

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

26 September 2001

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By authority of the Victorian Government Printer

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The Hon. G. W. JENNINGS

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The Hon. M. A. BIRRELL to 13 September 2001

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The Hon. C. A. FURLETTI from 13 September 2001

The Hon. BILL FORWOOD to 13 September 2001

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The Hon. P. R. HALL from 20 March 2001

The Hon. R. M. HALLAM to 20 March 2001

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The Hon. E. J. POWELL from 20 March 2001

The Hon. P. R. HALL to 20 March 2001

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Wednesday, 26 September 2001

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

QUESTIONS WITHOUT NOTICE

Industrial relations: government policy

Hon. BILL FORWOOD (Templestowe) — I direct my question to the Minister for Industrial Relations. The people of this state will never forget the total mess that the discredited Cain and Kirner governments left Victoria in.

Hon. C. C. Broad interjected.

Hon. BILL FORWOOD — And they will never forget that you were Joan Kirner's chief of staff either, will they? You were there!

Honourable members interjecting.

The PRESIDENT — Order! I invite the Leader of the Opposition to ask his question.

Hon. BILL FORWOOD — They see each day the decline happening now under the do-nothing Bracks government. Does the government take any responsibility for Victoria's future? What will the minister do to ensure that history does not repeat itself?

Hon. M. M. GOULD (Minister for Industrial Relations) — The question asked by the Leader of the Opposition is very vague and has no direct relevance to my portfolio as Minister for Industrial Relations. However, as I indicated in the house as recently as last week, what the government has done about industrial relations in its honest-broker approach is to bring down the number of disputes that occur in this state because we advocate a positive partnership approach and assist employers and employees when they are in disputes to resolve those disputes adequately and fairly.

We do not take sides like the opposition did when it was in government. We do not pick the winners, we do not sit on the sidelines and act as a cheerleader. We as a government act as an honest broker and assist the parties in resolving their disputes in a way that is fair and is equitable. What is unfortunate is that the opposition did not support the government's fair employment legislation, which would have given Victorians fair protection. Instead we have a conflict-based federal system that the opposition supports. This government is about turning around the

state because of the mess the opposition left when it was in government!

Public sector: employment

Hon. R. F. SMITH (Chelsea) — Can the Minister for Industrial Relations inform the house what the Bracks government has done to deliver on its commitment to support public sector employment opportunities and encourage permanent, sustainable employment?

Hon. M. M. GOULD (Minister for Industrial Relations) — I thank the honourable member for his question, and I know his genuine commitment in this matter. I am pleased to report that the Bracks government has made significant progress in implementing its policy of achieving higher levels of permanent and secure employment in the public sector.

Honourable members interjecting.

The PRESIDENT — Order! A question has been asked of the minister, and the minister is entitled to be heard in response.

Hon. M. M. GOULD — Following reviews of operational needs by public sector agencies a total of 6500 public sector jobs have been converted to ongoing employment in the financial year 2000–01. These are positions — —

Honourable members interjecting.

The PRESIDENT — Order! I know Mr Smith thinks he is helping his leader, but he is not. He should leave it to his leader to answer his question. I ask the opposition side of the house to allow the minister to be heard.

Hon. M. M. GOULD — These are positions which have been converted in public service departments and other public sector agencies. These people were casual, fixed-term and labour-hire employees who obtained permanent, ongoing jobs. This means that over 6500 — —

Hon. R. F. Smith interjected.

The PRESIDENT — Order! I ask Mr Smith to desist. He is not helping his leader. He should let her answer the question he has put. He put the question; he should wait for the answer.

Hon. M. M. GOULD — I know the Honourable Bob Smith is extremely excited about this good news story for Victoria's public sector employees. This means that over 6500 employees across the public

sector can now enjoy their employment in the knowledge that their jobs are secure, in contrast with the Kennett government's obsession with small government and contracting out, which resulted in public sector jobs being slashed and massive job insecurity.

Clearly, the Bracks government has acted decently and responsibly on behalf of all Victorians by turning around what the Kennett government started. We will continue with this commitment in achieving higher levels of permanent employment. This is being done to ensure we maintain our surplus because we have given a commitment to the people of Victoria.

Importantly the higher level of permanent employment in the public sector shows not only our commitment to job security but our continuing commitment to deliver on key services — things the opposition did not do when in government — such as putting back 2000 teachers into schools and putting over 2000 nurses into the health system, and like community safety, by increasing the number of police on the job.

The Bracks government is committed to delivering on its key services and will continue to review the public sector employment needs as a means of achieving higher levels of permanent, secure employment as well as delivering quality services and continuing to turn the state around.

Small business: government assistance

Hon. C. A. FURLETTI (Templestowe) — I direct my question to the Minister for Small Business. With key industries such as Daimaru Australia Pty Ltd, Ansett Airlines and Coles Myer Ltd shedding jobs in Victoria what steps will the government take to protect Victorian small businesses from the expected flow-on job losses?

Hon. M. R. THOMSON (Minister for Small Business) — No-one is pleased to see any job lost. The Victorian government has gone about trying to grow the economy in Victoria and to grow the state. Over the past 12 months Victoria has accounted for 50 per cent of all new job growth in Australia; 29 per cent of the housing approvals and housing starts have been generated in Victoria; and 31 per cent of building approvals, by value, have come from Victoria. Since October 1999 the Victorian government has facilitated investments worth \$2.8 billion.

It is this kind of investment that will generate new job growth and new business for small business and give them new supply chains. The government is committed to being financially responsible and ensuring a budget

surplus. We as a government cannot, nor should we, manage the businesses that exist in this country or this state. It is not for us to make their business decisions. We have not presided over the HIH, One.Tel, Harris Scarfe, Pasmenco or Ansett collapses.

The government can and will ensure it provides the economic environment that will encourage investment and encourage our small businesses to look to new markets to ensure they have bright futures.

Bendigo: goldfield redevelopment

Hon. E. C. CARBINES (Geelong) — Will the Minister for Energy and Resources inform the house what action the Bracks government has taken to encourage investment in the Victorian mining industry, in particular to support the new Bendigo gold project?

Hon. C. C. BROAD (Minister for Energy and Resources) — I was very pleased to learn that Bendigo Mining NL has raised \$50 million from South African goldmining company Harmony for the new Bendigo gold project, which will see the famous Bendigo goldfields redeveloped.

The Bracks government has been and continues to be a staunch supporter of the Bendigo gold project. I personally visit and meet with Bendigo Mining on a regular basis to keep informed of the project's development. Bendigo Mining has now identified a resource of approximately 12 million ounces, which is valued today at some \$7 billion.

The redevelopment of that resource will result in hundreds of new jobs and will create a major economic stimulus for the Bendigo region. The company expects some 250 people to be directly employed when production begins and, of course, further indirect jobs will at least double this number. These jobs will add to the strong jobs growth in which Victoria is continuing to lead the country.

The Bracks government has undertaken a number of initiatives to facilitate investment in the Victorian mining industry. In June last year I released a ministerial statement on minerals and petroleum, which for the first time provided a policy framework for the development of the Victorian mining industry.

Hon. Philip Davis — The first for you!

Hon. C. C. BROAD — No, there was no policy framework from the previous government — none whatsoever! The Bracks government has been strongly supportive of the new Bendigo gold project through ongoing facilitation through the Department of Natural

Resources and Environment. Amendments to the Mineral Resources Development Act put forward by the government have passed through Parliament and have been acknowledged by the industry as providing the basis for secure investment in the mining industry. That has certainly assisted in facilitating resource development such as the new Bendigo gold project.

This government's approach to lower, fewer and simpler taxes has also assisted in facilitating this business investment. The Bracks government has great confidence that Bendigo Mining will be successful in redeveloping the Bendigo goldfields in a manner that creates jobs and economic benefits while meeting their environmental and social responsibilities. The new Bendigo gold project is just one example of how this government is delivering on its commitments to deliver a Victorian mining industry that contributes substantially to the wealth and wellbeing of all Victorians while meeting contemporary expectations in terms of social and environmental outcomes.

The government is acutely aware of the global economic climate which we now potentially face and of the lack of leadership from the federal government, which is not assisting at this difficult time. The strong economic settings the Bracks government has established in Victoria mean we are well placed to deal with the emerging economic challenges faced by the world.

Ports: rail links

Hon. B. W. BISHOP (North Western) — During question time last week the Minister for Ports stated the government's commitment to improving access to Victorian ports. The minister has also enthusiastically promoted the target that 30 per cent of traffic moving in and out of our ports will be by rail. Will the minister now give credibility to that target and her comments by committing to a specific date for that target to be met?

Hon. C. C. BROAD (Minister for Ports) — I am very pleased to address this commitment by the Bracks government. The target the Honourable Barry Bishop referred to is correct. The government has set 30 per cent as the target and believes it is well on the way to achieving that. To achieve that target the Bracks government is taking a series of actions including the commitments in the budget to standardise rail to improve access to our regional ports as well as to the port of Melbourne.

Hon. P. R. Hall — We want you to deliver something some day.

Hon. C. C. BROAD — The government is well on the way to delivering on these targets. It has already produced results in terms of lifting the proportion of freight in the rail modal share. The government is preparing to release some information about its progress towards meeting that target. I will be pleased to present that information when it is available.

Consumer Utilities Advocacy Centre

Hon. T. C. THEOPHANOUS (Jika Jika) — Will the Minister for Consumer Affairs inform the house of what the Bracks government is doing to enhance consumer advocacy arrangements in Victoria's utilities sector?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Unfortunately with the privatisation of our utilities there was a failure by the previous government to ensure that consumers were adequately protected in the new arrangements. On 30 April the Treasurer announced the establishment of a Consumer Utilities Advocacy Centre which will commence operation on 1 January 2002. This centre will provide an independent and informed voice for Victorian utility consumers. This initiative was a pre-election commitment to ensure that an effective consumer voice is put forward about the regulatory processes for gas, electricity and water. It is important that consumers have a voice in a new competitive market.

The centre will provide a forum where consumers can exchange information, monitor grassroots utility issues, fund research on behalf of advocacy groups, and provide for the longer term planning of the regulation of the sector. The centre will also provide and distribute important information to those advocacy groups. The centre will be established as a Corporations Law company. It will have an independent chair and a board of directors who will be appointed by me in consultation with cabinet. The centre will receive funding of \$500 000 and will have a secretariat to support existing consumer advocates by providing resources and a forum for research on these utility issues.

In addition, a reference group will be established to ensure that we are covering a range of issues. The group will comprise the existing consumer consultative members — the Victorian Council of Social Service, the Financial and Consumers Rights Council, the Consumer Law Centre Vic Ltd, the Victorian Farmers Federation, the Property Council of Australia, the Consumers Federation of Australia, the Australian Industry Group, the Energy Action Group, the Energy Users Association of Australia, the Victorian

Employers Chamber of Commerce and Industry and the Australian Eco-generation Association — as well as a number of other advocacy groups and people who represent the disadvantaged within our community and rural users.

