watching what happens with this project, including the way this government approves the planning arrangements for the Basslink project on Victoria's sovereign territory. We are watching very keenly, and I say to the minister that if she fails the test and says it cannot happen, it will be a commentary for which this government will not be forgiven.

Ms Delahunty interjected.

Mr RYAN — It is no good the minister saying, as she is now saying by interjection, that this is all a matter of competition between competing interests. I accept the principle of that. But what I say is that the priority for this stands clearly with those other matters. The Tasmanian government is foreshadowing assistance, and just as the government of Victoria has made assistance available for environmental issues in the outer metropolitan area, on the same principle it should do so for something which is regarded by Gippslanders as being an absolute article of faith.

So we will all watch very carefully. Let the minister be in no doubt that of all the issues under scrutiny by Victorians at large and by country Victorians and Gippslanders in particular, I would lay claim to this one being the most pertinent.

The issue of wind farms is very pertinent, because this legislation is built around the notion of the greenhouse gas coefficient and all the greenhouse benefits which are said to be reflected in the billing system that we will get.

We have a problem with future wind farm development in the state. Again it is a matter for the minister, because it is a planning issue. I raised it with her on the adjournment debate the other evening, and she was good enough to make a response about the government's policy position. Unfortunately, for

reasons I explained to her, I could not be here to hear her response. I have read it since, and I understand the government is in the process of developing appropriate material by way of response to these concerns.

Let me make this clear: this is an issue that by definition again relates to country Victoria, and most particularly to Gippsland. We have already approved the development of a wind farm at Toora. It will see the construction of 8 or 10 nacelles generating about 9 or 10 megawatts of power. That process will take effect over the next 12 months or so.

But now there is concern that another five or six proponents are lining up to undertake further wind farm developments across the countryside magnificence of Gippsland, and particularly in the area I represent, South Gippsland. These issues are complicated by the fact that in principle people do not object to the notion of wind-generated energy — but that is not the point. What they want to do, though, is ensure that these developments happen in a way which does justice to some of the most magnificent landscape in the state. I say that unashamedly and without a scintilla of bias, of course, but it is an area of Victoria that I know very well.

The challenge for the government is to develop a mechanism for planning wind farms which ensures that this happens properly. By 'properly' I mean ensuring that wind farm developments do happen — yes, I strongly support that — but in a way which removes the ad hoc nature of what presently applies and removes the notion that municipalities in particular are caught between a rock and a hard place.

We saw this latter issue arise in the case of the former Gippsland shire. Years ago as part of its planning regime the municipality approved the use of the area at Toora for the wind farm, and it has honoured that undertaking. The Victorian Civil and Administrative Tribunal (VCAT) has seen fit to hold that as appropriate and has ruled accordingly. That facility will be built.

Given that these other proponents are anxious to develop further wind farms in the region, the council finds itself in the invidious position of having to take these applications on a one-on-one basis and to consider them in circumstances where there simply are no broadly based statewide guidelines to assist it. Of course that puts the councils squarely in the gun, and they are being left to grapple with issues that in the end will ultimately be sorted out by VCAT. In my view that is simply not good enough.

Rather, we see the need for the government to establish some sort of template approach which enables this to happen in a way which reflects the needs of our country communities. For example, it might mean that there are specific zones around the coastal regions, or indeed in other parts of the state, where wind farms are permitted to be constructed and that those zones are developed in circumstances where there is plenty of input and public consultation. That will enable us to see these developments and ensure that issues of aesthetics are protected.

I have not been across to Codrington to have a look at that development, but I know it is a substantial structure. I understand — and I emphasise again that I have not actually seen it — that it is not regarded as being built in an area where it might be seen by some to be aesthetically offensive, and that it is set away from areas of usual access by the populace at large. The principle that I espouse would see these planning protocols established so that wind farm developments can happen in a way that people in our country communities do not find offensive.

For example, in the Gippsland context, it might be that they can be set away from the coast. I understand that although there is an additional cost in establishing these facilities away from the coastline, they can generate power just as efficiently. The issue is that to enable the connections to be made into the grid and for the general operation of these wind farm facilities, setting them away from the coastline removes them from ease of access to existing infrastructure and therefore makes it more expensive, thus risking the commercial viability of these developments. That is an issue with which we as a society are going to have to contend. Of course we already have different forms of subsidies which are available to enable this style of development to happen in a way that is assisted by the public purse. It may be that to accommodate the pressures that I have described, to alleviate the position on the municipalities around the state, and most particularly to do justice to the people who have a passionate concern about this very proper cause, we as a society have to be prepared to kick in more of the taxpayers' money to enable these things to happen.

Nevertheless, the basic point remains that once again country Victorians are watching very carefully to see what this government does, because this is quintessentially a country-related issue. It is just another of those issues where country Victorians are bearing the brunt of the sort of change that is being contemplated by what are otherwise very proactive and proper developments, but which nevertheless have about them

a cause and effect that people sometimes fail to take into account.

Again, I say to the Minister for Planning that there is much anxiety about the decisions which are going to be taken by her and by her government with regard to this crucial issue. The way this legislation is to be implemented will be of importance to all people in Victoria. We need to make certain that deeming provisions are accommodated in a proper fashion and that the guideline issues are dealt with in the way that I have outlined for the purpose of this contribution. While I wish this bill a speedy passage, I conclude by saying that it carries with it many issues which are going to be of absolutely pivotal significance to the government as it progresses through its term.

Finally — last but not least! — if the government is ever going to honour the promise of the maintenance of the maximum uniform tariff, I am sure country Victorians in particular would just love to know where that promise has gone and what is going to be done with regard to its implementation by this government, which made it an article of faith prior to the last election.

Mr ROBINSON (Mitcham) — During the contribution made by the Leader of the National Party I was not sure whether he had circulated amendments to the effect that he wanted to do a swap between the Eastern Freeway extension with its longer tunnels, and the Basslink project! Let me put on the record that I am not interested in a swap, whether it is by amendment or anything else. We are happy with our extension of the freeway, but it was a good try nonetheless.

The Electricity Industry (Amendment) Bill 2002 is significant, and I am pleased to have the opportunity to speak on it for a number of reasons. Firstly, as you would know and as your own history reflects, Mr Acting Speaker, we were both members of the work force of the State Electricity Commission in a former life. I guess it is true to say that, once employed by the SEC, one maintains an enduring interest in the electricity industry and the legislation that governs it. That is certainly the case with me. My work was done mainly in the survey section doing line surveys in the eastern regions of Melbourne.

My other interest in electricity flows from my position on the Scrutiny of Acts and Regulations Committee. As honourable members would understand, that committee deals with an overview of all legislation and regulations governing administration in this state. Electricity is an issue which often comes before us. I was just looking through the volumes of acts and noted that Victoria has

an Electricity Industry Act, which the bill before the house amends. We also have an Electricity Industry (Residual Provisions) Act and an Electricity Safety Act, as well as an extensive collection of regulations and guidelines — I think the Electricity Safety Act has an attendant code and an attendant set of guidelines. It is an issue to which this house repeatedly returns.

The bill's purpose is stated very simply. To paraphrase the minister's comments in the second-reading speech, it will require that all energy companies disclose in their billing information the amount of greenhouse gas, in particular carbon dioxide, that is produced in supplying electricity.

Though the purpose of the bill is stated simply, it is not insignificant. It is very significant because it deals with greenhouse gas emissions, which I think it is fair to say are now accepted far and wide — at least I hope they are accepted far and wide — as a problem that we must deal with.

I highlight that point because there has been considerable debate, a lot of it ill-informed, from people who would argue that concern with greenhouse gas emission and global warming were somehow conspiracies of environmentalists who were simply overstating a very poorly researched area of science for political gain. I refute those claims; I would argue that greenhouse gas emission and the consequential impact of global warming on the environment and, by default, on world and national economies is extraordinarily significant. This bill attempts to deal with that in a very constructive fashion.

It is worth repeating that point because in the United States, in the aftermath of the Kyoto protocol and efforts at an international level to try to reach broad agreement on reducing greenhouse gas emissions, we have the president and vice-president really turning their backs on the issue of global warming and fossil fuel dependence. In fact the vice-president, Mr Cheney, was asked not so long ago by the president to review the United States energy dependency needs into the future, and even shocked some members of the conservative parties in the United States by coming back with a very extensive series of measures that would in fact increase that nation's reliance on fossil fuels, and in so doing add very substantially it is feared to the greenhouse gas emissions produced in that country and thus of course to global warming.

That is a worry and a very serious concern if the largest and most powerful industrialised nation in the world with the greatest per capita consumption of electricity and the greatest output of greenhouse gases per citizen,

I think — it is certainly in the top couple — is prepared to go down this path. It is important that we do not follow. This bill, in an admittedly small and modest way, tries to set this state on a different, far more progressive and sustainable path.

I believe it is eminently reasonable that electricity consumers have the information that this bill will provide them with, or will make allowance for the provision of, if they are to be better informed about their impact on the environment. Ultimately, all of us make an environmental footprint by what we consume and the way we live. This bill allows us to recognise that all of us are responsible in some way for global warming because all of us consume in our daily lives, or are responsible for the consumption of, very substantial amounts of electricity which in this state traditionally and for the foreseeable future will in the main be fossil-fuel generated. I do not think anyone disputes that we are very likely in the foreseeable future to maintain a very heavy dependence on fossil fuels, notwithstanding the good work which is being done by this government and by other parties in broadening the base of energy sources.

I am very pleased that the Bracks government has introduced this legislation — I think it is very significant and very progressive legislation. It is in contrast with the previous government's reluctance at the time in which the electricity industry was, it is claimed, Balkanised — that is the expression that was most readily used — —

Mr Perton — I have never heard that before.

Mr ROBINSON — Well, there you go! There is a very good book in the library that the honourable member for Doncaster, as the shadow minister, should read, called *Warring Tribes — The Story of Power Development in Australia*. It is a very good read.

Mr Perton — I shall take up the offer, thank you!

Mr ROBINSON — Yes, the honourable member should do that. The book describes how the electricity industry in this country, which 10 years ago was entirely state owned, was largely Balkanised and how inefficiencies which could have been eliminated at the time the privatisations took place were retained through a lack of foresight and a mad rush to get deals done without taking on board proper and sound advice. It is a very good read, and I hope the honourable member avails himself of it.

In this debate it is relevant to draw to the house's attention the alternatives to the previous government's management of environmental matters associated with

the electricity industry. In April 1998 in a question on notice I expressed an interest in gaining an understanding of why the Victorian government at that time — the former Kennett government — did not insist, as the New South Wales government had, that conditions be imposed by the then minister on private companies involved in electricity distribution and retailing to develop greenhouse gas abatement strategies.

The reference point in my question at that time was an extract from a United Energy publication which in some detail talks about the New South Wales electricity retail suppliers licence. I quote from that briefly:

A licence has been issued to United Energy under section 33 of the Electricity Supply Act 1995 (NSW) by the Minister for Energy. The licence authorises United Energy to supply electricity to retail customers.

Further on it goes in some detail to the conditions imposed by the minister, one of which was a greenhouse gas abatement requirement, in that:

United Energy must develop strategies aimed at reducing greenhouse gas emissions from electricity supplied to customers. The strategies ... must be audited by the environment protection authority every three years. United Energy must develop one, three and five year plans for energy efficiency and demand management strategies and strategies for purchasing energy from sustainable sources.

That was an intelligent move by the New South Wales government under its legislation as far back as 1995.

It is through that example that I disagree with the claim made by the honourable member for Doncaster in his all too brief contribution when he said that the previous government had a proud record of what it planned to deliver in the way of greenhouse gas strategies for this state. If I am correct he referred to promises and commitments, and large cash commitments. It is a pity that at that time — this goes back a number of years before the last election — when the previous government had the opportunity to implement and deliver strategies rather than just talking about promises, it failed to do so. It had a very good model — —

Mr Perton — On a point of order, Mr Acting Speaker, this bill is extremely narrow and relates merely to the requirement of an electricity provider to indicate to the consumer what level of greenhouse gas has been produced in the production of electricity used by the consumer. It is not an opportunity for a speaker, other than a lead speaker, to enter into a generalised debate on privatisation.

Mr ROBINSON — Unless it is you!

Mr Perton — The honourable member by way of interjection refers to my comments on greenhouse gas strategies which were directly related to the bill because they set out the fact that this action was being taken outside the context of a completed greenhouse strategy. I ask you, Mr Acting Speaker, to draw the honourable member back to the bill, which is very narrow and does not provide a canvas on which to discuss widespread issues relating to privatisation.

Mr ROBINSON — On the point of order, Mr Acting Speaker, the Chair through the course of this debate has allowed some considerable latitude in the discussion. My distinct recollection is that in his contribution, which was not as the lead speaker for the opposition, the honourable member for Doncaster managed to make a number of references to sustainability and marine parks. If the honourable member for Doncaster was permitted some latitude to talk about marine parks — —

Mr Perton — I did not do marine parks.

Mr ROBINSON — We might check the record.

Mr Perton — I will.

Mr ROBINSON — My comments — —

The ACTING SPEAKER (Mr Lupton) — Order! If the honourable members for Doncaster and Mitcham want to discuss something they might like to go outside. While in the chamber they will refer their remarks through the Chair.

Mr ROBINSON — My comments at all times have been related to greenhouse gas strategies. It is an essential part of the legislation which talks about greenhouse gas emissions. I am simply using examples of interstate governments.

The ACTING SPEAKER (Mr Lupton) — Order! I do not uphold the point of order, but I suggest the honourable member for Mitcham try to confine himself to the topic of the bill, as he is starting to wander.

Mr ROBINSON — I welcome the contributions from the honourable member for Doncaster, although his life more recently seems to have been a succession of points of order punctuated by cappuccinos.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Mitcham will return to the bill.

Mr ROBINSON — I shall return to the bill. Suffice it to say, the bill represents very constructive steps by

this government to implement a sound greenhouse gas strategy in a most practical way — that is, by providing information to consumers. It is essential if we are to lessen our dependence on fossil fuels in this state, if we are to do anything to benefit generations of Victorians in the future with regard to the amount of greenhouse gases that we emit, or the footprint that we leave for them to inherit insofar as the impact on the environment is concerned, that we take steps to ensure that consumers of electricity understand what their consumption entails and what their consumption produces insofar as global warming is concerned. It is not good enough for us to simply say this is something that should be handled in any other number of ways. It must be handled by providing consumers of electricity with that information. The bill, as I said earlier, makes this possible in a very practical way by presenting that information on regular electricity bills.

The bill will also assist in increasing awareness of greenhouse gas and global warming as real issues. We cannot afford in any way, shape or form to dismiss or simply pass off the issue for someone down the track to deal with, because as I said earlier, if we accept that there is indisputable scientific evidence that temperatures around the planet are increasing and that that has a deleterious impact over time on the environment — on sea levels and other things — then we must deal with it now. To pass it off to future generations is to simply recklessly request that they deal with a bigger problem at some time in the future. That would not be showing the leadership that is required.

The bill in a modest way will encourage people to consider energy alternatives. We can pay some degree of credit to the federal government for its photovoltaic cell rebate program. I will be happy to spell that for you later, Mr Acting Speaker, and I might draw a picture if that helps. A household consumer can take advantage under a program run by the federal greenhouse gas agency of a rebate of up to I think it is \$7500 for photovoltaic cells. That is worked out by a complex formula.

A number of people in Melbourne have availed themselves of that program, and not just householders. The Sustainable Energy Authority does a lot of work promoting this energy program and runs a program each year for Victorian schools. Last year a school which featured in that competition was Pascoe Vale Girls Secondary College, which has installed a bank of photovoltaic cells on its roof. That will save the school somewhere between \$1000 and \$1500 a year in energy costs. That initiative is welcome and that example will encourage other schools and households to do the same.

I notice the honourable member for Warrnambool becoming animated. It is true that at Warrnambool solar cells are probably not as effective as wind generation, but it is an idea that is catching on. This bill will encourage further consideration of that method by raising awareness of alternative energy production means.

This bill is fine legislation. The opposition has belittled it by saying that somehow it should have been a feature of an omnibus bill. They seem to have a fascination with omnibus bills — I am not quite sure why; I might work that out one day. It is a very good bill. I am sorry that the contributions of honourable members of the opposition have not been a little more charitable — I thought this would have been an area that they could have taken some pride in. All of us want to ensure that our dependence on fossil fuels is less at a point in the future than it is today, and all of us want to ensure that the footprint we leave behind and which will be inherited by future generations of Victoria is not deleterious to our environment, which after all is a very precious thing. We inherited it and we will pass it on to future generations. This bill makes a modest but welcome contribution and I wish it a speedy passage.

Mr SPRY (Bellarine) — As I begin this afternoon I would like to commend the honourable member for Mitcham for sustaining his speech for the full 20 minutes. I realise that the government's business program is short on content, but that was a fine effort in trying to at least fill the time available to him.

Brief though this bill is, the intent of the legislation is laudable, at least inasmuch as it seeks to raise consumer awareness of greenhouse gas emissions from power generation. Victoria is uniquely dependent on brown coal deposits to drive steam turbines for base load power generation. The downside, of course, is that when brown coal is burnt it releases vast quantities of so-called greenhouse gases. We simply have to live with that fact, but we should be aware of it and try to contain it. That is what this legislation is seeking to achieve.

As I said, that objective is laudable. In the meantime, however, this legislation in contrast highlights the Bracks Labor government's inability to address the wider issues. Those include increasing power generation through more acceptable, environmentally friendly processes, including wind power and wave generation. Here we have a government crying crocodile tears over greenhouse gas emissions, but at the same time endorsing a fossil fuel operation to proceed at Stonehaven near Geelong without even requiring an environment effects statement (EES). That

surely is the height of hypocrisy, and the people of Geelong are well and truly aware of it.

Why did the Bracks government allow this to happen? Why did it not insist on an EES? Because this do-nothing Labor government sat on its hands while the unions caused chaos in the Latrobe Valley. This Labor government ignored the fact that Victorians urgently need increased base-load power generation capacity. It did nothing — this is well and truly on the bill — and then panicked and clutched at straws, regardless of the environmental cost. The poor little ineffective honourable member for Geelong, a decent bloke though he may be and undoubtedly is —

Mr Robinson — On a point of order, Acting Speaker, as previous rulings have indicated, this is a reasonably narrow debate, and I find it difficult to accept that anything the honourable member for Bellarine has said in his almost 3 minutes so far has relevance to the bill which, as previous members have said in points of order, deals with electricity bills and notices that will appear on them.

Mr Perton — On the point of order, Mr Acting Speaker, the honourable member is quite clearly on the point. This bill relates precisely to the amount of greenhouse gases that are produced in the course of delivery of power to a consumer. There are alternatives to the production of power and one of the alternatives is between wind power and gas and kerosene power.

The ACTING SPEAKER (Mr Lupton) — Order! I think I have heard sufficient on the point of order, and I am prepared to rule on it. The honourable member for Mitcham's memory must be rather vague because I protected him when he strayed from the point. There is no point of order.

Mr SPRY — I find it odd that that point of order was raised by the honourable member for Mitcham. The honourable member for Geelong was finally forced to front a demonstration on the steps of Parliament and present a petition to the house protesting that lack of an environment effects statement at Stonehaven. In contrast, the mayor of the City of Greater Geelong, Cr Stretch Kontelj, backed the processes in kind and in cash — he put his money where his mouth is — and represented his constituents as the honourable member for Geelong should have but failed to do in the first place. The final result is that the government has been forced to back off, as was demonstrated in the *Geelong Advertiser* of Friday of last week in an article headed 'We don't need it', referring to the Stonehaven power station. No thanks to the honourable member for

Geelong but thanks indeed to the mayor of the City of Greater Geelong, Cr Stretch Kontelj.

Mr Maxfield — On a point of order on relevance, Mr Acting Speaker, two issues are being canvassed — one on industrial relations, where Yallourn Energy treated its workers in the Latrobe Valley very badly, and the issue down in Geelong. I think it is irrelevant to the bill and I ask you, Mr Acting Speaker, to bring the member back to the bill.

Mr Paterson — On the point of order, Mr Acting Speaker, the issue of greenhouse gases is central to the Stonehaven issue. That is what the honourable member for Bellarine is addressing, and he is entirely in order.

The ACTING SPEAKER (Mr Lupton) — Order! I do not uphold the point of order.

Mr SPRY — Moving right along, in the meantime debate rages on the Bellarine Peninsula on the issue of wind power generation and the siting of environmentally friendly wind generators, which was so eloquently covered earlier by the Leader of the National Party. The government's response has been a leadership vacuum, which is the only way it can possibly be described. There are no siting guidelines and there is no security for people who fear the intrusion of these machines in urban and semi-urban environments, including some neighbourhoods on the Bellarine Peninsula. There has been nothing from Labor. At least it is consistent — a nothing government with a do-nothing attitude.

In conclusion, this legislation is laudable as far as it goes. However, it simply highlights the incompetence of this do-nothing Bracks government when it comes to dealing with environmental issues, or any other issue of significance for that matter. In this case the issue is power generation. With increasing power supply costs and increasing insecurity of supply itself, the Bracks Labor government has once again failed demonstrably in its duty to Victorians.

Mr SEITZ (Keilor) — I rise to support this bill and the Minister for Environment and Conservation for the work that has been done on greenhouse effects in the state and for the commitments the Bracks government made during the election. The government has worked tirelessly on greenhouse issues in this state. It established the Sustainable Energy Authority Victoria with funding of \$10 million to promote reusable energy. That is a significant hallmark and an important issue in eliminating greenhouse gases and their effects on our atmosphere. Listening to the opposition one would say the government had been sitting on the back

seat doing nothing on those issues, but it has been at the forefront on this issue and has led Victorian consumers and the Victorian public in the education field.

Having the greenhouse effect shown on electricity bills is a further step in providing an education process for our society so people can make their own decisions about how much electricity they are going to consume. It will make them aware that when they purchase whitegoods for their homes they should buy energy-efficient ones. Some old home appliances last for many years but use more electricity. People may now start considering upgrading their home appliances to ones that are more energy efficient. If they do that they will create an industry and jobs while using less electricity, leading to less greenhouse gases.

I notice that the federal government was very quick to use the Pacific solution to our boat people problem. However, the islands around us are threatened by the warming that is taking place in a global sense. The Victorian government is making a commitment to our near neighbours on the islands which are endangered by rising water levels. This is a significant part of it; it is not just a local issue in Victoria — global warming caused by greenhouse gases is a worldwide issue.

