

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

17 April 2002

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Wednesday, 17 April 2002

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

QUESTIONS WITHOUT NOTICE

Victorian Aquaculture Council

Hon. PHILIP DAVIS (Gippsland) — I refer the Minister for Energy and Resources to the fact that the Victorian Aquaculture Council as the peak body to the nine aquaculture industry associations provides, at the request of government, advice on industry and development matters.

The minister, on assuming office, abandoned the funding commitment to the VAC, which was associated with the abandoned Victorian aquaculture initiative. Following industry pressure she reinstated partial funding. As a result the VAC will cease operating following its final board meeting tomorrow, unable to meet even its employee entitlements. Will the minister advise why she has abandoned the aquaculture industry?

Hon. C. C. BROAD (Minister for Energy and Resources) — That is a good example of the kind of negative carping and misrepresentation of the history under the previous Kennett government, of which the honourable member opposite was a member, and he was party to decisions made under the Kennett government which are directly relevant to what is happening now.

Just to remind the honourable member of decisions made under the previous Kennett government, of which he was a member, in relation to these matters — —

Honourable members interjecting.

The PRESIDENT — Order! Mr Davis has asked a question of the minister. The minister is entitled to be heard. We are all entitled to hear a response.

Hon. C. C. BROAD — The honourable member obviously does not want to hear this, and it will become apparent to the house why not, if I am allowed to continue.

Under the previous government a decision was made to establish the Victorian Aquaculture Council on the basis that it would become sustainable, be able to manage its own funding and produce a business case, and the deadline which was set for that is this year. Unfortunately, it is not the case that the VAC has been

able to do that. This government has acted already — —

Honourable members interjecting.

The PRESIDENT — Order! I again ask the house to allow the minister's answer to be heard.

Hon. C. C. BROAD — Thank you, Mr President. This government has already acted to extend funding for the VAC beyond the limits set by the Kennett government and will act to further extend the funding to resolve the current conundrum of the VAC.

This government is committed to a viable representative body for the seafood industry, and I am confident that as a result of discussions which are under way we will see a viable industry body which is able to represent the whole seafood industry, including the aquaculture industry. So that is this government's commitment to the aquaculture industry. I am confident that, unlike the actions of the previous government which did not ensure sustainable representation, what will come out of current discussions is a viable industry body for the whole of the seafood industry, including the aquaculture industry.

Hon. PHILIP DAVIS (Gippsland) — I ask a supplementary question of the Minister for Energy and Resources. The minister in her previous joint capacity as Minister for Energy and Resources and Minister assisting the Minister for State and Regional Development gave the industry a commitment that additional funding of \$50 000 would be provided for industry development from the Department of State and Regional Development. The VAC has now been advised that the minister's undertaking will not be honoured. Will the minister advise why she will not honour her undertaking, which will force the VAC to close, effectively, from its board meeting tomorrow?

Hon. C. C. BROAD (Minister for Energy and Resources) — As I indicated in my previous answer, the government is ensuring that the VAC is able to meet its commitments. Our main priority here, however, quite apart from resolving the current conundrum, is to ensure sustainable representation into the future. So the funding which was committed to the VAC will be provided to the VAC. That, unfortunately, will not ensure a viable industry body into the future, which is the main priority for this government.

E-commerce Advantage policy

Hon. JENNY MIKAKOS (Jika Jika) — I ask the Minister for Information and Communication Technology whether it is a reality that e-commerce is

almost becoming a prerequisite for doing business, no matter the size of the business. Can the minister outline programs that have been undertaken by the Bracks government to promote the uptake of e-commerce for Victorian business?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — The Bracks government understands the important part that e-commerce plays in ensuring that Victorian businesses are competitive and able to compete in a world market. This commitment is evident in Victoria's E-commerce Advantage policy, which was the first e-commerce policy ever delivered by a state government. E-commerce Advantage has a number of components, but the one that is probably the most interesting for businesses is the e-commerce exhibition projects program. This program provides funding for business consortia to develop innovative approaches to business-to-business e-commerce.

Today I am pleased to announce a new round of grant funding under this program. Seven consortia will each receive grants of up to \$50 000 to trial innovative e-commerce projects. Successful projects will involve over 100 businesses and will be located in a variety of centres throughout the state, including Avoca, Geelong, Portland, Clayton and Heidelberg. What is even better is that, because these are exhibition projects, what is learnt from these projects will be made available for other businesses to adapt and to use.

A growing number of small and medium businesses are realising that e-commerce offers enormous benefits in helping reduce costs, save time, open new markets and build better business relationships. These grants will support a diverse and vibrant mix of projects across Australia.

In Avoca, the Pyrenees Hay Processors Co-op will develop a web communications tool and supply chain system in order to grow the stockfeed sector. Throughout Victoria, Australian Flagship will trial an electronic employment data system, ewage.com.au, which will be available to small business members of Clubs Victoria and the Hotels and Motels Association. Moyston Court Fisheries/Icon Global of Geelong, Mordialloc and Portland is looking to implement an electronic supply chain system for the wet fish industry which will link fishermen, transporters, processors and distributors from ocean to plate. National Confectionery Wholesalers Ltd of regional Victoria is developing a pilot business management software system which will include a data warehouse to consolidate data on industry sales for confectionery manufacturers and wholesalers.

Under this second round of funding through the Victorian E-commerce Advantage \$600 000 in total will have been allocated to these projects over the first two rounds of funding. This funding is further proof of how the Bracks government is turning things around, supporting businesses in Victoria and making sure that these programs are delivered for all Victorians.

Snowy River

Hon. E. G. STONEY (Central Highlands) — I direct my question to the Minister for Energy and Resources, the minister responsible for achieving environmental flows to the Snowy River. Can the minister explain how the government will coordinate the finding of water to restore environmental flows to the Snowy River with the new commitment for Victoria to provide substantial environmental flows to the Murray River without taking water presently available to agriculture?

Hon. C. C. BROAD (Minister for Energy and Resources) — I welcome this opportunity to again address the house in relation to the historic Snowy agreement achieved through cooperation between the New South Wales and Victorian governments. It is the case that one of some 44 agreements necessary to implement this historic agreement has been signed by New South Wales, Victoria, and the new South Australian Premier, Mr Rann. The document is now with the Prime Minister, and his signature is eagerly awaited in order that corporatisation can proceed in May and we can proceed with the water savings projects to ensure environmental flows for the Snowy River.

There was an equally significant achievement of an agreement between the Victorian and South Australian premiers last weekend. Again, this agreement was not possible between the previous Liberal government in South Australia and the current Liberal federal government. It is a sign of the cooperation which is possible between state Labor governments and heralds a commitment on the part of Victoria in line with our commitment to the Snowy River and signals the government's ongoing commitment to the matter of restoring environmental flows to the Murray River, which is an even greater challenge for this country. This indicates that Victoria is strongly committed to playing its part in meeting that challenge. The information released by the premiers of Victoria and South Australia that accompanied that announcement makes it perfectly clear that the Snowy agreement takes precedence in relation to the water savings projects which will be pursued, and there is a whole series of provisions in those agreements, as I am sure the

honourable member is well aware, to protect the interests of Victorian farmers and irrigators. Those provisions were much debated at the time that agreement was reached and they will certainly be honoured into the future.

In relation to the agreement between Victoria and South Australia in relation to the Murray, those projects will not include any that cut across the Snowy agreement, and they will be dealt with through the Murray Darling Basin Commission framework to ensure that the interests of farmers and irrigators are protected in the same way as they have been under the Snowy agreement.

Hon. E. G. STONEY (Central Highlands) — I have a supplementary question. The minister has been playing very carefully with words. She was busy praising her efforts to get water for the Snowy but skirted around the nub of my question: will any water now available for agriculture be used? Last week the *Weekly Times* reported that the government is in trouble with the scheme and that it has not met its deadlines. I ask again: will any water presently available for agriculture be used for either of the two schemes?

Hon. C. C. BROAD (Minister for Energy and Resources) — I again indicate that both agreements ensure that the interests of farmers and irrigators are protected. Under both agreements the water will be provided through water savings projects. I am sorry that the opposition is incapable of understanding this point, but water savings projects do not relate to water currently available; water will be provided in the future through water savings projects to ensure that the interests of irrigators and farmers are protected.

Tri State Games

Hon. R. F. SMITH (Chelsea) — In light of the Bracks government's absolute commitment to creating and fostering major sporting events in this state, will the Minister for Sport and Recreation advise the house what progress he has made?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the honourable member's question. I am pleased to inform the house today that the government has allocated \$10 000 towards the conduct of the Tri State Games for people with an intellectual disability. The Tri State Games will be held in Seymour over five days in November of this year. Events will include track and field, swimming, tenpin bowling, team events, as well as a street-style parade opening ceremony. The event will attract teams from regional centres in New South Wales, South Australia

and Victoria. It is anticipated there will be in the order of 700 visitors to the region and 50 per cent of those will be from interstate. This will provide a great fillip to the local economy with an estimated economic impact of \$700 000 to the region.

The Mitchell shire will provide stadiums, pools, ovals, et cetera, free of charge or at cost to the users. I congratulate the Mitchell shire on its support of this event. The event will be organised by Goulburn Options Incorporated, an advocacy support group for people with intellectual disabilities in the Goulburn region. It will help increase the number and range of sport and recreational options available to intellectually disabled competitors as well as developing leadership skills for people with disabilities. It will also enhance the local skills base of volunteers in the sports and community sectors.

I congratulate the local member, Ben Hardman, the honourable member for Seymour in the other place, for his strong support and advocacy for this event. It reinforces that the government is committed to growing the whole of the state and to supporting regional communities. We are a government that cares, unlike the opposition when it was in government — it did not care. The opposition does not care and although it pretends to care, we can see through it. In particular, there are only two things wrong with the opposition, and I will tell you what they are.

Hon. Bill Forwood — Tell us!

Hon. J. M. MADDEN — I will tell you what they are!

Honourable members interjecting.

The PRESIDENT — Order! The minister is about to tell honourable members what the two things are. I suggest the house let him get that out so we can move on to the next matter.

Hon. J. M. MADDEN — The two things wrong: your face — because you pretend to care and you don't!

Boating: licences

Hon. B. W. BISHOP (North Western) — I refer the Minister for Ports — —

Honourable members interjecting.

The PRESIDENT — Order! I ask both sides of the house to settle down and allow the Deputy President to ask his question.

Hon. B. W. BISHOP — Thank you, Mr President — I was about to call for order!

I refer the Minister for Ports — in this case the minister for small boats — to the licensing of Victorian small boat operators. Will the minister now concede that under the government's new licensing rules it is now more expensive to hold a 10-year boat operator licence than a 10-year car licence in Victoria?

Hon. C. C. BROAD (Minister for Ports) — It is a matter of great regret that the honourable member continues to carp about what is a very important initiative by this government to secure better safety for people in Victoria who wish to go boating safely as well as to enjoy themselves. This initiative has been extremely well received by the boating community and well supported by all organisations with an interest in the area.

In relation to the costs associated with this very important safety initiative, the Victorian government has ensured that costs are kept to a minimum and also that, after meeting administrative costs, revenue from this initiative is returned to investing in safety initiatives to benefit the boating community.

In relation to the detail of the costs, I have previously provided the honourable member with a detailed analysis. Depending on how you do that analysis, over what period of time and whether you include or do not include testing associated with obtaining a licence in the first instance, you can come up with different figures on comparisons with, among other things, motor vehicle driver licences. I have provided that information in detail to the honourable member and I do not believe it is in dispute.

Hon. B. W. BISHOP (North Western) — I have a supplementary question. The minister is aware that the National Party strenuously argued against the imposition of licences on operators of small recreational boats. The minister rejected our assertion not so long ago that a 10-year boating licence at \$250 would be more expensive than a licence to drive a car in Victoria for 10 years, which would cost \$133. On 6 December 2001 the minister stated in this house that the Marine Board of Victoria figures did not agree with ours. Will the minister now confirm which set of figures are correct and that it is more expensive to operate a boat, even a small tinny, for 10 years than it is to have a 10-year car licence in Victoria?

Hon. C. C. BROAD (Minister for Ports) — The honourable member has again affirmed the National Party's opposition to this important safety initiative

which, as I have said, is a matter of great regret. It is also of great regret that, although the matter has been resolved by the Parliament and notwithstanding the strong support for this safety initiative, the National Party continues to campaign against it. I have provided the honourable member with the detail of the cost breakdown and I am happy to provide it to him again. Depending on how you calculate costs, you can come up with the comparison the honourable member has come up with or with a different analysis of the costs. I stand by those figures and I am happy to provide them again if that is what the honourable member wants.

National Youth Week

Hon. T. C. THEOPHANOUS (Jika Jika) — Will the Minister for Youth Affairs please inform the house of the Bracks government's role in respect of National Youth Week?

Hon. M. M. GOULD (Minister for Youth Affairs) — I thank the honourable member for his question. The Bracks government sees the support of National Youth Week as an important part of increasing the community's understanding of the tremendous contribution made by young people in our society. National Youth Week 2002 was held last week, from Sunday, 7 April to Sunday, 14 April.

Honourable members interjecting.

The PRESIDENT — Order! All honourable members have been here long enough to know it is improper to make any reference to members in the public gallery and to know that the implications of doing so are that I am required to clear the rest of the gallery. I suggest that they not persist with that practice.

Hon. M. M. GOULD — We know how the opposition when in government treated young people in Victoria. It did not care about them, it did not encourage a positive attitude in the Victorian community to young people and it did not take a great deal of notice of the creativity, enthusiasm and artistic flair of young people, which National Youth Week brought out in this community last week.

The theme for National Youth Week was 'Bring it on', and that is exactly what happened across Victoria with young people. They brought on short stories in a competition in Geelong, a music and high-impact games festival in the Bendigo area, an outreach concert to Vietnamese youth in the Springvale area, and a lot more.

This year the Victorian government showed a strong commitment to Victoria's young people and allocated

\$50 000 to National Youth Week. The Office for Youth then coordinated the allocation of over 111 grants for staging 250 events right across Victoria as part of the program.

What the government was calling on the people of Victoria to do last week — which is something the opposition did not do when it was in government — was to take the opportunity to listen to young people, to hear what they have to say, to have a look at their art, to listen to their music, to have a look at their creativity and to have a look at their enthusiasm in being part of putting these events together. Young people organised a lot of the events that took place and they organised the bookings. They will have learnt from those experiences and picked up skills which will assist a lot of them to move into their chosen careers, for example in the area of music. I attended a number of events during National Youth Week last week and it was a terrific opportunity to see how well these young people organised these events.

The Bracks government's plan is to continue to support young people — unlike the former government, which wanted to put them in a corner, break them away from the community and forget that they even existed. The opposition does not want to promote the positive aspects of what young people are doing. The Bracks government treats young people with respect and it will continue to do so. It calls on the community of Victoria to look at young people in a positive manner — unlike the opposition — and it will do that through continuing to support programs like the National Youth Week.

Electricity: generation investment

Hon. C. A. STRONG (Higinbotham) — I refer the Minister for Energy and Resources to the mass exodus of investors from the Victorian electricity industry to a value, according to the *Australian Financial Review* of 12 April, of up to \$10 billion. This is a major risk to the Victorian economy because, firstly, a lot of this exodus has involved retailers as a consequence of the government's California-type retail cap and, secondly, these are major international investors and their withdrawal is not a good signal to the international investment community from which this state clearly requires investment for its ongoing economic growth. I ask the minister to give us some examples of what the government is doing to halt this exodus of overseas investors from Victoria.

Hon. C. C. BROAD (Minister for Energy and Resources) — I can almost have sympathy for the Honourable Chris Strong, who no doubt fondly recalls the days of the State Electricity Commission which he

was a part of when the Victorian government owned the electricity industry in this state before it was sold off by the previous Kennett government.

An honourable member interjected.

Hon. C. C. BROAD — I said I was almost sympathetic. I could not say truthfully that I was completely sympathetic, given the actions of the previous Kennett government.

It is the case that as a result of the privatisation of the industry by the previous Kennett government there are now private owners of the industry. It is also the case that that private ownership and its make-up changes on a regular basis and has done since immediately after its privatisation by the previous Kennett government. To suggest as seems to be implied in this question that, having privatised the industry, its ownership should remain static and that there should be no changes in that ownership over time is completely ludicrous. If it is the case that the previous Kennett government — —

Honourable members interjecting.

The PRESIDENT — Order! A question has been asked of the minister by the opposition and I ask opposition members to allow the minister's response to be heard.

Hon. C. C. BROAD — If it is the case that the previous Kennett government was of the view that ownership of the industry should remain static, I can only conclude that they should not have privatised the industry in the first place!

The opposition is reaching new heights in its negative, carping approach to this state, in talking down investment in this state and, in particular, in talking down investment in the state's electricity industry — which it privatised!

Hon. C. A. STRONG (Higinbotham) — I ask the minister again to give an example of what she is doing or what the government is doing to attract overseas capital to Victoria. We on this side get sick of the minister's continual carping about everything being the responsibility of the previous Kennett government. The minister has been carping about the Kennett government for years. The minister is responsible, and this house would like to hear and I would like to hear what she is intending to do. It is true that there will be changes in private ownership, but not a flight of ownership as we are seeing now. What is the minister doing to arrest that flight?

Hon. C. C. BROAD (Minister for Energy and Resources) — It is hardly surprising that the opposition does not want to hear about the history of the privatisation of the electricity industry under its stewardship. I am pleased to hear that the honourable member acknowledges that changes in ownership will occur on an ongoing and regular basis. In relation to attracting new investment to the industry, I am very pleased to take this opportunity to remind the opposition — —

Hon. Bill Forwood interjected.

The PRESIDENT — Order! A question has been asked of the minister and questions about what happened in the past in unrelated issues are disorderly. I ask the Leader of the Opposition to desist and I ask the minister to finish her answer.

Hon. C. C. BROAD — I am pleased to take this opportunity to remind the opposition that under the Bracks government this state has been successful in facilitating new investment in new generation in the electricity industry at Somerton and in the Latrobe Valley — unlike the previous Kennett government, under which there was no new investment in new generation capacity during the whole period of its government!

Fishing: resource protection

Hon. D. G. HADDEN (Ballarat) — I ask the Minister for Energy and Resources to inform the chamber about the progress the Bracks government has made in taking action against abalone and other fisheries offences.

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for her question. Victorian commercial fisheries are an important natural resource valued at between \$80 million and \$100 million a year to commercial harvesters. In addition to that, the value of the catch is added to through a whole range of post-harvest sectors including processing, exporting and retailing. So, by any measure, this is an important part of the Victorian economy.

Within that catch, abalone and rock lobster are the principal species taken by value, accounting for approximately 50 per cent and 15 per cent respectively of the value of the total catch. The Bracks government is continuing to act to ensure that these resources are sustainably managed into the future and to take action against the illegal activities of those individuals undermining the legal efforts of the industry, which is endeavouring to do the right thing.

Increasingly in recent times the emphasis on fisheries enforcement is shifting towards a task-oriented approach. Recent operations in this task force approach are conducted jointly with Victoria Police and other state and federal enforcement agencies which, I am pleased to advise the chamber, have been extremely successful. In the most recent 12-month period for which there is available data — the period to January of this year — large quantities of abalone, more than 20 motor vehicles, 10 boats, processing equipment and the like were seized through the efforts of local fisheries officers, fisheries investigators and other fisheries compliance agencies.

In addition, in recognition of the serious nature of abalone offences, a prolific and notorious abalone purchaser was recently convicted and sentenced to three and a half years imprisonment with a 30-month non-parole period, received more than \$155 000 in fines, was required to pay costs to the Department of Natural Resources and Environment of \$15 000 and will have access to Victorian waters limited for a period of 10 years — that is, after completion of the sentence.

The increased severity of penalties for fisheries-related offences demonstrates just how serious the Bracks government is about protecting our valuable fisheries resources. The fines and penalties relating to fisheries offences should be a deterrent to others contemplating such illegal activity. However, it is important to understand that the government's efforts to protect our fisheries resources do not stop there. For example, the government's draft legislation for marine parks includes a boost of more than \$14 million for fisheries enforcement. This enforcement will be of key benefit to ensuring the sustainability of Victoria's resources.

I urge the opposition to support the government's legislation so that as well as securing the protection of marine reserves, Victoria's valuable fisheries resources are better protected into the future.

Gas: SEA Gas pipeline

Hon. C. A. FURLETTI (Templestowe) — I refer the Minister for Energy and Resources to the report in the *Herald Sun* of 5 April, which related to a matter I raised in this place on 26 March where the minister was reported as having referred to the police the matters I raised with respect to the SEA Gas pipeline and inducements being offered to solicitors. Inquiries made of the minister's own department and of the police media unit as recently as last week were unable to obtain confirmation that such a police investigation had been instigated. I ask the minister to confirm that she has referred the matter to the police and, if so, to whom.

Hon. C. C. BROAD (Minister for Energy and Resources) — I am very happy to be able to advise the honourable member that the chief commissioner has acknowledged my referral for investigation of the matters supplied to me by the Victorian Farmers Federation — not the honourable member opposite — and that my request has been referred to the deputy commissioner (operations) for appropriate attention.

Hon. C. A. FURLETTI (Templestowe) — As a supplementary question, let me say how grateful I am that the minister required the matter to be raised in this chamber before her open, transparent and accountable government makes it clear to the public of Victoria what it is doing. It is offensive to those who wish to know what the government is doing to have people like me have to raise issues. Will the minister in this place advise the chamber of the basis and the terms of the referral to the Chief Commissioner of Police?

Hon. C. C. BROAD (Minister for Energy and Resources) — I completely reject the statements made by the honourable member. I publicly announced my referral to the police of the matters raised and advised to my office by the Victorian Farmers Federation. Mr Furletti is completely inaccurate in his statement that matters had to be raised in the Parliament.

In relation to the referral of the matters, I have referred all the information provided to me by the Victorian Farmers Federation to the police for investigation. That is a matter for them. It is not a matter for me to define for them the conduct of their investigation. This is a matter for the police.

Small business: bank charges

Hon. E. C. CARBINES (Geelong) — I ask the Minister for Small Business whether she is aware of recent data relating to small business banking issues and whether she will describe what action the Bracks government is taking on those issues?

Hon. M. R. THOMSON (Minister for Small Business) — I am aware of a report issued by the Financial Services Consumer Policy Centre, New South Wales, entitled 'Small business banking: issues and statistics'. The report was sent to me by the New South Wales Minister for Small Business.

The study considers the banking options available to small businesses, including the costs and level of competition and service available. It indicates that small businesses in Australia pays around \$2 billion a year in bank fees and reports and that this amount increases by more than 15 per cent each year.

Conversely, one in four bank branches has closed since 1996, and the level of small business satisfaction with the banks has also fallen. The report confirms what many of us already believe is occurring: that while the cost of banking for small business has increased the service levels are declining.

According to a recent Reserve Bank report entitled 'Recent developments in small business finance', it appears banks have withheld the benefits of the last two cuts in official interest rates from small businesses. This is a serious concern to small business especially with talk of interest rate rises which, if fully passed on to them, will have some of them struggling.

Banks should review their practices in relation to small business fees and charges. The state government has no real responsibility or direct control of banking practices. But I have written to all the major banks expressing my concern over this matter and encouraging them to review their practices relating both to interest rate margins on small business loans and bank fees and charges levied against small businesses.

The issue will also be raised at the small business ministerial council meeting scheduled for later this year. It is an important issue for ministers to discuss. To minimise the effects of this profiteering by banks on small business I encourage all small businesses to shop around and look at the alternatives available to them.

I am also pleased to announce that the first of the seminars for women, 'Show me the money', will be held on 23 April, and the workshops will be held on 7 May and 21 May. These are a fantastic opportunity for women in small business to look at the financial products available to small business and to obtain handy tips about approaching financial operators for funds.

It is unfortunate that the banks seem to be gaining at the expense of small business and I hope the banks will hear the call and see how they can better provide for small business without adding to their costs.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Boating: licences

Electricity: generation investment

Fishing: resource protection

Gas: SEA Gas pipeline

Snowy River

Victorian Aquaculture Council

Hon. C. A. FURLETTI (Templestowe) — I move:

That the Council take note of the answers given by the Minister for Energy and Resources and Minister for Ports to questions without notice asked by honourable members relating to the energy and resources and ports portfolios.

I refer honourable members to the conduct of the Minister for Energy and Resources in this place and I note that the minister has taken her leave from the chamber again, as the ministers of this open, transparent and accountable government are wont to do. It is a shame that matters of serious consequence to Victorians are treated with contempt by ministers who are responsible for these matters.

The matters I raised in this place on 26 March relating to inducements of \$5000 being offered to solicitors in western Victoria to procure the signatures of their own clients to easement agreements with SEA Gas, whether by SEA Gas or SEA Gas consultants, to the people in western Victoria are significant. Last week I had the opportunity to meet with a large number of the people and farmers affected by this issue.

Hon. M. M. Gould interjected.

Hon. C. A. FURLETTI — It was very significant to those who were affected.

The PRESIDENT — Order! The Leader of the Government will have the opportunity to join in this debate and make any point she wants at that stage.

Hon. C. A. FURLETTI — It is interesting to note that the Leader of the Government in this place seeks to drown out an issue of great importance to landowners in western Victoria who will be penalised because of the inactivity of the government. When I raised the matter on 26 March — —

Hon. M. M. Gould interjected.

Hon. C. A. FURLETTI — Will you stop carping!

Hon. M. M. Gould — A police investigation is under way and you are undermining it.

The PRESIDENT — Order! The Leader of the Government made that point before and I informed her that she will get the opportunity to respond in a temperate way when it is her turn, but at this time it is not her turn.