Public sector: employment

Hon. BILL FORWOOD (Templestowe) — Given that 8000 private sector jobs have been lost in Victoria in recent days, does the Minister for Industrial Relations not think it grossly insensitive for her to boast in question time today that the government has created 6500 permanent new jobs in the public sector?

Hon. M. M. GOULD (Minister for Industrial Relations) — Normally I would thank the Leader of the Opposition for the question, but I think I should also thank the Honourable Mark Birrell, who wrote the question for the Leader of the Opposition. The announcement of the fact that the government has converted the jobs of existing public servants who were on short-term contracts, people hired through labour-hire firms and casuals to full-time permanent positions — a move which increases their security, gives them more permanency and allows them to apply for housing loans — is extremely important. It is important that these public servants know that the government, unlike the opposition, cares about them. The opposition put them on short-term contracts with no certainty of employment and no security.

My ministerial colleague has already indicated the position of job growth in this state compared to the situation nationally. It is appropriate that I report to this house that the Labor government is turning around the failings of the previous government and it is ensuring that employees in the public sector have the security they deserve.

Youth: Oakleigh centre

Hon. KAYE DARVENIZA (Melbourne West) — Will the Minister for Youth Affairs inform the house how the government is supporting the Oakleigh community through the provision of youth services?

Hon. J. M. MADDEN (Minister for Youth Affairs) — I thank the honourable member for her question. The previous government failed to recognise that Victoria is a community; it treated Victoria like a corporation and it failed the young people of this state. Like characters from the *Wizard of Oz*, members of the former government had no brains, no courage and no heart. That is why last Friday I was very excited to be able to formally announce an award of

\$106 000 through the Community Support Fund for an integrated service for young people in Oakleigh.

The new service will be a responsive, accessible, youth-friendly, one-stop shop for young people in the area. This is part of the Bracks government's plan to build and strengthen local communities. One of the best ways of achieving that is through these sorts of initiatives.

Honourable members interjecting.

The PRESIDENT — Order! A question has been asked of the Minister for Youth Affairs and the house is anxious to hear the answer. The Honourable Theo Theophanous and his colleagues are not helping the minister — —

Hon. R. F. Smith — What about them?

The PRESIDENT — Order! Hang on! As I have said to Mr Smith before, the minister can handle interjections coming from the opposition side but how does he handle interjections coming from over his shoulder? I ask government members to allow the minister to answer the question.

Hon. R. M. Hallam — On a point of order, Mr President, the Minister for Youth Affairs has been slavishly reading his response. I invite you to ask him to table the document from which he is quoting.

The PRESIDENT — Order! The rules about answering questions are well known. It is certainly preferable if a minister makes use of notes sparingly and gives the answer from his or her own knowledge, but over the years the house has been very lenient in relation to this and there is no basis on which we can ask the minister to table or make available his notes.

Hon. J. M. MADDEN — Thank you very much for the ruling, Mr President. I can certainly say that I needed no script to make those points about the opposition. Members opposite did not listen in government and they do not listen now. This initiative is an innovative outreach model developed with Bayside Employment Skills Training. The member for Oakleigh in the other place has done a tremendous job in facilitating this. I also congratulate the Oakleigh Lions Club which on Friday made a donation for the purchase of computer equipment for the new centre.

This government is ensuring that it cares about communities, unlike the previous government. The government is turning around the slashing-and-burning works of the previous government and proving that it cares about Victorians.

Australian Football League: grand final tickets

Hon. I. J. COVER (Geelong) — My question without notice is also directed to the Minister for Sport and Recreation.

Hon. R. H. Bowden — Has he got a script for this one?

Hon. I. J. COVER — He may have a discussion paper. Given he has failed on the ALP election pledge and further undertakings 12 months ago to outlaw Australian Football League finals ticket scalping, will the minister give an assurance he will deliver on this promise next year or will he produce discussion paper no. 2?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — We had this debate earlier in the week. Traditionally and historically when previous Labor governments have brought legislation to this house about issues to do with Australian Football League (AFL) ticket scalping, it has never been supported. So for the opposition to say that they want us to bring on legislation overnight just shows what hypocrites they are on the other side of the house.

Honourable members interjecting.

The PRESIDENT — Order! I invite the house to settle down. It is in no-one's interests to try to drown out the minister. They will not succeed in doing so; they may as well let him get on with it so the house can move to the next question.

Hon. J. M. MADDEN — Thank you very much, Mr President. Unlike the ham-fisted approach of the previous government where it would either introduce legislation in the small hours of the night so members of the public were not aware of it, or, if it wanted to, ram its message home with a baseball bat, what we will do is consult with the community and the sector and provide leadership. Already we have seen that the AFL is prepared to review its ticketing procedures because of the initiatives we have taken up through the discussion paper. Already this week the *Herald Sun* has raised the issues which we discussed months ago and highlighted to the sector, issues that were hidden.

The opposition is as bad as the scalpers! This is symbolic of the way it operates and the way we operate. We are prepared to support the community and lead the sector. The opposition's approach is either a completely hands-off approach or the baseball bat approach.

Small business: CPA Australia survey

Hon. G. D. ROMANES (Melbourne) — I ask the Minister for Small Business to advise the house of the findings of a recent survey that was undertaken to identify issues affecting small businesses in Victoria?

Hon. M. R. THOMSON (Minister for Small Business) — There has been a recent survey conducted by CPA Australia released on 18 September entitled 'Small business struggles with the new tax system'. We know the opposition does not like this issue; it did not like this issue before the new tax system was put in place and it has done nothing to try to advocate on behalf of small business either prior to or since the introduction of the GST.

Of particular concern to CPA Australia is the statement that:

Small businesses are ... unlikely to take up the simplified BAS method as they don't think it is easier.

Only 17 per cent of small businesses in the CPA survey claimed to have used the simplified business activity statement method. Among the rest 12 per cent see themselves using it in the future and 16 per cent are unsure; 72 per cent are unlikely to use it at all. CPA also said:

The survey highlights the frustration small business is facing. Two out of three businesses upgraded their computer hardware and/or software to deal with the new compliance regime, and experienced either major or minor frustration with their new systems.

What is of greatest concern is that 39 per cent of small businesses have claimed that the new tax system had a negative effect on their overall business performance. It is important to understand that only 19 per cent believed there was a positive impact in relation to the GST. Some 25 per cent of those surveyed were Victorian small businesses, and additional information was also provided by the CPA in the survey.

It is very difficult in the retail sector. Honourable members have talked about this in the Parliament on numerous occasions. It has been a tough time for the retail sector other than in the food areas; in apparel particularly it has been a very hard time. What made it more difficult for Victorian small businesses in that sector particularly was the GST. That does not just come from me; it comes from Coles Myer and also, as of yesterday, Daimaru.

PARLIAMENTARY COMMITTEES

Membership

Hon. M. M. GOULD (Minister for Industrial Relations) — By leave, I move the following motions in relation to the membership of joint investigatory committees:

Family and Community Development Committee

That the Honourable J. W. G. Ross be a member of the Family and Community Development Committee.

Law Reform Committee

That the Honourable R. H. Bowden be a member of the Law Reform Committee.

Scrutiny of Acts and Regulations Committee

That the Honourable M. T. Luckins be discharged from attendance upon the Scrutiny of Acts and Regulations Committee and that the Honourable A. P. Olexander be added to such committee.

Motions agreed to.

PAPERS

Laid on table by Clerk:

Electoral Boundaries Commission — Report on the 2000–01 Redivision of Electoral Boundaries, with maps.

National Parks Act 1975 — Minister’s notice of 18 September 2001 of consent for the grant of a search permit to allow for the search for limestone within Tyers Park.

Parliamentary Officers Act 1975 — Statements of appointments, alterations of classifications and of persons temporarily employed in the parliamentary departments for the year 2000–01 (10 papers).

Transport Accident Commission — Report, 2000–2001.

RETAIL TENANCIES REFORM (RENT REVIEW) BILL

Introduction and first reading

Hon. C. A. FURLETTI (Templestowe) introduced a bill to amend the Retail Tenancies Reform Act 1998 to clarify the basis on which a rent review may be made during the term of a retail premises lease.

Read first time.

Second reading

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

That this bill be now read a second time.

The Retail Tenancies Reform (Rent Review) Bill is introduced by the Liberal opposition because the government will not act promptly to enact simple legislation which will restore certainty to a vital element of Victoria’s small retail business and property sectors.

The government’s procrastination on this issue is inexcusable, given the relative ease and simplicity with which this uncertainty can be addressed.

It is incomprehensible that the government will not act promptly and instead chooses to further delay the introduction of legislation which will correct a situation affecting thousands of Victorians engaged in retail businesses, self-funded retirees and landlords.

The bill proposes to amend the Retail Tenancies Reform Act 1998 by clarifying what constitutes rent for the purposes of calculating and determining rent reviews under section 12 of the act.

The proposed amendment will remove the existing uncertainty surrounding the validity of rent review provisions in retail tenancy leases, an uncertainty created by the decision of the Victorian Civil and Administrative Tribunal (VCAT) in the case of *Khodr v. Foo Qan Eng Holdings Pty Ltd* dated 25 January 2001.

The interpretation in *Khodr’s* case of the term ‘base rent’ in section 12(2)(a) of the act as meaning the initial rent paid — that is, the rent paid in the first year of the lease — has produced and will continue to produce absurd results and will have serious implications for thousands of retail leaseholds in Victoria. The term ‘base rent’ is used and understood generally in the industry as the core rental paid under a lease and has its genesis in the early shopping centre leases which invariably included additional rental components such as turnover rent, percentage rent, proportion of outgoings and the like as occupation rent payable over and above the base amount. The effect of the decision is to invalidate a rent review provision in a retail premises lease if that provision is expressed as a percentage of a previous year’s rent.

The consultation conducted by the Liberal opposition with affected parties, their representatives and experts in the field of retail tenancy law strongly suggests that the VCAT decision is wrong and would have been overturned on appeal had such a course of action been pursued.

The uncertainty caused by the decision is exacerbated by the default provisions of section 12(6) of the act, which provides that in the event that the rent review provision in a retail tenancies lease is deemed void, the appropriate substitute rental is to be determined by a valuer.

The Liberal opposition has pressed the government to introduce legislation immediately to restore certainty to many thousands of Victoria's retail premises leases.

Despite the acknowledgment by the Minister for Small Business of the importance of dealing with the problem, the government refuses to act, preferring to defer any action with respect to this crucial issue until it conducts its overall review of the retail tenancies law.

Small businesses and landlords alike should not be compelled to wait under a dark cloud of economic uncertainty while the government ponders on other matters and deliberates on other issues raised in a discussion paper the release of which is already eight weeks overdue and full consideration and implementation of which could be months or years away.

The impact of the current uncertainty on property values, the expense of valuer's fees for fixing market value as part of the default determination process and the prospect of previously agreed rent reviews being overturned through retrospective reviews to market value are all major concerns to landlords and tenants alike. They also affect all those who have invested in property through vehicles such as property trusts.