We see that our federal government has not signed the Kyoto agreement. It is sad that the federal government has not taken that significant step and seen the necessity of taking deliberate steps under that part of the agreement. We in Victoria have been fortunate, and we have sat back for many years and seen the development of our brown coal to provide electricity and energy. We had all the advertising campaigns encouraging us to use as much electricity as possible. No regard was given to the greenhouse effect of our brown coal-fired turbines and the damage they cause to this region and the atmosphere.

Opposition speakers have said that this is only a small bill which should have been attached somewhere else or made part of an omnibus bill, but that is not quite correct. This is a significant bill and it has a right to stand on its own — to be introduced and debated in this house and for honourable members to realise the importance of it. If the government had chosen to make it part of an omnibus bill the legislation would not have the importance, significance and understanding it has. The importance of this bill is not to be underrated because every household, every industry and every person working in big industry and dealing with the bill will be made conscious of the need to conserve energy. That is the first step we need to take, because the less energy that is used the less greenhouse gases will be created.

The government has also moved on carbon trading and carbon credits. The state of Victoria has again led the way on this issue under this government. The comments opposition members made about the government not having done anything and not having a greenhouse policy and worked in those directions are false. The government is moving as our society and the Victorian community accepts the laws and the implementation of them. A government that listens to people and governs for all the people of Victoria needs to let people know about its programs and processes and then bring in legislation that is acceptable to society. Any law that is rejected by society is no good, because you cannot enforce it. We have seen so many dictatorships that have brought in laws and found that they have to enforce them at the point of a gun. Victoria and Australia are not in that position, so I hope members of the opposition are not alluding to actions like that and advocating that we bring in dictatorial laws, as was done under the Kennett government where people were not consulted.

The industry has been consulted about this program, as has the community. Companies have been given the opportunity of providing computer programs for billing. There will be an initial cost to amend the computer programs for sending out the bills and meeting the requirements of the act. It is being done by statute so that everybody will get the same information. All the energy providers will be required to provide this information to their customers on bills in a way that is understandable so customers will know what it means, where the action is, how much they contribute to the greenhouse effect and how they can reduce the production of greenhouse gases.

After all, the aim of the bill is that we become conscious of it: that education programs in schools include it, that our younger generations are fully aware of why we should not waste or misuse our electricity, and that there is a cost — namely, the greenhouse effect on our society and, especially, on our Pacific island neighbours, which have very important concerns about those issues.

We have heard about methane gas. There is a long way to go before this society stops the damage caused to the ozone layer and our environment. I recently had the experience of noting how much more ferociously the sun's rays cause sunburn here than they do in other parts of the world. This year I had visitors from the United States who did not realise how quickly you can get sunburnt here because of the different level of radiation due to the reduction in the ozone layer over this part of the world. When you talk to people who do not understand that, you hear that they still believe they

can go out in the sun without strong sun block and not get sunburnt any more quickly than in other parts of the world. The problem is created largely by the greenhouse gases humans generate in Australia.

We must reduce our use of fossil fuels. It is also important that we introduce alternative sources of energy such as wind and solar power. The government is also trying out Japanese-made vehicles that use solar power for inclusion in the government car fleet, so we are making steps in that direction, too. This government is very conscious of the problems, and I congratulate the minister on her actions and the consciousness she has raised on those issues.

This bill might save only a small fraction of the current level of greenhouse gas emissions; but I am sure that over the next 10 to 20 years, as society becomes more conscious of the issue and as the sea level rises around our coastal areas, we will wake up and realise why we need to make these sorts of decisions and speak on such bills. That is why this is a stand-alone bill rather than merely a provision covered up by other, minor amendments to minor legislation. The status of a bill gives these provisions appropriate standing.

We are developing our forestry industry to help reduce greenhouse emissions, especially carbon monoxide. Growing trees changes our atmosphere by releasing oxygen into the atmosphere during the night. That is an important issue.

In addition, the Environment Protection Authority is strictly controlling the licences it issues to energy producers and others who might be likely to produce manufactured goods and generate greenhouse gases through those processes. All of those things have been taken care of and looked at by this government, and acted upon through regulations or through legislation.

To further our development program in those areas it is very important that we get the message into the home. Who handles the bills in most homes? When the letterbox is emptied, who usually opens the envelopes? It is the kids, the young ones. 'Dad, Mum, can I see if the postie has been? Can I open the letterbox and open the envelopes?'. Power generation becomes a discussion point at home in that way — and the best learning takes place at home. Parents see power bills and read them, and kids look at the bar graphs — which honourable members are probably all familiar with — showing how much electricity you have consumed and what it has cost you this year compared to last year.

From that kids will see the amount of greenhouse gas that has been generated and how much electricity has

been consumed in the house. The bar graph will be a very good educational tool that will be repetitively used in the home. We are not just saying that this will appear once on your bill; it will come with every cycle, so there will be discussion and education in the home. I hope teachers will pick it up too, because I am sure the inquisitive minds of the young generation will be asking questions and testing us out. There will be an ongoing educational process and a growing, conscious awareness in our society that what we have done in the past will not be possible in the future.

We must change our attitude. We must take responsibility for our future. The damage we do to our environment today will not be acceptable in 20 years time. We know that some industrial processes, such as those using asbestos, that we accepted in the 1950s and 1960s are not acceptable today. In the same way, we have a responsibility as legislators to support this bill and, furthermore, to make known to every small group and every household in the outside community why we discuss such issues. That part of the legislation will certainly help that process. It is very, very important.

I would like to see the federal government take the code agreement seriously and look at those issues that will help reduce the greenhouse gas emissions Australia produces to show that we are a responsible country in this region. With these words I wish the bill a speedy passage through the house.

Debate adjourned on motion of Mr VOGELS (Warrnambool)

Debate adjourned until later this day.

STATUTE LAW (FURTHER REVISION) BILL

Second reading

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

Mr ROWE (Cranbourne) — The Statute Law (Further Revision) Bill is a fairly simple though not small bill, which seeks to fix up some typographical errors and incorrect references in the state's statutes. The opposition fully supports this bill. We note that there are seven retrospective provisions, but they are very minor in nature.

Clause 15 of schedule 1 is noteworthy for the fact that by amending section 4(4) of the Cultural and Recreational Lands Act 1963 it finally completes Victoria's transition into decimal currency by the

substitution of the word 'dollar' for the word 'pound'. Just on that issue alone, the bill is deserving of support.

We have perused the other clauses in the bill and found them to be acceptable. We accept that the Scrutiny of Acts and Regulations Committee in its determinations on this bill found that the retrospective provisions were necessary for the good operation of the subject legislation and did not adversely impinge on the rights and freedoms of any individual.

Mr RYAN (Leader of the National Party) — It is my pleasure to join the debate on the Statute Law (Further Revision) Bill.

This is one of those housekeeping items of legislation which is an imperative for the Parliament because with the passage of time legislation, which has been on the statute book, becomes redundant. Furthermore, legislation passed through this place sometimes occurs on a basis that the actual spelling associated with it does not come up as it should, or headings are not proper, or for whatever other reason require amendment. It is necessary to codify these administrative arrangement orders, which are now much in vogue and used extensively, whereas once it was not so much the case.

The role of this piece of legislation, firstly, is that it fulfils the important task of repealing redundant legislation. I remember in the time that I chaired the Scrutiny of Acts and Regulations Committee we had a subcommittee that was devoted to this particular issue and looked at aspects of the legislative book which simply had no place in Victoria, in today's world, and more particularly in tomorrow's world. So it was a clean-up activity of the legislative provisions to enable those acts which were no longer of application to be struck from the book. So it is that this piece of legislation performs that role.

Secondly, this legislation deals with the ambiguities and minor omissions and typographical errors which occur from time to time with the best will in the world. It picks up a number of acts where there are instances for those sorts of cures to be adopted.

Thirdly, there is the codification of the administrative arrangement orders that are used. They occur under the Administrative Arrangements Act 1983.

As I said, it is one of those pieces — —

Mr Mildenhall interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Footscray knows that he has the call next and he can use that occasion, I

am sure. The Leader of the National Party does not need assistance.

Mr RYAN — Thank you for your protection, Mr Acting Speaker. It is very useful to have.

I think I am being exhorted to broaden the debate a little, and I would not want to do that in a manner that might lead me to be talking on this bill in an inappropriate way. I want to constrain my otherwise natural instincts by ensuring I do speak on the bill per se. Having spoken on it in the manner that I have, I wish it a speedy passage.

Debate adjourned on motion of Mr MILDENHALL (Footscray).

Debate adjourned until later this day.

CORPORATIONS (FINANCIAL SERVICES REFORM AMENDMENTS) BILL

Second reading

Debate resumed from 28 February; motion of Mr HULLS (Attorney-General).

Mr RYAN (Leader of the National Party) — This is important legislation. It may not seem to be so, but it relates to the corporations structure across Australia. It has an import that is of very great significance within Victoria.

It is also of application across Australia, because all the jurisdictions, including the commonwealth and all the states and territories, have agreed through a process set out in the second-reading speech to adopt the position which is given effect by the terms of this bill.

Although I acknowledge the fact of the current government's commitment to this legislation I point out that it is but reflective of the position that was taken by the previous government. We were very heavily involved in the sorts of initiatives that this legislation reflects. There was a strong drive from the former government to regularise corporate arrangements across Australia and to make sure, as well as we possibly could for the sake of commercial pragmatism, that we had provisions of similar application through all our states and territories.

It is often said, particularly in this place, that nothing kills the prospect of investment and the activity of business and that nothing is more likely or calculated to achieve those ends than uncertainty. The legislation is another stage in a process of ensuring that elements of uncertainty are removed. I again say that this

government is to be commended for continuing the course that was established by the former government. This bill is another important step in that train.

The bill deals with provisions that represent amendments to Victorian acts that are affected by changes made to the securities and futures provisions in the commonwealth Corporations Act 2001 by the commonwealth Financial Services Reform Act 2001. In effect, it is translating into the Victorian legislation, which is of relevance to those aspects of service provision, the elements of that federal legislation that are pertinent to that regime. It has been done by agreement with all the states and territories. This is not the first time it has been done but is a further stage of a process that was initiated years ago, particularly in the sense of Corporations Law, and which saw significant developments last year.

Those developments were pertinent to resolving issues that arose out of two significant cases. The Corporations (Commonwealth Powers) Act 2001 was passed in the Victorian Parliament last year. That legislation reflected agreement between Victoria and the other states and territories and the commonwealth, intended to overcome deficiencies in Australian Corporations Law.

Those deficiencies arose out of two major cases, namely *re Wakim: ex parte McNally*, which was determined in June 1999; and the second, *The Queen v. Hughes* of May 2000. *Re Wakim* held —

Mr Wynne interjected.

Mr RYAN — That is what I call it; you call it whatever you want to.

The ACTING SPEAKER (Mr Plowman) — Order! When the honourable member said, ‘You call it whatever you want to’, I guess he did not mean that to be directed to the Chair.

Mr RYAN — I certainly did not, Mr Acting Speaker. I stand corrected and thank you for your guidance. I should not have said anything, because the interjection was disorderly; I accept your comment in that regard. Were I being additionally disorderly in responding to the interjection, I should have said that the honourable member for Richmond can call it what he chooses. I stand corrected and thank you, Mr Acting Speaker.

The case of *re Wakim* held that the commonwealth constitution does not permit state jurisdiction to be conferred on federal courts. That produced enormous problems within our judicial system because we were

left in a hiatus as to the areas of responsibility running between the Federal Court and our Supreme Court. That in turn threatened to cause chaos.

The states, territories and the commonwealth came together to see if they could determine a position that would resolve that difficulty. Out of that process legislation was passed in the Victorian Parliament, which became the Corporations (Commonwealth Powers) Act 2001. That meant that that particular difficulty was able to be accommodated.

The case of *re Wakim* produced an outcome, in effect, where the decision removed the jurisdiction of the Federal Court to resolve state Corporations Law matters unless cases fell within the court’s accrued jurisdictions or in certain other circumstances. In turn, it denied litigants a choice of quorum for the resolution of disputes under Corporations Law. That is the more expansive explanation of what that case was about, but the bottom line remains the same however anyone wants to put it — that is, it threatened to cause absolute chaos in the way our judicial system functioned.

By agreement of all the jurisdictions a resolution was achieved which was reflected in the terms of the Corporations (Commonwealth Powers) Act 2001. That was the first of the significant cases dealt with.

The second case was *The Queen v. Hughes*. It held that conferring a power and a duty on a commonwealth office or authority by a state law must always be referable to a commonwealth head of power. This, again, threatened to cause chaos in the system. In the more expansive version of that which I have summarised, the High Court held that the conferral of a power coupled with a duty on a commonwealth office or authority by a state law must be referable to a commonwealth head of power. That, in turn, meant that if a commonwealth authority such as the Director of Public Prosecutions or the Australian Securities and Investment Commission had a duty under Corporations Law, that duty had to be supported by a head of power in the commonwealth constitution. That, in turn, resulted in the fact that doubt was cast upon the ability of commonwealth agencies to exercise some functions under the former Corporations Law.

Through the passage of that validating legislation — that is, the Corporations (Commonwealth Powers) Act 2001 — Victoria and the other states were able to overcome the immediate pressures that that decision produced. Accordingly, the problem was resolved.

Although there was a cooperative scheme that was in place prior to the proclamation of the new corporations

legislation on 15 July last year, that was able to be usurped by the provisions of the Corporations (Commonwealth Powers) Act 2001. Those two cases of *re Wakim* and *The Queen v. Hughes* were able to be dealt with or accommodated in that bill when it was passed last year.

At the time all that was happening there had been an intention on the part of all concerned to incorporate into that bill that which the house now has before it in this bill. But, as circumstance had it, although a draft of the financial services reform legislation had been prepared at the time, it was not set to go. Because of the urgency of dealing with those other two key cases and because of the problems that had arisen over the application of those two outcomes, it was necessary to proceed with them, resolve them, have them dealt with in the way I have outlined and put the rest of it on hold pending the availability of a completed document that would represent what was intended by all concerned by way of reform to the financial services arena.

I pause to say that in this day and age the question of financial services is critical to all elements of our community. The provision of financial services through appropriately regulated structures and in a manner that is able to ensure that people are able to access those services is imperative.

With the passage of time the provision of those services in this manner assumes all the greater significance. With the passage of time, with the ageing population, with influences associated with the baby boomer era and of moving out of employment and into retirement, one of the huge sources of reference for the way we live our lives in time to come will be the question of superannuation and its impact. All those areas entail the necessity for appropriate financial services being available. I do not only mean in the historical sense of banking, in a deregulated market and in all the forms it now takes, but also in the sense of people needing and seeking advice from wherever they think appropriate — from banks, but more regularly from outside those institutions and in the various private sector elements of the industry. It is just so important that this industry be able to deliver what is required of it in a manner which demonstrates appropriate responsibility on the part of all concerned.

While on this topic I indicate that if one wanted a graphic example of the necessity for the regulation of this industry one could look at the HIH collapse, the absolutely calamitous circumstances which have followed that appalling event, and the impact which it has caused across the community in so many ways. You would never want to see a better demonstration of

the necessity for ensuring that the financial services sector is monitored and administered in the sort of manner which the legislation before us contemplates. The HIH collapse is but an example of how, unless these forms of legislation are introduced and given effect in an appropriate manner, we will get the sorts of results we are seeing in such a wide area of the community. Currently we are seeing public liability insurance fallout in all its forms. I can say that everybody in this chamber is intent on achieving an outcome of pressures being accommodated, but we are debating the best mechanics for doing it. We have a common goal of ensuring we get appropriate outcomes, because it is a huge issue, particularly in country Victoria.

There is the pressure that has been imposed upon those involved in the Housing Guarantee Fund. Some pretty dynamic debate has taken place in this chamber over the fact of the HIH collapse and the necessity for the government to provide a fund to ensure that indemnity is available for those who want to build houses — who are home owners, I emphasise — who are doing no more than trying to realise the great Australian dream, who unfortunately in some instances find that through whatever circumstance there is a failure to observe a contract under which a house is being constructed, and who therefore need to have recourse to the Housing Guarantee Fund. As we know, the HIH collapse imposed enormous pressure upon that fund and the way it operates, so the government was required to step into the breach. That is another example of the clear necessity to have appropriate regulation within the financial services sector to protect those people who are usually the innocents in that style of conduct.

Last year the commonwealth Financial Services Reform Act was enacted at the commonwealth level by the agreement of all jurisdictions. Unfortunately it was not at a sufficiently advanced stage to be incorporated into the Corporations (Commonwealth Powers) Act 2001 — that legislation was dedicated to providing solutions to *Wakim* and to *Hughes* — and now we are moving into the next stage of being able to regulate the financial services industry through importing into Victorian law the provisions of the commonwealth act. In the end this legislation introduces a harmonised regulatory regime for market integrity and consumer protection against the financial services industry. The bill effectively amends all relevant legislation by incorporating the terms of the commonwealth legislation, wherever appropriate, across the range of our acts.

That might all sound pretty grand, but in its practical application it is not too difficult to understand. For

example, the expression 'stock exchange' is now to be replaced by the expression 'a prescribed financial market'. Similarly, right through the relevant acts of Parliament changes of terminology will be made where appropriate. About 15 separate items of legislation in Victoria will be subjected to change by the provisions of this bill. As I said at the start of my contribution, this is all pursuant to a process to which the former government was committed and to which the current government has indicated its preparedness to be committed, in relation to which I commend it. Accordingly, I commend this bill to the house.

Dr DEAN (Berwick) — It is my pleasure to make my contribution to the Corporations (Financial Services Reform Amendments) Bill. I have spent many hours reading and preparing on this bill, and it is wonderful to now bring the whole thing to a crescendo. I have listened intently to what my friend the Leader of the National Party has said on this bill, and I concur with almost everything he has said.

The commonwealth financial services legislation was brought about by the results of the Wallis inquiry into the provision of financial services in this country. Its very thorough report was revolutionary in its aims to draw together a whole range of agents and people involved in giving financial advice, which was otherwise not seen as a collective group. They were effectively giving advice to people on financial affairs. It may have been good advice or it may have been bad advice, but certainly there was very little comeback for those people who were given that advice by people who were not properly qualified.

One of the recommendations of the Wallis inquiry was that for those people giving financial advice these days — it being an essential part of our lifestyle and our living requirements to raise finance for everything from buying a car to starting a business and so forth — there needed to be some accountability. It was all right to bring in a fair trading bill that had been around for a long time on the sale and supply of goods and services, but here was a service being provided by a range of people — by everyone from estate agents up to people in stock markets — which had not been seen collectively as a service in which consumers needed protection. Only in some instances did the consumer protection legislation already in existence give that protection.

The Wallis inquiry decided that these people, if they came within the appropriate definition of financial advisers, should have a licence to do so, and that to get that licence they had to comply with certain requirements about their expertise and that certain fair

trading or consumer protection-type provisions should apply to the customers of these advisers. That sounds very simple, but it is not. The other day I had the financial services bill printed out, and it was around about two and a half inches thick. So the legislation which attempts to protect consumers in this industry is actually quite comprehensive.

It is not only those people who are providing financial advice to customers that need a licence; the Wallis committee said it believed markets that were providing financial services, such as stock exchanges and so forth, also should be licensed because they too were part of the financial services industry.

I suppose if there is one way I can explain the Wallis inquiry, it is this: it said, 'It is time for us to recognise a financial services industry exists. Let's pull it together. Let's have some specific legislation with respect to it. Let's protect people and let's ensure the fly-by-nighters do not get to give financial advice'.

Recently I opened in my electorate a new organisation that has just come to Victoria. It is quite prolific — I am not sure whether that is the right word, but there are many agencies — in New South Wales already, but in Victoria this new company is called the Mortgage Bureau. I went down to do the opening, and while I was there I was shown the computer program it operates on. Basically the computer program, which is the bureau's program, enables you to type in the price of the land you want to buy, the amount you want to borrow and certain other factors as to how you want to pay that back — over 25 years or whatever — then you push a button and up comes every package that would be available to you to meet those requirements. For example, if you were borrowing \$100 000 on a \$150 000 property there were 225 different proposals put up by banks and others that were available to choose from to meet those requirements.

All the banks give their packages to the Mortgage Bureau — it is in their interests, because if banks like the Commonwealth and the National are not represented and the ANZ Bank is, the first two will lose custom. So the banks actually pay the Mortgage Bureau to have their financial packages on the bureau's computer system. Of course there are also a whole range of non-banking financial institutions represented, such as credit unions and the like. So you can imagine that if there are 250 different options for your average customer, they need advice about that. It is good to see that happening; it is good to see the competition between these products, as they are called — they are not called packages.

There are organisations giving very serious financial advice to consumers, and it may be the most important financial transactions in their whole lives. So unless you have some sort of regulation and some sort of check and balance on such people you could cause a lot of misery. Certainly in my area where there is a great deal of growth going on, and where young families are building houses and putting their hearts and souls, not to mention most of their salaries, into those purchases it is very important that we get it right. That is the financial services legislation.

So where does this fit in relation to the Corporations Act? It was always intended that the financial services legislation provisions go into the Corporations Law. How is it that the financial services legislation was able to be enacted by the federal government, which does not have powers which cover all the various aspects of financial advice agencies? The reason for that is that recently in this Parliament — when there was a scare on in relation to the corporations provisions, which I am sure everyone remembers — we agreed to give to the commonwealth certain powers in relation to corporations because it was the only way we could get around the problems that were occurring as a consequence of the High Court decision which questioned the power of the states to implement commonwealth law.

So it was necessary therefore to ensure that the federal Parliament actually did have the power to make enactments with respect to corporations rather than, if you like, sharing the power with the states. To do that we gave certain chunks of power over to the commonwealth on the basis that that power would not be used, or would be used only subject to the committee of Attorneys-General agreeing to any legislation that was made. Effectively that was a way of ensuring that the states were not left out of the picture, and of course the states can always take the powers back any time they want so I guess that is another protection.

So, having given the commonwealth government the power to make laws with respect to financial institutions, it was deemed appropriate that it should be in the corporations power. As a consequence of that, one might ask why it is that we enacted a financial services bill and did not just put it straight into the corporations power. The reason is that when it was ready to be enacted we were still trying to work out the problems with the Corporations Act. As honourable members will recall, as a consequence of a number of High Court decisions there were serious problems about what we had enacted in the past with respect to corporations and that had to be fixed, which took some time.