Hon. C. A. FURLETTI — Again I say the government does not want to hear about problems in the community, particularly in the rural community. Having had it brought to her attention on 26 March, the minister chose not to contact me about the source of my information so she could do something about it. She taunted me to provide her with the information which I knew she already had. I do not know why the minister would wish to deny there had been contact with her office, not only by those affected, but by others representing those affected and to sit across the chamber and taunt me with the notion that she had the documents and I did not. But it took three days of questions in the chamber to have the minister acknowledge that there were problems of such gravity that it led to the minister today confirming it had been referred to the police.

I am concerned about this reticence. This is allegedly an open, accountable and transparent government, yet it is like extracting teeth to obtain answers to questions about what the government is doing to assist Victorians who are being disadvantaged through what is alleged to be improper conduct in acquiring property rights for this pipeline. They are serious matters.

Last night I again asked whether the minister could confirm the disparate numbers given by her department about people yet to sign. They range from 7 to 124 people; yet it was represented to those who had not yet signed that they were among the very few who had not done so, allegedly with the intention of rapidly getting signatures. I have no idea whether signatures and easement rights were conditions precedent to the permit the minister granted on 20 March, but clearly something is going on and the minister should come clean as quickly as possible.

Hon. G. D. ROMANES (Melbourne) — An issue was raised in the house this morning on the historic agreements made between the governments of New South Wales, Victoria and South Australia about the Snowy River and the breakthrough with the cooperation of the South Australian government on this particular matter. As the minister said this morning, we are awaiting the signature of the Prime Minister on this particular matter.

The Honourable Graeme Stoney raised concerns — one would expect concerns should be raised by honourable members of this place who come from rural and regional Victoria — about agreements being made on water and whether those agreements will have embedded in them protections for farmers and irrigators who are dependent for their livelihoods on those water sources.

As the minister put before the house this morning, the agreement between the Victorian and South Australia premiers — the agreement we expect will be concluded with the signature of the Prime Minister — we hope will move Victoria closer to achieving increased flows along the Snowy River, about which this government has made a commitment.

As the minister commented, the agreements that have been reached, and the historic agreement last weekend about the River Murray, will be within the framework of the Snowy River commitments so that environmental flows in the Snowy River will take precedence, and any further decisions on the Murray Darling Basin will not cut across whatever commitments have been made on the Snowy River.

The other important commitment the minister outlined in her answer is that whatever happens to the historic Snowy River agreement that Victoria has struck with two other states, the cooperation that has been under way over the past two and half years under the Murray Darling Basin framework, and commitments on water in that part of this continent, are about water savings, not about taking water away from those who currently have rights to that water and need it for both their domestic and stock supplies and commercial enterprises.

I am sure you are aware, Mr Acting President, as are other honourable members, that there is a growing movement in the Australian community for the concept of healthy rivers. That reflects a growing understanding in this country of the importance of water and of the environment. Water is seen by many people in our community as the key issue to the environment and to survival in the universe in this millennium. Water is critical — —

Hon. K. M. Smith — Mr Acting President, I direct your attention to the state of the house.

Quorum formed.

Hon. G. D. ROMANES — The importance of water is paramount.

Hon. PHILIP DAVIS (Gippsland) — What an absolute disgrace! We have seen the government abandon the chamber just as it has been doing during adjournment debates. Ministers fled the chamber immediately after question time. The minister responsible has abandoned the chamber. She came in here for the quorum but fled straightaway. The contempt in which the government holds the Parliament is a disgrace. In my view these ministers are not effective ministers in this place because they hold the house in contempt.

I was going to make some remarks specifically on the issue I raised during question time, which I intend to do so, but I am provoked by the contempt which the Minister for Energy and Resources is displaying towards the house to make comments generally about her performance. Today she commented about the Snowy River in answer to a question from the Honourable Graeme Stoney concerning allocation of water between the environment and agriculture.

Clearly the minister does not seriously understand or pay regard to the consequences of the decisions being announced by the government in an ad hoc way about making commitments to diverting flows from agriculture. An important industry is at risk because the government has no clear policy on how to find water savings to meet the commitments now made to the Snowy River and the Murray River. Irrigation in northern Victoria in particular will come under pressure because there will be a contraction in the availability of irrigation water.

The minister paid absolutely no regard and displayed contempt for the flight of capital from Victoria in respect of the electricity industry. Because of government intervention in putting caps on prices and trying to model itself on the failed Californian experiment, where electricity power supply prices rose at a wholesale level but price caps were instituted at the retail level, Victoria is clearly being put under threat of a lack of investment. Indeed, we have already seen the major 500-megawatt power station project at Stonehaven being put on indefinite hold as a consequence of the intervention by the minister because the price signals are not there.

My principal concern today is with the minister's continued ability to create uncertainty and to prevent the aquaculture industry in the state from developing.

A funding commitment was made by the previous government for \$100 000 per year for three years, concluding with \$50 000 in the final year of the four-year funding commitment, in association with the

Victorian aquaculture initiative to secure funding for the Victorian Aquaculture Council for the provision of regulatory and industry development advice to government because that occupies 80 per cent of the time of the VAC in resource allocations.

It was important for the government to assist the industry to develop. The problem has arisen that funding uncertainty prevails because of the ad hoc decisions by the minister. On coming to office the minister cancelled the previous funding commitment and therefore the VAC was under pressure, but after significant pressure from industry and in this place the minister relented and reinstated some of those funds.

However, the full commitment has not been delivered. I think it was in September last year that the minister made a public commitment to the industry that \$50 000 would be found through the Department of State and Regional Development to support the industry development activities of the VAC. She has since abandoned that commitment. Therefore the result is that as of Thursday this week the Victorian Aquaculture Council will be unable to continue to operate because it would be trading insolvent. I might say that with it will go the employee entitlements. It is a disgrace — and the minister is a disgrace!

The ACTING PRESIDENT

(Hon. G. B. Ashman) — Order! The honourable member's time has expired.

Hon. D. G. HADDEN (Ballarat) — I place on the record that it is not the government's position to hold the house in contempt.

Hon. Philip Davis — Where are the ministers?

Hon. D. G. HADDEN — I am absolutely appalled at the performance of the Honourable Philip Davis because he only wants to shout down everybody in the house, especially government members, and not allow us to speak.

It is clear that the government is committed to Victoria's aquaculture industry. The government has made that commitment and that statement. In 1998 the coalition government agreed to provide assistance to the Victorian Aquaculture Council consistent with the VAC's own business plan. That aimed to obtain complete self-funding of the council in its fourth year of operation. Clearly the Bracks government has honoured the former government's commitment by financially supporting the VAC. It has recognised the important role and contribution of the industry peak body, the VAC, in expanding the aquaculture industry.

In addition, over the same period about \$112 000 in levies has been collected from the aquaculture licence-holders and provided to the VAC. The Bracks government is currently working through the issues to ensure the interests of Victoria's aquaculture industry will continue to be effectively represented.

It is important to note that the government is turning the state around. It is delivering. It is decent and it is strong. The government has a vision and a plan for all Victorians, but that seems to fly in the face of the stand of the opposition. It does not like it nor does it like hearing about it, which is why government members are continually howled down in this chamber in the disgraceful performance of opposition members, especially this morning by the Honourable Philip Davis.

The government is rebuilding the Victorian rock lobster and giant crab industries by introducing quota management of the fisheries to ensure that the industries and fisheries are sustainable. It is important that they remain sustainable into the future. The former Kennett coalition government failed that sector by allowing key fishery stocks in Victoria such as rock lobster to be depleted and it failed to manage them in a sustainable manner.

The government has a vision and a plan to continue the sustainability of that crucial industry for all Victorians. The previous government displayed no vision for the industry and no interest in meeting community expectations for social and environmental outcomes and sustainability of the resources. It is a pity that the opposition did not listen so that it could understand what the government is doing in a constructive manner, rather than continually howling down government members in this chamber.

Hon. C. A. STRONG (Higinbotham) — The answers that the now absent minister gave to questions on what are basic sovereign risks in the electricity industry were inadequate and showed a total lack of any appreciation of the very significant risks that the current flight of capital from the electricity industry poses for not only the electricity industry but the whole state.

The minister's answer to my question asking that she provide one example of where the government has encouraged investment in the electricity industry was to continually carp, whinge and moan about the record of the Kennett government.

The truth is that the Kennett government rescued Victoria from the disaster that the former Labor government bequeathed the state, and built the

foundations for the current economic boom now being experienced by the state. There is no doubt that at this time Australia and Victoria are undergoing very significant economic growth, which is extremely good. I, for one, do not carp or whinge about that in any way — that is excellent.

What worries me and the opposition generally is that while the government continues to do nothing — to dither or stand and wash its hands in the face of capital flight from Victoria — it is heading down the same track as its predecessors. It could well be responsible for undoing the economic growth that the state is now enjoying.

The government should be careful about the electricity industry because international investors have a certain herd approach — that is, in many ways they follow each other, as if with a herd mentality. There is no doubt that the government is taking Victoria down the Californian route because the first step taken in California was to cap the retail prices of electricity at unrealistic levels without any consideration of the wholesale prices.

International investors have seen what happened in California and they can see that the Victorian government is heading down that path. They want out of here before they get burnt as they did in California. They are leading the charge. As I said, there is clearly a herd instinct among international investors and as the major corporations with huge investments in Victoria are pulling out of the state because of the actions of the government — and let there be no doubt that they are pulling out because of the government's actions — the stampede could well start from the changes in the electricity industry.

The government must pay more attention to the electricity industry and encourage investors to that industry for the very reason I have put. Although Victoria and Australia have strong economies today, once that stampede of capital starts out of the state, who knows where it will end? We know where it ended last time the people opposite sat down and did nothing, and washed their hands: the stampede then led to the mess that the Kennett government inherited in 1992 and had to repair! We are not at that stage yet, but we are very close and the government needs to act to see that it does not repeat the mistakes of last time.

Hon. B. W. BISHOP (North Western) — I take this opportunity to go through some of the reasons for my question and the government's imposition on small boat owners of licences to operate. It is important to do that today, as the National Party has done in the past,

and put on the record the impact this has had on small boat users across the community. This issue has been an absolute disaster for the Labor government. The government certainly did not listen to the community or the National Party when it raised numerous issues throughout the whole debate.

The new licensing arrangements and provisions will catch every car rooftop tinnie owner, every yachtie, every casual duck shooter, all bay and inland fishermen and particularly youngsters learning about boat craft. The National Party pushed hard the request that if the government was going to go the full run on this and impose these licences on our community concessions should be provided for pensioners. But that was refused as well. I can well remember my colleague the Honourable Peter Hall and I seeing the minister and pleading with her — both personally and by letter — for concessions for pensioners, but we were refused.

Then there is the fact that, for example, many people, such as a family of four, might only use a boat a couple or three times a year. However, a family of four must pay \$100 a year in licensing fees to operate that boat.

The government had the support of the Boating Industry Association of Victoria because the association believed moneys collected would go into boating facilities. But then the government lost the association's support when it realised there was a huge anomaly with New South Wales. We were told that New South Wales was going to very quickly follow the same rules. We now find out that that is not the case. We were misled about the advice we were given on that issue. The association caught up with that and the government lost its support.

To top it off, if you rent a boat and it travels under 10 knots you do not need a licence. That provision turned the boating association around totally. With all respect to the hirers of boats, they are the very people who may not put safety aspects into place. However, the consistent users and owners of boats would certainly take those safety aspects into consideration because of the love of their vessels and the love of their sport and recreation.

So now we have two classes of small boat operators in Victoria. One of my constituents says he thinks he will sell his boat to his father — who will not use it — and rent it from him. That is how stupid the legislation is. It demonstrates the community's attitude to this issue.

We saw the government do a backflip on the surf lifesavers and State Emergency Service volunteers. The government will give them a grant to pay for their fees.

We say they should be exempt, as they are in New South Wales. Let's keep it simple.

Again, there is the question of the substantial amount of revenue raised, which I understand to be \$15.6 million. We wonder whether that will go into boating facilities. I suggest not. We suggest that it will slip into the coffers of consolidated revenue and be very hard to track in the future.

In the run-up to the final setting up of the proposal the National Party said, 'Why shouldn't the revenue go into a trust fund so it can be taken out of the general run of consolidated revenue and be allocated to boating facilities? That will alleviate some of the concerns of the boating industry association'.

The National Party moved reasoned amendments when the bill was in the house last year. We suggested that the government go back to square one and look at the New South Wales model. It is an excellent system and one that should be commended: motor-powered boats under 10 knots do not need an operator's licence; and emergency service volunteers and others are exempt. We urge the government to go back and have a tidy up of all those anomalies. Why not adopt the New South Wales system? It is a good system and it suits everyone.

In relation to today's question, I think it is about time the government simply conceded that it is more expensive to have a boat operator's licence over 10 years than it is to have a licence to drive a car — —

The ACTING PRESIDENT

(Hon. G. B. Ashman) — Order! The honourable member's time has expired.

Hon. N. B. LUCAS (Eumemmerring) — In the short time available I reiterate my concern with the inactivity and the non-attendance of ministers in this house. Mr Philip Davis referred to that earlier. It seems extraordinary that here we are, running a Parliament, and the ministers who have issues raised with them scurry out of this place — —

Hon. J. M. Madden — On a point of order, Mr Acting President, I ask you to direct the honourable member to stick to the issue of concern rather than to ramble on about the protocols of this house. We have been over this territory and we know a point of contention in the house at the present time is the introduction of practices not unlike the Senate and the extent of those practices. The honourable member is referring constantly to that issue when that is not the point at issue in the debate.

Hon. Bill Forwood — On the point of order, Mr Acting President, it is entirely appropriate for the honourable member in rising to speak on the take-note motion to put his remarks into context. The honourable member is debating a motion to do with answers given in this place today by the Minister for Energy and Resources who is not here. It is entirely appropriate for him, in making his comments, to make that very point. I submit there is no point of order, and I suggest you allow Mr Lucas to get on with his worthwhile contribution.

The ACTING PRESIDENT

(Hon. G. B. Ashman) — Order! I do not uphold the point of order. The honourable member had been on his feet for about 19 seconds and was in the process of introducing his argument. The debate on the take-note motion is reasonably wide ranging, so we will give the honourable member some leeway. I am sure he will, as he progresses through his introduction, move to the more substantive part of the motion.

Hon. N. B. LUCAS — To sum up, it is a disgrace that when this issue was raised the minister immediately scurried out. Obviously she has something to hide. The minister does not appear to want to stand up for what she has a portfolio to represent in this place.

Hon. E. G. STONEY (Central Highlands) — In the time remaining I will make a point about the Snowy and Murray rivers environmental flows. The government has received enormous publicity on both of its announcements but it made them without having any idea about where the water has come from. All of us agree that environmental flows are wonderful, but it is also important to plan when you make such announcements to know where the water is coming from.

My concern is that the irrigators both upstream and downstream will be disadvantaged when some of their available water is taken for environmental flows. I believe the government has gained enormous political kudos from the announcement but it has no idea where the water is coming from; it will defer everything until after the next election and then suddenly find that everything is all too hard. My concern is for the irrigators. I believe they are in trouble and I believe their water will be taken for environmental flows.

Motion agreed to.

BUSINESS OF THE HOUSE**Sessional orders**

Hon. BILL FORWOOD (Templestowe) — I move:

That until the end of June 2002 the Council shall meet for the dispatch of business on Fridays at 10.00 a.m.

I do not propose to canvass this motion in great detail today; we covered the ground yesterday. The effect of this motion is to give the house the capacity to sit on Fridays so it can use the forum of the chamber to scrutinise the executive government, to deal with legislation, to inform itself of what is happening and to represent its constituents.

The genesis, of course, was the decision by the government for its ministers not to attend the adjournment debate, which they have traditionally done in this place and as the practice has always been. My belief is that when unilaterally, without discussion or announcement, actions like this affect the proper workings of this place, the house itself must consider the best mechanisms available to it to ensure that scrutiny, accountability and the actions of government can be fully considered and held to account. It seems to me self-evident that one mechanism for doing this is for the house to meet on Fridays if it so desires. With those few words I commend the motion to the chamber.

Hon. M. M. GOULD (Minister for Education Services) — The proposal put by the Leader of the Opposition is a bit of a stunt following on from yesterday's urgency motion, where we spent nearly 3 hours discussing whether all ministers ought to attend adjournment debates.

Obviously the opposition's big picture of its position is tied up with the procedures and practices of this house rather than concerned with what oppositions are supposed to do. This is once again an indication of the opposition's boys club attitude to the operation of this house. Once again we have the Leader of the Opposition changing sessional orders at his whim by introducing, as I indicated yesterday, rule 30:14. This government has indicated to the opposition in private conversations and publicly on the record that we are more than happy to sit in this house and be, as the government is, open and accountable and respond to questions put by the opposition.

We agree with the proposal put by the opposition which introduced Senate-style question time that had supplementary questions. The government's view on the adjournment debate was that there be Senate-style

adjournment debates and that there be one minister at the table.

We have here a meaningless motion put by the Leader of the Opposition, because in my time in this place this house has sat on a Friday; the arrangement is made by a motion of the house and it can be done at any time by a motion of the house. So it shows that the Leader of the Opposition has nothing better to do with opposition members' time. Opposition members are divided: they have no policies. They are using the general business time because they are petulant bully boys, and the boys club — —

Hon. W. I. Smith — Thanks very much!

Hon. M. M. GOULD — The Honourable Wendy Smith takes some offence at that, but she appreciates that she is outnumbered, and we call on her to change the attitude the opposition displays in its boyish tactics.

This government has shown that it has been open and accountable. If the Leader of the Opposition comes up with a motion that adds a sitting day on Friday, that could be done at any time by arrangement with the management of the house.

This government has made a commitment to extend the number of sitting days in comparison to what the opposition did when it was in government, and the government sees that this once again shows that the opposition does not know where it is going. Its members do not know where they are going, they have no policies and they are divided, but this government is open and accountable to the people of Victoria. Opposition members are just peeved that the government has made a decision in line with all other parliamentary practices across the country to have one minister present at the adjournment debate.

Hon. GAVIN JENNINGS (Melbourne) — Thank you, Mr President, for the opportunity to speak briefly on this motion before the house today. My leader has indicated that the government believes in some ways it is a meaningless motion because in fact the house does have the capacity under the current sessional and standing orders to meet on Fridays. This motion is something of an overkill by the Leader of the Opposition in this place. It is a 'vengeance is mine' motion in response to the position adopted by the government to comply with the prevailing operation in all parliamentary jurisdictions in this nation, which is to have no more than one minister required to attend the adjournment debate which occurs at the end of each sitting day.

As I said in my contribution to the urgency motion yesterday, the government is prepared on all occasions to be accountable to the Parliament and the people of Victoria. As a matter of principle, we would not oppose a motion which provides for the capacity for the Parliament to sit on a Friday and for an opportunity for our ministers to respond to questions that may either appear on the notice paper or as questions asked of them during question time that may occur on a Friday. We are very happy to comply with the Parliament. Our position on this particular motion will be to say that in our view it is overkill, that it comes out of vengeance, and that it is consistent with the born-to-rule mentality that the opposition applied time and time again in this chamber and within this Parliament. On that basis we oppose the motion as a matter of principle. However, the net effect in the practice of this Parliament will be that it provides an opportunity for the government to be accountable on a regular basis on a Friday.

Hon. Bill Forwood — That's why we're doing it!

Hon. GAVIN JENNINGS — On that basis, while as a matter of principle we oppose the motion, the government will not divide on this question and will not take it to a vote.

I want to make it very clear that if the ageing rocker Bruce Springsteen is remembered for his anthem 'Born to run', the prehistoric attitude of the Leader of the Opposition will ensure he is remembered from today onwards for his rant to the Liberal Party tune 'Born to rule'.

Hon. P. R. HALL (Gippsland) — I will give a brief view on behalf of my colleagues in the National Party. First of all I am delighted that today the government has indicated that it does not mind sitting on Friday. We welcome that, and I agree with the comments that, if the government wishes to be open and accountable, so be it! Government members should make themselves available to answer questions and be in this Parliament at an appropriate time when there is a need.

With the great uncertainty that exists in the operation of this house due to some differences between the parties in recent weeks, it would be meaningless if we were to require a debate every week where there may be an intent to sit on Fridays. The motion before the house will ensure that, as a matter of course, Fridays will become available for sitting if required. The words 'if required' have been quite clearly said and emphasised. But, for practical purposes, I do not want to have to have this debate every Wednesday or every Thursday to enable a Friday sitting to occur if that is the wish of the Parliament.

This is a sensible arrangement which the National Party is prepared to support and, as I said, I welcome the government's preparedness to concede that it would be prepared to sit on Fridays as and when required.

Motion agreed to.

LIQUOR: LICENCES

Hon. W. I. SMITH (Silvan) — I move:

That this house condemns the state government for its failure to support small businesses and creating uncertainty in the liquor industry by failing to enforce its own legislation and maintaining the 8 per cent liquor licensing cap.

This morning I aim to clearly demonstrate that the reason small business is uncertain and does not know what is happening in the liquor industry is due to the actions of the government, and in particular to the actions of the minister who has given uncertainty to the industry by her actions in response to Woolworths.

The Bracks government has failed small business in the liquor industry by creating uncertainty for small liquor retailers and wineries by the early phase-out of the 8 per cent liquor licensing cap. It has created uncertainty in the marketplace by not consulting with the whole of industry and industry stakeholders and by capitulating to Woolworths, the second-largest retailer in Australia.

This government has created nothing but uncertainty. It has not been open, it has not been accountable and it certainly has not been transparent to the businesses it claims to represent. All it does is talk. It talks about what it is going to do for small business; it sets up web sites; it puts out brochures; and it puts out seminars and pamphlets. It is smoke and mirrors and does nothing for small business. It is a do-nothing government that covers itself with what it thinks is clever IT policy, but which is really just some user-friendly stuff at the web site.

Initially small business and business in Victoria may have been fooled into believing this Labor government was going to do something for business and that it would be different from the Labor governments of the past — the Cain and Kirner years — and that it would introduce policy that would take business forward in this state and create an environment in which it was attractive to do business.

One only has to look at Labor's policy of 1999 'Taking care of small business'. Labor never expected to get into government and had a policy it never expected to implement. It had a small business policy which it said would encourage small business as a vital part of the

economy in Victoria. In its submission to review the 8 per cent limit, the Liquor Stores Association of Victoria said that Labor's policy had promised:

Labor will create an environment in which a vibrant, dynamic and prosperous small and medium-size business sector can thrive. Labor will give them the support and encouragement they need to get on with the job.

Labor claimed:

Small business is where Victoria's best prospects for future jobs and prosperity lie.

In particular, Labor's policy statement indicated its growing concern at the concentration of retail liquor and hotel industries and it promised in its 1999 election campaign that:

... a Bracks government will immediately and retrospectively close the legislative loopholes which allow large retailing chains to accumulate more than 8 per cent of the total number of package liquor licences;

Labor will reinstate the 8 per cent limit on market concentration in other areas of retail liquor licensing;

an independent liquor licensing commission will be established to administer the liquor industry in Victoria;

Labor will introduce unfair and unconscionable trading clauses to the Fair Trading Act and other relevant legislation to provide a safety net against predatory trading practices; and

Labor will work with the federal government to ensure that small and medium-sized businesses do not suffer as a result of unfair trading practices by larger competitors.

Business people in Victoria may have been fooled into believing that the Labor government was going to do something for them and that it was listening. The Minister for Small Business appeared to be listening to the liquor industry. She appeared to understand its concerns and to be looking at a review. The minister started by seeking a review on packaged liquor laws. In September 2000 she sought and consulted with industry groups for the first time. She put out press release after press release about the consultation she would undertake. A press release from the Minister for Small Business dated 8 September 2000 and headed 'Views sought on packaged liquor laws' states:

The Minister for Small Business Marsha Thomson has welcomed an inquiry into packaged liquor licences in Victoria that has recommended the present 8 per cent limit should be retained.

'This is good news for the hundreds of small independent operators across rural and regional Victoria', Ms Thomson said ...

'In contrast the Bracks Labor government came to office committed to retaining an 8 per cent cap that restricts the total

number of packaged liquor licences any one person or corporation can hold.

'It is heartening to know this review backs our policy to protect the smaller operators, especially those in country Victoria', she said.

'The report recommended the 8 per cent cap should not be removed until there is a mechanism in place to ensure diversity in the marketplace'.

In September of that year the minister announced public forums on the 8 per cent limit on liquor licences. She went out to rural and city areas looking for feedback on a recent report into the effectiveness of the 8 per cent liquor licensing cap. In a press release dated 28 September she said:

All independent liquor stores and independent licensed supermarkets in Victoria have been invited to attend these forums to give them an opportunity to identify the impact of the 8 per cent rule on their business operations and seek their views on the report's recommendations ...

'Wide public consultation on this issue is vital before the government can make any final decisions'.

It is interesting that the minister was so interested in public consultation and public communication when she had a review in front of her and a report that recommended that the 8 per cent liquor licences be retained. At that time the minister responded to what the industry was saying.

I will briefly go through some of the submissions put to the minister during the review of the 8 per cent liquor licensing cap. The Australian Drug Foundation's submission to the minister was that the 8 per cent rule should be retained. It said that if the 8 per cent rule was removed there may be a concentrated period of aggressive competition and the potential to increase binge drinking, especially among young people.

The Liquor Barons—Cheers—Liquor for Less buying group said it wanted the 8 per cent retained. It believed that the 8 per cent protected the role of community-orientated independent liquor stores in the market.

Safeway — it is a big surprise what Safeway wanted: it wanted the removal of the 8 per cent limit. The minister consulted the Victorian Wine Industry Association (VWIA) when she was looking at the report on the 8 per cent limit. It is a shame she has not included the association in her consultation process since. The VWIA wanted the 8 per cent rule maintained. It submitted that the 8 per cent rule was a reasonable measure to ensure the diversity of retail liquor enterprises through which the Victorian wine industry can access the retail market. That is a very important

point. Small wineries need to be able to access the market — they need diversity in the market, and believe that will happen by maintaining the 8 per cent rule.