In general the Liberal opposition seeks to avoid retrospectivity in legislation, however, in the existing circumstances, it is essential that the proposed amendments contained in the bill have effect from the date of commencement of the principal act so as to avoid the creation of two categories of retail tenancies leases. Furthermore, the bill will restore certainty to rent review provisions in existing current leases of retail premises.

Victorians are entitled to expect the government to legislate expeditiously to amend legislation which has been rendered inappropriate or ineffective by reason of judicial interpretation.

The Liberal opposition is firmly of the view that it is vital that the existing uncertainty and instability in the retail business community be addressed quickly and simply by the rapid passage of this bill.

I commend the bill to the house.

**Debate adjourned on motion of
Hon. T. C. THEOPHANOUS (Jika Jika).**

Debate adjourned until next day.

BUSINESS: CONFIDENCE

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

That this house condemns the government for its failure to maintain confidence in the retail, manufacturing and other industry sectors and calls on the government to outline its present strategy to address the crucial economic and business issues facing Victoria.

In doing so I draw the attention of the house to the abject failure of this government to maintain the confidence and stability generated in Victoria over the term of the previous government in the retail manufacturing and other industry sectors.

It is important that the house be aware of the extraordinary stresses that have arisen in the economic and business spheres in this state in recent times, and it is essential that the government outline a strategy to address and resolve those crucial and conceivably devastating issues facing the state of Victoria.

It is inappropriate to address the motion without referring to some extent to the enormous successes of the previous Kennett government between the years 1992 and 1999. They are years that stand out in the progress of this state. They show that with the involvement of the Victorian community it is possible to overcome great adversity.

It is of course of note that this morning when the Leader of the Opposition in this house asked a question of the Leader of the Government seeking her assurance that history would not repeat itself the Leader of the Government shelved the question, as is her wont.

This is not a motion that seeks in any way to forecast doom or gloom. Indeed, the opposite applies. The opposition in this place is fully aware of the resilience of the Victorian people. Let us briefly take a short journey through the years 1982 to 1992 to remind Victorians of the depths to which Victoria's economy had then fallen.

I recall in my first speech in this place on the appropriation bills drawing to the attention of the house the fact that for as long as I was in this place I would seek at every opportunity to remind Victorians of the catastrophic 10 years of the Cain and Kirner governments. At the end of that stewardship Victorians were faced with a debt of some \$33 billion — that is

\$33 000 million which Victorians were obliged to confront. It was an insurmountable challenge and one which very few expected would be met.

However, through the resilience of the community and a partnership between the government and all Victorians, seven years later that debt had been reduced to merely \$6 billion. The growth in exports, industry, manufacturing, construction and infrastructure over that seven year period was unprecedented. The Labor government took a legacy from the Kennett government on which it should have founded the next stage of Victoria's development and expansion. Instead, because of this government's inherent inability, its inexperience and ultimately because of its lack of expectation to have been in government at the time of the last election, we find that it has dropped the ball. It has done nothing. It is recognised as a government that has done nothing.

We see in the media today, to which I will refer shortly, that it is a government that continues to put things off and to appoint more and more committees and more and more advisory councils. It hesitates and does nothing — so much so that honourable members see from the government an abject failure to respond to questions of importance put seriously and genuinely with an expectation of receiving genuine responses to fulfil its promise of open, accountable and transparent government. The opposition sees none of that. It sees no communication from the Labor government with business and the commercial community in Victoria.

It is now history that yesterday the Premier was caught effectively without any knowledge or expectation of the tragic announcement by Daimaru of the impending closure of its store affecting 760 jobs.

It is almost laughable that in this chamber today the Leader of the Government extolled the virtues of the government by answering a Dorothy Dixier saying the government has created 6500 public sector jobs. On closer scrutiny we find that they are not new jobs, but rather the conversion of casual jobs to permanent jobs in the public sector funded out of the public purse.

This tactic was used primarily by the Whitlam government back in the 1970s but was also embraced by the Cain and Kirner governments. It is called using the government as blotting paper to soak up unemployment, because if there is unemployment the best place to dispose of it is to lose it in the public sector. It is an absolute farce that the Leader of the House should seek to come in here on a day when another 2000 Victorians have been faced with the challenge and prospect of losing their employment and

their livelihood to trot out this sort of propaganda which on closer scrutiny proves to be nothing more than what this Labor government has been engaged in for the whole of its two year term — smoke and mirrors tricks and misleading and flawed comments.

In debating this motion I draw the attention of the house to the collapse in business investment in the state over the past two years. The unemployment rate is now starting to increase again.

Hon. M. R. Thomson — No it's not. Look at the statistics!

Hon. C. A. FURLETTI — It is on the move up and in the first seven months of this year 49 000 jobs were lost in Victoria. The concerning element of that is that 36 100 of those jobs were in country Victoria alone. Per head of population that translates to a very dramatic area of neglect on the part of the Labor government which came to power very tenuously on promises to ensure that country and regional Victoria would be its priority. In typical style, what has the government done for country and regional Victoria? Nothing. Promises? Plenty of promises. Rhetoric? Plenty of rhetoric. Activity? Zero. Honourable members await the contribution of my colleague the Honourable Gordon Rich-Phillips about the involvement of the government in some of the infrastructure which it so loudly heralded during the days leading up to the 1999 election.

The previous government, as I indicated, was incredibly proactive, proactive in the extreme. The then Kennett government and the Premier of the day went on successful missions to procure investment. The then Premier sought out investment and facilitated its entry into Victoria so that we saw an enormous boom in infrastructure that was part of the legacy left to this government.

One needs to consider what this government has done in two years. You will recall that the achievements of the Kennett government started from day one. The Kennett government hit the ground running, and through the activity of the Premier and the then Leader of the House, the Honourable Mark Birrell, whose activity I would like to acknowledge, Victoria boomed. It was then the place to be; it was the place on the move. For the first time, through the leadership of the Kennett government, in 1998 this state had a positive inflow of population.

Today we hear the Labor government crowing about people coming to Victoria, yet it does not recognise or acknowledge that Australians were attracted to Victoria because of the achievements of the former Victorian

government. In 1999 Labor inherited a growth rate of 6.2 per cent, which was well above the Australian average. At that stage the employment rate was at a nine-year low. As I said, we saw employment reach that level, but now there is a turnaround. The net rise in migration, which is a strong indicator of employment and growth, began and built up through the Kennett years.

We had huge export growth. In 1999 exports had grown exponentially due to the investment that was attracted to this state. Investment in infrastructure was at record levels. Victoria had regained a AAA credit rating, which is highly significant in global trade and global networking. Between 1982 and 1992 under the stewardship of the Cain and Kirner governments the credit rating had dropped four notches.

The concerns of the Liberal opposition are that the signs are starting to appear again. We are seeing increasing unemployment; the closure of enterprises; risks like state banks, Victorian Economic Development Corporations, the State Emergency Service and the rest. We are in a condition where if the government does not get off its hands there could be devastating results.

The purpose of the motion is to seek to elicit what the government intends to do. It is of interest that the *Herald Sun* has picked up on the condition the state currently finds itself in. It could be deemed as a crossroads. I applaud and congratulate the *Herald Sun* on picking up the issue, and I note the front page of today's issue is headed 'Our fight for jobs'. The editorial says in part:

... we mustn't talk ourselves down and drown in a sea of gloom. Australia remains fundamentally strong, and we can recover with a positive, united resolve.

The opposition strongly endorses that view. In its front-page article the paper also says that industry leaders, not the government, propose to conduct a summit. They propose assistance for our growth industries including biotechnology and information technology, an area my colleague Mr Peter Katsambanis will address in his contribution to the debate.

The article also raises the need for payroll and Workcover tax breaks for small business. Members of the opposition have been calling for the government to take that sort of action for the best part of two years because we know the government can afford to reduce payroll tax. In 1999–2000 the government was left with a surplus of \$1.7 billion. There was plenty of scope for it to assist. Now is the time for the government to

commit to payroll tax reductions, and now is the time for the Minister for Small Business to take up the issue and convince her fellow ministers that it is appropriate to revisit that tax, which is stifling and causing concern to businesses in this state.

The opposition strongly supports the initiatives of the *Herald Sun* in this case, because the government would not take the initiative. It has been necessary for the *Herald Sun* to go to the Premier and ask him to contribute a page 2 article. What does he contribute? More of the same — rhetoric: 'It's not our fault. We are sorry. We will help. We will work'. The most hypocritical comment made by Steve Bracks in the article on page 2 is:

... the most important thing we can do as a state government is to ensure the right economic settings in Victoria.

The Kennett government ensured that we had the right economic conditions in Victoria. All this government had to do was continue. Instead what has it done? It has created jobs for the boys. It has given ground in industrial relations. It has given pay increases that are unsustainable. Has it done anything for business, for private enterprise, to increase investment in this state? I suggest it has not.

Indeed, what it has done is implemented policies which have cost the state dearly. Over a period of two years its policies have cost the state thousands upon thousands of jobs in many, many industries. The frightening part of the loss of some 16 000 jobs — and that is without taking into account the catastrophic numbers that will come out of the Ansett decline — is that most of the jobs have not gone overseas, as the government would expect us to believe, but have gone to other states — which shows that the people in the market of investing in Victoria are looking at the existing scenarios in Victoria and saying, 'No, thank you, we will not settle here; we do not have the confidence that existed between 1992 and 1999 and we will leave'.

And so it is that Virgin Airlines went to Queensland; the Stanley factory in Heidelberg in my own electorate shut in July last year — it had only 51 employees, but most are constituents of mine who found it very, very difficult; Tenix in Williamstown, the Premier's own electorate, closed and 250 jobs were lost; and Email-Chef was lost to South Australia — no matter what the government did, it could not retain it in Victoria.

We have a reactive rather than proactive government. The government needs to wake up to itself and ensure that it starts to take action now. We do not want the situation to develop in the economics sphere that has

developed in, for example, the health area. This is the government that was going to fix health. Nobody will allow it to forget that it was going to fix the then existing health problems. It did not accept that some things take time to address.

But apart from the promises that were made, what has happened in two years? Under the Kennett government in March 1999 there were 33 387 Victorians on hospital waiting lists. Under the Bracks government in March 2001, despite the promises of the Bracks government to ensure that these problems would be addressed, that number was 42 899. Similarly, semi-urgent cases on waiting lists have increased to more than double — from 3180 to 7843, and patients in emergency departments for more than 12 hours has trebled — from 647 to 1947. This is the government that was going to fix all these problems. But what has it done? It has allowed them to blow out to levels which are simply unacceptable.

I will touch on another area this government was going to fix — ambulance bypasses. Under the Kennett government in March 1999 the number was 72. Under the Bracks Labor government in March 2001 it was a staggering 822. This is a government that is full of hot air, but takes very, very little action.