There was a bit of patch-up legislation and then there was an agreement that we should transfer powers over to the commonwealth. That took time. In the meantime what were we to do — just leave the financial services legislation hanging around and not being implemented? That was not proper, so that was implemented as a financial services act. Through this bill the government is saying, 'Now that we have fixed up the Corporations Law and we are all happy with it, now that it has all been done and all the amendments to the Corporations Act have been included, we will transfer the financial services legislation into the Corporations Act, where it was meant to be in the first place. Then we have a body of law under the Corporations Law of this country which spreads out and reaches all those aspects of financial operations of corporations and agencies in the one body of legislation, uniform throughout the country, to which we can refer when we need to find out what the law is'.

I have spoken in this house on many occasions about the need for uniform legislation and cooperation between the states. I have spoken laboriously — as the honourable member for Richmond will recall — about the difference between competitive federalism and cooperative federalism, and one day I will be taken seriously, which would be terrific.

Mr Wynne interjected.

Dr DEAN — Don't hold your breath, says the honourable member for Richmond!

Certainly this is an example of cooperation between the states and the commonwealth which enables this country to operate in a uniform way in a time when world markets are the go, and when separate, different and disparate legislation between states and the commonwealth is an absurdity in the commercial sector.

As I have said before, I would like to see the Council of Australian Governments given teeth again and made a very important body with a proper executive to back it up. It should be discussing many of these national issues on a regular basis; I would like to see COAG becoming as important a body as any in the whole of the country. That is one of those dreams that maybe will happen one day.

Obviously we support this bill which brings about the final step in the uniform legislation with respect to financial institutions. It implements many of the very important recommendations of the Wallis committee. It is very complex legislation. No doubt there will be glitches and problems and we will have to do some

amending, but it is great to see it get a kick-off, and I wish it bon voyage.

Mr WYNNE (Richmond) — I rise to support the Corporations (Financial Services Reform Amendments) Bill, and in doing so thank the Leader of the National Party and the honourable member for Berwick for their contributions. As the honourable member for Berwick indicated, we have dealt with Corporations Law in its various manifestations over the last couple of years and it would be fair to say that there is furious agreement on both sides of the house about the need to streamline the process. We did cede powers to the commonwealth in relation to a number of matters pertaining to Corporations Law, and this particular bill ties up some loose ends in that respect.

Whether it is cooperative federalism or competitive federalism is a matter that the honourable member for Berwick has canvassed on a number of occasions in the house. From my perspective, and I think from the government's perspective, this is a shining example of cooperative arrangements between the commonwealth and the states. I suspect it is a portent of future arrangements that might occur on a range of matters that affect us as citizens of this country on a national basis.

As has been indicated, financial institutions are no longer local or state based; they are national and international in their scope and reach. In that respect this particular piece of legislation is quite important, because as a state we need to achieve an effective and uniform system of corporate regulation across Australia. As the shadow Attorney-General indicated, in July last year the Attorney-General introduced the Corporations (Commonwealth Powers) Bill into the house. That legislation followed historic negotiations between the commonwealth and the states to place the national scheme for corporate regulation on a more secure constitutional basis.

As the Leader of the National Party has indicated, certain legal challenges and decisions made by the High Court of Australia in 1999 and 2000 cast doubt on the constitutional framework which supported the Corporations Law. Two cases that are well known to those who are expert in the area of Corporations Law identified difficulties with the state-based system of corporations regulations. In the Wakim decision the High Court decided that the commonwealth constitution did not permit state jurisdictions to be conferred on federal courts. In the Hughes decision of May 2000 the High Court cast doubt on the ability of commonwealth agencies to exercise some functions under the former Corporations Law. So we had two

High Court decisions which threw into sharp relief the whole question of the relationships between the commonwealth and the states. Obviously these doubts raised some significant constitutional issues, and the bipartisan way in which we have approached this is clearly appropriate and needed to occur.

The legislation that we have passed over the last few months relieved some of the immediate pressures that the recent decisions created for the Corporations Law. Changes have also been made to the securities and futures industry provisions in the commonwealth Corporations Act 2001 by the commonwealth Financial Services Reform Act 2001.

As we know, the financial sector has been experiencing extraordinarily rapid change and development, and obviously there were concerns that existing regulations would not be adequate. The stability, integrity and efficiency of the financial systems are critical to the performance of the whole economy. In its own right the financial sector is a very significant employer. In each of the last six years the finance and insurance industry has grown more quickly than the economy as a whole, which is quite an astounding fact.

In 1999–2000 the finance and insurance sector contributed 7.2 per cent to gross domestic product and it is the fourth-largest sector in the Australian economy — larger than both agriculture at 3.3 per cent, and mining at 4.6 per cent. If you think about it, collectively agriculture and mining amount to 7.9 per cent of contribution to gross domestic product and the financial and insurance sector contributes 7.2 per cent. Perhaps that is a little-known fact. We often think about our economy in the context of mining and agriculture and do not necessarily think about what an extraordinary powerhouse the financial and insurance sector is in its own right.

The finance system inquiry was established in 1996 to analyse the forces driving change in the system at that time. It recommended improvements to the current regulatory arrangements and regime. In his contribution, the honourable member for Berwick indicated some of the important outcomes of that inquiry. It was in fact a comprehensive stocktake of Australia's financial system, structure and regulation. The report identified changes affecting the system, including increased competition and closer links between the Australian economy and international markets. Of course we have seen the burgeoning role of Australian financial institutions in their own right, and the honourable member for Berwick provided us with an example. Going back 10 or 15 years to when my wife and I first purchased our own home there were

limited opportunities available for young couples seeking to enter into home ownership.

You basically dealt with the three to five large banks. In many circumstances people dealt with the bank they had dealt with since they were young children entering into the financial system. Now of course there is an extraordinary plethora of banking and non-banking institutions, fierce competition and — with the exception of the credit card industry — very competitive rates available for the purposes of gaining a mortgage.

The inquiry also found that the financial systems regulation was piecemeal and varied according to the particular industry and the products being provided. Essentially the inquiry indicated that we needed to regularise arrangements and have a consistent approach. Clearly the former system of regulation was very inefficient, which often led to regulatory overlaps and confusion.

The financial systems inquiry (FSI) proposed a single licensing regime for financial sales advice and dealings in relation to financial products. The commonwealth Financial Services Reform Act 2001 implemented these proposals and introduced a competitively neutral regulatory system. The benefits of this are more uniform regulation, the reduction of administrative and compliance costs and the removal of unnecessary distinctions between products. The purpose of that reform was to facilitate innovation and promote business while ensuring adequate levels of consumer protection and market integrity, so it was ensuring both checks and balances within the system. These requirements apply to the activities of existing financial intermediaries, such as insurance agents, brokers, security advisers and dealers, and futures brokers. This provides a flexible, and in our view adaptable, framework that encourages innovation and competition in markets and clearing the settlement facilities.

An extensive public consultation process included the release of a position paper, a consultation paper and an exposure draft, so it has been extensively dealt with — —

Mr Robinson — Comprehensively!

Mr WYNNE — Comprehensively dealt with indeed — I thank the honourable member for Mitcham — by way of discussion paper and in the exposure draft. Feedback from those consultations informed the reform proposals and was integral to the development of the commonwealth act. By any measure it has been a very good process and a very

cooperative one. The Ministerial Council for Corporations, commonly known as MINCO, was consulted and agreed to the proposals in the legislation. The commonwealth Financial Services Reform Act 2001 substitutes a new chapter 7, 'Financial services and markets', for chapters 7 and 8 of the Corporations Act to give effect to the recommendations of the financial systems inquiry.

The amendments made to the commonwealth Corporations Act by the Financial Services Reform Act introduced a harmonised regulatory regime for market integrity and consumer protection across the financial services industry. It is quite important that we spend a brief moment on the question of consumer protection. Obviously in this house we would strongly support a situation where the integrity of financial institutions is maintained but also where checks and balances are in place to ensure that consumers are protected. Indeed, as the honourable member for Berwick indicated, when one deals with financial institutions there is no more sobering thought than to have to deal with a financial institution around the purchase of one's own home — perhaps the biggest financial commitment that any of us makes in our lives. So we want to ensure that there is a competitive marketplace for the purpose of choosing a financial product, but also that appropriate checks and balances and consumer protections are in place.

The Corporations (Commonwealth Powers) Bill was introduced to state Parliament urgently last year to address the constitutional problems affecting law. It is fair to say, as the honourable member for Berwick and the Leader of the National Party indicated in their contributions, that we recognised during that debate that we would need to make some subsequent amendments. It was obviously not possible in that tight time frame to include the necessary consequential financial services amendments, and that is why we are dealing with them today.

Other states and territories are likely to introduce similar legislation to amend references to the old chapters 7 and 8 of the Corporations Act. Expressions and concepts that are no longer consistent with the new regulatory regime need to be amended — for instance, the term 'stock exchange' is now replaced by 'financial market'; licensed dealers and investment advisers will be 'financial services licensees'; and insurance agents will be licensed financial services licensees under the Corporations Act. Basically those changes will give some consistency so that when people are dealing with those institutions and organisations they know they are dealing with consistent terminology.

In conclusion, clearly the bill enjoys the support of both sides of the house. It is an excellent example of cooperative federalism. As I said earlier, financial institutions are not dealing any longer on parochial state bases or on a national basis; they are international financial institutions nowadays and they have to compete in a fierce and competitive marketplace.

The state government, in cooperative arrangements with the federal government, should be able to smooth out situations that have arisen, particularly from decisions of the High Court that place into some question the constitutional validity of arrangements. It is an important signal to the financial markets that we treat them seriously. They are significant employers and significant contributors to gross domestic product. This is a cooperative arrangement between the states and the commonwealth. The bill enjoys the support of both sides of the house and I wish it a speedy passage.

Mr THOMPSON (Sandringham) — The purpose of the bill is to amend certain acts as a consequence of the enactment of the Financial Services Reform Act 2001 of the commonwealth. It makes a number of consequential amendments that have been organised with the assistance of the commonwealth. The first few provisions deal with the validation and regulation-making provisions. I understand these may subsequently be used in other states. In addition, the bill deals with the continued operation of a number of Victorian acts which are outlined within the bill.

On perusing the bill I note that under clause 2 the act comes into operation on the day on which it receives the royal assent. It has been a general principle with the Scrutiny of Acts and Regulations Committee that clauses might have subsequent provisions which more clearly define the date of commencement as well. The Scrutiny of Acts and Regulations Committee report does not go into this in further detail in any way and there may be scope for the bill to be delayed, perhaps unnecessarily, without there being a fixed date for it to come into operation. I would be interested to hear the explanation of the responsible minister so that the house can be assured that there is a rationale and a reason for this commencement provision.

Those members of this chamber who have served on the Scrutiny of Acts and Regulations Committee would be familiar with attempts by the Leader of the National Party to develop a harmonised system of the scrutiny of both regulations and statutes which are to apply across Australia. At this stage there is no system in place that broadly facilitates the scrutiny of legislation being introduced into parliaments to implement a national regulatory or statutory scheme. There is, I might add,

agreement between ministers on provisions and principles to be enacted or implemented. However, it is still important that individual provisions are scrutinised so that the principles under section 4D(a)(i) of the Parliamentary Committees Act are in fact adhered to not just in Victoria but also in other states.

A number of years ago in Western Australia a bill pursuant to a national regulatory scheme was being introduced when the members of the chamber suddenly realised that they did not have a copy of the provisions which the legislature was about to enact. A number of members in the Western Australian Parliament worked very hard to ensure that that situation did not arise again.

One of the benefits of a harmonised regulatory scheme is the cost savings to industry that result so that it does not, in running national operations, have to give cognisance to the individual legislative peculiarities that apply to each state. I am sure the bill might help achieve that objective.

It might also be noted that in an international competitive environment it is important that the Australian regulatory framework is of such a scale and structure that it is readily understood by new entrants to the Australian marketplace, and Australian industries in the financial services sector and in other areas have the opportunity to realistically and effectively compete. As an example I refer to what has taken place in Ireland over the past 15 years or so as a consequence of a decision made in 1987 to harmonise or drop tax rates for corporations from 45 per cent to some 10 per cent. History has shown that the result of that decision across the parliamentary chamber in Ireland has led to more than 1200 corporations from around the world setting up their manufacturing operations in Ireland. Consequently, the last time I checked, the tax take there, which had been at one stage 45 per cent of very little, was some 10 per cent of \$14 billion per year. There has been an extraordinary turnaround in the fortunes of the Irish economy as a consequence of a decision made to advantage the Irish community.

In Australia today we have a federal system, and it is not easy for one state to have any radical initiatives that might otherwise advance individual economies. In fact, where there is subsidisation of industries by states to attract those industries to them in the first place — for example, if there are undue levels of subsidies from a state like Queensland to attract biotech industries from Victoria — it may not necessarily be for the net benefit of the Australian economy overall through underpinning subsidies. The bill has the support of both sides of the chamber, and I am pleased to support it.

Mr ROBINSON (Mitcham) — I, too, am pleased to make some comments on the Corporations (Financial Services Reform Amendments) Bill. Before I make those comments I pay due credit to the honourable member for Sandringham. He is one of the honourable members of this place who in his earlier life endured the subject of constitutional law, which equips him perhaps more ably than a number of other members in this house to deal with the nuances of the constitutional arrangements between the federal and state governments in this nation.

For my sins I studied law for some years, but I did not do constitutional law. However, when I listen to the very detailed expositions of honourable members such as the honourable member for Sandringham, expert though they are, I find the subject to be of such character that on reflection I am not so sad that I missed constitutional law at university.

This bill is an excellent although complex example of the state of the nation in constitutional and political terms. Students of constitutional law or students of politics in the higher levels of secondary school could do a lot worse than examine bills such as this in some detail to gain a very concise understanding of how we are evolving as a nation constitutionally and politically. We can surmise that constitutional arrangements in this country are a 'work in progress'. The relationship between the states and the commonwealth is evolving. It has shown itself to be a steady and in recent years a very mature evolution, and that should be welcomed.

That is relatively rare in today's world. We are a federated nation in which the rights of states pre-existed commonwealth rights. It is more often the case that nation states exist where they do not have to balance those competing interests. In countries that have similar models to ours — the United State of America springs to mind — I think it is fair to say that their constitutional arrangements have not progressed or evolved with the harmony and maturity that we have seen here. I will highlight that point with an example in a few minutes.

The significance of the constitutional arrangements that are impacted by this bill should not be underrated. It is, admittedly, a subject that is as dry as chips, and it is not the sort of issue on which honourable members would normally find themselves engaged in dialogue with constituents. But as I said, the significance of the legislation before the house should never be underestimated, because it attempts in real terms to afford the citizens of Victoria an enhanced level of protection in relation to financial services and

securities. That is ultimately what we must bear in mind as we debate this and similar legislation.

It is a bit like the example of railway gauges, where the states had the prerogative of establishing whatever system they considered appropriate. As every school child hopefully knows, in their earlier incarnation as colonies the states built their rail lines using a plethora of different gauges. It has taken us 150 years to forge the determination to deal with the situation we were left with — and in fact we haven't got there yet! The Corporations Law, similarly, is a creature of the states. It has come to be recognised — although it was not referred to as the Corporations Law but as a corporations law power — as resting historically with the states. In order for us to achieve any sense of uniformity, it is a requirement that the states cede that power to the commonwealth, hopefully in as harmonious a manner as possible. That is certainly the case here.

We see that transfer happening in stages, and to a very large extent we see it happening cooperatively. This bill is necessary in part because of two High Court decisions, which have been referred to previously. It is worth making the comment that this is a very good example of the creative tensions that exist between the democratic institutions in this country. It is a very positive reflection on this Parliament and on this nation that we can have High Court decisions which cause some disharmony and a requirement for state governments to enact legislation but have that legislation enacted in a very mature and cooperative way.

We do not have state leaders and state parliaments ranting and raving over High Court decisions. That is a very positive, mature and reasonable way to deal with the right of the High Court to determine matters in the way it sees fit. It is a separate institution from the Parliament, and it has the prerogative under the constitution to make those decisions. I am pleased that this debate is being conducted in a very civilised and progressive manner and that no-one is making reflections on the High Court's decisions or its right to make them. As I said, it is very much a demonstration of the creative tensions which exist between the democratic institutions in this country. As a Parliament I hope we will deal with other decisions in the future in the same positive and mature way.

The capacity of this Parliament and this chamber to deal positively with the aftermath of High Court decisions can be contrasted with what happens in the United States, where a mature, cooperative federalism is more the exception than the rule. I mentioned earlier

that I wanted to briefly cite a couple of examples. In recent years there have been the most bizarre debates and disputes between federal and state governments in the United States. Admittedly they have a much looser form of federalism than we do, but one must wonder how they can tolerate disputes over things like one southern state insisting on flying the Confederate flag above the state flag over its capital building. We might think that that is a rather arcane thing to do 150 years after the American Civil War, but that situation emerged in South Carolina — I stand to be corrected by any honourable member who knows about this example — in about 1996. That debate raged across the United States. The Clinton administration was very much of the view that that should not be allowed to happen, and it was a source of considerable friction between the two levels of government.

Similarly, there are regular confrontations between state legislatures and the federal government in the United States Supreme Court over redistricting, which is the US version of redistributing boundaries. Unlike here, where that process is carried out by an independent authority in every state, in the United States it is left to the state legislatures and whatever complexion they might happen to have at whatever time the redistricting occurs. State legislatures are regularly challenged over the obvious gerrymanders they put in place to favour whatever party happens to be in the majority. Those disputes go off to the Supreme Court and have done for generations. The citizens of the United States, to the extent that they have exercised any opinion on this, do not seem to mind, but by our standards it constitutes a gross waste of public resources and of the time of institutions like the Supreme Court.

I think those examples demonstrate that the federal process — the relationship between the states and the commonwealth — and the slow but necessary transfer of power over time are far more mature than what exists in some other jurisdictions.

Mr Richardson — Arthur Rylah used to draw the boundaries for Henry Bolte, and he always got it right!

Mr ROBINSON — The honourable member for Forest Hill has alluded to Sir Henry Bolte. I appreciate his reference, because in preparing for this debate and scanning through some briefing notes I thought that Sir Henry Bolte would very much appreciate the decisions of the High Court in these cases. I am referring in particular to the second of the cases, the Hughes decision in May 2000 on the conferring of powers. In that instance the High Court said that where a commonwealth authority had a duty under the Corporations Law that duty had to be supported by a

head of power in the commonwealth constitution. It said that the commonwealth could not simply presume that it had that power but that the states had to be consulted and that there had to be a transfer of that head of power.

On my reading of it, the High Court was saying that states' rights in corporate law matters are paramount and not to be taken for granted, even if there is no overt disagreement by the state at the time. I thought about Sir Henry Bolte, who was noted in this place and across the country in a much earlier era for maintaining a great vigilance over states' rights. That was appropriate for the time, but I am sure he would be chuckling wryly to himself that the High Court has finally seen the wisdom — —

Mr Stensholt — Rylah or wryly?

Mr ROBINSON — Perhaps both. He may well be chuckling that the High Court has adopted his thinking on these matters.

As was mentioned in the second-reading speech, the Hughes decision in particular triggered an earlier effort by this Parliament through the cooperative schemes legislation, which was passed last year. It was a very positive piece of legislation, and in referring to it I want to mention the comments the honourable member for Sandringham made about the role of the Scrutiny of Acts and Regulations Committee (SARC). I serve on that committee, and I can assure the honourable member for Sandringham that SARC performs a very vital and, I think, constructive role at all times. However, this particular topic allows us to highlight what the committee did. When the cooperative schemes legislation was before it the committee discussed the effect of the validation provisions, which would have effectively allowed for the retrospective validation of acts of Parliament that may have provided for certain things at an earlier time when the conferral of powers had not been carried out.

The Scrutiny of Acts and Regulations Committee examined this first and foremost from the point of view of retrospectivity. Secondly, the committee was concerned that it was effectively being asked to endorse a bill which provided for validation on the signature of the Governor in Council and which might effectively and retrospectively give a section 85 power. The committee felt that that was something that should go through a degree of scrutiny beyond the Governor.

I am pleased to say that the Attorney-General responded very positively to the committee's representations and allowed an amendment to that bill,

which was subsequently supported by both houses, whereby the committee is to be consulted before any validation is performed by the Governor in Council. That was a very positive move, and I think the honourable member for Sandringham would appreciate that it is a great example of the good, constructive work done by the Scrutiny of Acts and Regulations Committee. At one stage the honourable member provided very valuable service to that committee.

I said earlier, although it is not apparent through the technical wording associated with it, this bill provides citizens with a more secure framework of regulation in the finance and securities sector. This is vitally important, because with each passing day citizens in this state are being increasingly visually assaulted with advertisements for and promotions by the financial management industry, if we want to use that generalised term.

Once upon a time the promotion of very generous returns on investments was something that honourable members might only have found in such august punting publications as *Best Bets* and ‘Ted’s tips for Caulfield’. But in recent times, and I am sure all members will agree, we have seen a virtual explosion of advertisements from the financial sector for quick returns on investments.

Without wanting to comment upon the merits or veracity of claims made I just wanted to demonstrate to the house how commonplace these are. I quote from an advertisement in the *Whitehorse Journal* of 23 May last year headed ‘Did you make \$12 867 in the last 30 days? I did! For \$83 a week, I now own my own business consultancy!’. The advertisement, of course, promotes a free seminar. Similarly, the *Herald Sun* of 23 April last year carries an advertisement that reads:

‘Become a millionaire and live like a tycoon. Becoming rich is easier than you think!’

...

Replace the drudgery of a job and money worries with the excitement and luxury lifestyle of an investment tycoon.

This outdoes *Best Bets* — indeed, it leaves that publication for dead with its claims.

My third example is from the *Maroondah Leader* of 22 May 2001. This one is a full-page ad — there is certainly nothing modest about the financial management sector! It is headed ‘You can retire a “multimillionaire” in less than three years’, and states:

Learn how to buy blue-chip property at wholesale, up to \$85 000 below the market.

Now I might be a cynical, middle-aged Victorian, but I suspect there is a degree of licence associated with a number of these claims — claims that are becoming more and more popular with every passing day. It is vitally important that we do everything we can in this state to protect the rights of Victorians who are, as I say, assaulted with investment opportunities — some good, some not so good; some from reputable firms, some from snake-oil salesmen — that really do appear every day.

In the United Kingdom the finance industry has got to a stage — and we might eventually see a similar move in this country — where you can actually go and bet with bookmakers on movements in the financial markets. That is a derivative of some refinement, where you can actually get on in a traditional wagering sense outcomes of the financial market. There is actually a merger there between the financial markets and money management, and the wagering industry. We might well expect to see that happening in this country. The example demonstrates the point that more and more protection is needed for citizens rather than less and less.