IGA and Ritchies also wanted the 8 per cent rule maintained. They said that the 8 per cent rule protected the market from dominance by the major chains. They said its removal would stifle competition, have an adverse impact on regional economies and reduce the number of independent operators.

Australian Liquor Marketers also wanted to retain the 8 per cent limit on liquor licences.

Porters Liquor, Hawthorn, is a small store that had an input into the process. It wanted the maintenance of the 8 per cent liquor limit because it said the 8 per cent rule allowed a large number of liquor outlets to exist, particularly in the Hawthorn area. It believed that getting rid of the 8 per cent cap would cause a lot of those small retailers in Hawthorn to disappear.

The Liquor Stores Association of Victoria wanted to see a national approach. If the 8 per cent was going to be ruled out, it wanted to see a national approach to protect the marketplace. It said that until a national approach was implemented, the 8 per cent cap must be retained and strengthened. The association said that for real diversity and true competition in the marketplace to exist there must be a fair and equitable share of the overall market guaranteed by legislation for small business.

Liquorland — guess what Liquorland wanted? It wanted the 8 per cent cap abolished. Southern Independent Liquor supported the maintenance of the 8 per cent limit as a way of ensuring that major chains do not dominate the market. It is interesting to note that the same themes are coming through about why people want to maintain the 8 per cent cap. They want to maintain variety in the marketplace and ensure that smaller businesses survive.

Wineslashers supported the maintenance of the 8 per cent limit. Most of the submissions that came to the minister supported the retention of the 8 per cent rule and supported the cap being retained.

I will briefly look at the submission of the VWIA, because it is an important Victorian association. The association continues to support the retention of the 8 per cent liquor licensing cap because it believes it will give winemakers an avenue to a retail market. It will keep retail avenues open for winemakers and will maintain a broad diversity of products available for consumers. The VWIA is concerned that by getting rid

of the 8 per cent cap and phasing it out early, young people will be affected. It believes there will be greater risk to the community and an increase in binge drinking because of the easier access to liquor. It is concerned that there will be cheaper wine and more outlets for younger people to get to.

The VWIA believes, and it is worth quoting its submission because it was well put:

There has been a trend to the greater control of the retail liquor market by the two key retail groups — Safeway and Liquorland and their associated entities — which has continued to reduce the viable avenues to market for small wine producers, who represent the greatest number of producers in the Victorian wine industry. The VWIA maintains that the removal of the 8 per cent limitation would accelerate this aggregation of licences — further reducing wine producers' retail market access, to the detriment of the Victorian wine industry.

...

The limitation on the diversity of wine products available to consumers through retail outlets is a particular concern to the Victorian wine industry because of its large number of wine producers and great diversity of products.

The delimiting of packaged liquor licences would accelerate the trend to a duopoly within the Victorian retail marketplace.

That, of course, is exactly what has happened in New South Wales. Coles now owns 75 per cent of the retail liquor outlets in Sydney, which means that small wineries have found it very difficult to access the marketplace in Sydney. Our wine merchants are doing well selling wine to Sydney, and in one case selling it without asking consumers to pay for transport because they have such a large amount of business coming from Sydney.

The wine industry is concerned about the increasingly limited avenues to market in Victoria. The VWIA further states:

Over 80 per cent of Victoria's winemakers produce less than 5000 dozen bottles of wine per year. Victoria's predominantly small wine producers have limited avenues to market their products ...

The wine industry is very concerned to keep diversity of products available to consumers and believes that by removing the 8 per cent cap, by phasing it out early, this will not happen. The submission states further:

The VWIA contends that the lifting or removal of the 8 per cent limit would result in the lessening of the diversity of products available to the consuming public, as the major chains progressively extend their number of stores and their percentage of the retail wine market — squeezing out of smaller independent liquor retailers.

And guess what: that is what concerns the liquor retailers; they are also concerned that this will happen.

The VWIA contends that:

... the 8 per cent limit is a reasonable measure to ensure the diversity of retail liquor enterprises through which the Victorian wine industry is able to market their products to consumers via retail display, by protecting smaller independent retailers from commercial predation by the larger and more financially powerful retail chains.

In its submission to the minister, it went on to say that it believes that:

... the 8 per cent limit is clearly necessary to maintain diversity within the Victorian liquor retail sector ...

It is worth while looking at what our wine industry is all about in Victoria and at how important it is for the state's economy. Victoria has one of the most diverse wine industries in Australia. It has 21 wine regions and over 2600 vineyard enterprises, which equates to approximately one-third of the total number of wineries in Australia. It is a very important industry.

It is also very important because it is an add-on industry to tourism. The Victorian Wineries Tourism Council surveyed 206 Victorian wineries in 2000 and found that 4585 people were directly employed by these Victorian wineries, which was an increase of 39 per cent in employment since 1998. It is a growing industry and it is expanding. On average each Victorian winery employs 22 people, providing a vital economic stimulus to local regional economies.

But it does not stop there, as there is an add-on value in regard to tourism. The total flow-on value of winery tourism to the Victorian economy is estimated at \$394 million. Nationally, the annual total value of winery tourism to the economy is estimated to be \$1 billion, with the small winery sector almost entirely responsible for this economic activity.

I have taken some time going through this submission from the Victorian Wine Industry Association because it is an important part of the liquor industry. It was invited to put a submission in when the minister was reviewing the 8 per cent cap, but it has not been invited to come back to the minister since that time. Its members are not deathly silent on the issue. They are extremely concerned and they have certainly gone out to regional Victoria to talk to wineries of their concern, but the minister has not had them in or talked to them, and she certainly has not had them to a round-table discussion in her consultation process.

Small businesses probably believed — having put in these submissions, having put to the minister their

concern about the 8 per cent cap and having justified their position, and knowing about Labor's policy and that Labor was supposedly concerned about the liquor industry — that the government would respond to all of this, and it did. There was a loophole which Woolworths was using, and the Minister for Small Business responded at that point in time by committing to close that loophole. She introduced legislation to the Parliament in April last year which reinforced the 8 per cent legislation and closed the loophole. She made much song and dance about it, putting out press release after press release and talking about the fact that the Labor government was responding to the community and keeping to the policy it announced when coming up for election.

The minister said in a press release of 24 May 2001 that the government's response was consistent with its public announcement in January 2001 —

... that it would retain the 8 per cent cap for this parliamentary term and move to close loopholes that undermine its effectiveness.

She also said:

When the Bracks government said in January that we would enforce an effective 8 per cent cap, we meant it.

The minister stated in that 24 May press release headed 'New liquor laws to protect small retailers' that:

The Bracks government has delivered on its promise to close liquor loopholes undermining laws aimed at preventing the domination of the packaged liquor industry by the major supermarket chains ...

She went on to say that her legislation to amend the Liquor Control Reform Act 1998:

... will ensure that major chains cannot circumvent the 8 per cent cap on packaged liquor licences ...

Hon. Bill Forwood — They are pretty high words.

Hon. W. I. SMITH — Indeed. It did not take long — within 12 months — to prove them incorrect. She said she would make sure that her legislation was not ambiguous or exploited.

In the press release the minister further said:

This is good news for small liquor retailers, especially in regional Victoria. Consumers also benefit through the maintenance of diversity in the marketplace ...

Well!

Under the new legislation, —

said the minister —

a company that acts in breach of the 8 per cent cap will be given 12 months to reduce its holdings of packaged liquor licences.

I will repeat that, because it is very important:

Under the new legislation, a company that acts in breach of the 8 per cent cap will be given 12 months to reduce its holdings of packaged liquor licences.

In fact, the date the minister gave the Parliament was 18 April — which is tomorrow!

During that period —

the minister said —

it will not be permitted to relocate any of its packaged liquor licences.

The minister goes on to say in her press statement:

The legislation backs up the Bracks government's announcement ... that it would retain the 8 per cent cap ... and move to close loopholes that undermine its effectiveness.

The minister then went on to commit to and confirm these same statements in Parliament. In her second-reading speech on the Liquor Control Reform (Amendment) Bill she told the Parliament that she was introducing legislation that would prevent anybody circumventing the 8 per cent rule and that the government was committed to its small business election policy statement, 'Taking care of small business'. She also said in that second-reading speech that this was an opportunity to meet the government's commitment to maintain and make effective the 8 per cent cap, and that any company that was over the 8 per cent liquor licensing cap would have to come back to the 8 per cent. She said companies would be given 12 months to do so, and that it would be in exceptional circumstances only that the Director of Liquor Licensing would grant a one-off extension of up to 90 days.

The minister also said in her second-reading speech that the extension would apply only to companies that could show they were in the process of divesting, on-selling or getting rid of some of their companies to come back to that 8 per cent cap and had not completed it in the 12-month period. She said they would have to show very clearly that they were meeting the requirements of the legislation to return to the 8 per cent.

On five occasions the Minister for Small Business was asked in Parliament if she would adhere to the 8 per cent cap and five times in Parliament she said she would. On 24 May when the Honourable Bill Forwood asked the minister whether Woolworths, being over the 8 per cent cap and divesting itself of licences in the next

12 months, would be granted an extension, the minister said that would occur only in exceptional circumstances and only where it could be proved that it was actually divesting itself of its liquor licences to come back to the 8 per cent cap.

On 31 October the minister was again asked by the Honourable Bill Forwood if the Bracks government would maintain its 8 per cent cap, and she reminded the house that:

... if any liquor suppliers and businesses are over the 8 per cent limit — in this case Woolworths is being mentioned as being over 8 per cent — they cannot gain a new licence nor move existing licences whilst they are over 8 per cent ...

On 27 November in answer to a question from the Honourable Carlo Furletti, the minister said, in effect, 'We will stand by our legislation. We will maintain the 8 per cent cap. Not only will we maintain it, we will ensure that we enforce our legislation to do that'.

Again on 27 November the Minister for Small Business in response to a question from the Honourable Bill Forwood said:

I stress again that the government has a commitment to maintain the 8 per cent cap unless and until there is industry agreement.

The minister said she stood by her commitment, that she expected to implement her legislation in full, that the 8 per cent cap would remain and that the companies would divest themselves of the licences over 8 per cent.

On 27 November, again in response to a question from the Honourable Bill Forwood, the minister said there had been no suggestion that she would repeal any legislation or that she would change it. The 8 per cent cap, she said, was in place and she was not going to change it. She also said on 27 November in answer to another question in regard to the 8 per cent cap asked by the Honourable Carlo Furletti — —

Hon. G. D. Romanes — Mr Acting President, I draw your attention to the state of the house.

Quorum formed.

Hon. W. I. SMITH — Five times the minister was asked in the Parliament if she would be supporting the 8 per cent liquor licensing cap, and five times she gave a commitment to that. The minister also gave a commitment in the house that if a company did not adjust its holdings, did not come back to the 8 per cent limit, it would only be in exceptional circumstances that the minister would grant a 90-day one-off extension of the liquor licence.

Businesses may have been lulled into a false sense of security with this government, but it did not take long to work out what was going on. The government had consulted with the community and introduced legislation, but Woolworths had found another loophole in the legislation. The minister did not seem to know for some time that that was going on, but the press picked it up and the papers were talking about it at that time. Journalists were the only people talking about it. Members of the liquor industry were starting to get concerned. They knew that Woolworths had found a way around the legislation through a loophole called the Eudon scheme or the Eudon share. It was a way of warehousing liquor licences, enabling Woolworths — if agreed to by the Director of Liquor Licensing — to go around the aim of the legislation and extend its liquor licence ownership beyond that 8 per cent.

As I said, the media had picked it up, particularly the journalist Mark Westwood of the *Australian*. He was starting to write articles including one headed 'Liquor loophole gives retailers a nasty hangover'. He talked about the scramble that was going on in the liquor outlets as the major retail chains — Coles and Woolworths — had hit trouble with the 8 per cent cap and were trying to find ways around it. That was particularly true of Woolworths; I must say Coles has been trying to keep within the letter of the law and come back to the 8 per cent, and it has divested itself of some of its liquor licences to come back to that 8 per cent.

At that point Woolworths had 122 licences, 16 more than the 8 per cent cap. Then it purchased the Franklins chain of wine and liquor outlets — an extra 36 packaged licences — so it was well and truly over the cap, with 158 packaged liquor licences when it should have had 108.

Finally, on 22 March the *Herald Sun* picked up the issue and carried a report with the heading, 'Stores find new liquor loophole'. The report states:

Major retailers Coles and Woolworths are giving small licensed grocers a nasty hangover by exceeding the 8 per cent cap on Victorian liquor licences.

Small retailers claimed the big chains had found another legal loophole allowing them to hold more liquor licenses. The chairman of the Master Grocers Association of Victoria, Geoff Gledhill, said that he feared for the future of small liquor merchants.

Mark Westfield from the *Australian* kept up the pressure in an article on 21 March entitled 'Woolies — cap runneth over in liquor coup'. He states:

Woolworths appears poised to pull off a lobbying coup in Victoria by persuading the Bracks government to accelerate the phasing out of its 8 per cent cap on the number of liquor outlets the retailer can own.

The industry in Victoria was abuzz because it knew the government was talking about phasing out the cap on liquor licences — secretly, not publicly — and was in negotiations with Woolworths at the time and no-one else. The *Australian* had reports that that was happening, but no open consultation process referring to an early phasing out was occurring in Victoria. It was only the media, but particularly the *Australian*, that was talking about it.

Finally the *Age* picked up the story in an article on 27 March when it had a report entitled 'Retail giant wakes from slumber'. That report states in part:

Coles Myer hopes to double profit within five years by opening scores of new stores, cutting costs and using its formidable power in the retail industry to trample rivals.

In that report John Fletcher, the chief executive officer of Coles Myer, is quoted:

'We are starting to see in the marketplace some people feeling the "uncomfortableness" of this company as it is starting to use its size', Mr Fletcher told analysts.

The article goes on:

He singled out retailers in the Victorian liquor industry, saying that once the government cap on liquor licences was scrapped, small independent retailers would feel Coles Myer's market power.

He is further quoted as stating:

'The consequence is that there will be more independent liquor store operators that, with the shackles off (Coles Myer), may think about selling'.

In fact, on one of the Sunday morning business shows about two weeks ago in answer to a question, Mr Fletcher said that he believed, hoped and thought the Victorian government would soon introduce legislation phasing out that cap on liquor licences and increase it to 10 per cent.

Mark Westfield wrote another article, again published in the *Australian*, entitled 'Coles, Woolies driven to drink'. The report states that other investigative journalists were missing the point mainly because it was complex and difficult, but he points out that Leonie Wood in the *Age* had picked it up and that she had realised what would happen to small independent retailers. The report then states about the minister, who has again left the chamber:

Shackles off? Once the government cap has gone? What is Fletcher saying? Victorian small business minister Marsha Thomson has repeatedly assured the state Parliament that the Bracks Labor government will maintain the state's 8 per cent on the ownership of liquor outlets by any single party as prescribed in the Liquor Control Reform Act of 1998.

The minister was still telling the industry, the media and the Parliament that the government would retain the 8 per cent cap. The article in the *Australian* of 28 March further states:

The huge majority of liquor retailers are terrified of what might happen if Woolies and Coles are let off the leash and are permitted to buy as many outlets as possible to extract leverage from suppliers such as winemakers and brewers.

Bracks and Thomson have a problem. Both Woolworths and Coles are well over the cap, and the big retailers aren't about to let any of these excess of liquor outlets go.

...

The Bracks government, and more specifically Thomson, are rolling over completely to the retail chains — —

I will repeat that because it is an assertion that I make, that the minister is — —

... rolling over completely to the retail chains ...

The report goes on:

... and will start lifting the 8 per cent cap from July to 10.5 per cent initially, in return for cash.

On 30 March the *Herald Sun* had an article entitled, 'Bottle shop licence fear', which states:

Thousands of jobs in small wineries could be lost if the government lifted restrictions on bottle shop owners, a liquor industry source claims.

That liquor industry source was Ian Urquhart, a spokesman for the Local Independent Liquor Stores association. The four other liquor associations had not had discussions with the minister, who was having discussions with Woolworths, Coles Myer and two of the independent liquor associations, so the independent stores were concerned that they were being left out of the loop. In fact, all the liquor associations not involved in the consultation process were going to the media because there was nowhere else to go, as the minister was not listening. The industry was saying that hundreds of independent bottle shops and boutique wineries would be seriously threatened if there were an early phasing out of the 8 per cent cap.

During question time several weeks ago when the minister was asked whether a deal was being brokered and whether she was doing anything about reforming, changing or phasing out the 8 per cent liquor licence cap, she indicated that perhaps there was a deal going

on. Businesses in the liquor industry are now aware that they have been fooled because the Bracks government is not committed to looking after the interests of small business in this industry, which is made up mainly of family-owned businesses. Woolworths has found a loophole in the legislation and the minister has capitulated and is having talks behind the scenes. Her department has drawn up a contract and she is brokering the contract with Woolworths, Coles Myer, some liquor stores and the Master Grocers Association of Victoria. The agreement is between her and those four entities.

There is great concern in the liquor industry about the lack of reviews. This is the government of 700 reviews; a government that supposedly consults and talks to people and yet when it comes to this important industry there is no consultation. There is no round-table discussion with stakeholders in the industry. There is no review paper. Only two liquor industry groups have been brought into the discussion. The deal is being done behind closed doors and even the two liquor associations are concerned at the direction in the draft agreement.

The draft agreement has two sticking points — two deal breakers — which the minister is aware of because she has told the liquor associations that she will not agree to them. If the deal falls over and the contract is not signed the liquor associations want the minister to ensure that she will introduce further legislation to maintain and strengthen the intent of the 8 per cent liquor licence cap.

Hon. Bill Forwood — That is what she should do.

Hon. W. I. SMITH — She has told the industry she won't, which is why there is so much confusion. She will not do it.

Hon. Bill Forwood — Why will she not do it? That is the question.

Hon. W. I. SMITH — One can only guess why the minister will not do it; perhaps she is listening to the two big businesses rather than small business.

The minister will not introduce legislation to maintain the 8 per cent cap. No wonder the two liquor associations involved in negotiating the deal are extremely concerned about where the deal is going. They are concerned that if and when the deal falls over they will be left high and dry. They are also looking for an agreement on penalties. If no agreement is reached between Woolworths and Coles Myer, they will be left out there without a penalty. Again, the minister has said she will not introduce penalties.

The draft agreement indicates that Woolworths should immediately cease the transfer of packaged liquor licences to Eudon and will not apply to transfer any other licence to a person or company. That goes to the nub of the Eudon scheme — the transfer to warehouse liquor licences. If the deal falls over the industry is concerned about how the minister will ensure that Woolworths does not continue to increase its licences to 10 or 12 per cent or even more licences. The minister has shown that she is totally unable to enforce her legislation, so there is no surety in the marketplace that Woolworths can be stopped from increasing its number of liquor licences.

One of the key indicators of what is going on is that not only is the minister brokering a deal with Woolworths, but also the Director of Liquor Licensing has granted Woolworths a 90-day extension. Woolworths was supposed to divest itself of its excess liquor licences by 18 April — that is, tomorrow — but it has not done so.

The minister gave a commitment in Parliament that she would only allow a 90-day extension, a one-off, if it can be shown that a company is divesting itself of its liquor licences. Woolworths has shown clearly that it is not doing so. In fact, it is keen to extend its liquor licence holding yet has been given a one-off, 90-day extension.

The minister should explain the exceptional circumstances and why Woolworths has not divested itself of the liquor licences the minister asked it to. Why was the one-off extension given when the company has not met the criteria to which the minister has given a commitment?

During question time yesterday the minister showed that she is not on top of this matter and is creating uncertainty in the industry. In response to questions yesterday, it is worth noting that in answer to the supplementary question she said that the government is keen to ensure an outcome and that the only way to secure an outcome, other than what has already been legislated, is an industry agreement, and that is why she is brokering the industry agreement.

The government believes the industry agreement is the only way forward. The second point was that the 8 per cent cap would stay in place unless there were an industry agreement. It is no wonder the industry is confused. The legislation is not working and Woolworths has found a way around it — a loophole. The industry is asking the minister to change the legislation to plug the loophole, but the minister is saying clearly that it will remain in place. She has said in private discussions behind closed doors that she will

not change the legislation. It is no wonder the industry is extremely concerned.

The reality is that if the deal goes ahead some small wineries and small retailers will lose their businesses. There is no doubt jobs will be lost. Yesterday the minister clearly demonstrated that she is in trouble because she cannot give any commitment about penalties and cannot enforce the 8 per cent liquor licence cap that she introduced 12 months ago. She cannot answer a question in a succinct way — she talks around it. One wonders whether she is hiding something or does not know what she is talking about. The result of her dealing in secrecy without consultation is now complete uncertainty in the liquor industry.

The Master Grocers Association of Victoria issued a memo to all its MGAV directors because it was concerned at the direction discussions are going. The association said:

The reason for this memo is to advise our key people of some of the issues before the press release is issued.

Coles and Woolworths have been talking in the press as though this agreement is finalised, and is fully to their advantage. The silence from the government is disturbing. The final figures and terms have not been established and it is unreasonable to have press articles gloating over predatory retailing before the parties to the agreement have signed off on terms involved.

The deal is in trouble and people are worried about where it will go. The deal has not been brokered. No wonder the liquor industry is uncertain. This is a salvage operation the minister has triggered in response to Woolworths getting around the legislation. She has triggered the brokering of a deal. She has been unable to stand up for small business and the people she represents. She has gone back on her commitment in Parliament to keep the 8 per cent cap.

The minister should immediately introduce legislation to close the loophole. She should take Woolworths on and protect the small liquor retailers and small wineries of Victoria. Woolworths is flouting the legislating. It thinks the government is weak, and the government is weak. The minister should enforce her own policy and legislation and immediately suspend the issuing and transferring of all liquor licences and then set up a task force with all the stakeholders. She should sit down in a cool, calm environment with a review panel, undertake proper consultative processes and analyse with the stakeholders in the industry what will happen and what will be the likely outcome. She has not done any of that. Instead, a deal has been done in secrecy behind doors. Some people said she has been dealing with

'guns at their heads' and has 'brokered the deal' and there has been 'little representation from the industry'. Worse still, Woolworths has been given a 90-day extension.

The second largest retailer in Australia is pushing this and the government has acquiesced and given in. The Local Independent Liquor Stores director, Ian Urquhart, sent many emails. Firstly, he says that if this deal goes ahead and there is a phase-out of the 8 per cent cap there will be a loss of about 200 independent retailers and about 1000 jobs. He then asked a number of questions:

How can Woolworths continue to operate above the legislative level of 8 per cent unchallenged?

How has Woolworths been allowed to circumvent the existing laws and the government not act to protect the livelihood of many thousands of people?

Is the government aware that over 200 independent businesses and 1000 workers are being put at risk?

He goes on to say that the draft agreement is limited in distribution, which we know because only four groups are involved, and one group is concerned at the assumption of that signed agreement and is seeking advice elsewhere. In a further press release Ian Urquhart says about the treatment by the Minister for Small Business:

I thought she represented small business. If so, why has she struck a deal which will see the death of the local independent liquor store?

Woolworths and Coles Myer are riding roughshod over the minister and the industry whilst circumventing current legislation which prevents them from holding more than 8 per cent of the liquor licences in Victoria.

He goes on to say:

Have a look at the power they are imposing over the market. On one hand they are pushing margins to unsustainable levels whilst screwing the suppliers to the wall with national deals that no-one else can possibly hope to achieve. On the other they are telling everyone how good they will be by offering to take three years to close the industry down. Because there will not be an independent retailer in the industry if the minister has her way.

Independent business cannot hope to compete whilst this is going on.

In two to three years, there will be 200 less outlets to purchase liquor in Victoria and Coles Myer and Safeway will control over 80 per cent of the market.

I find it astounding that the Minister for Small Business can be completing negotiations with multinational major chains when she is supposed to be looking after the small business end of town.

Where is the discussion paper, the consultation, the offer of representation, the committee?

Where is the government enforcing the legislation whilst these matters are dealt with?

I could not agree more. He goes on to say:

Simply let the big end of town exceed their legislative requirement, then strike a deal with them to phase out independent liquor store owners.

When was the last time she made a decision which supported small business?

The way the minister is handling this issue shows that she is unable to cope with her portfolio because big businesses are enabling the minister and the government to be pushed around. The minister introduced legislation a year ago and cannot enforce it.

In conclusion, the minister has by her own actions managed to make the industry, in response to Woolworths, insecure, unsure of its future and completely lacking in confidence. The liquor industry is a very important industry in Victoria in many ways, but is now faced with uncertainty. The government should play a role, but we know that it cannot be trusted. If this deal falls over what surety has the liquor industry that the minister can control Woolworths and the Eudon Pty Ltd scheme? Woolworths has been given permission to warehouse and has transferred a liquor licence to Eudon. Woolworths has been given permission to go around the legislation. There is no guarantee that Woolworths will not push the market out much further. The minister has a good opportunity through Parliament to stop that happening, but she is not. It is no wonder Victorian small businesses are losing confidence in the government.

Hon. M. R. THOMSON (Minister for Small Business) — It is what we expect from the opposition, more carping and negativity. It resents the fact that it is not in government. We are a legitimately elected government that has been supported into office by small business, and we continue to work on behalf of small business.

The opposition resents the fact that the Victorian economy is travelling well. It resents that all the indicators suggest that building approvals, exports, jobs and growth in regional Victoria are setting national standards. The opposition also does not like the concept that 79 per cent of small business is feeling confident and buoyed by those prospects.