I refer to what has become somewhat of a standing joke in this place. When government members are asked to respond to questions relating to the economy, business, or in fact anything, the standard comments seem to be, 'Not our fault', 'GST', 'Federal government', or 'International affairs'. It is everybody's fault except its own. This is a hallmark of a government that sheds responsibility, does nothing and seeks to find excuses.

Quite coincidentally and fortuitously, today in the *Herald Sun* is an article by that highly regarded and well-respected economic commentator, Terry McCrann. His opening comments to his article on page 3 are:

The GST has got absolutely nothing to do with those retail job losses at Coles Myer and Daimaru.

You might just as well blame it for the collapses of Ansett, HIH and One.Tel.

I thought — —

Hon. M. R. Thomson interjected.

Hon. C. A. FURLETTI — I hear the shadow minister squawking on the other side.

Hon. G. W. Jennings — Not shadow minister!

The DEPUTY PRESIDENT — Order! The minister, Mr Furletti.

Hon. C. A. FURLETTI — Sorry, the minister. I will refer to another part of Terry McCrann's article, which is the most pertinent and underlines the comment I was making. Having said that the GST has absolutely nothing to do with it, he says:

And why stop there? —

referring to blaming the GST for everything —

Our dams are probably only half-full, because of you-know-which, three-letter tax, starting with G and ending with T.

So even Terry McCrann is mocking the government for its absolute inanity — —

Hon. B. C. Boardman — Inanity?

Hon. C. A. FURLETTI — Inanity in seeking to blame — —

Hon. G. W. Jennings interjected.

Hon. C. A. FURLETTI — Do not underline the comment, Mr Jennings, because that is exactly what it is. It is cynicism to the extreme. Now journalists are starting to realise that the government is full of hot air. It is relevant — —

Hon. G. D. Romanes interjected.

Hon. C. A. FURLETTI — Terry McCrann has great perception, and he says that there is a thing called bad management that can play a role in collapses of entities. I dare say that bad management could play a role in the collapse of governments. Absolute lack of management will guarantee a collapse of a government. Terry McCrann also says in his article that — —

Hon. G. W. Jennings — It is a long article.

Hon. C. A. FURLETTI — It is a fair article. He says further that it might sound brutal in terms of jobs lay-offs:

...but it's his way of creating a sound foundation for long-term growth. And crucially more — sustainably more — jobs.

So Mr McCrann is suggesting that in some instances it is important to rationalise. The Leader of the Government in this house has said, 'We will increase public sector jobs and pay for them out of the public purse so that we can accommodate those who need work in this state'. As I indicated, that is exactly the logic and exactly the policy that led to enormous

financial blow-outs and to debts of \$33 billion — hence the question by the Leader of the Opposition in this house earlier today. It is up to this government to ensure that history does not repeat itself.

I refer also to an article in today's *Age* by David Hayward who, as honourable members would know, heads Swinburne University's Institute for Social Research. He is not one to be known to support the conservative side of politics. I suspect that the Minister for Sport and Recreation has read this, because today he made a bit of a Freudian slip when he suggested that members on this side of the house were like characters from *The Wizard of Oz*. Mr Hayward says:

It's almost two years since Steve Bracks arrived as Premier. Like Dorothy in *The Wizard of Oz*, he fell upon and squashed an awesome foe who was looking the other way, and the true believers popped up like munchkins to dance with joy. But all that was long ago, and Victorian politics is now strangely quiet.

That is an interesting comment. The article continues:

Unlike Dorothy — —

Hon. Jenny Mikakos — Dorothy landed on the wicked witch of the west!

Hon. C. A. FURLETTI — I wouldn't talk about wicked witches! The article continues:

Unlike Dorothy and her friends, who set a cracking pace and had lots of worthy adventures, Bracks and Co. seem not to know which way to go.

It's almost rhythmical, isn't it! It continues:

They've struggled to find adventures and, when they have, they've tended to be in dangerous woods that should have been avoided.

It is a very telling and very perceptive point. The article continues:

Over seven years, 80 000 state and local public sector jobs have disappeared, and a \$1 billion social spending chasm had opened ominously between us and the rest of the country, taking with it everything from health to education.

This is the argument being put about the previous government. The article further states:

Too often the government —

talking about this government —

has not taken up the challenge when matters of principle were at stake.

He is saying you have done nothing in any area, if you want to know, if you want to listen! He is saying you

are useless and that you are a do-nothing government. The article continues:

Whatever Labor values, equity seems not to be among them ...

So this strong source of policy, that the Labor government will have equity and fairness, where is it? Its own commentators do not accept that it has it.

Mr Hayward continues:

It's dawning on many that maybe what we're seeing is not an accident or a product of circumstance. Maybe not having a plan is Bracks's plan; a dawdle is the pace that has been chosen. That the munchkins are no longer to be seen or heard is celebrated, not regretted.

What an incredible indictment of the Labor government!

Honourable members interjecting.

Hon. C. A. FURLETTI — Have you read it? Let me read it:

Maybe Parliament is Bracks's Emerald City and his goal is not to be like Dorothy, but simply to be Victoria's wizard, using coloured glasses rather than policies to keep us on his side.

I believe what we are seeing is the turnaround the Leader of the Government was obviously keyed up today to use as the new catchword — the turnaround, that this government turned around the previous government. What nonsense! It has turned it around in a way that is seeing Victoria's confidence lost; turned it around in a way that sees an urgent need for the government to take control; but it certainly has not turned it around in a way that improves on the achievements and the legacy of the Kennett government. I conclude by quoting Tim Colebatch.

Hon. Jenny Mikakos — Tim's a good bloke.

Hon. C. A. FURLETTI — He is a good bloke! He states:

When recession clouds gather, governments must take the lead with a mix of prudence and daring.

The motion seeks to ask the government to identify what lead it will take, what prudence it will use and what daring it will exercise. I commend the motion to the house.

Hon. P. R. HALL (Gippsland) — I welcome the opportunity to comment on this important motion moved by the Honourable Carlo Furletti, and I commend him for doing so because it is a time of crisis in Victoria and this is an important issue Parliament needs to discuss.

The headlines in today's newspapers are very sobering indeed. For the past couple of weeks the newspapers have not been the bearers of good news; there has been significant bad news over that time. The headlines in today's newspapers are quite unlike the headlines of a fortnight ago, because today's headlines talk about a job crisis, and I believe it is a crisis we could see coming. There has been a gradual creep in job losses in Victoria over the past two years, particularly in the manufacturing sector, and we have seen those losses coming. First of all it was a trickle, then unfortunately and tragically in the past few weeks it has been a great rush. We have seen job losses mount in Victoria and across Australia.

I commend the Honourable Carlo Furletti for bringing the motion before the house, because he is right in saying that there has not been sufficient planning by the Victorian government to arrest the job losses that have been looming for some time. It is a great tragedy to see headlines in the *Herald Sun* today that talk about our fight for jobs. The article lists the job losses, such as Daimaru, 760 jobs; Coles Myer, 1000 jobs; and Ansett Australia, potentially 16 000 jobs lost, many of those in Victoria.

Hon. G. D. Romanes — That is Australia-wide.

Hon. P. R. HALL — Yes, they are Australia-wide, but you tell me how many are in Victoria. It is a significant number, and I say that one job lost is one too many. We should be concerned about the magnitude of those job losses and the impact they will have on Victoria.

Hon. G. D. Romanes interjected.

Hon. P. R. HALL — I am not misleading the house; what an inane comment to make. I am saying there are significant job losses across this country. Thousands of those jobs are in Victoria, and we should be concerned, and certainly members of the National Party are concerned.

At page 3 of today's *Herald Sun* some of the job losses in other companies are listed. Many of them — in fact most — are Victorian jobs. Anyone can read the figures on page 3, so I will not recite them in the debate. On page 2 of today's *Herald Sun* there is a response from the Premier. In part his view is:

They are the victims of circumstances beyond their control — a world-wide downturn in international economies and the savage impact of the GST on the retail sector.

As the Honourable Carlo Furletti said, the GST argument has been discounted by Terry McCrann on

page 3 of today's *Herald Sun*. Mr McCrann says under the heading 'Losses not linked to GST':

The GST has got absolutely nothing to do with those retail job losses at Coles Myer and Daimaru.

He goes on to say that you might just as well blame a whole lot of other collapses on the GST. For goodness' sake, Daimaru has been in operation for 10 years, and it has made a loss in every one of those 10 years. The GST was not even with us 10 years ago when Daimaru started off. How can you possibly blame the GST for the demise of Daimaru? However, that is what the Premier says in his statement. The Premier's statement is pretty pathetic and has no substance. He does not outline the government's plans or vision to address these job losses in Victoria and across Australia. There is no vision whatsoever. It is a pretty pathetic response.

We also heard a pretty pathetic response from the Leader of the Government in question time today when she got up and gloated about the increase in public service jobs in Victoria. Perhaps, as she said, the road to recovery in Victoria is via the public service. We were told that 6500 jobs have been created in the public service, but then we were told a little while later that they were not really new jobs, they were jobs that had been converted from short-term contracts into permanent jobs. So how can it be claimed that 6500 permanent jobs that have been created in the public sector will offset the many thousands of job losses that have occurred in the private sector? It is absolute folly to suggest that we will make up for all those job losses in the private sector by increasing the size of the public sector and going back to the bad old days of bloated public sector employment.

I do not like talking the economy down, and I do not intend to do so today. I am not going to talk about all the bad things that are happening. Of course we have to talk about them, but we must take a responsible approach to them. I want to talk about some of our rural industries, which are of particular relevance to National Party members, and talk about their situation and how they are faring in today's economic climate.

The first thing I want to say is that rural Victoria is currently experiencing some levels of good fortune. I want to put that on the record, but I say that it is not because of any work or action taken by the government of Victoria. I turn to a couple of areas of good fortune that rural Victoria is currently experiencing, firstly in commodity prices.

The current level of commodity prices is particularly good overall. The grains industries, with which you would be well familiar, Mr Deputy President, have

been the best they have been for some years. The same applies with beef, lamb, dairy products and viticulture. Even wool has experienced good increases in prices.

Timber as a commodity is one major exception. The timber industry is important to Victoria as a whole, and the price for timber and timber-related products has not been good in recent years. A number of issues within the timber industry must be addressed. Overall, commodity prices have been good and have improved the fortunes of country Victoria.

Country Victoria has been fortunate with good weather, which is an important factor for the economy of rural Victoria. In the past year or so the level of rain has assisted rural sectors. I say that with trepidation and touch wood, because I certainly do not want to put the mockers on the level of rainfall we have had in recent weeks.

Another piece of good fortune that has fallen our way in rural Victoria, which has something to do not with the state government but with the federal government, is the good fortune we have been experiencing with low interest rates and the favourable exchange rates of the Australian dollar in export markets. That is due directly to good financial management by the federal government. The low rate of exchange for the Australian dollar has helped our export industries, and rural industries have benefited by that.

Some good fortune has fallen upon rural industries, but at the same time some industries in the rural sector are under pressure. The government could and should take action to address some of those pressures. In this debate I shall concentrate on some of those industries that are particular to rural Victoria.