The bill in its own modest way attempts through the jungle of constitutional reform and cooperative federalism to achieve that objective of providing greater security and certainty for citizens as they deal with the financial sector. I think that is to be welcomed.

I want to conclude by saying that it is a great tribute to the Bracks government that we are enacting this legislation, and a great tribute to the honourable member for Richmond. I said to him earlier that I thought the way he has assisted the carriage of this legislation is very much in the vein of Sir Henry Parkes, who is known as the Father of Federation. Perhaps the history books will record the honourable member for Richmond as the stepfather of the new federalism, Labor’s new federalism. He is a champion of the causes, and I am sure when the history of this place is written in years to come we will be able to refer with great pride to the contribution of the honourable member for Richmond. Law students of the future, as they plough their way through that forest of literature associated with constitutional law, will take great pride and inspiration from the work done by the honourable member for Richmond on this most important and vital subject.

Ms BEATTIE (Tullamarine) — That is a hard act to follow; I am, nevertheless, quite capable.

It gives me great pleasure to speak on the Corporations (Financial Services Reform Amendments) Bill. We see bills of this sort and think, ‘Gosh! They are dry and

boring and there is nothing much to them', but they can be very important, and indeed are important bills. They can certainly affect people's lives.

The honourable member who spoke before me, the honourable member for Mitcham, spoke about some of the dubious offers that abound in financial magazines, and that is certainly one of the things I worry about. With the collapse of Ansett many people are taking their remuneration packages. As we saw under the Kennett government, with the amalgamation of local councils and compulsory competitive tendering (CCT) many people took financial packages and really did not know what to do with them. They had worked in one area all their lives and had quite a sum of money to invest but did not have the expertise to invest their money, so they were open to financial sharks and shonks.

Many of those council workers, certainly, especially workers from the parks and gardens area who took out franchises for mowing, lost all of their packages on shonky franchises and shonky financial deals they were clearly ill-equipped to deal with. It is important, therefore, that we have legislation like this in place, and it is certainly a great tribute that we can get this type of bill before the house and deal with it in a bipartisan way for the good of society.

I will go through a few bits and pieces of the bill. The legislation seems dry on the outside, but it is, as I said, a very vital and important piece of legislation, the purpose of which is to make amendments to the commonwealth Corporations Act 2001 and amendments to other acts made necessary by the amendments to the Corporations Act 2001 by the enactment of the commonwealth Financial Services Reform Act 2001. The Corporations Act 2001 came into operation in July 2001 following the enactment by all the states of the package of acts to refer those very necessary powers to the Parliament of the commonwealth and also to make those necessary changes to state laws in preparation for the operation of the new federal corporations legislation.

However, the urgency of resolving the constitutional difficulties affecting the Corporations Law had arisen because of two decisions in the High Court. It is good to see the states cooperating in this fashion. One of the previous speakers referred to the railway gauges as an example of the states all acting by themselves — and what a sham that is! We see the vital importance of operating as one. The corporations bill is necessary, as I said, as a consequence of the Financial Services Reform Act. I would like to talk about some of the explanatory parts of the legislation.

The bill is the culmination of an extensive reform program examining the current regulatory requirements that apply to the financial services industry. It is a burgeoning industry and we can all become quite confused by many packages on offer. In particular this bill provides a legislative response to a number of the recommendations of the financial system inquiry. The inquiry was a comprehensive stocktake of Australia's financial system structure and regulation, which became known as the CLERP 6 reforms and are now contained in the commonwealth Financial Services Reform Bill. That bill is entirely consistent with the findings of the financial system inquiry. The inquiry found that financial system regulation was piecemeal and varied, and was determined according to the particular industry and the required product. However, it was very inefficient and gave rise to opportunities for regulatory arbitrage, and in some cases the regulatory conditions overlapped and caused an extreme amount of confusion.

To address the deficiencies, the inquiry proposed a single licensing regime for financial sales, advice and dealings in relation to financial products; consistent and comparable financial product disclosure; and a single authorisation procedure for financial exchanges and clearing and settlement facilities. This bill implements the proposals and will put in place a competitively neutral regulatory system which benefits participants in the industry by providing more uniform regulation, reducing administrative and compliance costs, and removing unnecessary distinctions between products. In addition, it will give consumers a more consistent framework of consumer protection in which to make their financial decisions. The bill will therefore facilitate innovation and promote business, while at the same time ensuring adequate levels of consumer protection and market integrity.

The honourable member for Mitcham referred to *Best Bets* as a good financial guide. I am sure perhaps in my new job as parliamentary secretary for sports — and racing comes under that — I might find some of these pearls of wisdom. It is certainly something I have not been exposed to in the past, so I will have to make my own judgments as to whether horses and dogs are sound financial investments. I think not.

The proposed regulatory framework covers a wide range of financial products, including security; derivatives; general and life insurance; superannuation, which is something that all honourable members are aware of; deposit accounts; and means of payment facilities. These requirements will apply to the activities of existing financial intermediaries, such as insurance agents and brokers, securities advisers and dealers and

futures brokers, as well as any person carrying on a financial services business. The bill will also put in place a simplified authorisation process for market operators and clearing and settlement facilities. The new regulatory regime provides a flexible and adaptable framework that encourages innovation, competition in markets and clearing and settlement facilities.

In conclusion, the bill contains checks and balances. In the current climate investors, and certainly those of my constituents who unfortunately might not have jobs through the crash of Ansett but who may come into some money — although perhaps not all that they are entitled to — and are looking forward to making sound investments and building a bit of a nest egg that they otherwise would not have had at this point in time in their lives, will need to feel secure in their minds that there are checks and balances in place to ensure that whatever money they may have or have been able to salvage from the wreckage of Ansett, if I might put it that way, is safe and sound. They need to feel that they have someone who they can trust watching over their money and that the regulatory requirements are in place.

Of course the tragic events of 11 September sent shock waves through and caused uncertainty in the stock market. Although it has recovered, it is just back to the point where it was several months ago. All those factors having been taken into account, this is a good bill, and I appreciate the bipartisan way in which it is going through. I wish the bill a speedy passage and commend it to the house.

Mr STENSHOLT (Burwood) — I also rise to speak in support of the Corporations (Financial Services Reform Amendments) Bill, which amends a number of acts, particularly as a consequence of what is happening right around Australia, both in the commonwealth Parliament and in other state jurisdictions. It relates in particular to the commonwealth Financial Services Reform Act 2001. That act reforms part of the commonwealth Corporations Act 2001 by substituting a new chapter 7, dealing with financial services and markets, to replace the old provisions in chapters 7 and 8 of that act. The chapter deals particularly with securities and the futures industry. In fact, it provides for substantial changes in the financial services markets.

These services and related ancillary aspects are important to the Australian and Victorian economies. For example, in the 1999–2000 financial year the finance and insurance sector contributed 7.2 per cent of our gross domestic product, compared to 6.8 per cent

for the previous financial year. That is only a slight increase, but when you consider Australia's overall gross domestic product you can see that the growth is quite considerable.

The figures for the financial services area of the sector are quite massive. Some relate to turnover, but some relate to assets held in the finance and insurance sector. For example, in June 2000 the financial institutions had financial assets of \$1389.4 billion, and bank assets alone were \$731 billion. In June 2000 life insurance assets were \$184 billion and general insurance assets were \$68 billion. We all know the importance of life insurance, or indeed insurance in general. This week in this house we have had discussions on public liability and other forms of insurance, which are important not only to the lives of Victorians but also to the activities of Victorian businesses.

As to the other financial areas, as at 30 June 2000 managed funds had assets of \$590 billion and superannuation funds had assets of \$405 billion. These areas are massive and are growing rapidly, particularly the superannuation area — and the securities area in particular is quite active. I hope people are not punting too much on the futures exchange, although I am sure they do some hedging in some areas.

The chapter also talks about turnover rather than assets and about futures. The turnover of the Sydney futures exchange in the financial year 1999–2000 was \$10.03 trillion. That is up from \$6.2 trillion only some six years before. I am talking about massive growth in the futures area. At the end of June 2000 the capitalisation of domestic equities on the stock exchange itself was \$682 billion — that is up from only \$163 billion some 10 years before.

Clearly this is an absolutely important and very crucial area of our economy. It is also very varied in its components, which obviously include business but also include governments and various other institutions that are also very active. This bill and the commonwealth financial services reform legislation cover many of these institutions and components.

I am talking about the central bank and the prudential regulatory bodies that operate in this area, such as depository corporations, banks, insurance corporations, pension funds, superannuation funds, and investment companies, and also the actors in the industry — which include, for example, security brokers and advisers, insurance brokers and many others. As we can see, it is an enormously important, active, growing and highly significant sector. With this in mind it is important that there be an effective, uniform system of corporate

regulation right across Australia and right across the industry. This bill seeks to add to this process by updating particular references in the Victorian acts to bring them into line with the revisions to the Corporations Act through the commonwealth Financial Services Reform Act — and there are quite a lot of those in this bill.

It shows the changing definitions and the increasing sophistication of the financial service markets with which we are dealing. For example, we no longer have stock exchanges. We do not call them that anymore; instead we call them financial markets. There is now not just one, because they have become many and varied. We do not have a futures industry anymore; instead we have what are called derivatives. As you can see from the schedule to section 3 and the amendments to the Co-operatives Act 1996, we are not talking about the conduct of a securities business anymore but about the carrying on of a financial services business.

Changes are being made to the various acts right across the board. There are even changes to the Country Fire Authority Act and to the Metropolitan Fire Brigades Act. The definition of 'insurance intermediaries' is now being changed because of the updating of the commonwealth act. There are other interesting changes to these acts. For example, we no longer wind up companies; they now go into administration.

The other one is that we do not have stockbrokers anymore. 'Stockbrokers' has been a long-honoured term, but they are now called financial services licensees and regulated principals. Those phrases in themselves are very important, because they go to the nub of the matter. We are talking about proper governance of financial markets and services. We are talking about appropriate licensing arrangements, so licensing is a very important part of that. They too are regulated — and regulation is a very important part of any governance arrangement. They are very clearly specified in the changes to the various Victorian acts, right through to the Trustee Act, the Municipal Association Act and the Trustee Companies Act.

This bill is very much an aspect of good governance, which is about promoting and enacting better regulation. Here in Victoria the Bracks Labor government is in the process of ensuring good, balanced economic governance for all Victorians — that is, for all participants in our economy and our social life. As honourable members would know, an appropriate regulatory framework is one of the prime requirements of good economic governance.

I had some experience of this working in South-East Asia prior to being elected to the Legislative Assembly. For example, I was involved in providing advice through one of the United Nations bodies on the development of the private sector in mainland South-East Asian countries like Cambodia, Vietnam, Laos, Thailand and Burma, or Myanmar. Appropriate regulation of financial markets was very much to the fore, particularly when you had developing markets that prior to then had been incomplete instruments and when you had a system of regulating these things in a highly intensive way where there was little understanding of or thought given to how they — or indeed any markets — could appropriately operate.

Obviously here in Australia we have had a great deal of experience with the development and maintenance of our economy; but we are also seeing changes in the economy both here and in the rest of the world. One of the most important things not only for large corporations but for small businesses is a very simple thing like providing certainty in the marketplace. This means ensuring that any legislation is put as clearly as possible and is communicated effectively so that businesses can operate with that certainty and with the comfort of knowing that they have a regulatory framework around them which allows them to obviously trade and make a profit, bearing in mind the basic principles by which business must operate.

Appropriate regulation, such as we see in this bill on financial services reform, allows the markets to operate effectively without such regulation stifling the businesses operating in them.

As other speakers have explained, the bill was introduced because of the need last year to put forward changes to the Corporations Act and subsequent Victorian legislation because there were constitutional legal problems in corporate law. It was not possible to do it all at once; hence the financial services reform act was put through by the commonwealth separately.

These changes come about as part of a process of wide consultation in Australia and, of course, Victoria. A financial services inquiry was established in 1996, the findings of which were the basis of most aspects of the financial services reform legislation that was introduced in the commonwealth Parliament last year. The inquiry examined what was happening in the financial services area and found that there were a number of forces promoting change in its various sectors. Certainly aspects of customer needs are driving that change.

We all know about changing demographics and that they keep changing all the time. Within that, the way

customers behave is also changing. To see that we need only look at the way we do our banking. I am sure many honourable members do their banking on the Internet and may not go near a branch — although we know that often there are no branches near us anyway because the banks have closed them all. There has certainly been a change in the way customers operate and the services they need.

Associated with that are extensive changes in technology, including the financial services area. Obviously I am talking about computerisation, which takes many forms, including the operation of the futures exchange. Even the stock exchanges have changed completely. There are no longer rooms full of people giving funny hand signals, tapping their shoulders and all that. In fact, you do not find that in the futures exchange, either. There is no longer any bell to ring, like the one you see in the New York stock exchange. It is all completely online.

There have been associated changes in regulation. Capital and trade move far more freely now than they did 10 or 20 years ago. Many people say it was the short-term money or capital movements in 1997 which forced what was a big collapse in both the securities market and the futures market. Of course, we have also seen associated with these forces an increase in competition. The change to globalisation means that Australia is now much closer to the rest of the world. There is a lot of interlocking between these various aspects.

We have also seen changes in business. In the financial services area a lot of money is made through the amalgamation and conglomeration of companies. Some people say companies are changing much faster now than they changed in the previous 40 years. We are seeing, for example, huge mergers internationally. Compaq and Hewlett-Packard are now looking at combining. Even in Australia BHP, the Big Australian, has become BHP Billiton. Some of these companies are diversifying as well. And there are changes to the way financial services are provided.

This inquiry looked at all these and found that a more specialised regulatory environment and regulatory arrangement was needed to ensure that participants acted with integrity, and very importantly that consumers were protected. Both of these are very important for any regulatory framework, and that is what the Corporations (Financial Services Reform Amendments) Bill does. It brings this into the Victorian system and complements commonwealth legislation and legislation in other states. Its guiding principles are meant to be competitive neutrality, cost effectiveness,

transparency, flexibility and accountability. All of these are very important in the financial system — for example, we have seen problems with HIH and with auditors — and it is these principles that are needed, as is the setting up of a sound regulatory environment throughout the Victorian system and throughout Australia.

This particular bill seeks to do that in respect of chapter 7 of the commonwealth Corporations Act, and it does it very well. I commend the bill to the house.

Mr SEITZ (Keilor) — I rise to support the Corporations (Financial Services Reform Amendments) Bill, the purpose of which is to amend certain acts as a consequence of the enactment of the commonwealth Financial Services Reform Act 2001. As a country we are moving a long way ahead by having uniform laws where possible. As the honourable member for Burwood pointed out, with more modern technology we are becoming a smaller country in a smaller world. Computerisation and modern technology allow the world to shrink, and of course we need regulations for these modern times.

Computer banking can transfer funds from one institution to another, from one corporation to another, or from one country to another in a matter of split seconds. That is very important, and I dare say that these amendments are only the beginning of changes that legislators like us will have to be vigilant and continuous in forwarding, amending and checking, because commerce, industry and technology sometimes move a lot faster than legislators. There will always be some young, bright wizards who will be able quite legally to bypass all the laws and intentions that have been set out in this bill and those that it amends. Therefore, I am pleased to speak on the bill. I support it because it relates to an important issue of great concern, particularly when corporate institutions in which people have money invested become insolvent.

As we know, over the last 10 to 15 years many mums and dads have suddenly become shareholders. They have got dragged into a corporate world which did not exist before. The privatisation of Telecom was one of these things. If you were a Telecom subscriber — and who was not in those days — you got a letter and were asked to take some shares. Naturally all the forms were sent to you and it was made easy for the mums and dads — the little families — to sign up and get involved in the share market.

There are a number of people who were involved in having private life insurance. Again, when they amalgamated, these companies offered free shares for

this and that as a sweetener if shareholders did not oppose the amalgamation of companies, the selling off of Australian companies to offshore companies or their amalgamation with overseas companies.

All of that has become a real bewilderment to the small investors, who I call the mums and dads of Australia. They have share certificates sitting around and really do not know what to do with them, how to dispose of them or how to reclaim them; or that they have to keep them in safe custody and in safe places. These people were new to it. Sooner or later they may get a cheque or a letter to say they need to come to a shareholders meeting. It might just be that they had an Ansett frequent flyer card. The company has gone into liquidation and has to make a decision, so everybody who has an Ansett frequent flyer card gets a letter to turn up at a shareholders meeting. People with these cards may never have considered themselves to be shareholders or to have a say in it.

Hopefully this bill and the acts it amends will go a long way towards the regulation of the corporate financial world and the enhancing of people's understanding of it so that we do not have loopholes such as when companies, banks and insurance companies are able to register in one state and that registration does not apply in another state. I dare say they will try that and we will have Supreme Court and High Court decisions and further amendments will have to be made to the legislation in the future.

But there is also the terminology that is used. As the honourable member for Burwood expressed, the changes to wording, to meaning and to the actions of shareholders, stock markets and sharebrokers — all these changes and the new terms used in the bill — are also confusing, particularly to the mums and dads who are not in the business or in the industry. People are scared to go to financial advisers or to financial service providers, particularly pensioners who have 70 or 50 shares in some insurance company with which they had a policy and to whom shares were given for free. It would cost them more than the shares are worth to dispose of them. Every now and then some offers are made where you can sign the form, send it in and redeem your shares without having to pay a broker a fee to do it for you.

It is important to understand all of those issues because, as happened in the 1990s, Victoria and Australia really got on the bandwagon of having families and little people involved in owning shares and there has not been sufficient education or safeguards put in place. Some people —

Mr Spry interjected.

Mr SEITZ — I will take up the interjection by the honourable member for Bellarine, although he is out of his place and disorderly. The mums and dads who were caught in the Telstra share offer, especially in the second issue, paid the price. They saw Telstra shares going up, but now they are down quite a long way. Some companies were not up front with the purchase price of their shares, and again it is inexperienced people who have been caught up in that.

Despite all our regulations and laws, in layman's terms people still get caught. If it involves people who are not paying professionals to provide services, or if the professionals do not have integrity or have controls over them, people can be cheated, swindled or not have things explained to them, because it will be on the bottom in tiny fine print. They will be told, 'Oh, didn't you read the fine print?', which will have the disclaimer on issues of who is accountable and responsible.

It is very important that all the research and investigation which has taken place and gone into this legislation is honoured in all the states and that the federal government will monitor it. Of course, someone has to pay for the enforcement and maintenance of something like that. Again, that is an important issue that has to be dealt with in the future — will it be little people who will pay for it or the big corporations that maintain the infrastructure? — in supervising the legislation we are passing here today, because so often when it comes to enforcement it is the little people who cannot afford to defend themselves but the big corporations can. In particular the big insurance companies can easily take money off you to pay for your premiums, but you try to make a claim! They can make it very difficult to get a claim accepted by them. That is part of that financial responsibility and accountability that need to be looked at and dealt with in the regulations that come out of this legislation.

Since what happened with HIH, as the honourable member for Burwood said, every other insurance company has used that as an excuse to up their premiums, whether on house, car or boat insurance. I am talking about the common people, the people that I represent, the little people out at my electorate who are all paying for this because the people who have profited, the company directors, get off scot-free. We saw that with One.Tel in the telephone industry, and again they get away with it and the little people are the losers.

Having said that and being conscious of the time, I wish the bill a speedy passage.

Ms ALLAN (Bendigo East) — I am very pleased to follow my colleague the honourable member for Keilor in speaking on the Corporations (Financial Services Reform Amendments) Bill 2002. As we have heard from previous speakers, this bill amends acts that have been affected by changes to the securities and futures industry provision in the commonwealth Corporations Act of 2001 — and changes that have been effected by the commonwealth Financial Services Reform Act that was enacted in 2001 with the agreement of all states and the Northern Territory. How different that Council of Australian Governments meeting will be next week, with all states and territories being Labor states and territories. It will be a very historic day, and a wonderful day for many people around the country.

It has been made necessary to make a number of amendments to references in Victorian acts which are no longer consistent with this national framework since the passing of the commonwealth Financial Services Reform Act, and with it the new regulatory regime.

The bill replaces the term ‘stock exchange’ with ‘financial markets’. The honourable member for Burwood referred to the modern-day stock exchange and recalled, with a tear in his eye, that no longer is chalking up carried out in the stock exchange. It is certainly a modern stock exchange and a vastly different place to what it was even 10 years ago.

This is an important issue to my electorate of Bendigo East. It may be of some interest to honourable members to know that Bendigo has its own stock exchange, the Bendigo Stock Exchange, which trades on the market. It is an important institution for Bendigo, and I would go so far as to say for country Australia, because it provides a focus on and an understanding of regional markets. For a number of years following the gold rush Bendigo had its own stock exchange. Many older people in Bendigo remember going down to watch the workings of the Bendigo Stock Exchange, which was in the heart of Bendigo. They even recall the specks of gold dust falling out of the miners’ pockets as they went up to the stock exchange to deal on the market. It may sound a bit far fetched, but it is a recollection of many people.

For many years the Bendigo Stock Exchange played an important role and was an important institution in the financial district of Bendigo. Unfortunately it lapsed for a number of years, and it is pleasing to see that in recent times — the past five or six years — it has been revived, primarily through the use of technology. The comments of the honourable member for Burwood were particularly pertinent to the Bendigo Stock Exchange and the way it operates in the modern

climate. The exchange plays an important role in that Bendigo is recognised as the financial capital of regional Australia.

The bill will affect a number of institutions in Bendigo. Many honourable members will be aware that Bendigo is the headquarters for the Bendigo Bank, which is going wonderfully well with its strong commitment to local communities, whether they be in country areas, in outback Western Australia and Queensland, in regional cities, or in small country towns such as Maldon or Rupanyup in country Victoria. Metropolitan areas such as Brunswick, Canterbury and Surrey Hills are all pursuing having a branch of Bendigo’s community banking network located in their area. They recognise the importance of having a branch in their own community, of retaining that sense of community identity and of retaining local capital within a region for the longer term benefits of that community.

Bendigo also has other extensive financial services through North West Country Credit Union Cooperative, which is also headquartered in Bendigo and has an extensive network throughout north and central Victoria. It is another financial institution that is committed to maintaining a network of country branches that serve people in country communities.

Before I move away from the stock exchange I also refer to the future addition of the Rural Finance Corporation’s headquarters to Bendigo, which will really cement Bendigo’s place as the financial capital of regional Australia.