The opposition does not stand for anything: it has no ideas. So what does it rely on? Negativity and carping! The opposition neglected and did not care about small

business. The opposition was formerly a top-end-of-town government, and its decisions demonstrated that fact.

Let's have a look at some of the history around the 8 per cent rule. When I became the Minister for Small Business people in the industry talked to me about the 8 per cent rule. They said that the previous government knew of the loopholes when it moved the legislation in; it had been told about them. However, it did not close the loopholes that were known then because it wanted to give the major chains a way out. It wanted to allow them access through general licences. It wanted to allow them opportunities to get licences.

We know that a secret deal was done prior to the last election between the previous government and Coles Myer and Woolworths that if they just waited until after an election then the 8 per cent rule would be taken care of and Coles Myer would not need to worry about it.

In 2000 we undertook a comprehensive review of the 8 per cent rule. I wrote to the liquor stores and master grocers seeking their views with a copy of the review paper. One of the key findings of the report that seems to have been forgotten in this debate was that the 8 per cent rule would become ineffective in promoting diversity in the industry and that new strategies needed to be developed to ensure a role for small liquor retailers. The review itself identified that the 8 per cent rule in the medium to long term would become ineffective and there needed to be other strategies in place.

We moved in legislation to tighten the loopholes as they were known and to also put in an additional closure to a loophole that was identified in the process. It is true that the 8 per cent rule as identified in the report does not promote diversity in the industry in the medium to long term—I repeat, in the long term. That is because of the rate at which licences are granted in a deregulated market and because of the changing nature of retailing. I will talk more about that later on.

Realising that the 8 per cent rule would not be a viable legislative framework in the medium to long term we allowed for industry discussions to occur and we said that if industry discussions were fruitfully conducted and agreement reached we would look at alternatives to the 8 per cent rule, including the commencement date of the phase-out of the 8 per cent rule. Those discussions have been going on for some time. It is important that, whatever legislative framework is in place, there is a stable environment in which small liquor stores can adapt to the future.

But the opposition is not interested in that. It is interested in political point scoring. It has never cared about small business. It certainly never cared about small business in the retail sector because if it had then on its shop trading hours legislation it would have thought harder and longer about the effect that would have on small business and look at providing some means of support for that sector.

We have had a discussion with the industry associations, Coles Myer and Woolworths about what might be the framework under which an agreement could be reached. I have written to all the liquor stores and independent grocers and outlined what that is to date. It involves a \$3 million packaged liquor industry development fund aimed at ensuring that independents continue to be a vibrant force in the industry by providing access to the right support to ensure they are competitive in the market, both individually and as a group.

When I wrote to the stores, part of the agreement in principle that was discussed by the associations and Coles Myer and Woolworths was closer public scrutiny of new packaged liquor licence applications to ensure adverse impacts on the amenity of a community and abuse of liquor are taken into account.

Another area in which there was in-principle support was an orderly phase-out of the 8 per cent rule over several years and special arrangements for those small liquor retailers that are most directly affected by the phase-out. That is the in-principle agreement among the industry sector, and those have been fruitful discussions to date. They are a good basis on which to move forward and on which to ensure that there is a small business that is viable in the liquor industry. Without those elements in place the industry itself cannot manage its future. This is a perfect opportunity. Never has there been a better opportunity for the industry and small businesses in that industry to take control of the future.

Let us talk about some of the other ways we have implemented legislation to assist small business against the big guys. I brought into this Parliament the unconscionable conduct provisions, the draw-down of section 51AC of the Trade Practices Act into the Fair Trading Act, to give small businesses access to cheap resolution of unconscionable conduct issues. We did that as soon as we could, but we had to wait for the draw-down provisions from the federal government.

We know the real reason for the concern in the liquor industry and in the retail sector more broadly is the question of predatory pricing, the question around

mergers and acquisitions. These are matters for the Trade Practices Act, and I call on the opposition to strongly mount, along with this government, a campaign against predatory pricing and a redefinition of predatory pricing in the Trade Practices Act. We will be doing that. We will be seeking a new definition of predatory pricing in the Trade Practices Act to enable small businesses to take matters before the Australian Competition and Consumer Council.

We are committed to a small business presence in the liquor industry, and we are committed to ensuring that its future is strong and viable. We understand the important role small business plays, but more importantly that there is a great future ahead of small business. Let us understand that we have out there over 1300 licences, the vast majority of them held by small businesses. A large number of those are already competing with Coles Myer and Woolworths, many very successfully, and they are doing well because they have the expertise and know-how to niche themselves and succeed.

Small business needs a secure future so that it can succeed, time to prepare for the future, time and expertise to look at how to niche businesses and to look at what can be done to improve business success. By facilitating discussions with the industry the government seeks to give industry the opportunity to resolve its own issues and to work together through the problems it faces and to achieve an outcome which secures a viable future for small business. I believe with the right attitude by all those concerned we can see an agreement where there is a bright future for small business in this industry.

Hon. W. R. BAXTER (North Eastern) — The immediate reaction is, ‘Is that it?’. Here we have a minister under pressure and having to defend her actions and she scarcely turns her mind to the terms of the motion before the house. We are seeing a government that is beginning to unravel. A member of the government called a quorum on her own government; there is considerable doubt among members of the government about their responsibilities and duties in forming a quorum to keep the house in operation. The Leader of the Government came into the chamber upon the ringing of the bells. I have often heard that statement about people wringing their hands in despair, and I always thought it was a figure of speech. However, I actually saw the Leader of the Government in this place this morning wringing her hands in despair, clutching onto the front of both the desks and wondering what to do and what was going on. This is what we have — a government unravelling!

And what have we seen from this minister? Was there any defence of her actions or any addressing of the terms of the motion? No! She came in here and read a speech prepared by a ministerial adviser which was designed to try and bat away the issues, ignore them and pad it out. It lasted 11 minutes; I timed it.

This motion is almost akin to a motion of no confidence in the minister. That is what it boils down to. The Honourable Wendy Smith went through seriatim all the issues where the minister has been found wanting. But all we had from the minister was an 11-minute response which totally ignored the issues at hand.

I feel somewhat at a loss, because I might be an innocent abroad. Generally I take the answers ministers give to questions as having at least some basis of truth and fact. Over the last six months the minister has answered some five or six questions from the opposition on the 8 per cent rule and the future of the liquor industry and so on. As I listened to her I was able to form the view, on any fair hearing, that this minister was interested in protecting the small retailers and was in fact going to enforce her own legislation. Yes, a decision had been made to phase out the 8 per cent rule in accordance with competition policy and market realities; yes, that was going to happen some time after 2003 and people in the industry were going to have plenty of time to prepare for that; yes, she was going to stand up to the pressures that she was getting from the big retailers, and in particular Woolworths.

But what do I find out now? What has come to pass? The minister has been dealing in secret with Woolworths. She has been having meetings with Woolworths and it has come the heavy! What has this minister done? This minister comes from a Labor government and a Labor Party that frequently allege that the Liberal Party kowtows to the big end of town and is influenced by the big end of town. She has rolled over completely without any fight at all! She has said, ‘You’re breaking the law but I am going to let you get away with it. In fact, I am going to put in place a situation that undercuts every small wine merchant in this state who thought the 8 per cent rule was going to be enforced at least to the proposed cut-off date’. That would have given them some opportunity to plan, as best they are able, for an onslaught from the big two. But the minister has been dealing in secret behind their backs and, what is more, behind the backs of members of this Parliament, if one can take the answers to her questions at face value. She has completely accommodated Woolworths. She has acknowledged that the company is in breach of the law, but she has given it a way out.

I find it absolutely amazing if not to say distressing that a minister of the Crown would virtually mislead the Parliament by creating an impression which has now been found to be untrue but, more particularly, is prepared to give in to very heavy pressure. I do not doubt that she was put under the hammer by these operators — they are smart operators. You have only to look at their balance sheet, the profits they make and their market share. Of course they are smart operators; that is what their chief executive and their various managers get paid for.

What does it do for the sovereign powers of this Parliament? Where does it leave this Parliament if a minister of the Crown is prepared to turn a blind eye to one of the Parliament's laws being breached so blatantly and, worse still, to accommodate the person committing the breach and say, 'I'll help you get over the hurdle.'? That is effectively what this minister has done. It is an absolute travesty of justice that all those people in small businesses believed the ALP's policy prior to the last election. They believed Labor was going to maintain the 8 per cent rule and they were concerned about and believed the propaganda that the Liberal Party may not adhere to it and may have been swayed by the big end of town. That was despite the fact that the former government had a track record, in the face of a fair bit of pressure, of sticking to the 8 per cent rule and had given a lot of consideration to national competition policy. The previous government had acknowledged that competition is not a black and white issue, that you cannot have open slather and change things overnight but you have to take public interest considerations into account. As members of Parliament, we have a duty to protect small businesses, at least in a traditional sense, so that they can equip themselves and prepare for a different regime.

People voted for this government with that sort of faith in mind and have now seen it so blatantly overturned and undermined by a minister who has given in too easily to the pressures that she has been under. At the same time, she has been prepared to suggest to us that she was out there on her white charger defending small retailers when in fact she was not. To put it at its mildest, that is extremely disappointing.

I have a great deal of concern for the future of some small country hotels and small bottle shops in country towns. They are going to find it very difficult to withstand the onslaught of the big supermarkets and will find it even more difficult because the lead time they thought they had has been taken away from them. Clearly, in many small towns the local hotel may be the only community social centre. With changes in drinking habits over the past 30 or 40 years, during

which bar sales have dropped off, bottle shop sales actually sustain those hotels, so it is difficult to see how many of them are going to survive. If the bottle shop trade drops off, the bar trade is not going to sustain those hotels. They will close and those communities will lose what in many cases is the only point of social contact and gathering. I can name a dozen small villages in my electorate about which I have grave fear for the future of local hotels due to the abolition of the 8 per cent rule. Yet, there we are! This government, which was elected on the basis of protecting small business, is doing very little indeed.

It is the same for small wineries. Again, there are many in the electorate that I have the honour to represent. Unfortunately Coles and Woolworths will not be interested in dealing with most of them. They want to deal with Southcorp and BRL Hardy which can offer them thousands of pallets of the same line, and I can understand that, as it is business practice. They want high-volume product and will get it because that is where they will go. However, the boutique wineries have been run by people who have actually underpinned our country towns, who have built our tourism industry in north-eastern Victoria and who sell their product into our small bottle shops at a return which is both profitable to them and to the small retailer. They are going to lose that market because Woolworths and Coles will say, 'We're not interested in you, pal! Unless you can give us 1000 dozen, we're not interested'. Has that been taken into account by this government? It would appear not.

I express my grave concern for the future of many of those small businesses. It seems to me absolutely contradictory that we have a Minister for Small Business who is actually kowtowing to the two biggest retailers in the nation. That is a real contradiction, but it is what we have. It undermines the faith of many Victorians in this government. When they can see a minister dancing to the tune of the big retailers, it is a very sad day indeed.

I commend Ms Smith for bringing this motion to the house. It is appropriate that it get an airing and that the minister's double-dealing is exposed. I call on the minister to ensure that small retailers are given the lead time they were promised, that Woolworths is forced to abide by the law, and that the powers of this Parliament are not undermined by turning a blind eye to those who, for commercial reasons, would seek to ignore the law.

Hon. B. N. ATKINSON (Koonung) — We have seen in this chamber a minister do a splendid impersonation of Pontius Pilate. Over a number of months she has sought to divorce herself from every

decision that is important in the context of this debate on the 8 per cent liquor licence cap. As the Honourable Wendy Smith, the lead speaker in this debate, mentioned, the ALP went to the 1999 election with a very clearly enunciated policy which small business took in good faith. Yet this minister has walked away from that policy within two years — walked away and washed her hands!

The minister has made commitments to this Parliament to initially retain the 8 per cent cap. She did this not only in the policy taken to the 1999 election but also in commitments to this Parliament. Yet she has washed her hands of those commitments. The minister suggests there was a secret deal made between the Liberals and the chain stores prior to the last election to get rid of the 8 per cent cap if we were re-elected. Yet there is no evidence of it. This is a grubby political claim and no evidence has been proffered to support it. It is a cheap shot and has no basis of truth at all.

Woolworths has been granted a 90-day extension of the exemption to divest itself of licences above the 8 per cent cap. That extension began on 8 April this year. Woolworths has already been living on borrowed time in terms of an exemption against the legislation. Yet now it gets another 90-day extension and the minister comes to this house and cleverly says, 'It was not me, my hands are clean. It was in fact the director responsible for liquor licences who made the decision'.

It begs credibility to suggest the minister did not know that that decision was in the offing, that she was not briefed on that decision and did not have some say in it, if for no other reason than to tell the director where the government's negotiations were proceeding, how far off they were and what sort of an extension might well be required to accommodate the stalled negotiations. The minister has been duplicitous not just with the liquor industry but with this Parliament and has been too clever by half. She has washed her hands of responsibility in the matter.

The minister has failed to enforce legislation that she brought to this Parliament only last year. At that time she was adamant and said, 'No, we will enforce this cap'. There was no doubt. We accept that the minister indicated at the time that the cap has probably outlived its usefulness and is perhaps not the best mechanism for regulating the liquor industry into the future. The position the minister put is understood.

In introducing the legislation the minister said, 'This is the legislation in place now, this is the timetable to address the issue, and we will go away and talk to the industry about how we might come up with an

alternative mechanism'. The industry was satisfied with that because it recognised it would have an opportunity to discuss an alternative mechanism. The opposition was satisfied because it recognised that was an appropriate course in the context of the policies and the market dynamics the minister needed to deal with. We understood those.

The fact is that even at that time, even against that background, which was understood and was acceptable to industry and to the opposition, the minister was adamant that in the meantime she would defend and enforce the legislation passed by the house in good faith. But what did she do? Within months she was washing her hands of the very legislation she brought to this place. We have not seen this much hand washing since Lady Macbeth was in vogue. It is extraordinary the way the minister has walked away and skirted her own legislation, and skirted her very responsibilities as a minister of the Crown and minister responsible for small business.

The minister has convened talks and has not just been a sideline participant or an observer of the talks. The minister has driven the talks, yet she comes to this place and suggests she has not. When we passed the legislation last year the minister said she would establish talks on the issue. It was appropriate for the minister to establish those talks because there was a problem with the liquor legislation, and we all understood that. Yet on every occasion the minister has said, 'No, not me, I have not done anything; I am just watching'. She has not been watching, she has been driving those talks and has convened the meetings.

There has been a whole series of meetings, and it is not the liquor industry people who ring up and ask the minister for the meetings. On occasions the industry groups have sought extra audiences with the minister because they have not been happy with the progress of the talks. However, the minister has driven the talks and her department drafted and issued a draft agreement. It did not come from industry groups; it came from the minister's department. The minister is an active participant, yet she denies that to the house and claims she is just a bystander in this whole process. The minister cannot do that. She has to step up to the plate and take responsibility in this matter.

The minister has frequently resorted to trying to compare her actions with those of the Liberal Party. Over the entire course of this government we have seen the minister choosing to blame everything she possibly could on the federal government by saying it was nothing to do with the Bracks government and certainly nothing to do with her.

It was interesting to note her comments today about how robust the Victorian economy is and how she is claiming credit for that. She made no mention of the federal government's involvement in terms of interest rates and the role the GST has played in driving the economy forward and preparing Australia and Victoria to be far more effective competitors in the global markets. There has been no comment about what the Kennett government did in setting up the policy directions and framework that has established and sustained this robust economy even in a time of uncertainty under this government where no decisions are made. There is a vacuum of policy and a vacuum of action.

On many occasions the minister has sought to compare her actions on the liquor legislation with the actions of other governments. I have some problem with that at the best of times because circumstances change. It is almost a ridiculous argument to say, 'Your government did not do that in seven years, therefore what are you talking about?'. It does not matter who is in government or who is in opposition. The problem we are addressing today in the liquor legislation did not exist in any of the seven years of the Kennett government. The minister cannot show me one occasion when either of the major chains was over 8 per cent in the number of licences that it held in the entire time that the Kennett government was in office. It did not happen. That is the problem we are dealing with now. The Kennett government did not have to address that issue because it was not an issue at that time. It is an issue of this government's making because it has chosen not to enforce the legislation it has put in place — legislation that it revisited only last year.

Sitting suspended 1.00 p.m. until 2.02 p.m.

Hon. B. N. ATKINSON — The major problem that has brought this motion to the house today from the Liberal opposition is the fact that the minister has not been at all forthcoming with her discussions and her handling of this 8 per cent cap problem. As I was saying before the luncheon adjournment, the minister has made a mockery of government accountability in her behaviour and the way she has washed her hands of many of the decisions, or tried to stand aside from those decisions and pretend she has had nothing to do with them and that none of them are her responsibility, when indeed they are very clearly her responsibility.

I am at a bit of a loss to understand what the minister's rationale is in approaching the issue this way, because certainly in the Liberal opposition's discussions with industry players they have had absolutely no qualms about the matters that have been the subject of

agreements and negotiations being brought before this house and discussed by those on both sides of the political fence.

They recognise that these issues are important industry issues that should be given wide debate and that they should not be the subject of some backroom deal that is engineered by the minister. Industry is quite happy and relaxed with those sorts of talks being held in public, but for some reason the minister continues to conduct these negotiations and keep her agreements and so forth as some sort of secrets.

As I said, I am a bit surprised about the minister's approach in the context that the government and the opposition have similar — if not the same — objectives in this matter. The minister would do well to consider what the opposition's position really is. This motion today does not seek to change the minister's direction dramatically; it simply seeks to get the minister to be a bit more accountable for what she is doing, to share with this house the information about what she is doing and to stop misleading the house in the claims and commitments she makes and the assurances she gives to this house which, within weeks or months, are overturned and lost.

The liquor industry is an industry that certainly needs adequate regulation. It is an important industry, and the distribution of alcoholic products needs to be restricted because there are health issues and issues of under-age drinking and so forth that need to be considered. This is an industry that needs to be regulated, and everybody understands that. In the context of that regulation we have certainly heard the minister use the right sorts of words — although the actions do not always match the rhetoric — supporting what the opposition clearly wants, which is a vibrant and successful small business sector and, in this context, a vibrant and successful liquor retailing industry.

The opposition also wants — as I would have thought the minister would want — a fair and competitive market. It is a pity therefore that the minister has sought on every possible occasion to evade giving any answers to all the questions that have been put to her by the opposition on liquor licence cap issues, to wash her hands of all the substantive matters and, wherever possible, to blame somebody else or shift responsibility to somebody else in this matter.

One really wonders what this minister is responsible for, because no matter what questions are put to her she never seems to be responsible for anything except publishing a few brochures or setting up some web site. This minister does not seem to want to take

responsibility for any of the substantive issues. When it comes to many of the issues that affect small business — things like public liability insurance, for instance — the minister runs away and says, ‘No, no, it’s nothing to do with me, it’s to do with the federal government’, or ‘It’s to do with the Minister for Finance’ — it is always someone else. This is the Pontius Pilate minister, as I said at the outset of my contribution to this debate, and yet if the minister stopped to think about this issue she would realise there is much common ground in this debate on the liquor industry.

The Liberal opposition recognises that the minister faces some difficult issues in the industry and certainly recognises that there has been difficulty with the cap as a mechanism for regulating liquor licensing in this state into the future. Since right back when the minister introduced liquor licensing legislation last year, we have supported the minister’s attempts to find a solution. We appreciate that at the time she introduced the bill she indicated that she would go about trying to find an alternative to the liquor licensing cap. That is fine. That is acceptable. The Liberal opposition understands that position and would be prepared to support her if she pursues that line and would certainly be prepared to participate in discussions on that matter. But in contrast to what the minister says she is doing, on every occasion where the opposition has sought to get some clarification of what she is talking about and what areas she is pursuing, the minister, as I said, evades the questions.

I might add that opposition members also understand the position of the retail chains in the Victorian economy. We understand that they are vigorous and robust competitors in the marketplace; we understand that Coles Myer and Woolworths both create investment and jobs in this state; and we understand that consumers derive considerable benefits from the competition that these two major companies provide. We share the minister’s objective to secure those benefits for Victoria — that is, the investment, the jobs and the consumer benefits that the chains bring to the marketplace.

The Liberal opposition also recognises that Woolworths and Coles Myer are important Australian companies that have made and continue to make significant contributions both to the retail industry and beyond to the wider community. As a party, we do not shy away at any time from fair and competitive markets or the competition with small business the chains bring to the marketplace which generates innovation, better services, better prices for consumers, investment and

opportunities, including the opportunities for people to sell their businesses.

But we also believe it is important to ensure — the minister keeps telling us that she agrees with this, yet the evidence is not clear and the evidence is not on the table that she really has any action to back up the rhetoric — that there is a successful small business sector as well and in particular, in the context of this debate, in the liquor retail industry.

I point out to the minister that regulation and fair and competitive markets can work together side by side; it is possible to have both. They are not mutually exclusive concepts. At the federal level we have the competition policy that sits side by side with the Trade Practices Act, which is administered by the Australian Competition and Consumer Commission (ACCC). In other words, while there is a move to make the market more competitive, to free it up and deregulate it to the benefit of companies, business owners, entrepreneurs and consumers through the competition policy, at the same time there is the recognition that an umpire needs to be maintained in the marketplace to ensure that it remains fair and competitive for all players and particularly small business players. That is achieved through the Trade Practices Act, which is monitored by the ACCC.

The Trade Practices Act certainly addresses issues like predatory pricing, which the minister touched on today. I was delighted, as were colleagues on my side of the chamber, to realise that the minister today indicated that she has caught up on what predatory pricing is all about. When I asked questions on predatory pricing some three weeks ago the minister obviously had no idea what it was. I am not sure what sort of changed definition of ‘predatory pricing’ she would seek in the Trade Practices Act, which is a point she touched on in her very brief address to the chamber today, but I would suggest that the opposition would be very interested to hear what the minister’s proposed changes are to the predatory pricing provisions.

Opposition members would certainly be interested in that because there is no doubt that this is a major issue. Independent retailers in particular have complained to me on a number of occasions of incidents where they believe predatory pricing has been used by competitors to cause significant damage to their businesses. The main area predatory pricing complaints come from is the sale of petrol in the oil industry — service stations and so forth.

If the minister has a new definition for predatory pricing we would like to hear it. It may well be

something we would be keen to debate and perhaps look at in the interests of small business. We are very keen to ensure that the Trade Practices Act works, that the Fair Trading Act works and that all the areas of legislation designed to maintain a fair and competitive market overall for a vibrant small business sector function properly. That is what you want.

The minister has misunderstood the problem, which is to do with consultation issues. Her consultation has really only involved two major players, two industry groups: the Master Grocers Association of Victoria (MGAV); and the Liquor Stores Association of Victoria (LSAV), which have cross-directorships. That fact reduces to some extent their representativeness of the industry overall.

I am familiar with both those organisations and the individuals involved in them. They enjoy a great deal of goodwill in the industry and I have a very high regard for the individuals involved in each of those organisations. They do a tremendous job on behalf of their industries. I know the minister also has a high regard for these organisations, and in particular the MGAV. She has involved them a lot in some industry training programs, particularly for small, independent supermarkets and especially with the introduction of the GST. There have also been some food hygiene training programs. Clearly these organisations are competent, effective organisations whose members have considerable appreciation of the issues and the impacts of government policy on their members.

There are also, however, other organisations that ought to have been included in the loop. The consultation ought to have been wider and should not have been limited to those two organisations no matter how good they are in their own right.

The lead speaker in this debate, the Honourable Wendy Smith, has indicated a number of those organisations that will certainly be impacted by the minister's proposed agreement — if it ever gets off the ground. They will certainly be impacted by any changes to legislation or any reduction or easing of the cap on the major chains. Yet they have had absolutely no opportunity for input to this debate about the sorts of changes that may be effected.

When it comes to these things I am a great believer in the idea that not all wisdom resides in one or two players. There are many people in this industry who could have contributed to this debate and helped the minister to come to a more successful resolution of the issues. They could also have effected it far more quickly than has been possible while the minister has

had a closed-shop approach to the whole exercise and has not been prepared, as I said before, to be forthcoming on the issues.

I recognise that the minister has tried to undertake some consultation, and I am not entirely critical of the efforts she has made towards that consultation. I just say that the consultation has not been wide enough in the context of the impact of these changes on the liquor industry.

The minister has also failed to listen. Having consulted those organisations she has failed to listen to a range of issues that were of concern to them and to take them into account. My reading of the sorts of discussions that have been pursued with the liquor industry is that those liquor associations — the MGAV and the LSAV — have approached those discussions with foreboding, because the minister has given them to understand that there is an inevitability about the change to the cap; that it is going to happen. Somehow they have to try to salvage something from the wreckage.

I agree with what the minister said in her contribution today: this is an opportunity for liquor retailers to look at some restructuring in their own industry and at establishing changes in their own practices and so forth that take them forward and help them to be more competitive in the future. But there is also no doubt that they need to be afforded some protection by the minister in the context of the legislation that ensures the fair and competitive marketplace I have been talking about.

The minister is reluctant to take on board the penalty suggestions, but given what has happened in the industry, where there is a dispute as to the legality of the action, particularly of Woolworths with the 8 per cent cap, she should take up the suggestion. At a number of forums the minister has said she is concerned not just with the legality of the issue, but with the spirit of the legislation. In other words, everyone understood what the 8 per cent cap means and what the legislation means, which was teased out in debate. There was an agreement and an understanding of the legislation introduced by the previous Kennett government. People in the industry have looked for loopholes and there is now a question mark whether or not they exist. The minister says the companies ought to abide by the spirit of the law, because it is clear what the law is about.

The fact that some companies have not done that and have sought to take advantage of the marketplace in the short term means the minister should be thinking about the penalties the independent retailers have asked for.