Before I move to that I make one comment about the significant impact of the Ansett collapse on rural Victoria. Ansett is relied upon to ship a lot of products to Asian countries, such as horticulture and vegetable-type products. Currently there is a delay in the export of those products. Today I have been informed that those products are going to waste in some storage facilities. Unless that situation is resolved there will be some hardships among some of our horticulture and vegetable industries.

It will also have an impact on our tourism industry in country Victoria. The extent of the impact is difficult to judge. There may be an offsetting effect in that people will stay at home in their own state for holidays rather than fly interstate. But many international and interstate visitors fly into Victoria on package holidays to visit places like Phillip Island or Sovereign Hill. There will

be an impact on the number of visitors flying into Victoria and going to those attractions. The effect on tourism is currently unknown, but if I were a tourism operator I would not have much confidence. I would say the Ansett collapse will have some effect on tourism in country Victoria.

Also fewer services are being supplied to some rural airports throughout the state. I know, for example, that Hazelton Airlines flew in and out of the Latrobe Valley airport. I am not sure whether it has resumed that particular service at this time, but I know that other airports throughout rural Victoria will be reducing commercial flights to bring businesspeople and tourists in and out of the regions. There will be some impact. The collapse of Ansett will have an impact on country Victoria.

I turn to a couple of rural industries, the first being the timber industry. I said in my opening remarks that the timber industry is currently experiencing low commodity prices for its products and has been for some years. There are some real pressures within the timber industry and it is fast reaching a crisis point. Certain matters need to be addressed; otherwise there will be a loss of many employment opportunities.

Our great hope was the regional forest agreements (RFAs) which would have supplied security of supply to the timber industry. Unfortunately, the sustainable yield volumes when those RFAs were signed off have not been realised because they were overestimated. Now there is a shortage of sustainable yield available to the timber industry. I am not blaming the current or previous governments for it because RFAs were signed under the auspices of both those governments. It is a real issue that needs to be addressed in a bipartisan way. From a National Party point of view we are not trying to play politics on this issue, but we are urging the government to assist in bringing the issue to resolution.

A speedy resolution of exactly how much sustainable yield is available to the industry is required. I know the government is currently reviewing those sustainable yield volumes, but I urge the government to expedite the review because timber licences, some of which expire in June 2002, should have been renewed several years ago. The uncertainty about the state government's commitment to supply that volume has meant that those timber licences to this day have not all been renewed.

The timber industry requires about a 10-year time frame to facilitate investment in the industry. Many investment decisions in the timber industry have been put on hold because of that great uncertainty. I urge the government to address the timber industry as a matter

of priority. We must resolve the timber licence issues so that the industry is kept alive and kicking. As part of the solution we must work with the federal government to increase the level of the forest industry structure adjustment packages so that money is available to the industry to restructure. In my own heart I believe some of that money should be used to fund exit packages from the industry to ensure that timber volumes are sustainable.

I also suggest that the government examine some of the reserves under the RFAs that can be used for timber production. They will be required when it is fully known there is a shortage of sustainable yield in the timber industry. One of our rural industries under real pressure is the timber industry, and I urge the government to address those problems as a priority.

I turn to the fishing industry, in particular the rock lobster fishing industry. As we know, the proposal for marine national parks in Victoria created uncertainty within the fishing industry, but on top of that the decision by the government to introduce a quota management system into the rock lobster industry is causing great discord and uncertainty within that particular fishery. For example, some people realise there should be improved management plans for the rock lobster industry. In fact, the industry had put forward several options to bring about better management to ensure the rock lobster fishery remained sustainable. They were rejected by the government, which decided to impose quota management.

Since then there have been strong objections to the system of quotas proposed by the government. Richard Oakley, a marine fisheries consultant from Portland, wrote to me on 11 September about the quota system proposed by the government and said in part:

The currency that all lobster licences had in the past, and that are still being traded on, is the basis of the value of pots. Not here in Victoria would you believe. The direction in this state was to make the allocation based on a part history and part pot numbers.

The subsequent impact of this allocation will be a redistribution of wealth amongst fishermen. There will be big winners and big losers, as well as a substantial upheaval in the infrastructure of coastal communities. For some licence-holders the value of their licences has increased by \$200 000 to \$300 000, while there are losers where the value of their investment has declined by similar amounts. Those who have benefited the most from the fifty-fifty history/pot holding allocation are the ones where there are allegations of cheating (gross over potting and loading up of log book returns).

Towards the end of his correspondence he states:

Over the last few days the state lobster fishers have received correspondence from the Rural Finance Corporation of Victoria outlining a structural adjustment package for both eastern and western zone fisheries. Despite assurances from Victorian fisheries managers that the structural adjustment package would provide a way out for those wishing to voluntarily leave the industry with dignity, it fails to offer a price equal to what pot prices are selling on the open market. Significantly, the Rural Finance Corporation package again fails to acknowledge licence-holders with giant crab endorsements.

Overall the quota management plan, with its many loose ends and issues still unresolved — and this is not to mention how policing will be undertaken — can only be described as a disaster.

I believe that is generally the view within that particular fishery. The introduction of quotas and the way the government is doing it is an absolute disaster. The people in the rock lobster industry are certainly facing an uncertain future. This is an example of actions taken by the government which have not helped this particular rural industry.

The purpose of today's motion is to urge the government to take into account the views expressed by Mr Oakley and to listen to and try to address those concerns. I raise that matter in the hope the government will do just that.

I will make quick mention of some of the industries in rural Victoria that utilise public land. I suggest that the actions and inactions by the government are putting pressure on those users of public land in Victoria. Last week we saw the Mountain Cattlemen's Association of Victoria stage a passive protest on the steps of Parliament House. I commend them for the way they conducted that protest. I would hardly call it a protest — it was an information distribution session because they spoke logically and responsibly with all members of Parliament who willingly gave up their time to go outside and listen to their concerns. I believe they have real concerns, and I have held that view for several years.

We know very well that the government's policy is to remove mountain cattle grazing from the high country in Victoria. That is in its policy, and even answers from the Minister for Environment and Conservation in the other place do not refute that because the government has said no-one will be removed until there has been full consultation and agreement with it.

That statement is extraordinary because, for instance, people who held about five or six licences and who had access to the area burnt by the Caledonian fires of more than three years ago have still not had access to that area to graze cattle. I am aware of at least one licence

transfer that has been held up for almost two years because the government has not agreed to transfer the licence from one name to another.

One way or another, if the government stays in power the grazing rights of mountain cattlemen will eventually be removed from the high country, which is why it is important that people in country Victoria recognise that that will occur under this government. That is another reason Victoria needs a change in government. I commend the mountain cattlemen for bringing that matter to the attention of Victorians through their responsible and positive demonstration on the steps of Parliament House last week.

Another major user of public land in Victoria is the timber industry. I have already commented about that in some regard. The timber industry is also being squeezed by the proposed increases in national parks in Victoria. Interestingly 16 per cent of the land mass in Victoria is now in national parks. Although we recognise that that preserves some important environmental values, it also puts pressure on the traditional users of those lands, the timber industry being one.

Before Parliament at the moment, and for the government's consideration, is the report on the box-iron bark study by the Environment Conservation Council (ECC). That report proposes significant increases in national parks across the box-iron bark study area. As a result, as the report concedes, in the timber industry alone more than 120 people will lose jobs if the ECC recommendations are accepted.

Recently the National Party met with Timber Communities Australia Ltd and discussed the implications if the ECC's box-iron bark report recommendations are adopted by the government. It would mean the loss of 120 jobs in the timber industry, which is significant. The timber industry plays an important role in rural Victoria. We simply cannot afford those job losses. We look forward to the government's response to the box-iron bark study and hope it will be responsible and take account of the potential job losses when it makes its decision.

Another industry that will be affected by the box-iron bark study report is the eucalyptus distillery industry. I refer to an article in the *Bendigo Advertiser* of Tuesday, 11 September in which Jeff Hartland speaks about his eucalyptus oil distillery. Jeff told the newspaper that:

... his father and grandfather have operated a eucalyptus oil distillery on the edge of the Whipstick State Park at Huntly North since the 1800s.

...

Mr Hartland said the same trees were on at least their 50th generation of regrowth.

'I'm still cutting the same trees my grandfather cut', he said.

The rotation is every three or four years — that is, every third or fourth year they will cut the same trees for the eucalyptus oil distillery. That proves it is a very sustainable industry and I suggest the government should seriously consider whether it should lock those people out of an important small business for country Victoria.

The National Party believes such sustainable industry should be allowed to continue. The fact that it has been suggested that some of these areas are good enough to be declared as national parks proves there can be harmony between environmental protection and a sensible use of resources. We look forward to the government's response on the box-iron bark report.

In that same context we could talk about the mining industry and prospectors, the latter who have almost no impact on the environmental values of an area. It is impossible to see where prospectors have explored through some of those areas. If we have additional national parks, prospecting will be prohibited in those areas. Yet that is a recreation that is compatible with the declaration of a national park and should continue in those areas where prospecting has traditionally been allowed.

Mining is another industry that has been gradually locked out of further areas of exploration and production in Victoria through the increased declaration of national parks. Although some compensation is to be made for mining in the box-iron bark area we feel that the industry is under pressure from the government, which insists on locking away further areas of public land.

I turn to the issue of ground water. Water is one of those natural resource commodities that is of great value to people in rural Victoria. We need to protect that resource carefully and use it wisely. In many parts of country Victoria we rely on ground water, particularly for stock and domestic use and in some areas for irrigation use. We know some areas of ground water are struggling to maintain the level of sustainability. The Department of Natural Resources and Environment has made assessments in those areas and has suggested, to use its terminology, some aquifers have reached their permissible annual volume — that is, they are reaching the level of extraction that is regarded as being at a sustainable level and that particular resource is not being overutilised.

My electorate has at least two aquifers — the Sale aquifer, which runs from Sale to Bairnsdale, and the Latrobe aquifer, which runs from the Latrobe Valley across to the coast and underneath the ocean beds via Yarram and parts of South Gippsland. Both aquifers are perceived to have reached their permissible annual volume. Therefore, there is a current moratorium on any new bores being sunk into those aquifers. That is causing some lack of economic opportunity in those areas. Farmers are unable to sink new bores and therefore, cannot expand their production levels. That is a concern.

I know the level of the Latrobe aquifer has dropped 30 metres over the past 40 years. This has led to added costs for existing bore licence-holders who must continually sink their bores lower and lower to reach the water level at significant cost. A number of economic development opportunities would be available if that water were available to more people. Unfortunately there seems to be little action by this government to resolve the problem.

The problem in the Latrobe aquifer is that most of the water extracted is extracted by the oil and gas industry with the oil wells in Bass Strait. It is suggested that the oil and gas industry uses 90 per cent of the water in the Latrobe aquifer yet there is no requirement to recharge that aquifer. No licence conditions have been imposed on the oil and gas industry to ensure that that aquifer is recharged. In addition, there is a real problem with potential subsidence. We do not know if the land around the Yarram area is sinking — the government has not yet put accurate monitoring mechanisms in place to see if there is a risk of subsidence or if there has been subsidence historically.