I note that the bill addresses independent financial advisers and the importance of a regulatory framework overlay with the sole aim of ensuring there is a level of consumer protection. The honourable member for Keilor addressed in detail the growing number of what are known colloquially as mums and dads shareholders, who are investing in the share market because of the opening up of shares through the privatisation of Telstra — although there were many of us on this side of the house who opposed the privatisation of Telstra. However, it has opened up markets to people who would not normally invest in shares. That has provided an opportunity, and with that comes a greater need for independent financial advice.

I am sure many honourable members have heard financial advice on talkback radio. The Australian Broadcasting Corporation does it very well with a regular talkback segment with a financial consultant.

Debate interrupted.

The ACTING SPEAKER (Mrs Peulich) —
Order! The time has arrived for this house to meet with the Legislative Council in this chamber for the purpose of electing one member of Parliament to the Victorian Health Promotion Foundation.

Sitting suspended 6.15 p.m. until 8.02 p.m.

Debate adjourned on motion of Mr HOLDING (Springvale).

Debate adjourned until later this day.

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

The ACTING SPEAKER (Mr Seitz) — Order! I have to report that this house met with the Legislative Council this day for the purpose of sitting and voting together to elect a member for appointment to the Victorian Health Promotion Foundation and that the Honourable Gerald Barry Ashman, JP, MLC was elected.

COUNTRY FIRE AUTHORITY (MISCELLANEOUS AMENDMENTS) BILL

Council's amendments

Returned from Council with message insisting on amendments.

Ordered to be considered next day.

AUDIT (FURTHER AMENDMENT) BILL

Council's amendments

Message from Council relating to following amendments considered:

1. Clause 16, page 15, lines 8 and 9, omit "when the Parliament is in recess".
2. Clause 16, page 15, line 10, omit "one business day's" and insert "2 business days".
3. Clause 16, page 15, lines 16 to 18, omit all words and expressions on these lines and insert —
 - “(c) publish the report on the Auditor-General’s Internet website —
 - (i) as soon as practicable after it is first laid before a House of the Parliament; or

- (ii) if the report is given to the clerks when the Parliament is in recess — as soon as practicable after giving it to the clerks.”.
4. Clause 16, page 15, lines 24 to 30, omit all words and expressions on these lines and insert —
 - “(b) if the report is received when the Parliament is in recess — give a copy of the report to each member of the House as soon as practicable after the report is received.”.
5. Clause 16, page 15, line 32, after “(4)(b)” insert “when the Parliament is in recess”.
6. Clause 21, lines 27 to 30, and page 22, lines 1 to 5, omit all words and expressions on these lines and insert —
 - “(2) A person who receives a relevant document from the Auditor-General or who, in accordance with the Auditor-General’s written authorisation, receives information contained in a relevant document must not disclose any information contained in the relevant document except —
 - (a) in accordance with the Auditor-General’s written authorisation; or
 - (b) after the information the person discloses has been made public in a report by the Auditor-General.”.
7. Clause 21, page 22, after line 9 insert —
 - “(3) In this section, “**relevant document**” means a proposed report or part of a proposed report of the Auditor-General under this Act.”.
8. Clause 21, page 22, line 10, omit “(3)” and insert “(4)”.
9. Clause 21, page 22, line 14, after “information” insert “the person discloses”.
10. Clause 21, page 22, line 20, omit “corporate.” and insert “corporate.”.
11. Clause 21, page 22, after line 20 insert —
 - “(5) For the purposes of sub-sections (2) and (4), information is taken to have been made public in a report of the Auditor-General when —
 - (a) the report is laid before a House of the Parliament under section 16AB(3); or
 - (b) the report is taken under section 16AB(6) to have been published by order, or under the authority, of the Houses of the Parliament.
 - (6) A person who contravenes sub-section (2) or (4) also commits a contempt of the Parliament and may be dealt with by the Parliament for that contempt.
 - (7) Despite sub-section (6), a person is not liable to be punished more than once for a contravention of sub-section (2) or (4).”.

Ms CAMPBELL (Minister for Senior Victorians) — I move:

That the amendments be disagreed with.

Mr CLARK (Box Hill) — There are times when I despair about this government and about Victoria under its rule, and the last 60 seconds have seen that despair compounded. We now have the bizarre situation where the Minister for Senior Victorians is standing up to move that these amendments be disagreed with yet offering no explanation to this house as to why the government disagrees with the amendments. The Minister for Finance was in this chamber 60 seconds ago, but he has now disappeared when amendments to a bill for which he is responsible are coming on for debate. One can well understand that the Minister for Finance has flown back from Canberra after attending the national forum on public liability insurance and that he therefore might not be in a position to debate this bill. That is fine, but why is the government insisting on bringing on this bill at this time of the evening with the responsible minister being in the building but not being prepared to get on his feet and justify the government's disagreement with these amendments?

To further compound the situation, I have attempted on several occasions to put to the current Minister for Finance and his predecessor the point that there is agreement in principle on what we are trying to achieve with many aspects of this bill and have suggested that with a little bit of commonsense and goodwill we could sit down and come to an arrangement that would see this bill pass through this house, pass through the Parliament and implement the number of worthwhile reforms contained within it. However, the government has made no attempt to either reach a resolution or stand up in this house and justify its disagreement with the amendments made in the upper house.

Looking at this appalling behaviour on the part of the government you ask yourself what is behind it: is it incompetence or is it conspiracy? That is the classic dilemma. For a long time my money was on the incompetence explanation, but I am slowly coming to the conclusion that it has a healthy element of conspiracy in it. I conjecture to say that the conspiracy is consistent with the normal, grossly petty and political style of the present government.

The government has looked at this bill and seen it is a bill that relates to the audit function and to the Auditor-General. The government figures that if it refuses to agree with the amendments made in the other place it can go out to the world and say that the rotten opposition is blocking reforms to the Audit Act. The

government thinks that it can win that public debate. It has no interest in good law, in good government or in good outcomes, just silly, bloody-minded, petty, political point scoring. However, there are two reasons why that attitude will not work. The first is that the press and the public are now well and truly awake to the conduct of the government and the way it plays these silly games. For that reason alone the press and the public will see through this petty ploy adopted by the government.

The second reason this attitude will not work is that one of the pivotal amendments we are debating relates to the freedom of the press. As I pointed out when this bill was last debated in this place, and as was pointed out in the Legislative Council debate, one of the provisions of this bill contains measures that impose fines on people in relation to the disclosure of information contained in Auditor-General's reports. On a normal and natural reading of that clause, on a fair and reasonable reading of that clause, this provision will impose fines not only on public servants who might leak reports but also on journalists who might report what is leaked to them. That raises grave issues about public debate, about democracy and about the freedom of the press.

When this issue arose in the spring sittings the government said that it did not intend to fine the press. The previous Minister for Finance had two pieces of legal advice incorporated into *Hansard* in this house. One was in-house advice from officers of the Department of Premier and Cabinet and the other was a piece of advice from Mr Peter Hanks, QC. However, between the conclusion of the debate in the last sittings and the resumption of the debate in autumn I obtained further legal advice, which reviewed Mr Hanks's advice and, I should add, another piece of advice from the Victorian Government Solicitor, Mr James Syme.

That further advice confirmed first of all that on the most natural and logical reading of the legislation as it stands the bill would be construed by a court as applying to any person who receives part of a report or a proposed report of the Auditor-General, being a report under the Audit Act. Further, that legal advice pointed out that if you take the alternative interpretation — the one the government seeks to argue for — then this is an extraordinarily narrow clause and one that, for instance, could be readily evaded by an intending leaker of a proposed report simply handing that report to someone else in the bureaucracy and that person in turn carrying out the leaking. In other words, as the government argues it means, the provision would be a complete and utter charade. It would have virtually no effect whatsoever in preventing leaking.

Of course, this is not simply an academic matter, because during the spring sittings we saw an incident where a proposed report of the Auditor-General was leaked in a way that abused normal process and disrupted the ability and confidence of the Auditor-General in showing in-confidence draft reports to departments and others about whom he was proposing to report and seeking their input. That was a very grave disruption of proper process in a very important and sensitive area. On the government's interpretation of its amendment, that abuse would not be curtailed.

You would think, Mr Acting Speaker, that with a bit of goodwill this issue could be resolved, because I do not think there is any disagreement in principle between the government and the opposition about what this part of the legislation should achieve. In essence, both the government and the opposition want a provision that effectively stops leaks by punishing the leaker, if I could put it that way, rather than the leakee — that is, the person who receives the leaked document.

The person who ought to be punished is the last person who receives the proposed report with proper authorisation but who then transgresses that authorisation by leaking the document.

I believe the honourable member for Mitcham is going to speak later in this debate. I will be interested to see whether he agrees or disagrees with this conclusion about the common objective of the government and the opposition. Proceeding on the assumption that that is the common agreement, it is simply a question of the mechanics and the drafting necessary to achieve it. Even if the government disagrees with the approach the opposition is taking in attempting to achieve that outcome, it should not simply reject it out of hand and persevere with the seriously flawed wording in the bill as it stands. Instead, it should come back with its own approach or, better still, sit down and talk with the opposition and the National Party and seek to obtain agreement on how to achieve a mutually supported objective.

The provisions which the opposition has proposed and which the upper house agreed to are very simple and straightforward. They apply the prohibition on leaking to a person who receives a relevant document from the Auditor-General or who, in accordance with the Auditor-General's written authorisation, receives information contained in a relevant document. The prohibition simply says that such a person must not disclose any information contained in a relevant document except in accordance with the Auditor-General's written authorisation or after the

information the person discloses has been made public in a report by the Auditor-General. That is a fairly clear and straightforward provision and one where 'relevant document' is defined as referring to a proposed report or part of a proposed report of the Auditor-General under the Audit Act.

What the government ought to understand is that this dovetails in well with the procedures that are already being followed by the Auditor-General when he makes available to auditees copies of his proposed reports, because what the Auditor-General does in such instances is forward a proposed report to the auditee with a covering letter providing the opportunity for comment and specifying the purposes for which the recipient is authorised to receive and disseminate the document concerned. That is something that exists already: the Auditor-General's covering letter, of its own force, says to an auditee what they may and may not do with the proposed report that is being provided to them.

This provision simply meshes in with existing practice. In the other place it was suggested by the government that the authorisation letter which the Auditor-General might give could be unduly narrow for the purposes for which the government wanted to use the proposed report. I must say, Mr Acting Speaker, that seems to me to smack of the government saying either that it lacks confidence in the Auditor-General or, alternatively, that it wants to do with the proposed report things that the Auditor-General believes it should not be allowed to do. In either case, we have a very serious situation. For a government to suggest that it does not trust the Auditor-General to give it the authorisation to do with a proposed report what the government believes it ought to be able to do with it is very grave indeed.

I would urge the government not to proceed with this debate tonight but to adjourn it after some discussion and to have the Minister for Finance contact the Auditor-General and ask him what the situation is and what scope of authority he normally gives when he sends a proposed report to an auditee for comment. The minister and the government should talk through those issues with the Auditor-General and thereby inform themselves of the current practice and see how that ties in with the amendments that are proposed by the opposition.

Rather than proceeding in the pig-headed way it has to date, perhaps the government could then grasp why the opposition's amendments are sound and realise that it does not have a problem and that these amendments deserve support.

The second part of the amendments made by the Legislative Council with which the government apparently disagrees relates to two aspects of the way advance notice is given by the Auditor-General of the intention to table reports. This issue arose when the original bill was debated back in the spring sittings. We made some considerable progress, and there was a fair degree of like-mindedness between the opposition, the National Party, the honourable member for Mildura and, in the end, the government. Amendments were inserted to make clear a regime under which reports of the Auditor-General could be made available on a fair, open and sensible basis during periods when the Parliament was in recess.

However, the opposition has proposed what I thought were two fairly limited and sensible amendments to that mechanism. The first of those amendments was to say that the advance notice which the Auditor-General will now give to the clerks and through them to members of Parliament regarding the Auditor-General's intention to table a report shortly should apply not only when the Parliament is in recess but when the Parliament is sitting. There are very good reasons in terms of an informed public debate — of openness and accountability — why that should be the case.

In other words, on all occasions when the Auditor-General is about to table a report he should let the Parliament know that that is about to happen so that everybody who is interested in the subject matter of the impending report — namely, members of Parliament, representatives of the media and members of the public — can get themselves up to speed on the issues, refresh their memories or research the subject matter of the impending report, and then when the report is tabled be able to make constructive and intelligent comments and responses rather than having to rush to get up to speed from zero when the report is first tabled at the commencement of a sitting day. That seems to me to be a limited but very sensible and practical reform and one that you would think is completely in line with the government's professed commitment to openness, accountability and democracy.

Yet for no particularly intelligible reason the government has seen fit to oppose this proposal. As well as I can make out, the government's only reason for opposing it is that it goes a bit further than the scope of what the government originally had in mind. What sort of a reason is that, Mr Acting Speaker, to oppose the amendment? It is fully within the scope of the bill that is before the house; it is fully within the scope of provisions that regulate the way in which reports of the Auditor-General are tabled — there is no question whatsoever that it is outside the scope of the bill. The

test by which it should be judged is whether or not it is a good amendment, not whether or not it goes further than what the government originally intended to do. If the government is going to continue to oppose it, it should at the very least put forward some reasons of principle as to why it thinks the public and this house should not be better informed about the impending tabling of Auditor-General's reports. I would submit that that is going to be a very hard case for the government to make.

The second amendment proposed by the opposition in this area of the bill relates simply to the period of advance notice which the Auditor-General is to give. At the moment the bill provides for one business day's advance notice. The opposition's proposal is that that be a period of two business days, and the reason is simply to give a bit more time for people to make themselves aware of the issues concerned.

Although the saying is that a week is a long time in politics, often 24 hours is not a particularly long time in politics. When the house is sitting there are always plenty of ongoing issues to occupy the minds not only of ministers, shadow ministers and party leaders, but also of Independent members and ordinary backbenchers. So to give two days notice seems perfectly fair and reasonable in the context where the house is sitting. Of course, when the house is not sitting, when it is in recess, honourable members are likely to be in their electorates in many different parts of the state, often in far-flung parts of the state. For example, if a member in Mildura or Gippsland East had a strong interest in a particular report and wanted to come down to Melbourne in order to give a television interview over that report, that may take time to organise, and it seems perfectly fair and reasonable to allow two business days for that to occur.

The government seems to think that even the correct interpretation of the current provision in terms of which days you include and which days you exclude from the count is incorrect and it seems to want a particular restrictive interpretation of the scope of this provision, which again appears to be a grudging and penny-pinching attitude. An attitude like this seems to be at odds with the government's rhetoric about openness, accountability and democracy.

For all of these reasons the opposition is having great difficulty understanding why the government is opposing these amendments other than for the very petty and political motives to which I referred at the outset. If the government had any serious and genuine commitment to the issues concerned it would adjourn the debate tonight to provide the minister the time to get

himself up to speed with the issues, and allow the minister time to speak to the Auditor-General to get himself briefed on what current practice is. If the minister were to persist in his objections, he should at least do this house and the public the courtesy of coming in here and putting on the record what his objections were.

I hope the minister, having been briefed and having reflected on the issue, and having concluded that there is merit in what the opposition has said, will either agree to the amendments or, at the very least, be willing to sit down with the opposition and come up with an alternative form of wording to enable amendments to be implemented where the opposition and the government have agreed on the issue of principle.

As I said at the outset, I despair of the way the current government is governing the state. I also despair of the way it is managing this house. For all those reasons, I urge the house to oppose the motion the government has moved.

Mr RYAN (Leader of the National Party) — I intend to be brief, because the matter involves a series of issues short in compass and, I think, deserving of brevity. I endorse the comments made by the honourable member for Box Hill in his opening in that it is a pity the Minister for Finance was not here to move the motion. He moved, all right — he moved in and then moved straight out again before the debate got under way!

While we appreciate that he has had a long day in Canberra, hopefully arguing the cause for solutions to the public liability insurance issue, this is the finance minister's bill and he should be here to deal with the issues. It is unfortunate that he is not.

The amendments, which essentially affect clauses 16 and 21, are small in compass. I cannot but have regard to the various contributions made by my colleague the Honourable Roger Hallam in another place, particularly during the committee stage, on the amendments that now have the consideration of this house.

The last thing in the world I want to do is patronise anybody involved in this, but surely it should not be beyond the wit of man after all these months, bearing in mind that this bill has been outstanding since the spring sittings, to achieve some form of mediated outcome. I can but urge the government to have another look at the situation.

This is more than arguing at the margins, or less than arguing at the margins, however you want to approach it. It is about arguing over issues that, having regard to

the totality of things, are utterly minor given the extent to which they will impact on the bill at large.

The amendments have been canvassed by the honourable member for Box Hill, so I do not intend going through them all again. Suffice it to say that having regard to the terms of the amendments, and in particular to the commentary by the Honourable Roger Hallam in his careful analysis of what was said in another place, and bearing in mind the matters put by the honourable member for Box Hill, I urge the government to rethink the situation to see if we can resolve it.

The government should accept them, which would be the sensible thing to do. For heaven's sake, the government has the high moral ground on this matter. It seems there is nothing to be gained by pressing the issue when what we are talking about is something that will not impact hugely on the merits of this bill, which otherwise is supported by all the parties concerned.

Mr ROBINSON (Mitcham) — I am pleased to speak on the bill and to support the motion to reject the amendments proposed by the opposition in another place. The two previous speakers have sought some sort of statement from the government as to why it is rejecting the amendments; I am pleased to give at least a few reasons for them to think about.

The amendments are shoddy, inefficient and downright dangerous, and I will turn to that in detail in a few moments. It is with some disappointment that I note the brief comments of the Leader of the National Party, who has, on a number of occasions in his service in this place, taken a position on defending the rights of the citizens of Victoria. In a few moments I will turn to one of the provisions in the amendments that I believe he has glossed over and which is unacceptable to the government. It is a pity his contribution was so brief.

I will try to go over two of the preliminary matters before I turn to a major concern. The first deals with amendment 1, which deals with the tabling of Auditor-General's reports. As I understand it, the opposition's amendment proposes a codification of the notification procedure both when Parliament is in recess and when Parliament is sitting.

The distinction between the opposition's position and that of the government is that the government has responded to the difficulties that I understand presented themselves to the house last year, when the Auditor-General wanted to present a report when Parliament was in recess. It has done no more than respond to a problem and try to provide an arrangement

whereby the Auditor-General's reports can be tabled when Parliament is in recess. That is perfectly reasonable, and the government and the opposition do not disagree on that point.

However, the government disagrees with the opposition's insistence that the notification procedure ought to apply when Parliament is sitting. In his contribution the honourable member for Box Hill did not provide, at least to my ears, any evidence or suggestion of a circumstance in which the procedure that has traditionally been adopted when Auditor-General's reports are tabled in this place during sittings has ever created difficulties for this chamber or this Parliament. My understanding is that we have never had an issue with the way in which the Auditor-General presents his reports during sitting periods. There is old adage, 'If it ain't broke, it don't need fixing'; so why does the opposition need to insist on fixing it?

Mr Clark — Are you a reformist government?

Mr ROBINSON — We are. That is why I am pleased that the opposition sees merit in the government's original proposal. To accept the opposition's first amendment would be to throw a question mark over the Auditor-General's exercise of discretion in tabling reports during the sittings of Parliament. If, per chance, the Auditor-General decided for whatever reason that he needed to table a report on a Friday afternoon during a sitting week, the opposition of the day — and I understand this would probably be a circumstance if the current government were in opposition — would no doubt have to question why the tabling was done at such an odd hour.

There is no doubt that in so doing, the Office of the Auditor-General would be politicised. Once codification procedures are put in place for the notification side of things during sitting periods, instantly the Auditor-General's office is open to question as to the reasoning and motivations for tabling at a precise point in time.

As a Parliament and a state we have survived without ever having to question the reasons for tabling of all the auditors-general we have had. I am happy to stand corrected if the opposition wants to provide some examples of where the system has let us down, but I have never heard one. Therefore, the government believes it is not a wise or sound move and has not been thought through.

I will give another example dealing with the opposition's second amendment, by which it wishes to

provide for a notification procedure of two days rather than one. That would mean that instead of having to give notification of one day the clerks would have to give two days notice. I do not understand why, at one and the same time, the opposition is claiming that this government, which it says is not prepared to put its shoulder to the wheel — it says it is a government that is underperforming — would suddenly need to break with the convention, which has always been one day, as I understand it, and agree to two days. Is that not a contradictory position? The opposition wants to lower the bar in terms of notification procedures and the way in which Parliament works.

I can only conclude, and this is surmising on my part, that the opposition is finding its time in opposition a bit difficult. It is frustrated and has to measure up. It is not easy: I did two years in opposition, and it is a wretched place to be — but you must perform.

The rule of this place has always been that you get one day's notification — until now, when the opposition wants it to be two. That is politics of the lowest common denominator. The government does not see it as necessary and does not understand why the opposition of the day would need two days. The government agreed to a proposition put, I think, by the honourable member for Mildura for one day.

Mr Baillieu — On a point of order, Mr Acting Speaker, I would hate the honourable member for Mitcham to inadvertently mislead the house when he suggests the rule of the house is for one day's notice when, in fact, the rule now is for immediate notice. There is no one-day notice provision.

Mr ROBINSON — I do not think there is a point of order, but I am happy to accept your ruling on it, Mr Acting Speaker.

The ACTING SPEAKER (Mr Seitz) — Order! There is no point of order.

Mr ROBINSON — Thank you, Acting Speaker. I thank the honourable member for Hawthorn for at least making an effort. That is a good start. Suffice it to say the government has faith in the way in which the Auditor-General and the clerks deal with notification procedures. We do not believe there is any necessity to go to a two-day arrangement as proposed by — —

An honourable member interjected.

Mr ROBINSON — Why do you need it? The opposition has not made out a case for why it needs two days.

An honourable member interjected.

Mr ROBINSON — No, it has not made out a case for why it needs two days, other than it is a lazy, inefficient opposition that is not prepared to put its shoulder to the wheel. I know opposition is difficult, but the government has to keep governing; it cannot dumb down the arrangements in this state simply to suit the opposition.

I turn to the third area, which is by far the most serious area of concern. I am very disappointed that opposition speakers did not refer to this. I refer in particular to amendment 11, which reads in part:

- (6) A person who contravenes sub-section (2) or (4) also commits a contempt of the Parliament and may be dealt with by the Parliament for that contempt.