They were given assurances in the past by the minister. Those assurances have amounted to nothing. Effectively, whatever assurances they were given or the house has been given have not materialised. The promise to this house and to independent retailers that the chains will need to divest liquor licences they held in excess of the 8 per cent by deadline dates has not eventuated. The chains have been accommodated while the minister tries to juggle or broker an industry agreement with them. As the Honourable Wendy Smith said earlier, there is no certainty for the industry.

No discussion had taken place on predatory pricing until the opposition raised the issue. The minister has no fall-back position in the current negotiations on this industry agreement. If the agreement is not finalised the minister has given no assurances to the house or to the independent retailers that she will enforce the 8 per cent cap. She has given no assurance that she will introduce legislation to strengthen the provisions that the chains believe they could challenge or get around. No assurances have been given that the Eudon system, in particular, will not be addressed.

There is no fall-back position. The minister is totally reliant on trying to strike an agreement to get the independent retailers corralled into an agreement so they will be bought off, if you like, with a \$3 million industry readjustment fund and persuaded to accept massive changes in the industry.

The minister's secrecy about the negotiations and her failure to answer questions in Parliament are at the heart of the opposition moving this motion. The lack of resolve shown by the minister to act or deliver on the assurances given to the house or, more importantly to the industry, that the legislation would be enforced is again the genesis of this motion today. As the Honourable Bill Baxter said, the motion is really a censure of the minister for not delivering on the assurances she has made to the house. Clearly the minister hoped to stampede the independent liquor retailers into an agreement to relieve her of the responsibility to enforce the legislation, particularly in the context of Woolworths being over the 8 per cent cap. At this time no agreement is in place.

It should be acknowledged that the minister has been cordial in her discussions with the industry, but the industry has seen no steel or resolve and is left with no certainty by the minister of what is likely to happen in the future.

Even at this point the government has the opportunity to maintain the regulation system. There is no overwhelming reason why the government has to bow

to national competition policy regarding liquor deregulation. There is a cost — \$12 million, but it may be that the government should consider forgoing that \$12 million for the sake of the continued, orderly and adequate regulation of the liquor industry. The minister is not prepared to consider that. Instead she blames national competition policy and says that is the reason why this should happen. It does not have to happen. The minister should take responsibility herself and say, 'It is me. I am the one on behalf of the government who wants to change the system. Yes, it is consistent with national competition policy but I think I can deliver a better system and I am prepared to put my name on the line and be responsible for it'. That is not happening.

In the context of this debate the minister should also take into account that in talking about an 8 per cent cap we are not just talking about Coles Myer and Woolworths each having 8 per cent of the market or even 10 per cent, as is the proposal from 1 July, which would be a fair and reasonable amount. We are talking about the number of licences issued and not market share — a different concept. The 8 per cent of licences already represented by the cap equates to a market share approaching 30 per cent to 40 per cent. There is a significant difference between market share and the percentage of licences on issue.

The opposition believes in the context of the debate that the minister is reacting to legal threats by the chains, which are prepared to stand by their position and their legal advice that they are able to circumvent the laws as they stand and, in the interests of continuing to have robust competition in the marketplace, to acquire liquor licences above the 8 per cent cap. The minister is being threatened that those chains may reduce the level of investment or even stop investing in Victoria. If that is what is occurring I suggest the minister should call their bluff because there is no way that either of the chains will reduce their investment in Victoria in the future. Competitively they cannot afford to do so. The independent supermarkets have gained market share in the past two years against the chains partly because of the Franklins sell down.

Hon. M. R. Thomson — It started before that.

Hon. B. N. ATKINSON — Yes, it did start before that, which is why I said in the past two years. The independents have done a great job. In part, the program the minister established with the Master Grocers Association of Victoria on training was a factor, not the only factor because the industry had recognised the need before then, but it was a stimulus for independents to reinvest in their businesses and refurbish and upgrade their stores. That has been a

significant factor in the independents improving their businesses.

The minister would argue no doubt but she did not give us the benefit of this in her response today, that it is part of the readjustment plan she has for the liquor industry. I accept that, agree with it and believe it is appropriate for the liquor industry. That is what ought to happen and liquor store retailers should recognise there is an opportunity to compete successfully with chains if they reinvest in their businesses. That is what the marketplace is about.

Coming back to any suggestion by the chains that they will reduce their investment in Victoria, I say that is nonsense because they cannot afford to. The independents would take further market share from them if they stopped investing in new stores and upgrading existing stores, particularly in the locked-in, head-to-head competition of Woolworths against Coles Myer. They will not reduce their investment in the state, so their bluff should be called.

We recognise that the retail market, particularly the retail liquor market, is a dynamic and changing marketplace. It is changing partly because of consumer attitudes and trends where people are looking to access and make lifestyle choices about their drinking habits. The Honourable Bill Baxter mentioned the move away from drinking in hotels to people buying take-out liquor and consuming it at home. Lifestyle changes have certainly affected this industry.

There is no doubt that the Franklins sale affected the industry. I was surprised that at no stage has the minister come into this place and said, 'One of the reasons why this liquor legislation needs to be looked at, and looked at differently, and perhaps an exemption has to be granted, is because of the Franklins sell-down'. This was not anticipated some 15 months ago. The Franklins sale suddenly brought many stores and liquor licences to the marketplace. The independent sector was unable to compete and buy up some of those stores under a divestment program supervised by the Australian Competition and Consumer Commission, but clearly there were some stores and therefore some jobs and licences that were still in the marketplace that the independent sector could not pick up.

There was probably an argument for transitional arrangements. Had that been put to this house and had discussion taken place and such an answer been received from the minister, the opposition would have accepted it because we understand how the marketplace works. We understood that it was a significant change in the marketplace, but the minister, rather than sharing

that information, chose to evade answering questions; chose to not communicate on these issues and keep it as a secret process, which was foolish. I do not think that it has helped her in trying to resolve some of the issues outstanding in this debate. That is why the opposition moved the motion today: not so much because the minister is looking to change the 8 per cent cap, because, as I said, we understood what the minister was talking about last year when she introduced legislation and said, 'This 8 per cent cap is a blunt mechanism for trying to regulate the liquor industry as we move forward'.

The independent retailers agreed with that and the opposition understood it, but instead of proceeding in the context of open and accountable government that we so often hear about in rhetoric but never see in terms of delivery from this government, the minister achieved nothing. We also understand that changes have occurred with the Dan Murphy's sale. That was a sale that had to happen in an industry context because Mr Murphy himself, who has subsequently died, was a very old man who was no longer able to continue to run the business and there were a limited number of people who were able to buy the business.

All of the Dan Murphy's stores were among the top liquor licence stores in Victoria for volume and value of sales, and the original two stores at Prahran and Alphington consistently for well over a decade were the top licences in Victoria. They were significant stores. Clearly there is a limit to the number of buyers who might be available to buy those stores.

We understand that they represented a change and that Philip Murphy Wine and Spirits, the Australian liquor group, a listed company, had ramifications for the industry regarding change, but the minister has not gone through any of those areas in her stewardship of the liquor industry regulation or deregulation program. She has not sought in the house to run through those issues in a way that would have gained some opposition support, and certainly more industry support in trying to achieve suitable outcomes.

One of the big problems in the liquor industry today is that it is one of those industries that still has markedly different laws from state to state, of which the minister would be well aware. Coles is pursuing hotel licences in Queensland because it cannot buy bottle shop licences. Woolworths has done the same in Tasmania and I think is trying to do the same in Queensland, because state laws are different.

I suggest that what the minister might pursue, which would also have opposition support, is greater

uniformity of liquor laws across the states to try to achieve a better national perspective on liquor laws which no doubt would lead to the benefit of the industry and of consumers. I dare say we would end up with better legislation and there would not be such tactics by the chains to try to increase their market share simply because they are trying to get around and cope with laws that are so different from state to state.

It is unfortunate that we had to move the motion today. I urge the minister to be more accountable to and to share more with this house the important information that is available to her in dealing with issues like the 8 per cent cap because, as I indicated in the context of my contribution, in many ways we share similar objectives. Both of us want a vibrant small business sector and recognise the valuable role the chains play in our state and in the national economy. Nobody wants to have losers in this area. We are all looking for win-win solutions. The minister might well have enjoyed considerable support from the opposition had she simply played her cards differently on this issue.

Hon. T. C. THEOPHANOUS (Jika Jika) — That was one of the most rambling speeches I have heard from the Honourable Bruce Atkinson, who clearly has no idea whether he is speaking to this house as a member of Parliament or as a journalist. I would not be surprised if we suddenly find excerpts from his speech appearing in *Foodweek*, for which he frequently writes. He finds appropriate to comment in *Foodweek* without putting his name to the commentary about the liquor industry. I look forward to hearing him denying it because he has not denied it in the past. I shall refer to an article in *Foodweek* of 23 May 2001 which carries the heading ‘Woolworths ready to fight against state liquor cap’ and says, among other things:

A government spokesman said last week that Woolworths has indicated it was prepared to mount a legal challenge against the legislation.

Hon. B. N. Atkinson — That public servant rang me up before you conducted a witch-hunt — —

Hon. T. C. THEOPHANOUS — Firstly, let me say that no government spokesperson had made any such comment and, secondly, Mr Atkinson through his interjection has indicated that he is the author of this particular piece, because he suggested by way of interjection that some public servant had rung him and given him the information which appeared in this article.

Hon. B. N. Atkinson — On a point of order, Mr Deputy President, I am happy to say that I wrote the article. There were two people who helped me with that

article: one was a public servant and the other one was Tony Robinson, the honourable member for Mitcham, which is unfortunate for the government, but that is what Tony Robinson said. He told me that at a function in the seat of Mitcham, and the situation is that the government then sought to conduct a witch-hunt to try — —

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

Hon. T. C. THEOPHANOUS — I do not believe, and nobody else in this house believes, that any government spokesperson gave that information to Mr Atkinson. That is typical of the way he behaves in this house when he seeks to implicate somebody. We will be interested to hear what that particular person has to say about any particular conversation.

Firstly, Mr Atkinson tried to suggest that some unnamed public servant had told him this; then he tried to suggest that a member of the government said something. We will be interested to learn whether that is the truth or whether Mr Atkinson is telling yet another of the lies that we have become accustomed to hearing.

Hon. B. N. Atkinson — On a point of order, Mr Deputy President, I seek a retraction of that. There is absolutely no basis for that statement.

Hon. T. C. THEOPHANOUS — On the point of order — —

Hon. Bill Forwood — Withdraw! You know the rules!

Hon. T. C. THEOPHANOUS — Hang on! As I understand the rules in relation to this, it is a question of whether I have accused the member of being a liar, which would be out of order.

Hon. Bill Forwood — You did say that.

Hon. T. C. THEOPHANOUS — No, I did not. However, the generic word ‘lies’ has been used in this house many times and on many occasions. If we are going to have to withdraw it on every occasion, I am happy for that to occur but then I would request absolute consistency in the application of that rule.

Hon. Bill Forwood — On the point of order, Mr Deputy President, the use of the generic word ‘lies’ may be appropriate in some circumstances, but the use of the specific word in relation to Mr Atkinson is not. Mr Atkinson has asked for a withdrawal of the use of

the word 'lies' in relation to him. Mr Theophanous knows the rules of this place and he should withdraw.

Hon. T. C. THEOPHANOUS — Further on the point of order, I said, 'Lies that we have become accustomed to', which is very different from accusing somebody of being a liar as such. I suggest there is no point of order.

Hon. B. N. Atkinson — Further on the point of order, Mr Deputy President, there is absolutely no distinction. There is no ground for the sort of accusation that has been made. I insist there be a withdrawal of those remarks.

The DEPUTY PRESIDENT — Order! I have listened carefully to the point of order and I have also listened carefully to the debate. It is the Chair's view that in fact it was not a generic term but that Mr Atkinson was referred to as lying in the house. I uphold the point of order and ask Mr Theophanous to withdraw.

Hon. T. C. THEOPHANOUS — I withdraw and I look forward to the consistent application of that ruling.

What the house heard from Mr Atkinson was a rambling speech in which he did not make it clear that he is an occasional writer on this issue and makes comment publicly along those lines. He tries to present himself as somehow being objective, outside of politics, in the context of writing such an article but does not put his name to it. He is not prepared to put 'Bruce Atkinson' to any such article, so that the people reading it can say, 'This is coming from a member of the Liberal Party', or, 'This is an article that is associated with a member of the Liberal Party'.

Many times in the past I have written things that I have sought to have printed in a variety of publications but I have always put my name to them — I have always put my name to the things I want published. I have not sought to have something published by way of opinion, particularly on an issue such as this — which is and has been for some time subject to a current political debate — and sought to put it out there publicly and present it as somehow being an objective view that is not partisan in any way when, in fact, it is clearly partisan.

Let us get to the nub of the debate on the 8 per cent cap. The issue is that when we came to government we inherited an almighty mess left by the previous government's unpreparedness to do anything about the matter. Although I was tempted, I am not going to quote yet again all the questions I asked when in opposition of the then minister responsible in this place,

the Honourable Louise Asher. Time and again the Labor Party asked her to take action to close loopholes present in the legislation and time and again she got to her feet and tried to ridicule the then opposition by saying there was no problem or no issue. She said, 'What do you know, anyway?' — and so on.

When we came to power we did something that the Liberal Party and the National Party were not prepared to do: we moved to introduce the legislation and close the loopholes. We consulted with the stakeholders and we acted.

If you look at the history of protecting small business in the liquor industry in Victoria, you see that the Labor Party is streets ahead of the opposition. However, beyond that, in relation to the debate it is important to put the whole liquor industry into some sort of context. For 27 years under the continuous rule in this state by the Liberal and National parties — —

Hon. R. M. Hallam interjected.

Hon. T. C. THEOPHANOUS — Yes, we had 27 years of Liberal Party rule in this state — I am happy to be corrected on that, Mr Hallam. We had an absolutely closed shop in the liquor industry. We had the circumstance where hotels were restricted in their serving of alcohol and in restaurants you could not buy a glass of wine to drink with your meal. All those things were in place.

What did the Labor Party do? After the John Nieuwenhuysen inquiry, recommendations were made about deregulation of the industry, and the Labor Party went forward and deregulated the liquor industry. What was the result? The result of deregulation created an industry that today is worth more than \$3 billion to the Victorian economy. When people in the Liberal Party get up and start accusing the Labor Party of not being supportive of small business or investment in the state or increasing production through deregulation, the best example of the facts that I can offer the house is the deregulation of the liquor industry because Victoria would not have the liquor industry it has today were it not for the actions of the Labor Party and past Labor governments.

Hon. B. N. Atkinson — True.

Hon. T. C. THEOPHANOUS — I thank Mr Atkinson for his interjection of 'True' — I thank him for that piece of honesty.

Deregulation was pursued by the Labor Party to make the industry effective. Subsequently, part of that structure also assisted the packaged liquor industry. It

allowed the development of packaged liquor outlets that were not simply hotel outlets but were packaged liquor outlets in their own right, and it allowed the sale of liquor in a variety of locations including supermarkets. This important piece of deregulation gave the industry a huge boost. We also attempted to protect hotels as a result of that development and we were the ones who made sure that hotels had access to other forms of revenue, including through gaming when that became available. We have a strong record of supporting the liquor industry in a variety of ways in this state.

In the course of this Labor government we have recognised that there is an inevitability about the move to deregulation. However, if it is to occur it should occur in an ordered way. There is a piece of legislation in the Parliament, which has been passed and will be implemented if there is no agreement among the parties. It is a very simple situation. The minister has promoted discussions among the parties to try and get an agreement which would bring forward the sunseting of the restrictions on the 8 per cent rule. There is absolutely nothing wrong with that procedure. We did what we said we would do. In opposition we said we would protect the 8 per cent limit, and we did. We brought in legislation, and we have done that. We have now said that if members of the industry want to discuss among themselves a possible resolution which will bring forward the sunseting of the 8 per cent rule they should be allowed to do so, and the minister has encouraged that. However, instead of welcoming that approach the opposition has done nothing but sought to play politics with it.

The truth is the opposition is listening to and supporting the views of Ian Urquhart from the Local Independent Liquor Stores group. He is the person who is driving Liberal Party policy on this issue. One person! Why is that occurring?

Let's just put this on the record. Mr Urquhart's organisation is essentially a buying group. He markets himself to liquor stores so they buy their goods through his group. Mr Urquhart is about promoting his business. That is fair enough, but the opposition should not be about promoting his business. The opposition should have a broader view of the best interests of the state as a whole and not just of promoting the interests of Mr Urquhart. I know Mr Urquhart has been talking to various people in the opposition. Frankly he is obviously using the publicity, which is being afforded to him by the opposition, to expand his business. That is what this is about for him.

Hon. W. I. Smith — I do not think so.

Hon. T. C. THEOPHANOUS — I think you will find that it is. He is nothing more than a buying group seeking to expand his business. That is all he is. He does not head an industry association. By its actions the opposition is doing nothing more, as I said before, than assisting him in promoting his personal business interests.

This narrow approach is typical of the Liberal Party, because that is what happens in the Liberal Party. It gets influenced by someone who comes along and starts talking to its members, and it may be someone who does not represent the interests of small business in the liquor industry at all — —

Hon. A. P. Olexander — Thank goodness we're not influenced by you.

Hon. T. C. THEOPHANOUS — I know who you are influenced by. You are influenced by people who provide funds for the Liberal Party. And I certainly would not be surprised if Mr Urquhart was one of them!

Instead, the minister has consulted widely, and this is the difference. When we wanted to move the debate forward in relation to shop trading hours — —

Hon. W. I. Smith interjected.

Hon. T. C. THEOPHANOUS — This is an example of deregulation. When we wanted to move it forward we consulted widely with unions and businesses, and I know something about this because I was the minister at the time. We introduced the system — —

Hon. Bill Forwood — That was back in the 1980s!

Hon. T. C. THEOPHANOUS — No it wasn't. It was in the early 1990s. We introduced the system of trading on a certain number of Sundays, by agreement, across the industry. We went through extensive consultation. When the former government came in and Mark Birrell wanted to deregulate shopping hours even further than they had been in the past, when he wanted to virtually completely deregulate shopping hours, who did he consult? Absolutely no-one! He did not consult anyone other than the people who add to the coffers of the Liberal Party. He made up his mind and simply announced it. That is how the Liberal Party consults!

The difference is that in this instance the minister has quite rightly consulted with the industry but has made it clear that she wants the industry itself to come up with an agreement and to reach some sort of resolution, if there is to be one, which the industry accepts and which

would bring forward the date of the relaxation of the 8 per cent rule. If that does not happen, obviously the legislation continues to apply — everyone knows that.

Hon. Bill Forwood interjected.

Hon. T. C. THEOPHANOUS — So what happens?

Hon. Bill Forwood — Talk about Eudon!

Hon. T. C. THEOPHANOUS — I have made it clear that what happens is that the legislation continues to apply.

Hon. W. I. Smith interjected.

Hon. T. C. THEOPHANOUS — The opposition gets all of these things wrong. The Honourable Wendy Smith asserted that there was a 20 per cent representation for the industry: the industry associations actually represent 50 per cent of the non-major licence-holders. She is not concerned about the industry associations that represent 50 per cent of the non-major licence-holders. All she is concerned about is one Mr Urquhart. He is the only person she has spoken to about this issue, and Mr Urquhart is doing nothing but pushing his own barrow and trying to expand his own business, and he is using the Liberal Party, with her consent, in order to do it.

Some pretty grubby deals are taking place behind the scenes, but they are all between the Liberal Party and its friend Mr Urquhart in this particular instance. It has nothing to do with the Labor government and the appropriate way in which we are going about conducting consultations.

All licence-holders have been contacted during various stages of the review of the 8 per cent limit and have recently had an outline of the proposals being discussed with industry. Let us not forget that the previous government made no such efforts to consult with the industry; it was not interested in talking to the industry when this became a huge issue during the course of the previous government's reign.

The key industry players, including Woolworths, Liquorland, the Liquor Stores Association of Victoria and the Master Grocers Association of Victoria, have been engaged in discussions on this issue for about 12 months to develop some long-term arrangements. There is nothing wrong with that, and there is nothing wrong with the government promoting that. In fact it is appropriate for the minister to promote those discussions. In the end it is a matter for the industry as to whether the proposed package includes an early

phase-out of the 8 per cent rule. That is something which the industry will decide and recommend to the minister.

However, it is also the reality — we do not run away from this — that the current arrangements are unsustainable. This is a unique opportunity to secure genuine benefits and a stable environment for small liquor stores that would otherwise not exist during the course of these discussions. That is what we are on about — achieving a stable environment and some genuine benefits for small liquor stores, not simply going down the path of trying to wield a big stick on the 8 per cent liquor laws.

The Liberal Party recognises that there is a problem, and it should also recognise that the best way to resolve the problem is through discussion and negotiation between the various players. But having said that, that does not mean open slather for the major chains. The government will make sure new licence applications are closely scrutinised for the impact that they have on the amenity of a community and for any harm minimisation impacts, and it will continue to do that.

It is clear that the parties have agreed on a number of initiatives and proposals. Whether they will ultimately reach agreement depends on the goodwill expressed by all of the parties. But then we have people like Mr Urquhart promoted by the Liberal Party doing nothing other than trying to scuttle the discussions taking place among genuine small business proprietors and the major chains, trying to stir up problems and being encouraged by the Liberal Party to do so. The Liberal party is attempting to make things as difficult as possible for the rest of the industry because it thinks it is attacking the government in doing so; in fact it is making a huge attack on the industry itself because by sending in people like Mr Urquhart to throw a spanner in the works by suggesting that somehow this should not occur, it is undermining the industry.

Members opposite ought to understand that the people who stand between the industry reaching an understanding and being able to move forward with a package which includes considerable benefits are the Liberal Party and Mr Urquhart. They are the people who are standing in the way of that agreement taking place.

I am not saying this to the Liberal Party only; I am also saying it to the minister and to the industry. It is important to reach an agreement that allows for a transition to occur. No-one thinks that the 8 per cent rule, which Mr Atkinson described as a blunt instrument, is going to stay forever. What needs to take

place is that the transitional arrangements have to be such that they protect people and allow for that transition to occur.

This government has shown that when it comes to facilitating transitions and industry change it is at the forefront. It does not matter whether we talk about the tough decisions that have had to be made in the forestry industry and the package for change that had to be put together to allow that to occur, or about changes in the liquor industry which the Labor Party, as I have already indicated, has had a proud record of developing over the course of a number of governments, I can tell you one thing: those small business operators, whether they are out there in the forest industry or in the liquor industry, would prefer us to be there looking after them in times of change than members of the opposition. All you have done for them is fail to protect the 8 per cent liquor licence limit when you were in government and then whack the GST on them to make life even more difficult. They are the two things that you can claim credit for in relation to the liquor industry in this state!

The government totally rejects this unfortunate motion that has been brought before the house by the Honourable Wendy Smith and which has no substance whatsoever. We urge all honourable members to vote it down as it deserves to be.

Hon. BILL FORWOOD (Templestowe) — This motion is important. It says that this house condemns the state government for its failure. My view is that we got it a bit wrong. We should have censured the minister for her behaviour on this issue.

At the outset of my brief contribution, I say how well I thought the case against the minister was articulated by the Honourables Wendy Smith, Bill Baxter and Bruce Atkinson. If ever there were a cogent intellectual argument mounted it was done today by those three members of this chamber. And what did we get back in return? As Mr Baxter pointed out, we got the written ministerial adviser speech from the minister, which totally avoided any of the issues that had been raised in the debate. That again demonstrated the two things that I will continue to return to in this debate: the minister's incompetence and hypocrisy. Goodbye Minister! Once we got rid of the minister's small contribution we heard from Mr Theophanous.

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — In this house we know that when the government has lost the intellectual argument they bring out the bovver boy! They bring out the thug!

Hon. T. C. Theophanous — On a point of order, Mr Deputy President, I take exception to the comment just made by the Honourable Bill Forwood and I ask you to ask him to withdraw it.

Hon. R. M. Hallam — Which one do you want him to withdraw?

Hon. T. C. Theophanous — You take a guess!

Hon. BILL FORWOOD — I withdraw! They roll out Mr Theophanous who we all know has form in this place. He has been around a long time and likes to stand up and dish it out, but he does not like it much when he gets a little bit back.

Hon. T. C. Theophanous — That is not true!

Hon. BILL FORWOOD — That is true; otherwise you would not get up and ask me to withdraw simple words like the two that I have just used. I have a thesaurus in my head! I can trot out all sorts of words to describe you, but given that I am short of time I will not bother to do so today.

Today we heard a typical speech from Mr Theophanous. The first thing he did was slag the Honourable Bruce Atkinson.

Hon. W. I. Smith — Threw dirt!

Hon. BILL FORWOOD — Threw dirt! He came in and just slagged him. No intellectual argument — just chuck a bit of mud! When he had finished with throwing dirt at Mr Atkinson, he did not get anywhere near the substance of the motion. He did not try to address the issues that are of importance to the liquor stores all round Victoria — the country liquor stores and the country pubs and metropolitan independent stores — that are under threat because of the behaviour of this government. Oh, no! He went on and slagged someone else. He picked on a guy named Ian Urquhart. To the best of my knowledge I have never met or spoken to Ian Urquhart. The words that Mr Theophanous used would have the people of Victoria believe that, firstly, Mr Urquhart donates to the Liberal Party, for which Mr Theophanous had no evidence at all; and secondly, the opposition is in his pocket and that the only reason we are today arguing this issue here or we raised questions yesterday — or last week, before Christmas or in the two years during which we have run this argument — is because we are doing Mr Urquhart's bidding.