The people of South Gippsland are becoming very impatient on this issue which is understandable. I know the politicians who represent that area have been calling for some action from the government. I repeat that call for some action in the form of a proper assessment of the potential for subsidence and the need to require the oil explorers to recharge that aquifer so that agricultural users get fair and reasonable access to that water.

I turn now to the issue of the lack of government strategies to address particular areas of economic hardship. I represent the Latrobe Valley and it is an area where the government has made a half-hearted effort to do something. I give the government credit for putting together the Latrobe Valley ministerial task force to look at some of the problems associated with the Latrobe Valley to see if there are any measures by which the government can help revitalise the local economy. That ministerial task force met, took

submissions from the public and made a number of recommendations. It suggested putting together a package worth \$105.8 million to revitalise the Latrobe Valley, for which I thank it. The fine print tells us that half of that is new funding and the other half comprises better-targeted funding with a significant amount of it to come from 'existing allocations' to use the words of the Premier's press release of Friday, 22 June.

The task force's recommendations included \$17 million over three years to transform and renew public housing in the Latrobe Valley. That is on top of the \$10 million already committed and starting to flow through, which is welcome. The task force recommended \$14 million be spent on the clearing and decontamination of the Lurgi gas plant site but we have not seen a cent of it. Other recommendations include things like \$12 million for a Gippsland integrated learning centre at the Churchill campus of Monash University and once again we have not seen a cent of it. I have not even seen a plan for that centre yet; there is no vision by this government as to how that centre will take shape. I asked for a briefing on this from the government and the simplest questions I posed were not able to be answered.

The task force recommended \$2 million for the development of an aviation-focused industrial estate at Latrobe Regional Airport. We in the Latrobe Valley all thought that was a terrific initiative but there was one problem — the land was not there. The land is freehold land owned by private people who were not consulted. At the moment there is no land and the council is having to go through a land acquisition program to try to gain the land for that aviation precinct. I hope it eventuates but it is pretty poor planning by the government to say it will do this when it has not even told the people who own the land and expected to build houses on it about the plan.

Another recommendation was for \$2.5 million to demolish the old Traralgon hospital but we have not seen a cent of it. The government put forward a plan to assist the Latrobe Valley but it has not materialised at this point in time.

Before I finish I would like to make a couple of comments on some issues which have more general application across industries in country Victoria. One of those is Workcover. This is one of the big impediments to business growth in country Victoria and across the state. The previous government put in years of effort to reduce Workcover premiums after they were at record high levels under the Cain and Kirner governments. The former coalition government fought hard and made some hard decisions to reduce Workcover in this state

to levels comparable with those of other state jurisdictions. The previous government put in the hard yards but when this government came to power we saw an immediate increase in Workcover premiums. Those premiums have been a significant disincentive for business growth in country Victoria and indeed across the whole of the state.

I cite the case of a business in my electorate. I will not name it because I have not consulted with it as to whether it would be happy to have its name on the record, but it told me it has an operation in Victoria and the same sort of operation in Queensland. In Victoria it pays 7.33 per cent of its salaries in Workcover premiums and the same company doing the same thing in Queensland pays 1.84 per cent of its salary costs in premiums. For goodness sake if you were an investor making a judgment on those figures you would not invest in Victoria. When we are getting to the point of Workcover premiums being 7 per cent or 8 per cent of salary costs as opposed to 1 per cent or 2 per cent in another state that is a significant impediment to investing in Victoria. The government needs to address rising Workcover costs but unfortunately the Premier did not mention that in his commentary on page 2 of the *Herald Sun* today. He completely ignored the issue, but we claim that it is one of the significant impediments to investment.

The last issue I wish to highlight goes to part of the motion about the failure of this government to outline its present strategy to address the crucial economic issues facing Victoria. I turn to an article from the *La Trobe Valley Express* on Monday, 20 August 2001. It concerns young farmers — an issue of great interest and importance to members of the National Party — and the need to have in place a strategy to ensure that we have farmers for the future, people to grow the food we all rely upon. One would have thought that this was an important priority of government. The government should have in place a strategy to ensure that we have farmers in the future but this is what the Minister for Agriculture said about the issue. The article states:

The state government has indicated that a raft of new education and training initiatives are needed to combat the shortage of young farmers in Victoria, a situation Minister for Agriculture, Keith Hamilton, labelled last week as a 'major concern'.

But Mr Hamilton, the Labor MLA for Morwell, conceded the government remained unsure how many young people it needed to restore the industry and, more importantly, how to attract them.

...

'We don't know how many people we need to get into the industry sector, we don't know what sort of training is required and we do not know what vehicles there are to do it.

'There's no overall strategy, the real big challenge is to get the strategy right ...

That is a startling admission from the Minister for Agriculture that the Victorian government does not have a strategy in place to ensure that young farmers are available so we have farmers in the future. The article goes on, but there is no commitment to put in place a strategy. He just concedes that the issue is one of concern.

That is why I said at the very outset that the lack of action by this government means that many more job losses are bound to occur in the future. It highlights the point made in the Honourable Carlo Furletti's motion that the government needs to have in place a sound strategy to ensure that the business and economic climate in this state is revived because it is certainly on a downward trend.

I admit to not knowing how many jobs have been lost in Victoria since this government came to office. I do not know and I do not know if anybody knows, but the numbers are significant. I could list at least 20 major companies in country Victoria which have shed jobs in the past two years.

Bonlac, for example, a major dairy manufacturing company, closed three plants at Drouin, Camperdown and Toora during 2000. Kraft Foods at Leitchville restructured with some job losses. Nestlé in Warrnambool closed with 122 jobs lost. At Warrnambool District Wool Mills, 67 jobs were lost; at Pivot in Portland, 14 ; at Stafford Ellinson in Bendigo, 25 ; at Siemens in Morwell, 62 ; at Goodman Fielder in Ballarat, 70 ; and at Benalla Spinners, 40 . This year we have seen the loss of 30 jobs at Bradmill. We have seen the loss of 200 jobs at Solectron in Wangaratta. We have seen Alpine Kitchens in Numurkah shed 18 jobs, and the One.Tel call centre in Bendigo, 190 jobs. We have seen meat processing operators and abattoirs right across country Victoria in places like Casterton, Portland, Hamilton, Foster and Moe close with significant job losses.

It gives me no joy whatsoever to be standing here talking about that issue this morning, but it is a crucial issue that needs to be addressed by this government. We urge the government to give us a plan. Put it on the record; tell us what the strategy is to arrest this decline of jobs in Victoria. Rural industries, like other industries in Victoria, are under significant pressure. Unless this government does something, the news in the months to come will be as bad as it is today.

I commend the Honourable Carlo Furletti for bringing this motion before the house today and urge the government to respond positively.

Hon. G. W. JENNINGS (Melbourne) — I am happy to respond positively to the matters before the house today, although obviously the government will not support a motion condemning itself. But it will rise to the challenge of outlining to the Parliament of Victoria the way this government is addressing some of the major economic and social factors that confront Victorians and Australians and communities around the globe.

September 2001 will go down in the history of the world as being extremely memorable because of the effects of acts of terrorism and the pending conflict that may arise in redressing and finding justice for those acts of terrorism. And September 2001 will be remembered around the globe as a time of acute concern about the nature of the economic downturn that we see applying consistently across all economies of the world.

In Australia September 2001 will be remembered because, in addition to those significant international events and trends, this country is confronted by the additional challenge of addressing significant employment issues such as the untimely loss of Ansett Australia jobs and job losses in the retail sector. This has led to the headlines that appeared in this morning's press on which members of the opposition have relied so heavily in their contributions. In particular there are two references on the front page of today's *Herald Sun* to the fight for jobs. An article by Tim Colebatch that appears on page 26, the features page, of the *Age* newspaper this morning talks about how to fight the slump.

They are timely and salutary warnings from the media about the urgency of the issues confronting our society and our economy. Many societies around the globe are confronting those issues, and the important message we need to take home from these warnings is the need to act responsibly, diligently and with vigilance in responding to these economic trends rather than becoming hysterical. That is the great danger, that the people who are the foretellers of doom about the economic circumstances will talk down the economy and play a negative role when ostensibly they are seeking to make a contribution to addressing those economic concerns.

I believe Mr Furletti, who quoted fairly selectively from Tim Colebatch's article, may get some value from reading the entire article, because Tim Colebatch hankers for the days when Keynesian economics

prevailed and looks at the role governments play in the mixed economy. It is an important message for Victoria and for governments in Victoria and around the nation to look at the appropriate mix of public and private sector activity and the appropriate role government should play in a mixed economy to underpin and facilitate private sector employment and investment. That is the key difference between this government and the opposition. When it was in government the opposition deserted the field in public sector activity and let the private sector prevail to the exclusion of key infrastructure investment and service delivery in the public sector. That is a clear issue that divides the opposition and this government.

It is essential in a mixed economy that a government does not shirk its responsibility but steps up, and I will indicate to the chamber this morning a number of ways the current government is stepping up to facilitate investment in private sector activity in this state in the key areas of manufacturing, in particular, and to play a role in establishing the appropriate private and public partnerships for delivering on key infrastructure — the key infrastructure to underpin economic growth that was sorely neglected time and again by the Kennett regime.

Let us give credit where it is due in the emphasis on major attractions and events in Victoria in the Kennett era — the things Mr Furletti most hankers for. Some significant events that were investment attractions came to Victoria. They played a positive role in maintaining buoyancy in the economy, but they perpetuated the fundamental structural problem in the Victorian economy. We are cushioned by the level of consumption activity in the Victorian economy as distinct from the long-term structure and restructure of the key industries and private sector activities that our community will rely on.

That balance of international, local and national issues is clearly lacking in the analysis provided by members of the opposition. They talk about shirking responsibility, but time and again they refuse to accept that there are a number of areas of federal government responsibility that have clearly left the Australian economy vulnerable at this time. The current example of Ansett provides a case study of the inadequate regulatory regime covering the airport industry in Australia and has led to —

Mr Boardman interjected.

Hon. G. W. JENNINGS — The Civil Aviation Safety Authority plays its role, Mr Boardman. Even if you are not in your seat, I will recognise that CASA has

a responsibility, the federal government has a responsibility and the management of Ansett and Air New Zealand, which took over Ansett, clearly played a role in the cumulative effect that led to the demise of this significant airline. The reason the current Ansett situation is a case study in the connectedness between elements of the domestic economy and the international economy is that what we have sought for the moment is to find some alternative operator that will come in to assist in the takeover of Ansett.

The unfortunate result of the timing of this event is that due to the tragic circumstance in the United States of America there is a general worldwide downturn in air traffic and a desertion of the financial base of airlines around the globe — two critical aspects of the ongoing viability of Australian domestic airlines. One affects the traffic that comes into our country and the other affects the potential investment base that may be provided by airlines around the globe. It is a case study of the interconnectedness between domestic economic and management issues and international ones. A similar case study could be applied to the tragic demise in Melbourne of Daimaru.