This is a very serious point. The amendment does not read, ‘a discourtesy of the house’, or ‘a breach of privilege of the house’; the proposed amendment reads, ‘a contempt of the Parliament’. I want every member to understand precisely what that entails.

There is no better authority on contempt than *Erskine May*, and I refer to the 22nd edition. I start off by making the point that contempt is a far more powerful thing than privilege. By way of explanation, referring to the sum of rights and immunities of members under the heading ‘What constitutes privilege’, *May* says at page 65:

When any of these rights and immunities is disregarded or attacked, the offence is called a breach of privilege and is punishable under the law of Parliament. Each house —

I note that it refers to each house, not the Parliament as a whole —

also claims the right to punish as contempts actions which, while not breaches of any specific privilege, obstruct or impede it in the performance of its functions, or are offences against its authority or dignity, such as disobedience to its legitimate commands or libels upon itself, its members or its officers. The power to punish for contempt has been judicially considered to be inherent in each house of Parliament ...

It is a far more powerful thing than privilege. Further on in the same edition of *May*, at page 108 — and here we get a real indication of the strength of a contempt matter — it says:

Generally speaking, any act or omission which obstructs or impedes either house of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such house in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt —

and this is the punch line —

even though there is no precedent of the offence.

Now if we were to draw an analogy we would say that the contempt charge is the parliamentary equivalent of the nuclear deterrent. It is almost unlimited in its application. If we want to gain a very accurate understanding of what the opposition is proposing — and it is the one which has put ‘contempt’ into its amendment, not the government — let us look at chapter 9 of the 22nd edition of *May*. At page 131, under the heading ‘Penal jurisdiction of both houses’, it states:

The power of both houses to punish members and non-members for disorderly and disrespectful acts has much in common with the authority inherent in the superior courts ...

But there is a distinction. It goes on to say:

By this ... the two houses are enabled to safeguard and enforce their necessary authority without the compromise or delay to which recourse to the ordinary courts would give rise.

It says at the end:

... either house: anything done or omitted which may fall within the definition of contempt ... even if there is no precedent, may be punished.

This is extraordinary. The opposition wants to place a provision in this bill which would give either house of Parliament — and for that we can read the Legislative Council — almost a universal power to punish. By that we are not talking just about — —

Mr Baillieu interjected.

Mr ROBINSON — Let me take up the interjection of the honourable member for Hawthorn to understand precisely, by the express wording of the opposition’s amendment, what powers the Parliament would have. Honourable members should remember what has just been said — that the contempt charge is one in which the Parliament does not have to give due observance to the processes which would normally be accorded an individual if they were subject to prosecution in the judicial system as we know it. There is no recourse to that. In fact, the essence of the contempt power is one of speed. So by virtue of the amendment that is proposed you would dispense with judicial fairness, you would dispense with natural justice, and you would dispense I am sure with any number of elements that go towards what we understand to be citizens’ human rights.

It is interesting that in their sturdy defence of the opposition’s position the honourable members made no reference to this. This is an incredibly serious and

severe power that they want to give to the upper house — that is what this amendment would provide for — and they barely commented on it. In fact, they did not comment on it at all.

As a guide I refer to page 49 of *A People's Counsel*, an excellent book by Raymond Wright on the history of the Parliament of Victoria. As a contrast — remembering that we are saying that contempt is far more powerful than privilege — let's look at some of the severe powers which the Parliament can dispense for breaches of privilege, and then understand that what contempt is about is far more serious still. The example referred to on page 49 is that in 1862 and 1866 the publishers of the *Argus* were censured and imprisoned for printing articles in breach of privilege. How's that? Breach of privilege will get you in prison, yet contempt is stronger.

Mr Baillieu interjected.

Mr ROBINSON — It was 1862 and 1866 — about the last time the Legislative Council actually went to an election, but that is another story. This excellent history tells us, with a touch of irony I am sure, that in 1893 an individual by the name of Robert Clark of the Ballarat *Courier* — now there is a turn-up — was censured at the bar — fancy that! — and again that was for breach of privilege. More significantly, in March 1876 an individual by the name of James McKean, who was the member of the Legislative Council for North Gippsland:

... having slandered the house by calling it corrupt, refused to recognise the authority or censure of the Speaker. Arrested by the Serjeant on the Speaker's warrant, he spent eight days confined to a room in Parliament House (he was not placed in the basement cell provided for such purposes) —

that was very lenient; he got off lightly; he was just locked up for eight days in another room —

with a guard at the door and supervised visits from a tearful family; on tendering a written apology he was finally released on 16 March 1876.

I bet you Phillip Ruddock would love to get hold of this — contempt! By virtue of the opposition's amendment, we could redefine mandatory sentencing and mandatory detention. These are punishments which were meted out by houses of Parliament for breaches of privilege, yet we know from *May* that breaches of contempt are far more serious. This is extraordinary.

As I said earlier, I am amazed that the Leader of the National Party, who has forged something of a reputation as a defender of citizens' rights and liberties, spent 2 minutes on this bill. This power of contempt

ought to be enough to have people like him thinking twice. If the other side is looking only for one good reason why the government should not agree to these amendments, I suggest it is that power of contempt, because it would give the upper house carte blanche to do anything it wanted with an individual found guilty of the provision referred to. That is extraordinary. It is certainly not a provision that I could ever support. If they are looking for one good example, let it be that example.

I do not want to speak for much longer, but I did want to — —

An honourable member interjected.

Mr ROBINSON — No, I am conscious of the time; I have only 3 minutes left. I did want to say one further thing — that is, that the opposition does not have to simply refer to the stand the government is taking on this matter. It can refer to previous members of this house who have taken a stand in regard to the Auditor-General. Let me cite for the house the example of the very honourable previous member for Mitcham, Mr Roger Pescott. It was on a matter of great principle to do with the Auditor-General that he resigned; he vacated his seat. I have a copy of his remarks at the time. Let us remember what he said:

Principal among my reasons is the government's intention to alter the role and function of the Auditor-General. ... I expected commonsense to prevail. It has not.

He talked about:

... the system of checks and balances which are the core of our system of government.

He went on and had a bit of a complaint about the Liberal Party, saying:

It has been a long time since I have found the avenues of serious debate ... satisfactory.

...

I see it as a further part of my protest in that it will be a plebiscite on the Auditor-General legislation. The issue should not be allowed to die.

If the Liberal and National parties want to put the proposition out to the citizens of Victoria as to which is the better side of Parliament in judging and managing issues associated with the independence and operation of the office of the Auditor-General, I am happy to stand against them in that contest. I am supremely confident — —

Honourable members interjecting.

Mr ROBINSON — I think the Leader of the National Party talked about the moral high ground. At least he recognises the landscape on this issue. The opposition is in a very weak position to start claiming the government is being in any way unreasonable.

The government has responded to circumstances which presented themselves to the house last year. It has a proud record in the two and a half years it has been in office in preserving and restoring the independence of the Auditor-General. I am pleased that we have delivered on the things we said we would, going back as far as the Mitcham by-election in 1997.

As I said at the start of my contribution to the debate, the opposition's amendments are shoddy. They make for inefficient administration and they are downright dangerous. There is no way this government will support any amendment which gives carte blanche to one house of Parliament, the motives and actions of which to this point in time under this government have been very dubious.

No way known are we going to give it carte blanche to start imprisoning people. That is what that contempt provision is all about — it is all about locking them up without due process. I suggest in all seriousness to honourable members opposite that if they want the government to think twice about their amendments they should certainly start with the deletion of that word 'contempt' and find a more acceptable term.

The government will not be accepting the amendments the opposition has proposed, and I hope commonsense will prevail.

House divided on motion:

Ayes, 46

Allan, Ms	Kosky, Ms
Allen, Ms	Langdon, Mr (<i>Teller</i>)
Barker, Ms	Languiller, Mr
Batchelor, Mr	Leighton, Mr
Beattie, Ms	Lenders, Mr
Bracks, Mr	Lim, Mr
Brumby, Mr	Lindell, Ms
Cameron, Mr	Loney, Mr
Campbell, Ms	Maddigan, Mrs
Carli, Mr	Maxfield, Mr (<i>Teller</i>)
Davies, Ms	Mildenhall, Mr
Delahunty, Ms	Nardella, Mr
Duncan, Ms	Overington, Ms
Garbutt, Ms	Pandazopoulos, Mr
Gillett, Ms	Pike, Ms
Haermeyer, Mr	Robinson, Mr
Hamilton, Mr	Savage, Mr
Hardman, Mr	Seitz, Mr
Helper, Mr	Stensholt, Mr
Holding, Mr	Thwaites, Mr
Howard, Mr	Treize, Mr

Hulls, Mr
Ingram, Mr

Viney, Mr
Wynne, Mr

Noes, 40

Asher, Ms
Ashley, Mr
Baillieu, Mr
Burke, Ms
Clark, Mr
Cooper, Mr
Dean, Dr
Delahunty, Mr
Dixon, Mr
Doyle, Mr
Elliott, Mrs
Fyffe, Mrs
Jasper, Mr
Kilgour, Mr
Kotsiras, Mr
Leigh, Mr
Lupton, Mr
McArthur, Mr
McCall, Ms
McIntosh, Mr

Maclellan, Mr
Maughan, Mr (*Teller*)
Mulder, Mr
Naphthine, Dr
Paterson, Mr
Perton, Mr
Peulich, Mrs
Phillips, Mr
Plowman, Mr
Richardson, Mr
Rowe, Mr
Ryan, Mr
Shardey, Mrs
Smith, Mr (*Teller*)
Spry, Mr
Steggall, Mr
Thompson, Mr
Vogels, Mr
Wells, Mr
Wilson, Mr

Motion agreed to.

Ordered to be returned to Council with message intimating decision of house.

CONSTITUTION (GOVERNOR'S SALARY) BILL

Second reading

Debate resumed from 26 March; motion of Mr BATCHELOR (Minister for Transport).

Mr HOLDING (Springvale) — I recall that yesterday I was concluding my remarks on the question of Lady Darling and the pension provided to her and her children following the passing away of former Governor Darling and the endowment that was voted to her children by the Legislative Assembly on behalf of the people of Victoria. This reflected the gratitude the people of Victoria had for his tremendous service to them. Because his term was cut short and he was recalled to England by the Colonial Office, the people of Victoria wanted to express their satisfaction to him. That was the purpose of the significant endowment that was voted to his children by the Legislative Assembly of Victoria.

Of course the point and the relevance of this to the legislation before the house today is the importance of making sure that the Governor is properly remunerated. As I outlined in my remarks yesterday, he has considerable responsibilities and his salary should be treated like the salaries of all ordinary members of the community and subjected to the provisions of the

Income Tax Assessment Act 1936. That is the purpose of this bill. It will result in adjusting the salary of future governors so that they are not financially disadvantaged by these arrangements. I am more than happy to commend the bill to the house.

Ms GILLETT (Werribee) — It is with pleasure that I make my contribution to the debate on the Constitution (Governor's Salary) Bill. I guess it is with significant remorse that I speak today on the Governor's salary bill, not because I object to the Governor receiving an appropriate salary, but because I would have hoped that by the time I was 42 years of age Australia would no longer — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Jasper) — Order! There is too much audible conversation in the chamber. Will honourable members desist from talking and listen to the honourable member for Werribee. If they do not wish to hear her, I suggest that they leave the chamber. The honourable member for Werribee, without assistance.

Ms GILLETT — As I was saying, it is with some disappointment that I speak on the bill, not because of any disrespect that I hold for the occupant of the office of Governor of Victoria but because I would have hoped that by the time I was 42 years old Victoria and Australia would no longer have offices of vice-regal import. So it is with some sadness that I find myself in the year 2002 having to talk about something as anachronistic as a piece of legislation that deals with the occupant of a vice-regal office in my state and my country of Australia.

It needs to be said that this is an appropriate piece of legislation, unfortunately, for our times. One can only hope that in the not-too-distant future we will all see and feel confident about our future as a nation and as individual states and territories within that nation and be able to move forward to a set of circumstances where we have the maturity as a nation to be an independent state and not rely upon any influence or direction of governance from an external state or territory.

Nonetheless, this is an important piece of legislation. It provides for a sensible set of circumstances, at least with regard to the Governor of Victoria's salary. Again, I need to say that it is disappointing that this bill is actually generated by developments that occurred outside Victorian and Australian boundaries. We know, and it has been said by many of my honourable and distinguished colleagues on this side of the house, that

this piece of legislation has been generated because of a long-overdue decision taken in England by the monarch that she should finally pay tax. That is a good thing and probably a most appropriate set of arrangements for her and her family that should have been dealt with a long time ago.

As I said before, it is a matter of great sadness that we in this state and this country are still related in an organisational and leadership fashion to any sort of dictate from a country with which we share a mutual history and, I would hope, a mutual and mature respect. The relationship between the two countries should be one of independence and mutual respect.

This piece of legislation comes to us because we have now established an appropriate set of circumstances, as I say, sadly because someone in another jurisdiction has decided they are going to pay tax. We have to make a sensible set of arrangement to recompense our — —

Ms Asher — On a point of order, Mr Acting Speaker, we are hearing some very tedious repetition from the honourable member for Werribee. She has made the same point again and again. I ask you to rule on that.

The ACTING SPEAKER (Mr Jasper) — Order! I have listened carefully to the honourable member for Werribee. Whilst her comments do not relate particularly to some of the points in the legislation, I will not uphold the point of order at this stage but remind the honourable member of the detail in the bill and that we do not really need to go back to Great Britain in speaking about this legislation.

Ms GILLETT — I have listened with interest to much of the debate and have noticed that it has been a debate of wide-ranging proportions, of a breadth and depth unlike almost any other that I have heard in this place in six years. But I do note your directions and fully accept them, Honourable Acting Speaker, and also note that we are here to discuss the remuneration for our Governor in Victoria.

There is no doubting that people in public office — particularly in an office the like of the Governor of Victoria — require appropriate remuneration. It would be entirely inappropriate for the Governor not to be accommodated in this regard — for him to be damaged in some way in regard to his remuneration because this Parliament did not act to accommodate changes that have been generated from another place. I am wholeheartedly in favour of a fair day's pay for a fair day's work. Our Governor is a fine man. He and his entire family work very hard for the people of Victoria

and it is entirely appropriate that we remunerate him and his family in an appropriate way.

Our Governor is a fine man, as I have said, with a demonstrable commitment to the environment. I think he is a great bloke. It is a damn shame that he does not come from Werribee!

Ms Asher — Mr Acting Speaker, I draw attention to the state of the house.

Quorum formed.

Ms GILLETT — As I was saying before, it is entirely appropriate that an occupant of a position of this stature and status is remunerated well. He is, as I was saying, a fine man. I must admit to having a fond affection for our previous Governor, Sir James Gobbo, as well. At one stage his family resided in Werribee South! And he did attend Xavier College, as my honourable colleague — —

Ms Asher — On a point of order, Mr Acting Speaker, while I too have a strong affection for former Governor Sir James Gobbo, that is not the subject of the bill. It is a very narrow bill about the Governor's salary, and I think you should call the honourable member for Werribee to order.

Mr Maxfield — On the point of order, Mr Acting Speaker, the honourable member for Werribee is being very relevant. This is quite clearly covered in the bill. She is clearly speaking directly to the bill in the fullest sense of the word, and it is probably one of the best speeches we have heard today. I am disappointed that the honourable member would interrupt the speech, because we are enjoying it so much.

The ACTING SPEAKER (Mr Jasper) — Order! I am inclined to uphold the point of order raised by the Deputy Leader of the Opposition. I remind the honourable member for Werribee that while she has been given some latitude, she should direct her remarks to the legislation before the Parliament.

Ms GILLETT — Thank you, Mr Acting Speaker, and I understand and am happy to follow your direction in this matter. It is a matter of pride to me and my constituency that one of the sons of Werribee was able to achieve such a high public office in this state. I wanted to pass on my congratulations to him on his performance in that office.

It is with a great sense of balance that I support this legislation, which acknowledges a fair day's pay for a fair day's work for people in high public office in our community. Again I say, without risking tedious

repetition, it is a great shame that in 2002 in Victoria we still have an office that connects us to a regime that has almost nothing to do with us and our citizens. I commend the bill to the house.

Mr NARDELLA (Melton) — The bill is extremely important, especially for the Governor and future governors, because it sets out proposed salary arrangements for future governors.

Mr Mildenhall interjected.

Mr NARDELLA — I am getting to that. I will talk about future governors and the potential for future governors, especially when looked at in the long term and at what happens to dumped opposition leaders or dumped deputy opposition leaders. I will get to that later.

The bill is about the Governor getting a salary equivalent to that of a Supreme Court judge and paying tax on that salary, making him equal with everybody else in society. As it stands at the moment, and as it was in the past, governors are paid a salary without tax being paid on it. The Governor's salary is set at a level which is equivalent to a Supreme Court judge's salary on a net basis. The bill changes that to a Supreme Court judge's gross payment. It brings the Governor into line with everybody else in Victoria and Australia, or at least those who pay tax.

It is appropriate that this change be brought in, although not for the current Governor, whose terms and conditions were set out when he was appointed, but for future governors within the terms of this legislation. It is important to understand the changes which follow changes that were agreed to by the Queen, and obviously the Queen is there until either she passes away — and I certainly do not wish that on her — or she abdicates in favour of Prince Charles. Isn't that an interesting thought!

Mr Stensholt — He pays taxes, too.

Mr NARDELLA — I was coming to that. The Queen has made a decision to pay taxes on the stipend she receives from the British government. Her children also have to pay tax, so there has been that change within the monarchy in the United Kingdom.

Mr Stensholt — Her mother pays taxes now.

Mr NARDELLA — I did not know that, but the honourable member for Burwood has just informed me that the Queen Mother pays taxes now. We are following what the Queen has been doing now for quite a number of years — and those changes have been in

place since 1993. It is important that we follow her lead, because that is what the Queen has given us. She has given us a lead and a sign for other governors and governors-general to follow within Australia. It is a good move to have them pay tax in the future.

The governors I have been in contact with deserve all they get. I was at functions with Sir James Gobbo when he was Governor of Victoria. He certainly earned his money. When I was an upper house member he came out to Sunbury and toured the region and had a look at the wineries. The honourable member for Gisborne will be taking over the Sunbury electorate shortly, and I am sure she will invite our present Governor John Landy — —

Ms Asher — On a point of order, Mr Acting Speaker, this is a very narrow bill — —

Mr Maxfield interjected.

Ms Asher — And I diet to ensure that.

Mr Maxfield — I was talking about your mind.

Ms Asher — I would not even put the issue of mind on the record, Sweetie!

The bill is a particularly narrow one, and it relates specifically to the Governor's salary. The honourable member for Melton, who does not listen to his constituents, has now embarked on a tour of what happened with governors and electorates and visits and so on. He is out of order and canvassing issues far too widely. I ask you to call him back to order on the bill.

Mr NARDELLA — On the point of order, Mr Acting Speaker, the bill is about the future salary that will be paid to governors and the role they play to earn that money. It is important for the house to understand, and the Deputy Leader of the Opposition to understand, the good role played by past governors, their value for money and why the legislation is so important for the future. It is in order to talk about what governors have done within the electorates that I have served in my time in this Parliament and the other house.

The ACTING SPEAKER (Mr Jasper) — Order! I have heard enough on the point of order. While I do not uphold the point of order at this time I remind all honourable members speaking to this bill that it is a very narrow bill, a small piece of legislation, and while honourable members can canvass some ideas in their contributions, I remind them that it is a narrow debate.

Mr NARDELLA — Sir James Gobbo came out to Sunbury and looked at the wineries and at the great things the honourable member for Gisborne will be inheriting in her new seat of Macedon. More importantly, he played a role, as will future governors, in making sure that the Victorian economy and the regions that he represented for the Crown were well represented and promoted within Victoria, elsewhere in Australia and the world. If you remember, Mr Acting Speaker, one of the key reasons that Sir James Gobbo was appointed by the previous Premier, the Honourable Jeff Kennett, was to sell the great things that we do here in Victoria to the world. I do not often applaud Jeff Kennett, but that was one of the — —

Honourable members interjecting.

Mr NARDELLA — Yes, not often! He is one of the constituents of the honourable member for Burwood. That was one of the important decisions taken by Jeff Kennett in his term as Premier to promote Victoria. That is what Sir James Gobbo did when he came out to Melton during the term — —

Ms Asher — On a point of order, Mr Acting Speaker, I am absolutely delighted to hear the honourable member for Melton praise the Honourable Jeff Kennett, the former Premier. After sitting with him for eight years in the upper house, I am delighted to hear the change. However, this is a very narrow bill and the role of the former Premier does not come into it. I would ask you, Mr Acting Speaker, to call the honourable member for Melton back to the bill.

Mr NARDELLA — On the point of order, Mr Acting Speaker, I put it to you that this bill is about payments to governors. It is imperative that honourable members, especially opposition members, understand what governors do, what they have done in my community and why it is important that under the terms of this bill they will get paid a salary comparable to Supreme Court judges. Again I ask you to rule the honourable member out of order.

The ACTING SPEAKER (Mr Jasper) — Order! On this occasion I must uphold the point of order raised by the Deputy Leader of the Opposition. Whilst I acknowledge the comments that the honourable member for Melton made, this is a narrow bill. The honourable member has canvassed a number of issues, and I would like to think that he will now return to the bill before the house and keep to the narrow debate we are having.

Mr NARDELLA — Future governors will be paid under the terms of this bill, so let us canvass the

possibility of who may become the next Governor of Victoria. It could be — —

An Honourable Member — It will not be Jeff Kennett!

Mr NARDELLA — No, it will not be Jeff Kennett, certainly not under our administration. But it could be the Attorney-General. Under the terms of this legislation the new Governor would be paid at the gross rate of Supreme Court judges.

Mr Hulls interjected.

Mr NARDELLA — That is correct, but we may change it. The role may change from Governor to President of Victoria. That could be interesting for the Attorney-General! Then again, you could have a situation where a member of the opposition at some time in the future picks up this position as well. Certainly if the rumours are correct, with the number-crunching that is going on within the Liberal Party for the leader and deputy leader positions, there might be a couple of vacancies.

An honourable member interjected.

Mr NARDELLA — It could be Her Royal Highness. Absolutely! Although being a republican myself, I would not call her Her Royal Highness. So it is important that we put this legislation in place for the future. The Governor plays a massive role in our state. That role is critical to the running of the government and to keeping ministers and governments honest and accountable.