Mr Theophanous, I say to you, this chamber and the people of Victoria: that is absolutely not true. I would not come in here and call you a liar. I would not even

accuse you of misleading the house over the accusations that you have made. But I put it to you that there ain't much truth in any of them — not much truth at all! And I look forward to hearing from Mr Urquhart about his close connection with the Liberal Party. I will be pleased to hear of it.

Let me move to the third part of the tirade that was levelled against us. If I could work it out, it sort of went along the line that, in the end, the opposition had not done anything about the issue, so what right did it have to criticise? Let me deal with the substantive issue, which is very simple. The Labor Party went to the people with a policy, which was:

A Bracks Labor government will immediately and retrospectively close legislative loopholes which allow large retailing chains to accumulate more than 8 per cent of the total number of packaged liquor licences.

That was the policy!

Hon. T. C. Theophanous — We did! We passed legislation! Weren't you here?

Hon. BILL FORWOOD — Yes, I was. I spoke in the debate and raised issues in the committee stage. I am aware of the legislation and how it works and like everybody else in Victoria I know that it is a sham and that you have been rolled by Woolworths. I have been asking questions about this for two years.

Hon. T. C. Theophanous — We have been rolled by Woolworths!

Hon. BILL FORWOOD — Absolutely rolled by Woolworths!

Hon. W. I. Smith — Capitulated!

Hon. BILL FORWOOD — During his contribution, I challenged Mr Theophanous to talk about Eudon, but there was not one mention of Eudon from you. I challenged you to raise issues of substance to do with Woolworths, who with Coles already have more than 50 per cent of the packaged liquor sales in Victoria and more than 8 per cent of the liquor licences. I challenged you to address that issue, but would you? No way!

The government came in here with a policy that said it would introduce legislation that would do away with the loopholes. There is not a lot of time left this afternoon to go through the history of this, but the legislation passed in May last year had a clause that provided that if Woolworths had not divested itself of licences in excess of 8 per cent that it had as a result of

its purchase of Liberty Liquor, it had 12 months to divest itself of those licences.

As the Honourable Wendy Smith pointed out, 12 months is up tomorrow. Guess how many licences Woolworths has divested itself of? Not one. Could we even assert that it has bought more? I think we could.

Hon. W. I. Smith — Thirty-two more.

Hon. BILL FORWOOD — Thirty-two more. So forget the rhetoric, forget that the government promised to close loopholes and promised that Woolworths would not have more than 8 per cent of the liquor licences. What have we got? It is up to 10 per cent. What has the government been doing? Absolutely nothing. The issue is, can it do something? Does it have the legislative capacity? Maybe it does. Does it have the will? No it does not, because it has rolled over because Woolworths got to it. Woolworths said to the government, 'If you do not roll over and allow us to accumulate more and more of the packaged liquor licences, if you do not allow us to grow in Victoria, we will withdraw our capital investment. We will take it somewhere else'. Woolworths is a big player. It is tough; it has been around and it wanted in. It went and saw the poor, incompetent minister and what did she do? She rolled over just like a dog and said, 'I'm dead; tickle my chest'. She is hopeless! The government has betrayed small businesses left, right and centre.

Woolworths set out with its cute smart lawyers from the top end of town to find a way around the 8 per cent scheme; and it did. It came up with what has become known widely as the Eudon scheme. It put the Eudon scheme to the Director of Liquor Licensing who referred it to a couple of QCs who came back and said, 'Despite the fact that this is not the intention of the law, they may have found a way around it'. This would not be the first time loopholes have been found in the liquor laws. There is a lot of money in liquor, which is why they get the lawyers and why they play hard ball with the government. It put pressure on the government and what did the government do? It caved in absolutely and completely.

Tomorrow, the 18th, is the anniversary of the date when Woolworths should have divested itself of the licences it got from Liberty Liquor. However, it will find itself with more licences totalling more than 8 per cent and even more on top of the 8 per cent than a year ago. That is a damning indictment of the behaviour of this government. The only reason that has been allowed to happen is because the liquor licensing director has used clause 26I(7) — I think that is correct — which allows

special circumstances to be used and allows a one-off extension of 90 days beyond the 12-month period.

As I pointed out yesterday, I asked the minister some questions about this during the committee stage of the bill on 24 May last year. I asked her whether she was confident that after the clause had been included the legislation would not allow for this exceptional circumstance clause to be manipulated. Woolworths has manipulated it and the government has acquiesced. This government is spineless and gutless and has betrayed small business. It has walked away, led by a weak, supine and incompetent minister who in this chamber, during the committee debate on 24 May last year, at the very least misled the people of Victoria in her response to two questions I put to her during the committee stage.

The minister came here and in her contribution said that things were different under us and that we did secret deals. Again, she adduced no evidence at all. The plain, living facts of the matter are that Woolworths set out to keep its 8 per cent and get more, and this government has let it do so. The government could do something about it if it had the will. It could have another crack at it. It could bring in legislation any time and we would help it to enforce the will of the Parliament, which was expressed by the government when it said it would close the loophole. It was not our legislation. The government came in and said it would do it. It has not done it. If the government wants to have another try it should bring it back again. We will be happy to help.

The opposition supported the legislation that would have prevented Woolworths from continuing to grow its number of liquor licences. The reason is that the opposition cares about the small independent liquor wholesalers, the country pubs, and the small wineries whose major outlets are through the small independent liquor stores. This is a very simple issue. The government has misled the people of Victoria in a totally hypocritical way.

I invite people to go through question after question that the Minister for Small Business has avoided answering when she has been pinned on this issue time and time again. It is very simple. One, it is absolutely true and certain beyond belief that the government has rolled over to Woolworths; and two, the government does not have the will or the capacity to do anything about it. For those reasons it stands condemned.

Hon. JENNY MIKAKOS (Jika Jika) — There is only a small amount of time left for me to make a contribution to the debate. I begin by saying that the motion moved by the Honourable Wendy Smith is

incorrect. The government has a very long track record in supporting small business in this state and for that reason the motion should be rejected. The motion suggests that the government has failed to support small business. However, the facts demonstrate that this government has a long track record not only in providing a sound economic framework in which small businesses in this state can thrive — there is a very low level of unemployment, a high level of exports, a strong performance by Victoria's agricultural sector and a thriving economy in regional Victoria — but it has also set about establishing a framework to assist small businesses in this state.

In October 2000 the government established the Showcasing Small Business program, which seeks to provide better information and skills development for small businesses in this state, and also establishes a framework whereby small business issues can be championed by the government at all spheres and in all sectors.

The government has also established its 10-year Growing Victoria Together plan, which also emphasises the importance of small business to this state. In addition, the government has introduced programs to assist small businesses to improve their provision of training, with a particular focus on management training through the launching of the Skilling Small Business for the Future program, which provides funding for training in conjunction with the TAFE, adult community education and private providers to deliver innovative and responsive management training programs to Victorian small business operators.

The government has also set about bringing Victorian small businesses into the telecommunication age. As was referred to by the Minister for Small Business during question time earlier today, the government has also set about establishing \$350 000 in funding to boost the use of e-commerce by Victorian businesses.

The government has brought Victorian small businesses into the telecommunication age in many other ways that I can only briefly touch upon. By establishing the export.vic.gov.au web site, the e-commerce exhibition program, the E-commerce Advantage site and the e-commerce road show, and by making it easier for small businesses to obtain information and lodge documents electronically, this government has made a very real commitment to Victorian small businesses.

More important than any of these initiatives is this government's commitment to actually consult with

small business. I particularly want to highlight that very different approach, because we can all recall that under the Kennett government it was only big businesses that were brought to the table. We all remember the various round tables that the previous government established which shut out small businesses in this state. In contrast to that, this government has sought to include small businesses and to advocate the interests of small business in all levels of government decision making.

The other aspect of the motion I want to touch upon is the issue of the 8 per cent liquor licence cap. This government has been prepared to consult with small businesses on how that cap and changes to the liquor industry affect them.

As the Minister for Small Business and the Honourable Theo Theophanous have already indicated in their contributions, this government has been prepared to amend the legislation on two previous occasions to close loopholes. Unfortunately — as the opposition has conceded — the various large players in this industry have been able to circumvent those rules and legislative measures, and we have reached a position now where the 8 per cent rule is unsustainable because the major players have identified new loopholes. For that reason, the government has indicated that it is seeking to enforce the 8 per cent rule, but there is a need for continuing discussions to occur with a view to reaching an industry agreement, and that discussion needs to continue before we can proceed with any further legislative change.

For those brief reasons, I categorically reject the motion. This government has a very strong record in supporting small business, and the Minister for Small Business should be commended for her work in this area.

House divided on motion:

Ayes, 28

Ashman, Mr	Forwood, Mr
Atkinson, Mr	Furletti, Mr
Baxter, Mr	Hall, Mr
Best, Mr	Hallam, Mr
Birrell, Mr	Katsambanis, Mr
Bishop, Mr	Lucas, Mr
Boardman, Mr	Luckins, Ms
Bowden, Mr	Olexander, Mr
Brideson, Mr	Powell, Mrs (<i>Teller</i>)
Coote, Mrs	Rich-Phillips, Mr
Cover, Mr	Smith, Mr K. M.
Craige, Mr	Smith, Ms (<i>Teller</i>)
Davis, Mr D. McL.	Stoney, Mr
Davis, Mr P. R.	Strong, Mr

Noes, 13

Broad, Ms	Mikakos, Ms (<i>Teller</i>)
Carbines, Mrs	Nguyen, Mr
Gould, Ms	Romanes, Ms
Hadden, Ms (<i>Teller</i>)	Smith, Mr R. F.
Jennings, Mr	Theophanous, Mr
McQuilten, Mr	Thomson, Ms
Madden, Mr	

Pair

Ross, Dr	Darveniza, Ms
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Motion agreed to.

MEMBERS STATEMENTS

Geelong: Slovenian festival

Hon. I. J. COVER (Geelong) — I rise to pay tribute to the Slovenian community in Geelong for hosting the eighth Slovenian Australian Association cultural and sports festival recently. The theme of the festival was ‘Friendship is uniting us’ and that theme was immediately apparent when I attended the opening ceremony on Saturday 6 April at the headquarters of the Geelong Slovenian association at Lovely Banks. The president, Lojzka Kuhar, and the members were most welcoming not only to me but to the hundreds of guests who had travelled from across Victoria and around Australia.

Hon. K. M. Smith — What about the Honourable Elaine Carbines, was she there?

Hon. I. J. COVER — No, Mr Smith, none of the Geelong Labor members of Parliament was there, and the honourable member for Keilor in another place, Mr Seitz, failed to arrive even though he was listed in the program as representing the Premier and Minister for Multicultural Affairs.

I humbly advise the chamber that I played a small role as a member for Geelong Province as well as representing the Leader of the Opposition, Dr Denis Napthine. The official opening was conducted by the mayor of the City of Greater Geelong, Stretch Kontejl, in one of his last duties as mayor, because his mayoral year is drawing to a close. I congratulate him on his work as mayor and his endorsement as the Liberal candidate for Geelong. I know he will do a great job.

The festival was an occasion of great pride and significance for Stretch as he has a Slovenian background and he and his family have been active in the Geelong Slovenian association for many years.

Barwon Heads Football and Netball Club

Hon. E. C. CARBINES (Geelong) — Following years of uncertainty under the Kennett government I was pleased to announce last Friday the opportunity for the Barwon Heads Football and Netball Club to have a secure future at its current location at the foreshore reserve.

The process in which the club is now to engage with key stakeholders will give it the opportunity to access for the first time a long-term lease and, importantly, the ability to access funding to upgrade its dilapidated facilities. The Bracks government has consulted with and listened to the Barwon Heads community and has achieved an outcome the honourable member for South Barwon in another place and the other member for Geelong Province never even attempted to achieve when they were in government, preferring to leave this important club to wither on the vine.

I thank the Minister for Environment and Conservation and the Minister for Sport and Recreation for their support of the Barwon Heads community and wish the Barwon Heads players good luck on Saturday in the battle of the bridge when they play Ocean Grove.

Wodonga: court and police complex

Hon. W. R. BAXTER (North Eastern) — I rise to mark the opening of the new police station and courthouse in Wodonga which commenced operations on Monday this week. It is an initiative of former ministers, the Honourable Bill McGrath and the Honourable Jan Wade. This \$13 million project was long overdue but is now widely appreciated by the people of Wodonga.

That appreciation was amply demonstrated last Sunday week on 7 April at an open day when the Rotary Club of Belvoir-Wodonga acted as volunteer guides to show interested residents through the new facility. I was pleased as one of the Rotary club's honorary members to participate by being a volunteer tour guide.

The interesting aspect of it all was that while we had expected somewhere between 500 and 700 people to avail themselves of the opportunity, somewhere between 4500 and 5000 residents of Wodonga and north-eastern Victoria came, and the whole afternoon was spent conducting large groups of people through this marvellous facility. It was an indication of how widely appreciated new capital investment is in Wodonga, and I look forward to it serving the north-east for many years.

Housing: Kensington exhibition

Hon. G. D. ROMANES (Melbourne) — Last week was Housing Week in Victoria, a time when we recognise and celebrate public housing tenants. There were over 200 events involving public housing communities in Victoria. At the Kensington public housing estate there was an outstanding exhibition entitled Relocated, which records the lives of residents on the estate over the past year, a time of great change as the walk-ups are being progressively demolished and tenants are being relocated to other homes in the Kensington area or other suburbs to make way for mixed public and private housing redevelopment of the Kensington estate. The Relocated exhibition comprised photos, stories and found objects, which reflect the cultural diversity of the estate and the strength of feelings of those who have lived there over past decades.

The Relocated project culminated in a live performance by tenants of stories from the estate last Saturday evening. It was a very entertaining sound and light show in the open air and from the balconies of the Kensington flats. Relocated is a wonderful example of the importance of public art to major projects. I congratulate the writer, Angela Costi, the photographer, Angela Bailey, and all the public tenants involved in this significant project.

Scoresby freeway: funding

Hon. W. I. SMITH (Silvan) — After two and a half years of uncertainty from the Bracks government I call upon it to put some real money into the next budget for the Scoresby freeway. The Bracks government completely fouled the arteries in its provision of essential infrastructure services. It has walked away from the eastern metropolitan area's need for a tertiary hospital and from real funding in the budget for the Scoresby freeway.

The Prime Minister announced a fund of \$220 million for the freeway, but since it has been in the Bracks government has only put in \$2 million. It has not put any money towards buying up collector roads or doing any work or planning on this issue. By putting only \$2 million into the budget it ignores the Scoresby freeway.

The Scoresby freeway is very important for the outer east. It connects Ringwood, Dandenong and Frankston to the Maroondah Highway, and Ringwood to the Frankston freeway. It is very important for road transportation, for businesses in the outer east and for travelling time reduction for people working in the city.

It is important for housing, business, major and smaller shopping centres and universities in our area.

The Bracks government of the day should stop ignoring the people of this region. It should get serious about doing some projects in the outer east and about putting some real money into its budget. It should bring forward a budget this year which has money committed to the Scoresby freeway — not \$2 million but real funding — and it should bring forward a timetable for the funds and the immediate commencement of the Scoresby freeway.

State Emergency Service: Mildura volunteers

Hon. B. W. BISHOP (North Western) — I take this opportunity to recognise the State Emergency Service volunteer contribution to our community. Recently Mr Ian Lauder, an SES volunteer from Mildura, was presented with a meritorious service commendation and presented again with a Department of Justice partnership award from the SES. The award was primarily for the initiative he has shown in training others in the principles of shoring, which illustrates selfless dedication and community mindedness.

Ian devised a unique method of training volunteers in the complex methods of shoring — that is, constructing and erecting wooden structures to retain unsafe or collapsed walls or roofs. The SES is unable to afford to train its volunteers, as this process is extremely costly in timber requirements. Ian designed and constructed a set of small timber models for use in training his colleagues in the principles of shoring, and to assist them in gaining the appropriate knowledge for national competency standards. Those models are now used in every unit of the SES in Victoria.

That award was followed by the prestigious Tattersalls award for enterprise and achievement, which saw Mr Lauder receive \$5000 and the Mildura unit receive \$15 000.

Mr Michael Helwedge, also from the Mildura unit, received the director's award for long and excellent service. He has been in the SES for more than 18 years and is currently the controller of the Mildura unit, which has the enviable reputation of being one of the most efficient and professional units in the state.

School buses: Ballarat

Hon. D. G. HADDEN (Ballarat) — Late last December representations were made to me by local parents whose children travel by bus from the Creswick district to secondary schools in Ballarat. The representations sought a re-routing of a school bus and

the construction of a school bus shelter in Gillies Road North near the Ascot Road intersection. At least 15 to 20 secondary school children live in the vicinity.

As a result of my representations in January and with the regional officer, Bus Services Directorate, Department of Infrastructure Ballarat and Davis Buslines, one school bus has been re-routed via Ascot and Gillies Road North for this school year and onwards. The Bus Services Directorate, Department of Infrastructure worked in partnership with the Hepburn Shire Council for the supply and erection of a new bus stop and shelter in Gillies Road North, Creswick.

On behalf of my constituents I thank Mr Len Geddes, regional officer, Bus Services Directorate, Department of Infrastructure Western Region, Davis Buslines and Hepburn Shire Council for their prompt action and cooperation in resolving this important rural school bus issue.

Peter Hood

Hon. B. C. BOARDMAN (Chelsea) — Last week the Drugs and Crime Prevention Committee travelled to New Zealand as part of its ongoing inquiry into volatile substance abuse. It was extremely fortunate to be accompanied as part of the delegation by Mr Peter Hood, chairman of the Central Gippsland Aboriginal Cooperative. Peter was chosen by the Aboriginal community to accompany the committee after a suggestion was made to have an indigenous representative travel with us. This proved to be an outstanding success.

Peter is a tremendous advocate and ambassador for his and the greater community and was extremely well received by all the groups and organisations we met, particularly the indigenous Maori communities, where Peter's participation in the culturally sensitive and appropriate ceremonies that we were greeted with was of extreme benefit to the committee.

I am sure Peter got a lot out of the visit and he has vowed to work with the committee further on this inquiry. Given Peter's insight, not only will his assistance be of extreme benefit to the committee but his knowledge and expertise will flow on to benefit the whole community.

I am personally incredibly encouraged that people of Peter's standing are working so diligently in the Koori community. Peter's example is testament to what can be achieved when dedicated individuals apply themselves to improve and develop their communities. I thank Peter sincerely for his contribution.

Royal Children's Hospital: Good Friday appeal

Hon. S. M. NGUYEN (Melbourne West) — I would like to take this opportunity to thank everyone involved who helped with the Royal Children's Hospital Good Friday appeal. The appeal is organised by the *Herald Sun* and supported by SBS radio. It has been a great success. In the past three years I have been involved with other Vietnamese community organisations such as the Vietnamese Community Association of Victoria, the Vietnamese Alumni Association of Australia and the Vietnamese Melbourne Lions Club in organising volunteers for the appeal.

Firstly, the volunteer groups helped volunteers around the Footscray and Maribyrnong areas; and secondly, they assisted with a radiothon from 5.00 p.m. to midnight at two locations, one at the *Herald Sun* office and the other at the SBS radio office at Southbank.

The appeal raised more than \$100 000 on that night and with other volunteer members I was pleased to see that result. I take this opportunity to thank all the people involved and I wish it more success in coming years.

Anzac war cemeteries

Hon. M. A. BIRRELL (East Yarra) — Nothing unites our nation more than the spirit of the Anzacs, so I want to use this opportunity to lodge a protest about the French government's threat to desecrate the resting place of many fallen diggers.

French authorities are planning to build an airport and industrial estate on the battlefields that contain the graves of thousands of Australian and other commonwealth soldiers. This will force the removal of war cemeteries and disturb countless numbers of unmarked graves in the Somme. We must never forget that over 44 000 young Australians perished on the Western Front. Their courage and sense of purpose, like the efforts of those who had earlier made the ultimate sacrifice in Gallipoli, has helped shape our national identity.

Anyone who visits the Somme could not fail to be moved. This was certainly the case for me last Anzac Day in visiting places such as Villiers-Bretonneux, Bullecourt and Pozieres, which exposes you to stories of heroism, endurance and love of country — and to appalling human loss. For someone like me, too young to experience a world war but lucky enough to enjoy the benefits of the free society others died for, such an experience fuels your pride in our heritage.

I therefore protest against the inappropriate plans for the Somme and call on others to do so also. In the interests of those who fought for us we should do a lot of work to ensure this outcome does not eventuate.

CORPORATIONS (FINANCIAL SERVICES REFORM AMENDMENTS) BILL*Second reading*

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That this bill be now read a second time.

This bill provides for the amendment of certain acts that are affected by changes made to the securities and futures industry provisions in the Commonwealth Corporations Act 2001 by the Commonwealth Financial Services Reform Act 2001.

I would like to take this opportunity to remind the Parliament of the Bracks government's constructive approach to the referral of certain corporations matters, including the matters of financial products and services, in 2001. The referral followed historic negotiations between the commonwealth and the states to place the national scheme for corporate regulation on a more secure constitutional foundation. The Corporations (Commonwealth Powers) Act 2001 reflects the commitment of the Victorian government to achieving an effective, uniform system of corporate regulation across Australia.

Certain legal challenges and decisions of the High Court of Australia in 1999 and 2000 had cast doubt on the constitutional framework, which supported the Corporations Law. The difficulties associated with the former, state-based, system of corporate regulation were identified by the High Court in two significant cases. The first case was decided in June 1999. In *re Wakim: ex parte McNally* the High Court held by majority that Chapter III of the Commonwealth Constitution does not permit state jurisdiction to be conferred on federal courts. Effectively, this decision removed the jurisdiction of the federal court to resolve state Corporations Law matters, unless cases fell within the court's accrued jurisdiction or in certain other circumstances, and it denied litigants a choice of forum for the resolution of disputes under the Corporations Law.

The second case was *The Queen v. Hughes*, decided in May 2000. There the High Court held that the conferral of a power coupled with a duty on a commonwealth officer or authority by a state law must be referable to a

commonwealth head of power. This meant that if a commonwealth authority, such as the Director of Public Prosecutions or ASIC, had a duty under the Corporations Law, that duty had to be supported by a head of power in the commonwealth constitution. This decision cast doubt on the ability of commonwealth agencies to exercise some functions under the former Corporations Law. Through the passage of validating legislation, Victoria and the other states dealt with the immediate pressures that these decisions created in relation to the former Corporations Law, the cooperative scheme that was in place prior to the proclamation of the new corporations legislation on 15 July last year.

The Commonwealth Financial Services Reform Act 2001 was enacted last year with the agreement of the states and the Northern Territory. It has been proclaimed to come into operation on 11 March 2002. It substitutes a new chapter 7, 'Financial Services and Markets', for chapters 7 and 8 of the Corporations Act to give effect to recommendations of the financial system inquiry.

Although a draft of the Financial Services Reform Bill had been prepared before the bill for the corporations was introduced, it was not possible, in the time available, to incorporate the new provisions regulating financial services and markets in the Corporations Bill. The introduction and passage of the Corporations Bill could not be delayed because of the urgency of addressing the constitutional problems affecting the Corporations Law raised by the decisions of the High Court in *re Wakim and The Queen v. Hughes*. Consequently, it was not possible to include the necessary consequential amendments arising from the Financial Services Reform Bill in the earlier package of corporations bills and all states and territories now need to introduce bills for those amendments.

The Commonwealth Financial Services Reform Act 2001 introduces a harmonised regulatory regime for market integrity and consumer protection across the financial services industry. It introduces a single licensing system for all financial sales and advice, and for financial markets and clearing and settlement facilities. It covers a wide range of financial products, other than credit or consumer credit.

It is necessary to amend references in Victorian acts to the old chapters 7 or 8 of the Corporations Act and expressions and concepts that are no longer consistent with the new regulatory regime. For instance, the term 'stock exchange' is replaced by 'financial market', licensed dealers and investment advisers will be 'financial services licensees' and insurance agents who

were authorised under the repealed Insurance (Agents and Brokers) Act 1984 of the commonwealth will be licensed financial services licensees under the Corporations Act. This bill will make the necessary changes.

I commend the bill to the house.

Debate adjourned for Hon. P. A. KATSAMBANIS (Monash) on motion of Hon. Bill Forwood.

Debate adjourned until next day.

ELECTRICITY INDUSTRY (AMENDMENT) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

The purpose of this bill is to amend the Electricity Industry Act 2000 to require electricity retailers to report greenhouse gas emissions information on customers' electricity bills.

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.

The enhanced greenhouse effect and the associated risks of irreversible climate change have emerged as key environmental issues facing governments and communities today. Notwithstanding this general level of public awareness, there still remains limited understanding in the general public about the actions individuals can take in response to the greenhouse effect and, more specifically, there is a lack of awareness of the direct link between energy consumption and greenhouse gas emissions.

This government initiative is directed at highlighting this link. Disclosing greenhouse emissions information on customers' bills is an effective and efficient way of raising consumer awareness and will enable consumers to better understand and monitor the environmental consequences of their own electricity use over time.

This initiative is being implemented as a new licence condition in electricity retailers' licences. Consequently, all electricity retailers will be required to disclose greenhouse gas information on bills to all

customers in accordance with guidelines issued by the Essential Services Commission.

The Essential Services Commission will develop the guidelines in consultation with the industry, other interested parties and the Sustainable Energy Authority Victoria. It is anticipated that the guidelines will specify minimum disclosure requirements, thus providing retailers with some flexibility in the presentation format and also providing consistency for customers across retailers.

In addition, the Sustainable Energy Authority Victoria will develop a dedicated web site to further support this initiative. It is expected that the web site will contain a range of energy and greenhouse gas-related information, including advice on reducing energy consumption, to further inform those customers interested in understanding these issues in greater detail.