Hon. B. C. Boardman — That is interconnectedness!

Hon. G. W. JENNINGS — It shows the absolute interconnectedness of domestic and international economic circumstances. As opposition members said, since it established in Melbourne, Daimaru has not been able to make a profit, but it has been consistently underpinned by its controlling company in Japan. Those who are observant about the circumstances of the Japanese economy will know that it has gone through the floor. The capacity of the parent company to sustain its operations in Australia has been severely jeopardised. That is a significant factor, and the opposition has been alive to that. However, the opposition completely refuses to accept any responsibility for what the introduction of the GST has meant to the retail sector.

If members of the opposition were listening this morning to *AM*, as distinct from listening to their preferred media outlets or reading their comics or the comments which led to their contribution in the debate today, they would have heard an analysis by Peter Martin based on information obtained from the Australian Bureau of Statistics (ABS) which indicated that since the introduction of the GST the retail sector has had an overall increase of 4 per cent.

However, that analysis falls short of the true picture because growth in the retail sector has been almost

exclusively in the area of food. In the past year retail consumption has increased by 9 per cent, and that is the factor that has led to the growth in retail figures. Surprisingly food is GST exempt, and the only aspect of the retail sector to flourish in the past year has been food. The department store sector has seen a 12 per cent decrease in retail activity since the introduction of the GST. I am not lumbering all responsibility for the GST — —

Hon. B. C. Boardman — On a point of order, Mr Acting President, I seek clarification on that because the honourable member's figures contradict the figures in the monthly summary statistics of the ABS.

The ACTING PRESIDENT

(Hon. R. H. Bowden) — Order! Several types of information have been made available by honourable members. In the context of the wide-ranging debate and the latitude needed by members on both sides, I do not find a point of order.

Hon. G. W. JENNINGS — I thank you for your ruling, Mr Acting President. I attribute those figures to Peter Martin on *AM* this morning. I welcome members to verify those statistics that I did not quote but remembered and attributed.

Clearly there is a relative responsibility between private sector management and the role state and federal governments may play in supporting economic activity as both employers and deliverers of infrastructure and service in facilitating growth in the Victorian private sector. It is important that we do not become hysterical about the bad news that has confronted us and the concern is shared by all members of the house for ongoing job growth and job viability for Victorians.

We have to be mindful that in the past financial year the Victorian economy grew by 4.6 per cent and is predicted in the current budget estimates to be increasing by 2.75 per cent. It is slowing, but it is a significant improvement on many other parts of the nation and around the globe.

To keep these issues in perspective the unemployment rate in Victoria at 6.2 per cent is the lowest in the nation. An important factor, which has been completely ignored in the opposition's contribution, is that about half of Australia's growth in employment in the past year has occurred in Victoria. In response to the challenge laid down by the Deputy Leader of the Opposition I would not crow about it, but it is positive to report to the house that there continues to be a net migration to Victoria from other states around the nation — —

Hon. B. C. Boardman interjected.

Hon. G. W. JENNINGS — Regardless of who started it, Mr Boardman, I am happy to report to the house that the net migration continues to occur and that in the past year there has been a net increase of 7831 people.

I will address in some detail the importance of the manufacturing sector and talk about what the government has done to support the manufacturing sector and what it has committed to undertake to continue supporting that sector. According to a recent survey of Australian manufacturing for the September quarter 2001 produced by the Australian Industry Group and Pricewaterhousecoopers, Victorian manufacturing is improving across a key range of areas such as production, sales, new orders and capacity utilisation, with further improvement expected in the December quarter 2001. So that company's most recent industry survey confirms that the trend line for Victorian manufacturing is positive. In fact Victorian manufacturing takes up about one-sixth of all people who work in Victoria — that is one-sixth of our economy — and comprises key underpinning industries in research and development for defence, aerospace and the automotive industry.

Victorian manufacturing comprises about 33 per cent of both the national employment level and the value-adding capacity of the nation in manufactured goods. I am very pleased to put on the record that last year exports of elaborately transformed manufactures reached a record \$8 billion in Victoria, an increase of 9 per cent on the previous year and of 33 per cent from 1999, which indicates that despite the gloom and doom and in many instances tragic circumstances of factory and job losses there has been a net increase in activity within the sector. That is reinforced by recent figures from the Australian Bureau of Statistics on building approvals, which show that Victoria had \$64.8 million worth of factory approval in July 2001 — more than double that of New South Wales. According to ABS — —

Hon. B. C. Boardman interjected.

Hon. G. W. JENNINGS — Interest rates may play a positive role but the thing that divides Mr Boardman and me is that I am happy to take blame as well as credit. The opposition has only the capacity to throw and hope it sticks, and that will not work during the course of this debate. I am very pleased to put on the record that according to these same ABS statistics, more than half — about 55 per cent — of the nation's factory approvals in July this year occurred in Victoria.

That is consistent with a positive trend in the level of investment in Victoria generally. Recently Access Economics did a survey of investment activity either under construction or committed and reported a very healthy \$12.7 billion worth of projects currently under way. This feeds off the back of the government's good record since it was elected in October 1999. The government believes that through the Department of State and Regional Development, Treasury and investment support for the government's programs, it has attracted new investments of around \$2.8 billion, which it expects will generate in the order of 12 000 jobs. From those levels of investment the government expects that approximately 4197 of those jobs — which is a very precise approximation — will be in regional Victoria.

Since the election of the Bracks government projects of around \$1 billion have been committed to in rural Victoria and almost \$2 billion of the investment projects I mentioned have been in the manufacturing sector.

Opposition members read a number of bad news stories, and I would like to give some good news stories. They include the Murray Goulburn warehouse in Laverton, which is worth \$58 million and will lead to 50 jobs. The Holden engine plant is a \$700 million project that will lead to approximately 500 long-term jobs. The Infogrames Asian regional headquarters for the publishing and development of computer games is a \$25 million investment that will lead to more than 100 jobs.

Honourable members interjecting.

Hon. G. W. JENNINGS — The AIW Printing project will create a state-of-the-art printing facility in Springvale that will lead to 90 long-term jobs, and GKN Engage British Aeronautical Company will invest in Victoria to establish a design and analysis facility. The project will create up to 200 long-term jobs.

During the course of my reading the list of projects, opposition members interjected that there have been some jobs losses. In a mixed economy there are openings, closures and new opportunities. The Bracks government seeks to underpin the economy to make sure that the net position of Victoria is enhanced. The net position in economic growth and jobs growth is positive. It is a sorry story that up until this time the opposition analysis has not acknowledged that the net trend lines are positive. They choose to talk the economy down by talking about the troughs rather than the peaks in the trend line.

Honourable members interjecting.

Hon. G. W. JENNINGS — It came off the back of an appropriate mixture of public and private sector investment which will underpin the continued economic and social activity of the state. Those projects include the Melbourne Airport–city rail link, fast rail links to regional cities — —

Honourable members interjecting.

The ACTING PRESIDENT
(Hon. R. H. Bowden) — Order! Comments should be made through the Chair.

Hon. G. W. JENNINGS — They also include the Scoresby transport corridor project, the development of the port of Melbourne, the redevelopment of Spencer Street station, the television and film studio at Docklands and Berwick hospital. They are significant investments, and they will be developed in a timely fashion and as much as possible in a productive partnership between the public and private sectors, which has been an emphasis of the approach taken by the government, rather than deserting the field as had been the case under the Kennett regime.

A significant level of private sector investment has been taken up within the last two years since the election of the Bracks government. There will be a major development of Victoria Harbour, with \$1.8 billion being committed to the project by Lend Lease. There will be a \$600 million development of the Queen Victoria hospital site, which has been a blight on the landscape for a long time. A \$160 million automotive business park next to the Ford factory in Campbellfield will accommodate several of Ford's component suppliers, and there will be a new \$150 million gas-fired electricity plant in the Latrobe Valley, which I am sure the Honourable Peter Hall is very enthusiastic about.

Another significant project being undertaken by the Bracks government in cooperation with the private sector and Victoria's universities and research institutes is the building of a synchrotron in the south-eastern suburbs, which will provide an excellent research facility to support our burgeoning biotechnology industry. It is a \$157 million project. The government will contribute \$100 million, with the residue being taken up by the private sector and research institutions.

Hon. B. C. Boardman interjected.

Hon. G. W. JENNINGS — I would be happy to talk to you at length about that issue in the future Mr Boardman.

This comes off the back of a significant number of good news stories that have occurred in the manufacturing sector in the past two years. I will briefly run through the investments, which include the Hugo Boss head office, showroom and distribution facility in Preston worth \$15 million, and the Anadis pharmaceutical plant in Campbellfield.

New investments also include the Marand upgrade of a precision tool centre at Moorabbin. Alstom, in a significant project for the regional economy and job creation, will introduce its technology to the city of Ballarat to construct 58 high-tech trains that will benefit all Victorians through an enhanced public transport system in the future. DMG Industries in Dandenong is a chroming plant. Blundstone Boots has gone to the world and we have tap-danced our way to a significant new investment leading to high-tech gum boots — a whole new school of dance.

It has established a manufacturing centre in Laverton which will lead to a significant number of jobs in that region.

Argyl Times Graphics will upgrade publishing and printing facilities and establish its Asian-Pacific training headquarters in Sunshine. In an industry where we have a number of international concerns, which I have already mentioned in my contribution, there has been a significant \$44.5 million investment by Air International in a global technology centre in Port Melbourne. Synergies will be created through investment by Boeing Australia of \$16 million which will lead to 250 jobs in Port Melbourne.

In the past two years there has been a significant record of investment attraction throughout the length and breadth of Victoria. The Bracks government has played a key role in supporting and facilitating that major investment.

Members of the opposition and members of the community might be alarmed at the downturn of a particular industry, factory or location and the consequences for any misplaced worker. The government shares those concerns and does not sit on its hands in looking for ways to try to support the industries by maintaining a sound financial base and management structure for the future. We are keenly interested in those concerns. However, many management decisions to close factories and seek other opportunities are beyond the control of any government, state or federal.

The government is keen to play an active role in supporting and facilitating investment in the private

sector in this state. That has been the story since the day the government was elected. If we have not sufficiently communicated that to the opposition or to members of the community perhaps that is a lesson for us to demonstrate that for every bad news story there are probably two good news stories out there. We should spend some of our time collectively as a Parliament — to use the words of the Honourable Carlo Furletti — ‘to crow’ about those significant positive stories.

In providing a framework for where we are going from here, the government has scanned the horizon and looked at work done by the Organisation for Economic Cooperation and Development (OECD) to identify industry and investment support across the globe. The government recognises that many of the trends that are of concern to the Victorian economy are concerns of the national and international economies. So we looked for best practice in providing a rigour to the type of programmatic support and the role the state government may play in underpinning social and economic development.