Ms Asher — On a point of order, Mr Acting Speaker, while I very much wish that ministers of this government were kept honourable, accountable, honest and open, along with all the rhetoric we heard at the last election, the bill is very narrow and the honourable member for Melton is now digressing again. I ask you to call him to order and ask him to speak on this very narrow bill.

Mr Hulls — On the point of order, Mr Acting Speaker — —

The ACTING SPEAKER (Mr Jasper) — Order! Seriously!

Mr Hulls — Seriously on the point of order, like everyone in the house I have been listening to the honourable member's contribution. He is talking about future governors-general, and that is exactly what this bill is about. Clause 1 specifically refers to increasing the amount of the annual salary payable to future

governors. I think it is absolutely appropriate that the honourable member should be canvassing the issue of future governors and whether they would qualify for the new salary package under this bill.

Mr Robinson — On the point of order, Mr Acting Speaker, notwithstanding the prerogative of the Chair to rule that the debate before the house be confined to the parameters set out in the bill, I make the observation that in this case we are in the unusual circumstance of debating legislation that affects an officer-holder whose duties are central to the role of every member of this house. By virtue of section 23 of the constitution we all take an oath or affirmation to the Queen, and the Governor is the Queen's representative.

While I note that the Chair has the prerogative to rule that the debate be so confined, I think it would be unfortunate if in their contributions members were not able to express some admiration for the duties of the Governor, his predecessors and future governors, given that that office is held in such high regard. I would hope that anyone reading this debate at some point in the future would get a very good sense of the appreciation and regard that all members have for the holder of that office. I simply ask that some discretion be advanced on that matter.

The ACTING SPEAKER (Mr Jasper) — Order! I have listened to the contributions from three members on the point of order. While I acknowledge the comments that have been made, I have been listening to the debate for at least half an hour, and there has been a lot of repetition. I believe the debate has a narrow focus. I again ask the honourable member for Melton to confine his comments to the bill before the house. While we are allowing some latitude on this occasion, I accept the point of order raised by the Deputy Leader of the Opposition and look forward to the honourable member for Melton confining his comments to the bill.

Mr NARDELLA — The Governor's salary will be set by an independent tribunal. It is my understanding that the salaries of judges, like those of politicians, are set by independent tribunals.

Mr Hulls interjected.

Mr NARDELLA — Yes, the Judicial Remuneration Tribunal. It is important to understand that a number of factors are taken into account when setting that salary level. In trying to refer to the bill, because we are a bit pedantic tonight, I point out that the Governor's salary will be affected by the decisions of the JRT. The JRT sets the salaries of Supreme Court judges based on their workload, which includes their

case loads, changes within the judiciary and the law, and other factors such as the pressures and stresses that judges face. It is important to understand that judges must also undertake training, and that is also taken into account.

Mr Hulls — The judicial college.

Mr NARDELLA — That is done by the judicial college, which the Attorney-General was instrumental in supporting. These are the factors that, put together, will determine the salary package for future governors.

Ms Asher — On a point of order, Mr Acting Speaker, in noting that the Attorney-General does not know the difference between the Governor-General and the Governor, which is a shame on him — and *Hansard* will reflect that — I move to the fact that the honourable member for Melton is repeating issues he has raised before that have nothing to do with this very narrow bill, which relates to the Governor's salary. The honourable member is not speaking on the bill.

The ACTING SPEAKER (Mr Jasper) — Order! I ruled on the point of order earlier. The honourable member for Melton, completing his contribution.

Mr NARDELLA — It is important to understand how that will affect future governors' salaries, because that is the way the gross salary will be set. This bill sets out the terms that will determine the salary into the future. There will not be any real effect on future governors, because the amount of money they will get will be the same in relative terms. The only other determinate will be if there are changes in the setting of the salaries of Supreme Court judges.

This side of the house supports this extremely important bill, which will bring our system of paying governors into line with what has occurred in the United Kingdom.

Ms Asher — Mr Acting Speaker, I draw your attention to the state of the house.

Quorum formed.

Ms OVERINGTON (Ballarat West) — I am one of those members who is pleased to speak on this Constitution (Governor's Salary) Bill, which, as has been said tonight, is quite narrow. It is basically a housekeeping bill, but nevertheless it is very important. The purpose of the bill is to increase the gross annual salary payable to future governors as a consequence of their salary being subject to income tax. This will ensure that the net salary of the Governor is not affected by recent changes to commonwealth tax laws. This

change has come about because until 2001 vice-regal officers were exempt from income tax. However, when the Queen offered to pay tax in 1993, the federal government repealed — —

An honourable member interjected.

Ms OVERINGTON — We could argue for a long, long time whether it was enough. I certainly held the view that the offer was not enough and that we should have taken the lot, but that is a view that I personally hold. No doubt others in this house may hold that same view. It is interesting that although this debate is, as the opposition keeps reminding us, on a very narrow bill and we must concentrate our thoughts within the parameters of the bill, it nevertheless raises some very important questions.

It came to my mind that if the Governor is now going to pay tax can he claim tax deductions? Think about it. Future governors will now have to pay tax, so being taxpayers they will be entitled to tax deductions. What deductions can usually be claimed for? Deductions are usually claimed in the line of our job — for doing what we do. I can imagine that in his role as Governor a future incumbent moving around the state and visiting all those regions — every region in Victoria — all those senior citizens and all those kindergartens — for example, visiting the Wendouree West project in Ballarat last Friday — will be able to claim some kind of tax deduction. As well as the travel deductions that may be included, think about the possible dry cleaning deductions, not only for himself but for his spouse/partner.

The term 'spouse/partner' also raises another interesting issue. I note that within the act the word 'spouse' is used on the assumption that the relationship is of a limited kind. That is discriminatory. Whatever happened to the word 'partner'? It could be that in the future, and I think it will be in the near future, we have a woman as Governor of this state; and possibly in the not-so-distant future the partner of our Governor may be of the same sex. Think about that one! But then again, would the tax deductions increase with that?

In moving around the state I am sure future governors paying tax will be able to claim further tax deductions. Within their role it is also important that they entertain at Government House.

Ms Asher — On a point of order, Mr Acting Speaker, the honourable member is raising a number of issues in regard to tax deductions. One would have thought these issues were picked up by the Governor's allowances. Nevertheless, I draw your attention to the

fact that the bill is extremely narrow. It is about the Governor's salary and about the fact that given that the Queen is paying tax, he is paying tax. I ask the you to draw the honourable member back to the bill before the house.

Mr Hulls — On the point of order, Mr Acting Speaker, I have been listening very intently to the excellent contribution being made by the honourable member for Ballarat West. For anyone who has taken the time to read this very important bill, clause 1, the purpose clause, makes it quite clear that the purpose of the bill is to increase the amount of annual salary payable to future governors as a consequence of their salary being subject to income tax. The bill is all about what effect future salaries will have on the Governor's income and what effect paying income tax will have. The honourable member is absolutely on point when she talks about this novel aspect of the bill, of governors paying income tax and what impact that will have on their salary. I submit she is absolutely entitled to talk about income tax, tax deductions and what impact they will have on the Governor's salary — because that is what this bill is all about.

The ACTING SPEAKER (Mr Jasper) — Order! I am not prepared to accept the point of order at this stage, but I again remind the honourable member for Ballarat West that it is a narrow piece of legislation. Some latitude has been given, but I ask her to confine her remarks to the bill and to the content of the bill.

Ms OVERINGTON — Thank you, Mr Acting Speaker, for a very wise ruling. I am grateful for it. While it is a very narrow bill it is also important to give an explanation of the role of the Governor and explain why the appropriate remuneration is so important. If we keep the debate sterile and say that, yes, we are going to increase the salary to a level equal to the salary of a Supreme Court judge to make up for that shortfall just because now they will be paying tax, that makes the role of the Governor irrelevant. It is as if we are talking about a non-person. The role of the Governor is extremely important. We keep talking about this salary increase or this remuneration increase, but we have to take into account what duties are included in the role, as I started to say before, to humanise the matter.

Last Friday Governor John Landy came to Ballarat and I had the privilege of greeting him and introducing him to the members of the residents committee of the Wendouree West Community House. To give an estimation of what those residents would say would be the worth of the Governor, I am sure everyone of those residents would say the Governor is more than entitled to and more than worth that increase in salary to bring

his salary up to the level of the remuneration of a Supreme Court judge.

We had a group of people there up to 12 months ago who had difficulty getting up before their peers. On Friday they gave a 5-minute presentation of the project to the Governor. They were proud that they were able to give to the no. 1 figurehead in this state their presentation on a project they felt so proud about. That is what I am talking about: humanising the role of the Governor to say that if we are talking about —

Ms Asher — On a point of order, Mr Acting Speaker, again the honourable member for Ballarat West is straying from the purpose of this very narrow bill. She is talking about the broader role of the Governor, and I ask that you call her back to order to speak on this very narrow bill.

The ACTING SPEAKER (Mr Jasper) — Order! On this occasion I uphold the point of order from the Deputy Leader of the Opposition. Whilst it is interesting that the Governor visited Ballarat, the bill is a narrow bill and we need to talk particularly to the provisions of the bill.

Ms OVERINGTON — One of the disappointing aspects that I have found about the debate on this bill has been the opposition's continual requirement that we stick to the narrow confines of the bill rather than treat the Governor's position, as I said before, as important to this state. He is a person who has empathy with all the people of the state. Once again we see the opposition, as it did for seven years, gag debate. We have had gags throughout this debate, and nobody has had the opportunity to acknowledge the wonderful work done by John Landy. They ought to be ashamed of themselves!

Mr HULLS (Attorney-General) — I thank all honourable members for speaking on the Constitution (Governor's Salary) Bill. It is interesting to note that the honourable members for Footscray, Burwood, Preston, Essendon, Tullamarine, Springvale, Werribee, Melton and Ballarat West supported the Governor. On the other side it appears that only the Leader of the Liberal Party and the Leader of the National Party supported the Governor — no-one else on the other side seems to want to speak on this bill.

It is an important bill. I have listened to all contributions — —

An honourable member interjected.

Mr HULLS — I was downstairs listening, riveted, to the speaker down there. That the honourable member

for Melton spoke for 20 minutes on this bill — a bill that takes 3 minutes to read from cover to cover — demonstrates a fantastic effort, and I thank him for that and for his great contribution to democracy in this state.

I wish this bill a speedy passage. I, too, take this brief opportunity to congratulate Governor John Landy on the excellent work he has done since becoming Governor. He has certainly opened up — —

Mr Ryan interjected.

Mr HULLS — The Leader of the National Party, as he walks through the chamber, says, ‘He’s running away with it’ — it’s a joke for the Leader of the National Party! Governor John Landy has done and will continue to do a great job. He is a man of the people — a person of the people — and he has opened up Government House.

Ms Asher interjected.

Mr HULLS — The interjection is, ‘Why don’t you appoint a woman?’. We are waiting for you to get done in Brighton, and we will consider your application — before we reject it!

I thank honourable members for contributing to the debate on this very important bill.

The ACTING SPEAKER (Mr Jasper) — Order! As this bill is required to be passed by an absolute majority and there is not an absolute majority of members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

ELECTRICITY INDUSTRY (AMENDMENT) BILL

Second reading

Debate resumed from earlier this day; motion of Ms GARBUTT (Minister for Environment and Conservation).

Mr MULDER (Polwarth) — I wish to make a short contribution to the debate on the Electricity Industry (Amendment) Bill. No doubt all members would agree that the issue of greenhouse gas emissions across the state is of concern to each and every one of us, and any act by any electricity retailers of disclosing their contribution to greenhouse gas emissions will be greatly appreciated by the Victorian public.

However, I have some concern about the issue of the Labor government’s commitment to bringing to the notice of the Victorian public greenhouse gas emissions by electricity retailers. I have some doubts about just how effective recording this information on an electricity bill will be. Earlier I listened to the contribution by the honourable member for Keilor, where he said this would be great and that people would be able to train their children to go out to get the electricity bills out of their letterboxes, bring them inside and read and explain them.

Having raised several children, I have had a great deal of difficulty over many years getting them to sit down and read books; I could not imagine in my household there being a rush to the letterbox to read the bills. Usually it is a case of watching the bills pile up until the end of the month and then deciding which ones go into the hat to get paid. Getting to the point of saying, ‘Gee, we had better read the electricity bill to see what is happening with greenhouse gas emissions’, may be great in theory, but in practicality I have some doubts about how that will work.

To me this piece of legislation shows a certain degree of hypocrisy by the Labor government. To see the real and meaningful opportunities it has had to be involved in controlling greenhouse gas emissions you only need look at the situation at Stonehaven, just out of Geelong. I see the honourable member for Geelong in here tonight; he would know exactly what I am talking about.

Mr Trezise interjected.

Mr MULDER — The honourable member for Geelong has not yet woken up to why he was invited down to the Otways on the weekend to intervene in a logging dispute on behalf of the Minister for

Environment and Conservation. Do you know the reason why you were sent there? It is because it was called Dunes Track! The minister did not want to be associated with that — —

Mr Trezise interjected.

Mr MULDER — So she sent you down to do the role!

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Polwarth will address the bill before the house and ignore interjections from other members, particularly the honourable member for Geelong.

Mr MULDER — Thank you, Acting Speaker. I think the headline would be ‘Dunes intervention’. But anyway, I will get to the bill. The process we are all aware of with the Stonehaven power station was that for many years there had been an identified need for additional power generation across the state. So we went through the process of an investor being attracted, that being the AES power company, and then through the process, as would be expected, of a successful land purchase. We then went through the process, as would be expected, of a planning permit being issued by the — —

Mr Loney — On a point of order, Mr Acting Speaker, this bill is a very narrow bill. It is about requiring holders of licences to sell electricity to disclose information about greenhouse gas emissions to consumers. The honourable member has strayed far and wide from that already in his contribution. This bill is very narrow and specific in its intent. I ask that you direct him to speak on the narrow provisions of the bill.

The ACTING SPEAKER (Mr Nardella) — Order! I have just got into the chair. I ask the honourable member for Polwarth to come back to the bill, please.

Mr MULDER — Thank you, Acting Speaker. The issue I am referring to about greenhouse gas emissions is connected to the AES power station at Stonehaven, because that power station is no doubt a generator of greenhouse gas. The simple fact is that when the planning permit was issued by the local government authority is when the Labor government became involved in the process.

Enter the Labor government — when the Premier announced that all new power stations would have environmental effects studies carried out. Environmental effects studies are no doubt designed to look at the issue of greenhouse gas emissions and other

emissions from power stations. Enter the Labor government again — when the Premier announced that all new power stations need not have environment effects statements. First they needed to have them, then they did not need to have them. Then the planning minister gave the project the go ahead — without an environment effects study. Enter the honourable member for Geelong — with outcries from the Geelong residents and the Batesford Action Group, and they all do a — —

Mr Trezise — My point of order, Acting Speaker, relates to relevance. With the Stonehaven power station, the honourable member for Polwarth did not have the guts to turn up to any meetings. Given that we are close to Easter, I say he has the guts of an Easter egg! This has nothing to do with the bill, and I ask that you bring him back to the bill at hand.

The ACTING SPEAKER (Mr Nardella) — Order! I again ask the honourable member to stick to the bill.

Mr MULDER — Enter the big guns. The honourable member for Geelong lodges a petition in Parliament against his own government.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The ACTING SPEAKER (Mr Nardella) — Order! The time has come for the adjournment of the house.

Rail: Geelong car-parking security

Mr SPRY (Bellarine) — I raise for the attention of the Minister for Transport a matter concerning vehicle security at V/Line passenger stations. I refer specifically to an incident at South Geelong station on 20 February, where a thief broke into a car and took an expensive car radio. The suspect was caught on video surveillance and the police were notified, but they were unable to identify the suspect or the car registration number because of poor video equipment, despite the fact that the camera was less than 15 metres away from the car.

The situation is deteriorating rapidly in this area. One windscreen replacement firm in Geelong reports that nine years ago it had on average one replacement a week, whereas now it is getting five window replacements a day.

In recent press statements the honourable member for Geelong has said he is conducting surveys — the government's answer to everything, apparently! — about customer complaints on Geelong's rail service. He and his government could start doing something about car-parking security. The government must be aware of these shortcomings and the fact that they are driving people away from public transport in Geelong.

I therefore ask the minister to address this issue as a matter of urgency and to demonstrate his commitment to the people of Geelong. For God's sake, Minister, do not do another survey or issue another inquiry! The government has been elected to make decisions. I ask the minister to do what the electorate therefore expects.

Gannawarra: farm rates

Mr STEGGALL (Swan Hill) — I raise with the Minister for Local Government an issue that relates to the ongoing concerns and problems being experienced in the Shire of Gannawarra. As a local member I have kept a watching brief, you might say, on this issue all the way through. Unfortunately it has led to a series of legal cases, and it has now developed into what you might call a long-running dispute, which is bringing a lot of disruption to the area. The minister has not been involved in this, and I appreciate his reasons for not wishing to become involved. However, I believe that if we do not get a resolution to the Gannawarra issue very soon this will flow over to the election next year and we will have a council elected on a war footing with the various sides that have developed.

I ask the minister whether he or his good officers could mediate or arbitrate on the issue, which has concerned the shire for some time. There are four court cases involving the Shire of Gannawarra. One of them is a water case, which involves the Valuation of Land Act and water values and which all parties on all sides believe should continue until its completion.

However, the other three cases are on rating equity, rating process and the collection of rates. It is that area on which I seek a response from the minister to see if he can or is prepared to intervene so that a resolution may be found. It is a very sad when good people on all sides become caught up in the matter.

Given the progress that has been made in discussions of recent times I believe that all sides are getting closer to a resolution, but I see no circuit-breaker. I cannot see any way to get those parties to agree to a resolution before the cases get bogged down in the courts for the next couple of years.

I ask the minister to intervene in the issue affecting the Shire of Gannawarra. I stress that I do that as a local member, not as a representative of any particular group, and with a desire — which I think all the people involved in this issue have — to find a resolution as soon as possible.

Monash Freeway: line markings

Mr ROBINSON (Mitcham) — The issue I raise for the attention of the Minister for Transport concerns the City Link project, and in particular the line markings on the Monash Freeway. I ask the minister to make representations to Transurban, as the owners and operators of City Link, to have maintenance carried out more thoroughly than has been apparent up until a few days ago.

The area to which I direct the minister's attention concerns the outbound lanes in the above-ground section between Punt Road and Burnley, particularly where motorists pass the large factory on the left at the bottom of Cremorne Street and then pass the former State Electricity Commission laboratories. I might digress to say that those laboratories are as much a political reference point as they are a geographical feature. We all remember the scandal that attended the sale of that facility some time ago. I was just thinking earlier today, as I was preparing my contribution, that I could not remember the date on which the Legislative Council conducted an inquiry into that particular transaction! I am hopeful that honourable members opposite can remind me — because they say the Council is the protector of the rights and liberties of the Victorian people. But that is a sad example, because of course there was no inquiry at that time.

The markings between the lanes at that point revert to a series of small broken lines that are indicative of one lane merging into another, which motorists and honourable members would be familiar with. But in fact the left lane remains in the outbound section and becomes a dedicated left-hand exit for Burnley traffic. The left lane formerly permitted traffic to travel straight ahead or turn left, but now it permits only a left-hand turn at Burnley. This change has been effected by a very poor attempt at deleting that part of the arrow that directed traffic to continue straight ahead. It means that motorists heading out from the city will not necessarily know until very close to the exit that in fact they are required to merge right if they wish to continue straight ahead.

That section of road carries a very large volume of traffic and the current confusion with the line markings encourages what I consider to be dangerous

manoeuvres. We are in the Easter period, which highlights the need for safety on our roads. That need is as incumbent upon private road owners and operators as it is upon every motorist. I ask the minister to raise this matter with Transurban to have the matter rectified.

Nurses: medication administration

Mrs SHARDEY (Caulfield) — I raise for the attention of the Minister for Health a matter regarding the administration of medication by division 2 nursing staff. I ask the minister to take action to ensure that the level of supervision required by division 1 nurses of division 2 nurses in the giving of medication does not make it impossible for most aged care facilities to comply with any legislation, regulations or guidelines which has been or may be implemented by the government.

I first raised this issue back in October 2000, at which time I said that the residential aged care sector was — and of course still is — going through a crisis. That was because many of the facilities were in breach of the legislation governing the administration of medication by staff. The problem had arisen because although they are the people who mostly staff our aged care facilities, division 2 nurses cannot legally administer medication.

At that time the Nurses Board of Victoria had just conducted a review which was asked for by the previous minister under the previous government, and the report was before the minister. Now, one and a half years later, the working party committee has only just brought down its recommendations, including two which the aged care industry believes will mean that aged care facilities which employ division 2 nurses to administer medication will also need to have division 1 nurses on duty 24 hours a day for supervision purposes.

The problem is that there is a shortage of division 1 nurses since the enterprise bargaining agreement, and many nurses have gone to the acute sector. The cost to the aged care industry of employing division 1 nurses is enormous, and of course we find that in rural and stand-alone facilities where division 2 nurses are normally employed, because they are low-care facilities they do not actually need division 1 nurses. Therefore I call upon the minister to take the appropriate action to ensure that the industry can survive under these circumstances.

Greater Bendigo: electricity report

Ms ALLAN (Bendigo East) — I raise a matter this evening for the Minister for Energy and Resources in another place regarding an important issue for my

electorate concerning parity for manufacturing businesses operating within the Powercor region compared to similar businesses operating in other parts of Victoria. The action I am seeking from the minister is to investigate the findings of a report that has been produced by the City of Greater Bendigo into the lack of a level playing field for businesses in central Victoria under the privatised electricity system.

As many members of the house would be aware, the manufacturing industry is vitally important to regional and central Victoria. It is a major employer in our region and has been for a number of years, and it is also a potential major employer into the future when looking at opportunities to expand and to provide career opportunities for young people.

The issue of electricity costs is a potentially volatile problem for our region on a number of fronts: there is the issue of the electricity network charges that are being imposed within the Powercor region and how this has an impact on potential industry attraction and the flow-on effects of future jobs growth and regional development.

The City of Greater Bendigo study uncovered the fact that the western Victorian distribution region, which includes the City of Greater Bendigo, has the highest domestic price and the fourth-highest business electricity price in Australia.

What this all boils down to is that because of the privatisation regime that has been inflicted on country Victorians by the former government, industries that are based in Bendigo are paying more than the same businesses would pay if they were based in Melbourne. If I can put it another way, before privatisation of the electricity industry — the privatisation that was imposed by the former Liberal and National Party government — businesses in Bendigo paid not one cent more for their electricity than businesses in Melbourne, and this was vitally important to maintaining a strong and viable manufacturing base in country areas.