A state-based greenhouse coefficient, derived from the national greenhouse gas inventory, will be utilised for the purposes of determining the level of greenhouse gas emissions associated with a given level of electricity consumption. 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. Importantly, accredited green power will have a greenhouse gas coefficient of zero, making the benefits of this important program transparent to green power customers. It is expected that the coefficient will be updated annually by the Sustainable Energy Authority Victoria.

I note that nothing in this initiative prevents retailers from voluntarily disclosing additional greenhouse gas-related information to their customers. Whilst it is possible that full retail competition may, in the future, lead to some retailers providing such information, this is unlikely to occur in the short term. The government has therefore taken the view that, given the paucity of information currently available to customers, it should take the lead and ensure that a minimum level of information is provided to electricity customers on a regular basis. Consistent reporting of such information is expected to considerably raise awareness of the link between electricity consumption and greenhouse gas emissions, as well as supporting green power products utilising renewable energy.

I turn now to the specific provisions of the bill.

Clauses 1 and 2 of the bill simply state the purpose of the bill and provide for its commencement.

Clause 3 amends the Electricity Industry Act 2000 by inserting a new section 23A which imposes the greenhouse disclosure obligation on electricity retailers by way of a deemed licence condition. This section requires that retailers include greenhouse gas emissions information on each bill issued to a customer, in accordance with guidelines issued by the Essential Services Commission for the purpose of this section.

In addition, new section 23A requires that the Essential Services Commission prepares and issues guidelines to give effect to this licence condition and, in so doing, that they consult with the Sustainable Energy Authority Victoria. Any amendments to the guidelines must also be made in consultation with the Sustainable Energy Authority Victoria. The guidelines, and any amendments to them, must be published by the Essential Services Commission.

I commend the bill to the house.

Debate adjourned for Hon. C. A. FURLETTI (Templestowe) on motion of Hon. N. B. Lucas.

Debate adjourned until next day.

CONSTITUTION (GOVERNOR'S SALARY) BILL

Second reading

Debate resumed from 16 April; motion of Hon. M. M. GOULD (Minister for Education Services).

Hon. N. B. LUCAS (Eumemmerring) — I rise to indicate the opposition's support of the Constitution (Governor's Salary) Bill and wish to make a few brief comments regarding it.

All that is required in this debate is for it to be dealt with quite narrowly. One could wax lyrical about governors of the present and the past, but I do not think this is the time to do that. The Parliament is dealing with an issue to do with the Governor's salary and, indeed, in respect of future governors.

Firstly, as I understand it, the federal government has changed legislation to bring into law the fact that governors in the future will be subject to, shall we say, normal tax arrangements. This bill sets out to ensure that when this arrangement comes into place in Victoria the Governor of the day will not be at any disadvantage.

In 1993 Her Majesty the Queen proposed that in the future she would pay tax within the United Kingdom for the various properties and assets that she holds and

the remuneration that she receives. That was followed through by other members of the royal family.

In 2001 the federal government resolved to repeal the exemption in the income tax legislation in relation to Her Majesty's vice-regal officers in Australia. That would mean quite a substantial reduction if that came into place without us changing the Constitution Act of this state, which at section 7(1) indicates that the Governor is entitled to an annual salary equal to the annual salary payable to a judge of the Supreme Court, less an amount payable for income tax. In other words, the Governor of today and those in past years have received the net pay. In the future, if a change were not made, the Governor would be at a huge disadvantage.

This bill proposes to give the Victorian Governor the same salary as a Supreme Court judge — the gross amount — and that will then have him or her in a situation where they are not at a disadvantage. That seems eminently appropriate.

As I said, it does not affect the current Governor, who is a good man and with whom we have had a little bit of involvement since his appointment. Indeed, all the past six governors with whom I have had some involvement during my public life have been good, interesting and worthwhile people who have undertaken a great service for this state. Without further ado I conclude by wishing this bill a speedy passage through the Parliament.

Hon. R. F. SMITH (Chelsea) — I rise to speak in support of the Constitution (Governor's Salary) Bill and note that it has support from the opposition as well, and that is a good thing. This is, after all, simple commonsense legislation.

The purpose of the bill is to increase the amount paid as salary to future governors now that the Governor's salary has become subject to income tax. The legislation comes into operation on the day after it receives royal assent.

The bill amends section 7(1) of the Constitution Act 1975 by repealing the expression commencing with the word 'less' and ending at the end of the subsection, and at the end of section 7 inserts:

“(3) Despite the commencement of the amendment of sub-section (1) made by section 3(1) of the Constitution (Governor's Salary) Act 2002 ...”

This has some minor interest for me insofar as it upholds the position I have long held — that is, no disadvantage ought to be experienced by anyone in the workplace whose job changes in any way, shape or form. It is a long-held union principle that while

people's conditions change for reasons that are out of their control, they should not be subject to any disadvantage. I am glad that the opposition has supported that principle.

I am quite familiar with the principle of no disadvantage, given that during the 1980s and early 1990s I was an agent of change in many industries across this state. I am well aware of the need to ensure that if you want people to accept change in the workplace — either voluntarily or as part of it, et cetera — you have to ensure that they are not in any way disadvantaged. I am sure, given the quality of people who historically have been selected not only in this state but in this country as governors, we have to be extremely careful that they know exactly what they are getting and that it is maintained.

The current Governor, who we have already heard from the Honourable Neil Lucas is a top-shelf or high-quality individual and extremely well thought of by Victorians and indeed Australians —

Honourable members interjecting.

Hon. R. F. SMITH — He could run rings around this lot in here at times, I am sure!

An Honourable Member — He could run rings around you, Bob!

Hon. R. F. SMITH — He was more of a sprinter — middle distance, not long distance! The current Governor entered into a contract or accepted the position he currently holds on the basis that his salary would be tax free and would match that of a Supreme Court judge in terms of take-home pay. This was as a result of a 1993 decision when Her Majesty the Queen of England and Australia volunteered to pay tax — which I think was quite generous of her — on all of her assets and remuneration. Some would argue it was about time, but given that she did that in 1993, all vice-regal officers were then subjected to the same conditions — that is, they now pay tax.

Given that the current Governor's salary is linked directly to the salary of a Supreme Court judge in Victoria, it is simply a matter of adjusting the current constitution to ensure that the Governor gets his gross pay and retains the same amount of actual net pay. It has already been stated, but I will emphasise it, that the proposed changes this bill brings apply only to future governors, not the current Governor.

Some of my colleagues were interested in the fact that I wanted to speak on this bill, but I have to say, given the number of contributions I have made in the house that

relate to my naval service, I was keen to do it simply on the basis that many ex-naval men have been governors in this country, starting with the famous or infamous Captain Bligh, one of the first governors of New South Wales and one whom I think history has much maligned. Captain Bligh was not only an outstanding navigator and leader of men but, as history shows, an extraordinarily good, competent and incorruptible Governor of New South Wales. In fact he lost his position in New South Wales because of others who were corrupt.

The other ex-naval man who was a Governor comes to mind quite quickly. It was David Martin. I happened to serve with David Martin when he was captain of HMAS *Torrens*. He was outstanding not only as a sea captain but as a man, and was highly thought of by other servicemen. He had an enormous reputation. I recall sailing with him from Auckland. We escorted the royal yacht *Britannia* through the New Hebrides to Port Moresby.

For those who do not know, it is extraordinarily rare for the skipper of an escort of the *Britannia* to be invited on board, but Captain Martin was invited on board for dinner on at least four occasions. I do not think it had anything to do with the fact that he was about 6 feet 3 inches tall, built like an Adonis and gorgeously good looking — according to the women, anyway — but Her Majesty took a fancy to him and invited him on board on numerous occasions. That is the sort of guy he was. Unfortunately he has since passed away. He died of mesothelioma about 18 months ago and is much missed by many people he worked with and for.

This is good legislation; it is commonsense. It simply removes the relevant part of section 7 of the constitution that needs to be removed. I therefore commend the bill to the house.

Hon. R. M. HALLAM (Western) — The Constitution (Governor's Salary) Bill has but a single and simple purpose, that being to ensure that the salary of the Governor of Victoria is not affected by recent changes to the commonwealth taxation laws. In keeping with the simplicity and brevity of the bill I shall also speak very briefly on the issue before the chamber.

By way of background I should report that until last year vice-regal officers, including the Victorian Governor, were specifically excluded from the application of our commonwealth tax laws. That exemption has its basis in history. It can be traced back over the centuries and is a product of the national

progression under which royalty was traditionally exempted from taxes.

Perhaps more graphically, it is a statement regarding the influence of royalty rather than some statement on equity, because it is a carry over from the struggle which accompanied the transfer of authority from the Crown to the Parliament, and so it has traditionally been some sort of trade-off or appeasement. The notion is that the Parliament has assumed the power, but Parliament has said to royalty, 'We will let you off the application of the tax laws which we impose on our commoners'. This exemption has worn a bit thin over the years, not just in Great Britain but generally where royalty has been involved, and to that extent the British royal family has been no exception.

As has been noted by previous speakers, in 1993 Queen Elizabeth agreed to forgo that exemption, and I might report that that agreement by Her Majesty brought great relief to the keeper of the public purse because the tax structure in Great Britain applies not just to the income treatment but to asset holdings as well, and the royal family is well known for the size of both its income stream and asset base.

It took some years for that agreement of application of taxes to come into effect. That has now been done in Great Britain. It took some more years for the same effect to flow through to vice-regals here in Australia, and it is a matter of record that the commonwealth passed the appropriate amendments to the national tax laws last year which would see the exemption applying to vice-regals removed from the statute book.

Our Constitution Act says two things about the salary of the Governor. It says first of all that the Governor's salary shall be linked to that of a judge of the Victorian Supreme Court, which of itself is an interesting benchmark. I would in another circumstance be pleased to make some comments about my views on the appropriateness of tying the emolument of our Governor to that of a Supreme Court judge, but that is a debate for another place. However, I would certainly raise the question as to the relative roles in our community, which places a question mark on that benchmark.

The second feature of our Constitution Act is that it states that the salary of the Governor shall be paid at the net rate rather than the gross rate. In other words, it shall be the equivalent, after having deducted the standard pay-as-you-earn tax — and to that extent it acknowledges the traditional exemption from tax while effectively retaining the benchmark — of a Supreme Court judge's stipend.

The bill before us has two effects. First of all, it provides that the Governor will now be paid at a gross rate rather than a net rate. Secondly, the changes shall come into effect to apply only to incoming governors, thus preserving the current arrangements insofar as they affect Governor Landy, to whom I convey the warmest and most genuine greetings of my colleagues in the National Party.

As an interesting aside, the bill raises a quite technical question as to whether it is needed at all — that is, whether a state law would remain effective in the face of an amendment to a commonwealth law. In other words, it raises the question whether an amendment passed by our federal colleagues would have effect whether or not we matched such a change in state legislation, or more specifically, whether state legislation could — or even should — resolve the issue of the applicability of federal tax laws — that is, whether legislation passed in this Parliament should resolve the question of whether a person should be subject to or exempt from commonwealth taxes. I thought that was a pretty interesting point.

As it happens, today's legislation provides that that person should be subject to commonwealth tax laws. To that extent, it is going in the right direction and is not likely to promote a fight. I wonder what the effect would be if the law we are debating today actually provided the reverse. I pose the question whether the issue of the effectiveness of the legislation should turn on the question of in which direction the change ran. I hope no-one in this chamber would argue that it should revolve on whether we actually provide that a person should be exempt from or subject to taxes. If that were the case, we could — in a technical sense, I hasten to add — frame a law which provides that Victorian parliamentarians were exempt from commonwealth taxes!

An Honourable Member — That would be a good idea!

Hon. R. M. HALLAM — I am sure that would get a headline or two!

I know that is a bit flippant. We are talking about our Constitution Act, our structural history and negotiations which go way back and precede the enormous and historical development which took place in 1901: the birth of what we regard as a great nation. I make the point that there are some really quite acute and technical legal implications in what we are doing today. We are changing the Victorian statute book to reflect commonwealth legislation, so the question of whether this bill is needed is hypothetical. We acknowledge that

it tidies up our statute book and removes an inconsistency. It is logical, supportable and the National Party shall be counted amongst the ayes.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! In my opinion the second reading of this bill requires to be passed by an absolute majority. I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! To ascertain whether the required majority has been obtained I ask those members in favour of the question to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time; by leave, proceeded to third reading.

Third reading

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That this bill be now read a third time.

In so doing I thank honourable members for their contributions to the debate on this important bill.

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority. I again ask honourable members in favour to stand in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

**STATUTE LAW (FURTHER REVISION)
BILL**

Second reading

Debate resumed from 16 April; motion of Hon. M. M. GOULD (Minister for Education Services).

Hon. D. McL. DAVIS (East Yarra) — I rise to make a contribution to debate on the Statute Law (Further Revision) Bill. It has general support across the Parliament and tidies up a number of inconsistencies, ambiguities, minor omissions and typographical errors and updates references including matters such as the final transition to decimal currency. It is the sort of bill that is needed from time to time to update and modernise our legislation and to ensure that references in legislation accurately reflect the way we wish things to be referred to and the way in which the Parliament and the community wish to see things enacted.

I note the comments by the Scrutiny of Acts and Regulations Committee about a number of retrospective elements in the bill. That is the nature of such a bill. It is a bill that corrects errors, grammatical and typographical issues, as well as updating references, and will by necessity change things in a retrospective way. In that sense the committee made the point that these were appropriate changes and did not inordinately infringe the rights of any individuals.

The bill does not need detailed comment. It is an important bill to ensure legislation is timely, is updated and is appropriate. It has had the support of all parties as it has gone through the Parliament and I do not wish to add any great complication to that other than to record that the opposition does not oppose the bill.

Hon. E. C. CARBINES (Geelong) — I am pleased to speak on behalf of the government on the Statute Law (Further Revision) Bill which on its passage will revise the Victorian statute book to ensure it appropriately reflects our laws today. The second-reading speech describes the bill as a housekeeping measure in that it repeals redundant acts, fixes errors and omissions, and codifies administrative arrangement orders.

The bill repeals more than 70 redundant acts which are listed in schedule 2. They have been deemed redundant because they were amendment acts and as such have served their purpose in that they have amended the principal acts. As they are deemed to be redundant, it is appropriate that they are removed from the statute book.

The bill also corrects many errors and omissions in current acts. Often these errors are merely spelling mistakes or typographical errors, but it is important that the statute book is grammatically correct. Examples in this bill include correction to typographical errors in the Crimes Act 1958, the Duties Act 2000, the Electricity Safety Act 1998 and the Infertility Treatment Act 1995.

It is interesting to note that the amendment to the Cultural and Recreational Lands Act 1963 is to substitute the term 'dollar' for 'pound'. The Scrutiny of Acts and Regulations Committee noted in *Alert Digest* No. 2 of 2002 that this amendment completes Victoria's transition to decimal currency. It is good to know that nearly 40 years since the introduction of decimal currency in Australia we have finally concluded its introduction by revising the Victorian statute book with the passage of this bill. Of course, that was the major currency initiative of the 1960s in Australia.

Another act this bill seeks to amend is the Victorian Sanatoria for Consumptives Act 1911. One gets a certain sense of history from the name of the act, not just from the year it was passed but the terms used in the title to describe the act.

The bill will make no substantive changes to legislation on the statute book but it ensures that the statute book accurately and appropriately reflects modern legislation. I therefore commend the bill to the house.

Hon. R. M. HALLAM (Western) — I hope the chamber is not surprised to learn that the National Party shall be supporting the Statute Law (Further Revision) Bill, because it is the ultimate housekeeping bill. It has become a familiar feature of each parliamentary session.

The bill has three really basic objectives: firstly, it repeals any redundant act which has been identified within our statute book; secondly, it is designed as a vehicle which will correct any ambiguities, omissions or typographical errors which have been discovered in those statutes; and thirdly, it is designed to codify the administrative arrangement orders. As I said, it is the ultimate in housekeeping, but it is nonetheless important as part of the parliamentary process.

The bill repeals in excess of 70 acts of Parliament which have been overtaken by events or by the effluxion of time. It cleans up the bits and pieces that have been discovered by way of errors and, as I said, it codifies the administrative arrangements.

I believe this is supportable legislation. It is a standard feature of each session. It demonstrates that the system is working. To the extent that there is anything glamorous about this place it is generally directed at the passage of new legislation, whereas the repeal of redundant legislation is in its own way just as important if we are to ensure that our statute book is up to date and appropriate for the time rather than being clogged up by redundant legislation or complicated by technical

error. This is sensible and necessary legislation and the National Party is delighted to support its passage.

Motion agreed to.

Read second time.

Third reading

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That this bill be now read a third time.

In doing so I thank honourable members for their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ADJOURNMENT

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I move:

That the house do now adjourn.

Gas: Beaconsfield Upper and Harkaway supply

Hon. N. B. LUCAS (Eumemmerring) — I refer the Minister for Energy and Resources, who unfortunately is not with us this evening, to the provision of reticulated gas to Beaconsfield Upper and Harkaway. The honourable member for Berwick in another place and I have recently researched the possibility of providing reticulated gas to Harkaway and Beaconsfield Upper off a main from Narre Warren North across through Harkaway to Beaconsfield Upper. We enlisted the advice of Origin Energy, which undertook an investigation as to what was required. What is required is 8.5 kilometres of supply main and a further 18 kilometres of reticulation main to service approximately 470 houses.

I know and everybody knows that the price per kilojoule of bottled gas is about one-third higher than that of reticulated gas. It may be more than that; it could be one-half more expensive depending on where it is obtained. It would be of huge benefit to my constituents in those two towns if reticulated gas could be provided.

Sadly Origin Energy has reported back that over the 20-year period it has to amortise the cost of putting in the infrastructure there would be a shortfall of

\$1.4 million. That is a lot of money and it makes the whole development unviable. But I am aware that the Minister for Energy and Resources provided funding to the areas of Portarlington, St Leonards and Indented Head for reticulated gas a year or two ago. The cost of that was initially in the order of \$1.5 million and it extended out to about \$1.75 million by the time the works had been completed. As I say, the figure to provide reticulated gas to Beaconsfield Upper and Harkaway is around \$1.4 million, which is less than the amount the minister provided for those three towns I mentioned.

I believe it would be really good to provide reticulated gas to these communities. It would save them money and it would be a wonderful development for those areas. I therefore ask the minister to provide funding, in the interests of fairness, to ensure the provision of reticulated gas to the townships of Beaconsfield Upper and Harkaway.

Crown reserves: management

Hon. R. M. HALLAM (Western) — I raise an issue for reference to the Minister for Environment and Conservation in the other place. I have previously brought to the attention of this house and of the minister in particular the frustration of committees of management responsible for the administration of Crown reserves across our state in that they are being denied the authority to fulfil their management role. They consistently complain of a lack of ministerial support.

This issue has been highlighted across western Victoria where successive years of below average rainfall have resulted in many lakes and water storages remaining dry. The relevant committees of management have been faced with the additional problems of controlling sapling and exotic weed growth and the associated public risk, not the least of which is that of wildfire. I recently cited the example of fairy grass on Lake Natimuk and the extraordinary costs incurred by the Rural City of Horsham as the committee of management for that area. I pleaded the case that government should meet those costs rather than simply assuming that the council would do so.

I am pleased to report the minister's ex gratia offer of \$5000, and I genuinely thank her for the implied acknowledgment of at least partial responsibility. However, the council has costed the remedial works in this instance at \$23 000. I acknowledge that the council's costings include an allocation of staff time and overheads, and while these are real costs incurred by council I admit that we could debate both the

appropriateness of their inclusion and the on-cost calculations involved. However, there can be no argument about the cost of outside contractors, amounting in this case to \$10 400, and I respectfully ask the minister to increase her offer to at least include those unforeseen external costs. That seems a fair principle on which to structure a compromise.

My request of the minister is that she not only authorise the payment of \$10 400 to the Rural City of Horsham in respect of works undertaken at Lake Natimuk, but that she commit to the principle that government will at least meet the unforeseen external costs incurred by committees of management as a direct result of the unseasonal conditions currently being experienced across country Victoria. I would argue that such a commitment is only fair, given that the various agencies of government hold the power of veto over the alternative strategies to address the additional problems confronting Crown land managers and can thus directly affect the costs involved.

Magistrates Court: Koori liaison officer

Hon. B. C. BOARDMAN (Chelsea) — I raise a matter for the attention of the Attorney-General. I preface my comments by stating that yesterday I was indeed privileged to attend in my capacity as the chairman of the Drugs and Crime Prevention Committee the Aborigines Advancement League in Thornbury to discuss issues with the Koori community regarding the committee's inquiry into volatile substance abuse.

Throughout the course of this at times quite lengthy discussion a number of issues were raised about the inaction of the government in relation to some of its programs that had either received funding reviews or were subjected to a degree of uncertainty with their funding regimes, which was creating an element of anxiety within the Koori community as to whether or not those programs would continue to provide the valuable services they offer. In no way do I say that that reflects badly on the government because I cannot substantiate the claims, but nonetheless there was a similar theme which probably requires some investigation.

I refer to the Attorney-General's press release of Tuesday, 16 April titled 'Magistrates Court gets first Koori liaison officer'. The basic sentiments attached to this press release seem quite valid, notwithstanding that the Koori community at times requires access to government services — in particular specialised services — in a more approachable manner, and any attempt by the government to provide that level of

service needs to be commended if it is achieving its objectives.

The press release suggests that this Koori liaison officer will be the key contact for Koori defendants. His job — the person has been appointed — will be to explain the court processes and the implications of court orders to indigenous defendants. He will also bring to the court's attention any cultural issues that need to be addressed in dealing with Koori defendants. He will also be able to provide advice to the court on services available in the community for Kooris. All of that seems quite reasonable.

However, I am troubled by one comment that suggests that this person will be able to bring to the court's attention any cultural issues that need to be addressed. In pure definitional terms, if a magistrate is going to take into consideration those cultural issues when it comes to availing a specific defendant of existing services or perhaps adopting more rehabilitative or preventive sentencing measures, I trust that what the Attorney-General is suggesting is that that advice will in no way pre-empt or directly influence the court's sentence. As members of Parliament we need to maintain the complete independence of the judiciary and the complete lack of influence on the judiciary by external support services in either a direct or indirect manner.

I ask the Attorney-General — because I have not been able to ascertain this from anywhere on the government web sites or from any publications containing further information about this agreement — how the arrangement will operate and what the criteria will be for this Koori liaison officer in providing sentencing and other information.

Fishing: inland access licences

Hon. P. R. HALL (Gippsland) — I raise a matter for the attention of the Minister for Energy and Resources regarding inland access fishery licences. The government is currently conducting a review of inland recreational fishing and a view is being expressed in the course of that review that the government should buy out the five remaining professional inland access fishing licences.

The National Party in the past has not objected to a voluntary buy-out of professional fishing licences and has supported the voluntary buyback of bay and inlet professional fishing licences, and we would not object to a voluntary buy-out of these inland access fishing licences so long as fair and reasonable terms and the

future intentions of the licence-holders can be accommodated.

This matter was raised with me by Mr Rob Loats, who is currently president of both the Mid Northern Association of Anglers and the Wimmera Anglers Association. When he raised the matter I wrote to the five holders of inland access licences and sought their views, and each of them has expressed the view that they would be prepared to sit down with the government and negotiate a buy-out package. If such an outcome could be achieved it would certainly bring double benefits — to the holders of those licences and to the many other people who participate in inland recreational fishing.

My request to the minister is that she initiate some formal consultation with the holders of these licences with a view to reaching a satisfactory accommodation for a buy-out and thereby bring about a very positive outcome for inland angling per se.

Geelong Arena

Hon. E. C. CARBINES (Geelong) — As the Minister for Sport and Recreation is aware, the Geelong Arena is a very important sports facility in Geelong as the home of the Supercats and over 3000 amateur basketballers. The Geelong Arena is also home to the Geelong Society of Dramatic Arts and local gymnastics, and it hosts many rock concerts.

A year ago the current owner advised he was intending to sell the facility and that the potential buyer would not use the arena for basketball. I was very pleased to assist in this matter by raising it with the government. We appreciate the minister's assisting the City of Greater Geelong by giving it some funding to investigate the feasibility of securing public ownership of the Geelong Arena, and we appreciate his prompt response. As a result the city approached the government for some funding to secure the future of the arena for the people of Geelong. The Premier announced a \$1 million commitment from the Community Support Fund at Christmas time. This announcement was very well received in the Geelong community, and all associated with the arena breathed a huge sigh of relief.

I felt concern at being notified last week by Damian Armour of the Geelong Supercats that the negotiations between the City of Greater Geelong and the owner have broken down and that the owner now intends to put the facility up for sale by tender. This decision has caused much concern in the Geelong community because we are afraid we may lose this important facility for basketball.

As a member for Geelong Province I urge the City of Greater Geelong to recommence negotiations with the owner on behalf of the people of Geelong and the future of basketball in Geelong. In bringing this urgent matter to his attention, I seek the minister's advice.

Commonwealth Games: athletics tracks

Hon. P. A. KATSAMBANIS (Monash) — My question is to the Minister for Commonwealth Games. Although the Melbourne Commonwealth Games are still four years away — and we all look forward to good performances by the Australian athletes in Manchester later this year — it is an opportune time to look at the facilities that are going to be required for hosting the games to ensure that they are available, and available on time.

Specifically I raise the issue of the athletics tracks. We know the principal athletics competition track will be located at the Melbourne Cricket Ground, as it was for the 1956 Olympics. However, no doubt athletes will require warm-up facilities outside the Melbourne Cricket Ground, which is likely to be used solely for competition purposes. I would like the minister to turn his mind to the provision of these warm-up athletics tracks and to inform the chamber and the people of Victoria exactly how many athletics tracks it is envisaged will be required for the purposes of the athletics competition at the Commonwealth Games and where these facilities are to be located for the period of the games. Most importantly for community infrastructure, I ask the minister to indicate whether these facilities are likely to be temporary or permanent facilities.