The former government ignored the warnings of what privatisation would bring to country Victoria. The National Party in particular ignored those warnings and caved in to the Liberal Party, and ultimately betrayed country people by imposing the privatised electricity regime we now have.

I commend the City of Greater Bendigo officers for producing this report. It is a tangible piece of evidence that shows that privatisation is bad for country Victoria, bad for manufacturing business in country Victoria and bad for jobs in country Victoria.

This is a damning report on the impact of the privatisation of electricity on country industry, and the former government should be ashamed of the way it inflicted privatisation on country Victorians and denied us potential job opportunities.

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

Gippsland: arts funding

Ms DAVIES (Gippsland West) — I remind the Minister for the Arts that I have raised the issue of the absence of regional arts infrastructure funding in the Bass Coast and South Gippsland region during estimates hearings over the last two years and again in a letter last month.

The Regional Arts Infrastructure Fund provides funding for performing arts centres, galleries, community arts facilities, museums and cinemas, and there has been no funding towards any such facilities in our region. This inequity must be overcome. The problem is not with the region. We have a lot of local talent and a high local and visitor demand for historical displays and visual and performing arts. We have significant populations of talented artists and supporters of the arts.

The problem lies with successive governments, which have very limiting criteria that discriminate against smaller communities and those communities that have been historically discriminated against and ignored.

I ask the minister to take urgent steps to redress this imbalance. I can provide her with many details of projects in the area, including the Wonthaggi Community Arts Centre, which is in dire need of refurbishment and redevelopment; the exciting innovative arts group on Phillip Island, which wishes to hold arts festivals; the arts community of South Gippsland, which has long desired an arts gallery; and the Coal Creek historical collection, which is a vital record of the development of the region that is in great need of support.

We can be very flexible on exactly what is possible, but I ask the minister to very urgently have a look at her records, the records of the department and the applications before her department and to ensure that she is able to offer some benefit to our region in the very near future.

Firearms: registry

Mr COOPER (Mornington) — I ask the Minister for Police and Emergency Services to take action in regard to the very lengthy delays in processing firearms

permits for people who need a new firearm. The particular matter I raise relates to some farmers in my electorate who have held a permit for over 20 years, and the firearm owned by them is used on a daily basis for the removal of vermin — particularly foxes — from their farm.

The firearm — a 20-gauge shotgun — required replacement in late January 2002 and due to the laws that are in place these people were unable to take immediate possession of a new firearm until their application for a new permit had been processed. The normal processing time is about 28 days, and having waited 32 days they contacted the processing office only to be told that they could be waiting for another two to three months, as there was a massive backlog of applications to process due to government funding cuts.

They cannot take delivery of their new firearm until the permit application has been processed and therefore they have no way of dealing with the fox problem that exists on their property.

I have letters from Field and Game Australia and from the Sporting Shooters Association of Australia, both of which have written to the Minister for Police and Emergency Services confirming the fact that lengthy delays are in place, asking him to take action and saying that the delays are due to funding cuts, which they have been told by the Victoria Police. So far neither the Sporting Shooters Association of Australia nor Field and Game Australia has had any response from the minister.

I ask the minister to take urgent action. I am sure many members in this house will know that there is a severe fox problem throughout Victoria. Farmers who are left with this fox problem have no way of dealing with it unless they have firearms at their disposal. The minister is by his inaction allowing the vermin problem in the state to escalate. I ask him for urgent action on this matter.

Congo refugee

Mr MILDENHALL (Footscray) — I raise for the attention of the Minister assisting the Premier on Multicultural Affairs a matter concerning a constituent of mine, Mr Faustin Epeabaku. Mr Epeabaku is the kind of citizen who would grace any community. Until recently he was working as a French teacher; he has a law degree and speaks five European languages; he has exhibited his poetry and art at the Footscray library, and I had the honour of opening his exhibition; and he has had his plays performed at the Footscray Community Arts Centre.

Some five years ago Faustin came here from the Republic of Congo as a refugee looking for asylum. It is fair to say that Faustin has been to hell and back to get to this country. As a result of his union activities in the public service in the Congo he experienced police beatings. His union colleagues were arrested. His brother, sister-in-law and their son were killed when they tried to escape the country. In 1998 a half-brother and his family were killed by the militia. His family house was bombed as a result of the civil war activities.

When Faustin put in an application for refugee status he was knocked back on the first occasion. He was granted an appeal at the Federal Court, and our great humanitarian Minister for Immigration and Multicultural Affairs, Philip Ruddock, took him to a full bench of the Federal Court and then contested a High Court case. Faustin will now be forced to leave the country.

There is considerable fear that the violence and treatment that the government was trying to mete out to him will be dealt to him when he returns. I ask: what sorts of principles and practice guide the immigration minister? This is a fine man who graces my community, and the community will get behind him. I cannot believe the lack of humanity that guides this federal policy. This man would grace any community, and I ask that this matter be taken up again with the federal minister.

Roads: Monash

Mr WILSON (Bennettswood) — I raise a matter for the attention of the Minister for Transport, who I note has not bothered to attend the adjournment debate tonight. The matter goes to the very heart of the budgetary policy of the Bracks Labor government. I believe it demonstrates that the government's actions and policies fall far short of its rhetoric.

I refer the minister to the agenda for the meeting of the Monash City Council of 19 March. In particular I refer to item 3.1 under the subheading 'Four-year base capital works program'. The analysis accompanying the briefing paper for councillors includes the following important advice provided by the hardworking officers of the City of Monash. It states:

The draft base capital works program attached to this report provides annual funding for a broad range of improvements necessary to preserve and maintain the functionality and serviceability of council's growing asset base. After an allowance for inflation funding proposals within the seven asset categories of building, drainage, reserves, roads, retail centres, other projects and plant/equipment for year 1 (2002–2003) are generally consistent with last year's allocations with the following significant exceptions ...

Then we get to the disturbing information that will significantly worry my constituents. Under the subheading of 'Expenditure reductions', the briefing paper continues:

A reduction of \$190 000 (25 per cent) in reconstruction funding for local roads taking proposed expenditure to \$561 000. This is entirely due to a corresponding reduction in council's local roads grant from the state government.

The action I am seeking from the Minister for Transport is that he immediately intervene in this matter and ensure that Vicroads provides growth funding rather than reduced funding for construction and reconstruction of local roads in the City of Monash.

Melbourne–Geelong road: traffic control

Mr LONEY (Geelong North) — I wish to raise a matter for the attention of the Minister for Transport. The minister would be aware of the current problem with traffic flows on the Geelong–Melbourne freeway following the changes to speed limits in work zones in the past week. I might say that the construction work on the Geelong–Melbourne freeway has been a terrific project and will be extremely valuable to my region.

To date the work has been extremely well carried out thanks to the diligent work of the minister. He got this project up and going when the previous government could do nothing in relation to it except make vague promises. He also managed to bring the construction timetable forward to a much shorter period than the time line the previous government had planned.

Mr Mulder — On a point of order, Mr Acting Speaker, the honourable member has been waffling on for a 1½ minutes and has not even attempted to raise — —

The ACTING SPEAKER (Mr Nardella) — Order! There is no point of order.

Mr LONEY — Further, the minister has been involved in the use of best safety practices on the freeway for the protection of both construction workers and road users. Unfortunately these changes have led to a large amount of confusion on the road, especially in peak-hour traffic, resulting in driver frustration.

With the Easter break we are coming to one of the busiest times of the year on this particular road. A huge amount of traffic will travel on it over the coming four days of Easter, with a large number of people going to the south-west coast. It is very important to the local area and to our tourism and hospitality industries that this traffic flows properly — and not least because the

first Geelong home game will be held at the Melbourne Cricket Ground on Saturday!

I seek urgent action from the minister to ensure that the current problems are overcome and that the people who travel to and from the Geelong area over Easter will not be inconvenienced by traffic flows that result from the current imposition of speed limits. I ask the minister to move quickly.

Knox hospital

Mr WELLS (Wantirna) — I raise a matter of concern for the Minister for Health in regard to the Knox public hospital and ask him to take immediate action to release a detailed plan of what the Labor government is actually going to do with the site the previous Liberal government purchased to build a 300-bed public hospital for Knox. There is no doubt that the Bracks Labor government has displayed a great dislike for the outer east, and it has demonstrated this by trying to scuttle the Knox public hospital. But the people out there never forget — and they demonstrated that at the Aston by-election.

The Minister for Health has been running around for a couple of years now — two and a half years! — saying, ‘Don’t believe the Kennett government. They were never going to build it’. Yet when we have written to the minister — and Chris Pearce, the federal member for Aston, wrote just recently — wanting evidence, one little bit of evidence, one millimetre of evidence of where we said that we were not going to build it, he has not come up with anything. Not one thing!

So what we want from the minister is a detailed plan of what he is going to do. Now we have heard from some of the reporters that the government is going to build a 90-bed halfway house — can you believe it? When we have asked for the documents to be released we have been told that the documents will not be released because this is an open and transparent government and it is not going to give the opposition any figures or documentation!

What we heard is that this 90-bed halfway house is for people from Angliss Health Services, Maroondah Hospital and Box Hill Hospital. Once they finish their treatment they will go to this halfway house and then go home. When we started to ask more questions we were told, ‘Well, hang on a minute, 30 beds will be from Angliss and 30 beds will be from the Peter James Centre’, so we are down to a net gain of 30 beds for the people of Knox.

It is worth mentioning that there are 1.25 million people living east of Warrigal Road and that at the next

election there will be a clear difference between the Bracks Labor government and the state Liberal Party. The state Liberal Party has made a very firm commitment to build this hospital; the Bracks Labor government is totally opposed to it because it would be in the outer east.

Let me just remind people in the outer east what we are going to build. We will build a hospital that has a 24-hour emergency service with critical and intensive care, heart and respiratory services and outpatient services, and it will be a tertiary training and research centre. I call on the Minister for Health to do the right thing by the outer east and release a detailed plan for that site.

The ACTING SPEAKER (Mr Nardella) — Order! The honourable member’s time has expired. The honourable member for Carrum has 55 seconds.

Employment: seniors

Ms LINDELL (Carrum) — I ask the Minister for Senior Victorians to take action to assist older people to gain employment. The minister would be aware that employment opportunities for people over 50 are very limited, due in part to age-related discrimination. However, many older people want to continue in the work force and many are keen to retrain in order to do so. Disappointingly, even with retraining there is a stigma attached to older workers.

I have met with several older workers in my electorate and their tales of the barriers they face in gaining fulfilling employment are very similar. As the Victorian work force ages it will become increasingly more important for businesses and industries to find new jobs for older workers. Our future economic growth — —

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

Mr McArthur — On a point of order, Mr Acting Speaker, I did not raise this in the course of raising issues because I did not want to detract from anybody’s time. It is in relation to the issue raised by the honourable member for Footscray, which I believe — and I was listening fairly carefully — was raised for the Minister assisting the Premier on Multicultural Affairs. In effect the honourable member for Footscray asked that minister to make representations to the federal Minister for Immigration.

I direct your attention, Mr Acting Speaker, to *Rulings from the Chair 1920–2000*, page 12, and to rulings made by Speakers Plowman and Delzoppo to the effect that issues raised on the adjournment must be within the

direct responsibility of a state minister. The rulings state that a matter must 'relate directly to the responsibility of a state minister' and not be raised with the object of simply asking a state minister to refer or advocate on a matter with a federal minister. On that basis, I put it to you that the matter raised by the honourable member for Footscray was out of order and should be ruled so.

Mr Mildenhall — On the point of order, Mr Acting Speaker, any observer of this chamber would see that it spends much of its time discussing matters that many would say are in the province of local government or federal departmental activities.

While admittedly the issue I raised comes within the province of a federal minister, it is a concern in my community. I was advocating on behalf of a particular constituent who has been involved on a number of occasions with many of the activities for which I regard myself as responsible. I have opened and participated in arts activities and education activities. Originally this man came to my office looking for housing, because he is not eligible to earn an income while he tries to have his matter resolved. It crosses a number of jurisdictional boundaries, and I believe I am not the first here to advocate on behalf of a constituent or a citizen of my area.

The ACTING SPEAKER (Mr Nardella) — Order! I do not uphold the point of order, on the basis that the matter raised by the honourable member for Footscray related to state matters with a further referral to a federal minister. However, I take on board what the honourable member for Monbulk raised, that a matter cannot be raised that is solely of a federal nature. I do not believe that is the case in this instance, but I remind honourable members that they need to refer to matters of a state jurisdiction.

Responses

Mr CAMERON (Minister for Local Government) — The honourable member for Swan Hill raised a matter with me concerning the Shire of Gannawarra, which is in part of his electorate. The honourable member for Swan Hill said he had had a watching brief in relation to matters involving the shire. The honourable member does not seek and has not sought to support any particular side in the disputes in the local area. I have watched the matter as well, and I have had a number of conversations with the honourable member for Swan Hill over some time.

There is a series of litigation that essentially is in two parts: one relates to whether water should be included in the value of land for the purposes of valuations, and

the other relates to the imposition by a court of a differential rate as a result of Supreme Court action. If what the farmers and the Victorian Farmers Federation (VFF) want is all taken together, we would see a farm rate fixed at around 53 per cent, if I recall correctly, and I am working from memory. The effect would be a dramatic decrease in the rates of irrigators and a dramatic increase in the rates of dryland farmers.

The litigation and the parties supporting it are seeking a statewide precedent. However, the honourable member for Swan Hill pointed out that the litigation will continue, and he sought to find out if there is a way to seek a solution by mediation or arbitration. Mediation has been attempted on a number of occasions, and the parties are discussing matters at the moment. The VFF and the Municipal Association of Victoria have been involved, as has the honourable member for Rodney, who has engaged some mediators. That has gone on for some time, given that mediation and discussions have occurred as a result of lawyers being involved.

The honourable member for Swan Hill has told his local community, as set out in a local newspaper article, that local policy issues are matters for the locally elected councils and that the state has no general capacity to intervene in disputes. However, notwithstanding the fact that mediation has not worked to date — and it remains to be seen if it will work — the honourable member for Swan Hill asked whether I or my department would be prepared to arbitrate. I can tell the honourable member now that if the parties make a joint approach to me I would be prepared to arbitrate, or allow my department to arbitrate. Of course, that would only be on the basis that people would accept the outcome. Some people might say they will not accept my version of justice.

Mr Steggall — They would have to agree.

Mr CAMERON — As the honourable member for Swan Hill interjects, they would have to agree at the outset that they would accept that. Implicit in that would be the withdrawal of legal proceedings relating to the Supreme Court action around the differential and an acceptance that these things are to be decided at the local level with local councillors.

If people are prepared to come on that basis, I am prepared to go down that path. However, they would all have to take a joint approach. This may be a way of bringing about a circuit-breaker, as the honourable member and I have discussed over a long period of time. Of course I do not want to see dryland farmers face massive increases in rates, and I make that clear at the outset.

Mr McArthur — On a point of order, Mr Acting Speaker, I draw your attention to the state of the house.

Quorum formed.

Ms DELAHUNTY (Minister for the Arts) — I am delighted that the honourable member for Monbulk has called in a larger audience to hear my humble answer to the honourable member for Gippsland West. I thank the honourable member for Monbulk, and I hope the answer is suitable for this much-expanded audience.

The honourable member for Gippsland West raised an issue that is quite close to her heart, and she has raised this matter with me at estimates committee hearings and in a letter last month. It concerns the spread of support for arts infrastructure across Victoria. This highlights the fact that the government has spent, through the Regional Arts Infrastructure Fund, more than \$16.5 million on 66 projects across the state.

This funding has generated projects in rural and regional Victoria worth more than \$85 million. You ask what is the difference between those two figures. The Regional Arts Infrastructure Fund is an application-based program. It leverages money that is offered by local councils, and it produces a very good outcome in terms of improving the arts infrastructure right across the state, whether it is performing arts centres, refurbishment of galleries, museums or even cinemas which this government has completed.

The honourable member for Gippsland West asked a specific question about why the Regional Arts Infrastructure Fund appears not to have provided funds for her electorate despite, as she outlines, clear talent in the arts — and certainly I have experience of the visual arts talents in that area and, to a lesser extent, my own experience of performing arts talents. The reason is that we have not had a formal application. Arts Victoria officers have had quite extensive discussions in the Gippsland West electorate, including a series of meetings on site in Cowes and Wonthaggi. On the basis of those discussions I was hopeful that the government would receive a formal application. If there is still some concern about the criteria we can go back and work with the local councils, but the fact remains that it is leveraged — —

Honourable members interjecting.

Ms DELAHUNTY — Quite clearly the contribution of the local municipality can be in various forms, but we do have to have an application. The honourable member for Gippsland West raised tonight the Wonthaggi Community Arts Centre refurbishment. That is a prime candidate and I hope that we get an

application. I think the honourable member also mentioned that the arts group at Phillip Island, with which we are familiar, would like to see a festival occur there. Unfortunately, festivals are not supported under the Regional Arts Infrastructure Fund, but they can be under the festival grants program. Arts Victoria can help the arts group make an application for the festival program.

I should inform honourable members — particularly those across the other side who are especially vociferous; and as we know empty vessels make the most noise and I can clearly see an empty vessel across the chamber from me — that the festivals program is application based and is also chosen by an independent panel, not by the government.

Mr Wilson interjected.

Ms DELAHUNTY — The empty vessels are particularly noisy tonight. I am very happy to again — —

The ACTING SPEAKER (Mr Nardella) — Order! The honourable member for Bennettswood is out of his place.

Ms DELAHUNTY — I ask the honourable member to encourage particularly Wonthaggi and Cowes to put in a formal application, and it will be processed. I think all honourable members would agree that \$85 million in investment in regional arts infrastructure is an outstanding result and contrasts markedly with the previous government, when it was a big, fat zero.

Mrs Shardey — On a point of order, Mr Acting Speaker, I would like to draw your attention to the state of the house.

The ACTING SPEAKER (Mr Nardella) — Order! Based on a ruling on page 137 of *Rulings from the Chair 1920–2001*, under the heading ‘Ringling of the bells in Chair’s discretion’, I do not uphold the point of order.

Ms CAMPBELL (Minister for Senior Victorians) — The matter raised by the honourable member for Carrum is very serious. It relates to the importance of seniors to the Victorian and Australian work force. Within my portfolio responsibilities I have been working with a number of organisations who are keen to promote the skills and talents of senior Victorians, particularly at a range of work sites. I would particularly like to commend the over-50s association employment service, which has become quite proactive with its Internet site in promoting employment

opportunities for Victorians and working cooperatively with businesses.

I am sure when older constituents come to the honourable member for Carrum to talk to her about their needs in relation to employment she can log onto that web site and link her older constituents into that wonderful service. They are calling the online service Working Connections. It employs a full-time project officer to work with unemployed older people, employers and training organisations — a very important component in the partnership to tackle barriers which keep older people out of jobs.

It is very important that the Victorian community realises that we currently have about 170 000 new entrants to the work force per annum. In the decade of the 2020s we will have 125 000 over the entire decade. This poses a real problem for business in that they need to rethink, remarket and re-engage with older Victorians in a proactive and innovative way. I compliment the over-50s association employment service, which since 1954 has supported older workers in the work force.

Ms PIKE (Minister for Housing) — The honourable member for Wantirna raised a matter for the Minister for Health regarding the future development of the Knox public hospital. I will ensure that the matter is referred to him for his consideration and attention.

The honourable member for Caulfield similarly raised a matter with the Minister for Health regarding the supervision of division 2 nurses in their administration of medication. I will refer that matter to the Minister for Health.

The honourable member for Bellarine raised a matter with the Minister for Transport regarding vehicle security at V/Line car parks in his area.

The honourable member for Mitcham raised a matter for the Minister for Transport regarding line markings on the Monash Freeway, particularly between Punt Road and Burnley.

The honourable member for Bennettswood raised a matter with the Minister for Transport regarding the need for additional funding in the City of Monash.

The honourable member for Geelong North raised a matter with the Minister for Transport regarding congestion on the Geelong Freeway.

The honourable member for Bendigo East raised a matter for the Minister for Energy and Resources in the

other place regarding electricity prices in her community. I will ensure that that matter is referred.

The honourable member for Mornington raised a matter with the Minister for Police and Emergency Services regarding delays in firearm registration.

The honourable member for Footscray raised a matter with the Minister assisting the Premier on Multicultural Affairs regarding a number of support concerns for a constituent in his community. I will ensure that that matter is referred to the minister for appropriate response.

The ACTING SPEAKER (Mr Nardella) — Order! The house stands adjourned.

House adjourned 10.51 p.m.

Wednesday, 27 March 2002

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

Honourable members of both houses assembled at 6.17 p.m.

The Clerk — Before proceeding with the business of this joint sitting it will be necessary to appoint a President.

Mr BRACKS (Premier) — I move:

That the Honourable Alex Andrianopoulos, MP, Speaker of the Legislative Assembly, be appointed President of this joint sitting.

Dr NAPTHINE (Leader of the Opposition) — I second the motion.

Motion agreed to.

The PRESIDENT — Order! I thank honourable members for electing me as President of this meeting. I draw the attention of all honourable members to the extracts of the Tobacco Act 1987, which have been circulated. It will be noted that the various provisions require that the joint sitting be conducted in accordance with rules adopted for the purpose by members present at this sitting. The first procedure, therefore, will be the adoption of rules.

Mr BRACKS (Premier) — I desire to submit rules of procedure, which are in the hands of honourable members, and I accordingly move:

That these rules be the rules of procedure for this joint sitting.

Dr NAPTHINE (Leader of the Opposition) — I second the motion.

Motion agreed to.

The PRESIDENT — Order! The rules having been adopted, I am now prepared to receive proposals from honourable members with regard to one member to be elected to the Victorian Health Promotion Foundation.

Mr BRACKS (Premier) — I propose:

That the Honourable Gerald Barry Ashman, JP, MLC, be elected to the Victorian Health Promotion Foundation.

I understand he is willing to accept the appointment if chosen.

Dr NAPTHINE (Leader of the Opposition) — I second the proposal.

The PRESIDENT — Order! Are there any other proposals?

As only one member has been proposed I declare the Honourable Gerald Barry Ashman, JP, MLC, to be elected as a member of the Victorian Health Promotion Foundation.

I thank honourable members for their attendance and declare the joint sitting closed.

Proceedings terminated 6.20 p.m.