Barwon Heads Football and Netball Club

Hon. I. J. COVER (Geelong) — Through the Minister for Sport and Recreation I bring to the attention of the Minister for Environment and Conservation the announcement that the Barwon Heads Football and Netball Club is staying at its Barwon Heads home. Honourable members would have heard earlier today the other member for Geelong Province mention this during members statements. I am pleased to report that I am the joint no. 1 ticket holder of the club, along with the former Hawthorn champ, Johnny Platten.

The other member for Geelong Province in her contribution talked about a recent announcement ending the uncertainty for the club. I point out that that uncertainty was created by a previous Labor government, which recommended that the club be moved from its grounds in the Barwon Heads camping

ground area 12 years ago. I place on record the fact that the club was allowed to occupy its home ground throughout the seven years of the previous Liberal government.

The people of Barwon Heads, however, are concerned that there is still some uncertainty created by the comments of the other member for Geelong Province, as reported on the front page of today's Bellarine edition of the *Echo*, which states:

... the government was satisfied that redevelopment of the site could be done ...

She is reported as going on to say:

But ... the club would need to develop a business case in partnership with the Barwon Coast committee of management, the City of Greater Geelong, the Wathaurong community and the government, which demonstrated it could continue to flourish.

On the one hand the honourable member for Geelong Province is saying the government is satisfied that the redevelopment could be done but on the other hand she is saying that the government would still have to be satisfied that a business plan can be developed for the club to continue to flourish. Further on in the same article she is reported as saying:

The club will now have the security to plan ahead ...

We have security to plan ahead, but the government is on the one hand satisfied and on the other hand needs to be further satisfied if the comments of the other member for Geelong Province, as reported on the front of the *Echo* today, are accurate. I know what a fine publication it is, and I am sure the comments are accurate.

I seek clarification from the minister whether this signals that another hurdle is being put in front of the Barwon Heads Football and Netball Club. We need this clarification because after waiting two and a half years for this Labor government to make a decision about whether the club could stay put, there still appears to be confusion. This matter needs to be sorted out very quickly indeed.

Police: Wodonga station

Hon. W. R. BAXTER (North Eastern) — Earlier today I referred to the new court and police complex in Wodonga and welcomed the \$12 million to \$13 million investment that has been made. I noted how widely appreciated that is by the community of north-eastern Victoria.

There is no doubt that it is a very good building, although I might say my observation is that the court division of the new building has the best end of the deal. It occupies about 55 per cent of the space and the police have 45 per cent, despite the fact that 72 police officers make up the complement in Wodonga and probably something like 10 or a dozen court employees.

Be that as it may, the matter I wish to raise in particular is the lack of internal fit-out of electronic technology for the police in their new building. I understand they are being supplied with only three computers, and they are not even new — they have had to be moved from the old building. I am all in favour of recycling and making use of things, but it would seem to me that that is an entirely inadequate number of computers for a very busy police station if it is to operate efficiently and make the best use of its new building.

I appeal to the Minister for Police and Emergency Services to have another look at the allocations of modern-day equipment, communications technology and the like that have been made to the new Wodonga police station. It would be a pity if the real potential of such a huge capital investment were not fully realised because of the inadequate equipment housed therein. For the work of police — who do such a magnificent job in north-eastern Victoria — to be hindered by not having the state-of-the-art computer equipment which one only has to walk into any other public service office to see in abundance would be a dreadful injustice.

I would like the minister to turn his mind to whether adequate information technology equipment has been provided to the new Wodonga police station.

Eramosa and Frankston–Flinders roads: safety

Hon. R. H. BOWDEN (South Eastern) — I direct a matter to the Minister for Sport and Recreation for referral to the Minister for Transport in the other place. The issue I raise relates to the difficulties being experienced in Somerville at the intersection of Eramosa Road East, Eramosa Road West and the Frankston–Flinders Road.

In recent years Somerville has experienced very high growth. Only a decade ago it contained approximately 3000 to 4000 people, but its population is now widely reported to be more than 14 000.

Somerville has some very unusual physical characteristics which go back to when it was a small township, and the intersection has a number of characteristics that make it very dangerous. These include the fact that it is at the centre of commercial

activity of the town and there is a double roundabout; it is right next to the railway crossing; it has high traffic volumes in each of the four roads coming into it; and there is often difficulty with traffic having right of way. Compounding that is the fact that it has two pedestrian crossings. All these things are centred at the one intersection.

On many occasions, particularly in the evenings when people are returning from Melbourne at the northern end and heading south on Frankston–Flinders Road, the right of way which is required by traffic laws is given to the small volume of traffic heading west on Eramosa Road, which causes great delay. The double roundabout at the intersection makes the traffic extremely dangerous, difficult and very slow.

The problem would be easier to resolve if the railway line were not immediately next to this complex arrangement. I am particularly concerned because of the growing number of my constituents who live in the town and the propensity for collisions, the inherent delays in this cumbersome and dangerous traffic manoeuvre for drivers to get through the intersection properly and the difficulty with the two pedestrian crossings, one of which leads to a popular supermarket.

The intersection is dangerous and is a matter of real concern. Apart from the worry for people there is potential for a disaster in the township. Will the minister take immediate urgent action to explore the possibility of having this situation corrected?

Stonnington: illegal posters

Hon. ANDREA COOTE (Monash) — I direct a matter to the Minister for Sport and Recreation for referral to the Attorney-General in the other place. I refer to an article in the *Stonnington Leader* of 15 April which referred to unsightly posters plastered all over my electorate. The posters appear on blank walls, shopping centres and residential streets, under bridges, train stations and on powerlines. They usually advertise concerts, nightclubs and events not even held in the area. I am sure my electorate is not alone in having this problem.

The removal of the illegal posters costs the City of Stonnington approximately \$80 000 a year. It is a difficult problem for the council to police. Council officers are only able to issue fines to people caught in the act of putting up posters and not to the operators of the events the posters advertise. They have to catch someone putting up the posters.

My constituents are very concerned about the appearance of their streets and shopping areas. I know

traders associations are particularly concerned in areas around Chapel Street, Toorak Road and Fitzroy Street. I know many people have contacted the government regarding this matter and it is a problem that will not go away without some action. I ask the minister what the government is doing to address this issue of illegal posters.

Waste management: regional restructure

Hon. E. J. POWELL (North Eastern) — I raise a matter with the Minister for Sport and Recreation for the attention of the Minister for Environment and Conservation. The issue I raise relates to regional waste management groups. I understand the minister is reviewing the groups with a view to making decisions about funding and the structure of the boards. I recently met with Mr Steve Gore, the executive officer of the Goulburn Valley regional waste management group; the City of Greater Shepparton representative on the group, Cr Alan Sutherland; and the Shire of Campaspe representative, Cr Murray McDonald. They are concerned about changes to staffing arrangements. They put in a submission to the ministerial review that included a number of issues, including the funding of the executive officer, who is currently employed part time and has assistance from the City of Greater Shepparton, but who works from home.

The group has asked to retain the present employment arrangements and believes that funding for each of the regional waste management groups should be flexible to reflect each area's needs and best interests. The group also sees no need to formally establish a central office as its activities are spread over about 21 000 square kilometres and the majority of the time of the executive officer is spent travelling and meeting at the offices of member councils and businesses in the area.

I understand the minister has not yet made a decision regarding the employment of executive officers or staffing arrangements, and I therefore ask her to allow the Goulburn Valley regional waste management group to continue with its present employment arrangements and to allow for a part-time chief executive officer, which the member councils of the group believe works really well for them and is in their best interests. They are asking me to ask the minister to continue with this arrangement.

Soldiers Road, Beaconsfield: safety

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise a matter with the Minister for Sport and Recreation for the attention of the Minister for Police

and Emergency Services in the other place. The issue relates to Soldiers Road, which I mentioned yesterday, but the issue I raise tonight is different.

Hon. I. J. Cover — A different minister!

Hon. G. K. RICH-PHILLIPS — A different minister, a different issue, but the same road. I refer to the speed limit on Soldiers Road. Currently traffic on the majority of Soldiers Road through the residential area of Beaconsfield is restricted to 50 kilometres an hour. This is primarily because it goes through a residential area and also because the road is unsuitable for the type of traffic it has to carry.

This problem would be alleviated if the Bracks government were to build the Pakenham bypass, which would take out of Beaconsfield all the traffic that connects Berwick South to the Princes Highway and allow Soldiers Road to operate as a local road. In the absence of the Pakenham bypass and the junction between Berwick South and Beaconsfield being completed, a lot of heavy traffic and through traffic must use Soldiers Road, which is manifestly inadequate.

In order to address this issue, Soldiers Road has been speed limited to 50 kilometres an hour in order to slow down the traffic and improve road safety. The difficulty is that traffic is not adhering to the 50-kilometre-an-hour limit. The road was previously speed limited at 80 kilometres an hour, and much of the traffic continues to travel on the road at 80 kilometres an hour. It is an issue of enforcement of the existing speed limit.

Residents have been successful in having a 50-kilometre-an-hour limit put in place, but it is not good when the limit is not being adhered to. The Minister for Police and Emergency Services should ensure that the 50-kilometre-an-hour speed limit in Soldiers Road is enforced and that speed cameras and police with radar guns are present so that the speed limit is enforced and the safety of the people using Soldiers Road can be improved. I hope in the short term there will be the ultimate solution — that being the completion of the Pakenham bypass.

Roads: speed limits

Hon. M. T. LUCKINS (Waverley) — I raise a matter with the Minister for Sport and Recreation representing the Minister for Energy and Resources, who has not made the time to attend this evening but who represents the Minister for Transport in the other place. The issue is the 50-kilometre-an-hour speed limit in residential streets. I wish to refer to two issues: one is

the inconsistency in designating and defining what constitutes a residential street and the second is my concern and the concerns of my constituents that police are being used as tax collectors.

As an example, Gallaghers Road in Glen Waverley, which is designated at 50 kilometres an hour because it is a residential street, according to the government, is the subject of grave concern and complaints from my constituents. The surrounding roads all have speed limits of 60 kilometres an hour. Gallaghers Road is a major collector road which connects Waverley Road and High Street Road. I live off Gallaghers Road, and my daughter attends preschool off that road. Motorists use this collector road to avoid the seven sets of traffic lights on an equivalent section of parallel Springvale Road. As I mentioned, the roads it connects, Waverley Road and High Street Road, are designated 60 kilometres an hour. The fact is that they carry the same volume of traffic and are basically the same dimensions as Gallaghers Road. There is no doubt that Gallaghers Road is a collector road. It is not an opinion I have gleaned only from my local residents but also from council officers. Moreover, there is a steep hill on Gallaghers Road which makes it extremely challenging for motorists to maintain a 50-kilometre-an-hour limit.

The second issue I raise relates to police being used as tax collectors. A number of constituents have contacted me after being fined at the bottom of the Gallaghers Road hill, which is not only inappropriate but blatant revenue raising. As a mother with two young children I am supportive of the 50-kilometre-an-hour limit on residential streets, but the question is whether that designation is appropriate in all the circumstances and is consistent with other local roads.

I call upon the minister to investigate the designation of Gallaghers Road with a view to reinstating the 60-kilometre-a-hour speed limit adjacent to other local roads carrying similar volumes of traffic which have the same sized carriageways.

Electricity: solar power station

Hon. B. W. BISHOP (North Western) — My adjournment issue tonight is for the attention of the Minister for Energy and Resources and will be done through the Minister for Sport and Recreation, the only minister in attendance in the chamber.

The company Enviromission Ltd has held an option to purchase land at Neds Corner Station approximately 60 kilometres west of Mildura to construct a solar power station featuring a 1-kilometre high concrete tower that will generate enough power for

200 000 homes. There have been only minimal objections to the power station being built at Neds Corner; however, the company now has an option to purchase a 10 000-hectare site within Tapio Station in New South Wales about 25 kilometres north-east of Mildura for the possible construction of the \$670 million project.

Each site offers obvious advantages. However, it appears to most people the New South Wales government is encouraging Enviromission to build in New South Wales. It is certainly clear that the Wentworth shire is particularly active in attempting to sway the decision the way of New South Wales. One of the concerns raised with me is that the Labor government has thrown its support behind the wind power electricity generation concept and is not showing anywhere near the same enthusiasm for innovative solar power generation such as that offered by Enviromission.

Will the minister advise what steps the Victorian government has taken to enable this innovative solar power station to be built in Victoria, and to ensure that it be built in the Sunraysia area so that the ongoing employment benefits are captured by the area?

Insurance: public liability

Hon. PHILIP DAVIS (Gippsland) — I raise an issue for the attention of the Minister for Sport and Recreation, who is in the house this evening. I would have raised this matter with him last night had he attended the adjournment debate. Honourable members will know of the adverse impact of the current crisis in public liability insurance on the community. Particular concerns have been raised by adventure and outdoor tourism operators. Also many community events have been cancelled around Victoria because organisers are unable to secure adequate insurance cover.

Community organisations vital to the wellbeing of our society are also at risk. For example, the Bairnsdale Police and Citizens Youth Club has ceased to operate as a result of public liability insurance premium increases from \$2000 per annum to \$7000 per annum. I am advised that many similar clubs are also at risk, including some at Warragul. What action, if any, is the minister taking to support the community sport and recreation organisations that are closing due to the public liability insurance crisis?

Harcourt bypass

Hon. R. A. BEST (North Western) — I raise with the Minister for Sport and Recreation, who represents

the Minister for Planning in another place, a matter that relates to a deputation I received last Friday from Mr Frank Panter and Mr Evan McCrumb about the proposed Harcourt bypass and the announcement in December by the then Minister for Planning that, following the release of the panel report, he had established last year that only one option, the FR4 option, was acceptable.

I have been approached by these members of the community who today came to Parliament to brief my colleagues the Honourables Jeanette Powell and Barry Bishop about issues relevant to them. A committee called the Coalition against the Calder FR4 option has been established. It is extremely concerned that the panel decided that a key criterion for assessing the freeway route was that Midland Highway traffic had to bypass central Harcourt. As only one of the four options that was presented by Vicroads and the community that met this new but unknown criterion, FR4 won it by default. Page 249 of the panel report states:

The panel has described the failure of FR1 and FR2 to address strategic regional transport issues as a 'fundamental flaw' in these options.

It goes on to say in its overall evaluation of options:

It deprives Harcourt of the opportunity to reinvent itself as a quiet, pleasant and safe local community centre, an opportunity that is normally provided by a highway bypass. The panel rejects options FR1 and FR2 on this basis alone.

The problem is that nobody knew the criterion that was to be assessed or used in the assessment by the panel. In a letter dated 31 March, Mr Frank Panter, vice-chairman of the committee, says:

Have the panel alerted Vicroads to this key criterion during the hearings or soon after, Vicroads could have modified its routes so the panel had some valid options to choose from. The section of the Midland Highway which the panel was concerned about is quite small (about 1 kilometre), and realigning it would be possible.

This breakdown of the planning process meant the panel was forced to choose, by default, the worst route.

After four years of community consultation and community involvement, we are faced with the problem that the community again feels that it has not had appropriate input. I am concerned that after four years it will take another 18 months before a decision is made. I seek an urgent deputation on behalf of this group to the minister.

Land tax: self-funded retirees

Hon. D. McL. DAVIS (East Yarra) — I raise for the attention of the Minister for Sport and Recreation to pass on to the Treasurer in the other place a matter relating to land tax. I note that the Treasurer's representative, the Minister for Energy and Resources, is not present in the chamber tonight given the government's new policy of not having representatives to listen to serious issues.

The matter I wish to raise in a confidential manner relates to one of my constituents, but if the minister or his representatives wish to see the documentation I should be happy to show them the specific documents. My constituents live in Kew and own a number of properties. The couple have saved for many years to build up a small nest egg in their retirement and have managed to get themselves into the position where they rely on the income from a number of properties.

The properties in question have been hit with new land tax assessments, as have many others. I direct the attention of the house to the land tax notice issued on 16 March 2001 for an amount of \$3450.65. That land tax bill in 2001 could be considered to be significant. A similar notice for this year's tax on the same properties was issued on 22 March 2002. The amount of land tax assessment for 2002 is \$9362.50 — an almost threefold increase, which must be considered as very significant for a couple that relies on those properties.

The opposition is aware that land tax reassessments occur from time to time and that property values change. That is appropriate in itself, but where such wide disparities and enormous swings occur there is a case for the detail of the matter to be examined closely. The Treasurer should examine the impact of the policy across the state.

I am also aware that equalisation factors have been changed, which has had an impact. It is important to realise that the impact of this tax on many people is very significant, but the effect on this couple will be quite profound and will strike them hard. The opposition views the harshness of this as something that should be considered carefully. The opposition accepts that the topic is not an easy one, but this high-taxing government has not thought it through. I am very disappointed that the representative in this place of the Treasurer is not in the chamber to hear about the impact of the tax bill on my constituents.

Ice sports centre

Hon. C. A. FURLETTI (Templestowe) — I direct a matter to the attention of the minister who is on the roster tonight — that is, the Minister for Sport and Recreation. I refer the minister to an issue raised during question time last month by the shadow minister for sport, the Honourable Ian Cover, relating to what the government had done about the new icerink venture at Docklands in respect of which the government was to contribute land.

Since the matter was raised most members of the opposition have received a literal flood of correspondence from people who are interested. I am happy to table that if the minister so wishes. The correspondence has asked the opposition in this place to ensure the Premier and the Minister for Sport and Recreation support the Docklands icerink venture. Will the minister advise the house what he has done since last month to progress this pressing issue for those who enjoy ice-skating?

Responses

Hon. J. M. MADDEN (Minister for Sport and Recreation) — In relation to the matter raised by the Honourable Neil Lucas regarding reticulated gas in Harkaway and Beaconsfield, I will refer that to the Minister for Energy and Resources.

In relation to the matter raised by the Honourable Roger Hallam regarding Crown reserves boards and/or committees of management and the resourcing of costs, particularly some of the external associated costs, I will refer that to the Minister for Environment and Conservation in the other place.

In relation to the issue raised by the Honourable Cameron Boardman regarding a Koori liaison officer and associated specialist services, particularly cultural issues and the relationship to sentencing, I will refer that to the Attorney-General in the other place.

In relation to the issue raised by the Honourable Peter Hall regarding the potential buy-out of inland access fishing licences, I will refer that to the Minister for Energy and Resources.

As to the issue raised by the Honourable Elaine Carbines regarding the Geelong Arena and the \$1 million commitment by this government to support the Geelong council in the purchase of that facility, I compliment the honourable member for her substantial effort in highlighting the project with the relevant ministers. I am particularly concerned about the tardiness of the council on this issue, and work is under

way now to ensure the council resolves its position on this matter. That is certainly being promoted by the government so that the opportunity the government has facilitated is not lost to community sporting organisations in Geelong. I look forward to the council resolving the issue in a positive manner to ensure that the substantial opportunity and funding offered by the Bracks government is not lost to the Geelong community.

In relation to the issue raised by the Honourable Peter Katsambanis about the athletics track and facilities for the Commonwealth Games, I highlight that at this point in time I have not been notified of any additional requirements for warm-up tracks other than the use of the track to be laid at the Melbourne Cricket Ground and the substantial warm-up facilities to be used at the current Olympic Park athletics track. I understand that that track would require some additional upgrading, of sorts still to be determined, to ensure that the facilities in and around that precinct are suitable for and acceptable to the athletes as warm-up facilities for the major athletics events that will take place during the course of the Commonwealth Games.

In relation to the issue raised by the Honourable Ian Cover regarding the Barwon Heads Football Club, for referral to the Minister for Environment and Conservation in the other place, again I compliment the Honourable Elaine Carbines for her outstanding effort in working through this fairly complicated matter in relation to the community, particularly about the number of stakeholders involved in finding a resolution to the issue. I look forward to the Barwon Heads club flourishing in the future because of the substantial work done by the Honourable Elaine Carbines. I will refer those technical matters to the Minister for Environment and Conservation in the other place.

In relation to the fit-out issue raised by the Honourable Bill Baxter regarding the Wodonga police station, I will refer that to the Minister for Police and Emergency Services in the other place.

In relation to the issue raised by the Honourable Ron Bowden regarding traffic, pedestrian, road and rail issues in the Somerville area, particularly Eramosa Road and the Frankston–Flinders Road, I will refer that to the Minister for Transport in the other place.

On the issue raised by the Honourable Andrea Coote regarding the unsightly posters and associated issues, including costs, around those posters in the city of Stonnington, I will refer that to the Attorney-General in the other place.

In relation to the issue raised by the Honourable Jeanette Powell regarding regional waste management groups and related staffing issues, I will refer that to the Minister for Environment and Conservation in the other place.

The issue raised by the Honourable Gordon Rich-Phillips about speed limit issues, particularly Soldiers Road in the Beaconsfield area, will be referred to the Minister for Police and Emergency Services in the other place.

As to the issue raised by the Honourable Maree Luckins for the attention of the Minister for Transport in the other place regarding speed limits on residential streets, particularly Gallaghers Road, I will refer that to the minister.

In relation to the issue raised by the Honourable Barry Bishop regarding the proposed Enviromission Ltd power station in the Sunraysia region and associated issues, I will refer that to the Minister for Energy and Resources.

I welcome the issue raised by the Honourable Philip Davis regarding liability matters for sporting clubs. I am concerned about the many sporting and recreational organisations, community organisations and small businesses that are experiencing massive increases in public liability and other insurance premiums. I understand that increases of 200 per cent or more are not uncommon with many community and not-for-profit organisations, which no doubt are finding such increases prohibitive. The Victorian government is a leader in tackling this growing problem, and in the sports and recreation area we are no exception.

In 2001 Sport and Recreation Victoria and the Australian Sports Commission led a national research project of insurance issues facing sport on behalf of the commonwealth–state Standing Committee on Recreation and Sport, otherwise known as SCORS. This research recommended a range of measures to improve insurance outcomes, and the committee that conducted the research is now addressing those recommendations.

The group commenced work immediately to develop a number of areas, and I want to highlight those. It commissioned a comprehensive risk management system to be instituted nationally for the sport and recreation industry and a national insurance education program based on the New South Wales risk management training program. It also commissioned the development of a detailed plan to facilitate group

purchasing of insurance by sport and recreational organisations.

Risk management and group purchasing are also at the heart of the Victorian government's coordinated response to public liability insurance issues, and these are being worked on by the Minister for Finance.

The committee working on this at national and state levels has resolved to promote consideration of three recommendations of the report in the context of the national summit process led by this state, and I appreciate the honourable member's recognition of the issue. It recommends, firstly, volunteer protection or protection of organisations from liability for minor claims where the organisation meets specific safeguards — that is under consideration; secondly, protection or potential protection of land managers and owners from liability where they meet specified standards; and thirdly, the amendment of the Trade Practices Act to enable sport and recreation providers to transfer inherent risks back to participants. These recommendations are being considered and worked through, particularly at a national level as well as at a local level.

It is pleasing that the national summit resolved to give further consideration to volunteer organisation protection and amendments to the Trade Practices Act. I understand the summit will meet again in May.

In dealing with this issue it is important to recognise the special contribution that the not-for-profit organisations and small businesses in the sport and recreation and other sectors make to this community. We in the government want to reinforce the need for a national approach to this so that those groups who work across state borders are not disadvantaged in any way.

Hon. Philip Davis — On a point of order, Mr Acting President, on the relevance of the minister's response to my adjournment issue, I did elucidate that the Bairnsdale Police and Citizens Youth Club had a premium increase from \$3000 per annum to \$7000 per annum. The minister has just recited all of the things that are occurring on a national level. He has not actually advised me what he is doing to ensure that sporting and recreational organisations do not continue to suffer from those significant premium increases. I would be interested to know what this minister and the government are doing. Perhaps if he were less interested in what is occurring at a national level and more interested in what he is doing at the state level I could be better informed.

The ACTING PRESIDENT

(Hon. G. B. Ashman) — Order! The minister may wish to elaborate further, but the minister's answer may very well have disposed of the question.

Hon. J. M. MADDEN — I will highlight the issue which I think is lost on the honourable member in relation to this matter. The situation is not unique to that organisation. I recognise the problems associated with individual organisations, but of course this issue affects organisations not only nationally but also worldwide as insurance firms reconsider the way in which they manage insurance issues. No doubt there will be specific local issues, and we are concerned about all of those, but this is an exercise which needs to occur not only across the state but nationally as well to ensure that the circumstances of all these organisations are strategically managed in the appropriate and responsible ways.

In relation to the question from the Honourable Ron Best regarding a deputation and issues associated with the proposed Harcourt bypass, and I understand the option referred to by the honourable member was the F4 option, I will refer this to the Minister for Planning in the other place.

In relation to the question from the Honourable David Davis regarding land tax, I will refer this issue to the Treasurer in the other place.

The Honourable Carlo Furletti raised an issue regarding the proposed icerink venture advocated by particular groups, potentially at a Docklands site. As I mentioned on another occasion, the business plan which was submitted to me is being reviewed by the respective officers within the department and across government and considered accordingly. However, I highlight the relationship, which I have highlighted in previous answers, that ice facilities around Australia have traditionally been, and I understand continue to be, commercially funded. This is a critical issue in relation to the assessment of the business plan. Any potential support to any proponent for an ice-skating facility, whether that support be financial or the provision of land potentially in the Docklands region, has to be considered in that light. A significant number of issues would need to be worked through from the government's point of view. They are being worked through and we will continue to work through them until we have a clearer picture of the best way in which to proceed in relation to proposals for such a facility.

Motion agreed to.

House adjourned 5.32 p.m.