The government has looked to the OECD and its recent study entitled ‘The growth project’, which provides policy settings and advice to governments about what areas of activities they should be involved in to support sustainable economic growth. They fall into four major categories, and I will briefly outline what those four major categories are and indicate how the Bracks government intends to respond in each of the categories to the challenges that confront our economy.

The first area that is outlined by the OECD is to strengthen economic and social fundamentals, by ensuring macroeconomic stability, encouraging openness, improving functioning of markets and institutions, and addressing the distributive consequences of change.

In that regard the record and the intention of the Bracks government are sufficiently focused on meeting those objectives. We have seen the maintenance of the state’s credit rating and the maintenance of the substantial operating surplus both in this budget and in the future estimates, and the intention of the government is to build on those budget surpluses. Despite the howl of protestation by the opposition we have seen a significant reduction of business taxes leading to a net \$774 million reduction over a four-year period. We have seen significant infrastructure investment in transport, social services and education and through important funding programs such as the Regional Infrastructure Development Fund and the Growing Victoria infrastructure reserve. In future the government will support the appropriate planning and

delivery of social and physical infrastructure by providing rigour in the metropolitan strategy. The Bracks government record and intent stand up to the direction of the first criteria set down by the OECD.

The second area the OECD has identified is to facilitate the diffusion of ICT — information and communications technology — by increasing competition in telecommunications and technology, improving skills, building confidence and making electronic government a priority.

In that regard the government does not play a major role in providing a regulatory regime for competition in the telecommunications industry. Clearly that is not the case. But the state government has and does play a major role in building on a legacy of the Kennett regime with Connecting Victoria.

The government has provided additional support and has grown that program. That has been a major emphasis of both budgets of the Bracks government.

Hon. P. A. Katsambanis — Which program?

Hon. G. W. JENNINGS — Connecting Victoria. That is consistent with the Bracks government’s approach to increase electronic commerce within this state, and it has brought in legislation to facilitate e-commerce throughout Victoria and in the international marketplace. We have been —

Hon. P. A. Katsambanis — Which legislation? Name it; name one piece.

Hon. G. W. JENNINGS — You know it.

Hon. P. A. Katsambanis — You name it. You do not know it; you are making this up.

Hon. G. W. JENNINGS — No, I was in the house when we debated it.

The ACTING PRESIDENT
(**Hon. R. H. Bowden**) — Order! There is a little too much side comment going on. I ask Mr Jennings to direct his comments through the Chair.

Hon. G. W. JENNINGS — We have seen an escalation in the —

Hon. Bill Forwood — By a knock-out!

Hon. G. W. JENNINGS — I do not think so. Look through the Victorian statutes; you will find the legislation. You know what I am talking about.

Hon. Bill Forwood — It is a pity Hansard cannot record your smile!

Hon. G. W. JENNINGS — Yes, the Parliament of Victoria and the people of Victoria are much the poorer for that. I agree with the Leader of the Opposition in that regard.

The priority of this government has been to escalate the uptake of online services through government agencies and to provide appropriate access, as much as possible, for all Victorian citizens to the activities of the government.

In terms of addressing the second criterion identified by the Organisation for Economic Cooperation and Development, the Bracks government has a track record and intends to maintain the effective distribution of access to information and communication technology.

The third area identified by the OECD is the fostering of innovation by giving greater priority to fundamental research, improving the effectiveness of public research and development funding, and promoting the flow of knowledge between science and industry. In that regard the government has given great weight to the science, technology and innovation fund, which has targeted over \$310 million during the — —

Hon. Bill Forwood — Who did you advise during the Cain and Kirner governments?

Hon. G. W. JENNINGS — That is a very interesting story. I am happy to go through it with you at a later point in time.

The targeted program of \$310 million provides significant infrastructure and investment support, which straddles not only the public but also the private research institutions sector within Victoria and which will be the centrepiece that leads to the significant investment in the synchrotron, to which I have alluded this morning. It provides excellent opportunities through the Department of Natural Resources and Environment in conducting research into the science, agricultural and food sectors, and through the Department of Human Services to support health and medical research. The Bracks government places an emphasis on the third field of endeavour. It has a track record in and is intent on delivering on that key underpinner of social and economic growth.

The fourth priority area identified by the OECD is investing in human capital, by strengthening education and training, making the teaching profession more attractive, improving the links between education and

the labour market, and adapting labour market institutions to the changing nature of work. That has been a major emphasis and priority of the Bracks government since it came to office, and has seen a significant investment in enhanced information and communication technology through the technical and further education and school sectors, and the development and building of knowledge and skills for the future to create the framework by which the government will ensure, as much as possible, the dovetailing of industry needs with the skill base and capacity of Victorian citizens coming through the school system, and the taking up of lifelong learning opportunities.

That is a fundamental lesson and undertaking of the Bracks government — to ensure that those who need training and support and want to enhance their educational opportunities have that opportunity throughout their lives. That is a clear area of differentiation between the Bracks government and its predecessor.

Some challenges are confronting the industry and our economy. We have to ensure that the links between industry and the education sector are enhanced. We have to ensure that the take-up of huge gains to research and development are not lost by the lack of take-up of the commercial application of those research initiatives. There is a major problem with ensuring there is an appropriate level of support to underpin the commercialisation of the inventions that are currently going offshore.

In the take-up of new technologies one area that is severely underdeveloped in terms not only of state infrastructure but also its potential export growth is environmental technologies — for example, the appropriate distribution of water. In many parts of Victoria there is an urgent need for a more efficient distribution of water and access to water services. That would drive new technologies and new applications in Victoria and have the great potential not only to domestically assist communities throughout Victoria but also to be a major export growth area in terms of the capacity for Victorian industry to export much-needed environmental technologies throughout the globe.

They are some of the challenges that have been confronted by the Victorian government. I have put on the table a substantial body of evidence to demonstrate that in the past two years the Bracks government has been very active in providing support and assistance and facilitating growth and economic activity. It is vigilant in ensuring that it will not lose jobs in Victoria and that it will as much as possible support all Victorian

industries to be sustainable, not only with their environmental and resource use but also with their economic viability into the future.

I will take up the challenge Mr Furletti outlined in his contribution and conclude by referring to the article by Tim Colebatch in today's *Age* entitled 'How to fight the slump'. It is subtitled 'When recession clouds gather, governments must take the lead with a mix of prudence and daring' and states in part:

What can Australian governments — federal and state — do in this rough weather? A mixture of prudence and daring is called for.

Further, it states:

The coalition and Labor should keep a tight rein on new promises that reduce revenue or increase recurrent spending. But this is the time for government to take over as the growth engine of the economy by investing in infrastructure: roads, rail, communications, education — anything that will produce an economic and social return that outweighs its cost.

That is the end of the challenge laid out by Tim Colebatch. I believe the Bracks government has pre-empted that advice by taking the very actions it has taken since the day it was elected.

It has taken prudent financial measures and it has consistently been directed to provide the infrastructure that was not developed with regard to the breadth of road, rail and human service delivery throughout the state. Those areas were deserted by the previous government. We have taken up the cudgel to ensure that that investment takes place as a stimulant to the Victorian economy and to underpin the future economic growth of this state. It is for that reason that I have great confidence in the roles being played by ministers and their departments; I am very supportive of the actions they have taken.

I join the opposition in the call to be alert and responsive to the needs of the Victorian economy and the international downturn from which Victoria cannot be totally immune. On that basis, and on the basis of its track record, commitment and the framework I have outlined to the house, I am certain the government will rise up and meet the challenge that the opposition has put to it but, more importantly, that the Victorian community expects the Victorian government to rise up and meet. On that basis I can do nothing but oppose the motion before the house.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — There is no doubt that this morning I am following an actor. I have listened to the honourable member's speech and it is very clear that Mr Jennings is a very good actor. However, I am somewhat perplexed by

what I have heard this morning because as we know there are four ministers in the upper house — the Minister for Industrial Relations, the Minister for Small Business, the Minister for Energy and Resources, and even the Minister for Sport and Recreation.

The motion calls on the government to outline its present strategy to address the crucial economic and business issues facing Victoria, yet when it comes time for the government to do that, who do they get to do it? Which one of the ministers spoke? Not one of them! They get the cabinet secretary to speak; the only man in cabinet who is not allowed to speak. He is the person put forward by the government to talk about the government's strategy for addressing Victoria's economic issues. I would be the first to concede that of the front bench line-up in the upper house, the cabinet secretary, Mr Jennings, is no doubt the smartest of the five.

Hon. G. W. Jennings — Don't ruin my career! Stop now!

Hon. G. K. RICH-PHILLIPS — Faint praise, Mr Jennings! It is very telling that we do not have a minister addressing this issue. Ministers are sitting on the front bench of the chamber as they have been all morning, but they are not addressing this issue; it is quite bizarre. The reason I said 'faint praise' for Mr Jennings is with reference to some of the notes I made about his comments.

One of the more bizarre comments Mr Jennings made related to the Ansett situation, which I intend to touch on in more detail in my contribution. If I understood Mr Jennings correctly, he asserted that the aviation regulator is responsible for the situation Ansett now finds itself in. He asserted that the Civil Aviation Safety Authority, the safety regulator, is responsible for Ansett's situation. The only thing I can conclude from that is that Mr Jennings read an advertisement in the *Australian Financial Review* last week. As anyone in the aviation industry will tell you, that advertisement was without any credibility, and Mr Jennings's comments in this chamber on this issue are without credibility. To blame the safety regulator for the financial demise of an airline is absolutely bizarre. Does he think Qantas is not subject to the same regulatory environment? Does he think the other airlines are not subject to the same regulatory environment? Does he think the federal regulator imposes special safety conditions only on Ansett? It is bizarre to suggest that the regulatory environment has somehow impacted on Ansett yet left the other airlines untouched.

Early in his contribution Mr Jennings said the government, in dealing with economic and business issues, would act diligently and responsibly. That is a comment I welcome. However, more importantly, I would welcome it simply acting, let alone diligently and responsibly. Any action in the Victorian economy would be most welcome.

Mr Jennings referred to key infrastructure, and I want to pick up the point of the provision of infrastructure in Victoria. He referred to public and private partnerships. It was curious that he did not provide any examples. The reason for not providing examples is that there aren't any! There are no public and private partnerships. With the exception of the court development, there are no private sector partnerships under way in Victoria; they are all proposals — if that. After two years this government is doing nothing with its public and private sector partnership program. The silence from Mr Jennings is deafening. There are no projects under way.

The other point I would like to pick up from Mr Jennings's contribution is one of his closing statements. It was an extraordinary statement for him to make in the context of what has been happening in the past couple of days. Mr Jennings said the government will be vigilant in ensuring that it does not lose jobs in Victoria. I would suggest that he read the newspapers of the past couple of days and look at what Coles Myer is doing. I suggest he look at what Daimaru has announced. If the government is being vigilant to ensure no jobs are lost in Victoria, I suggest it is a bit late — it has already happened!

That takes me to another point Mr Jennings raised. Very predictably he blamed the GST for many of the economic circumstances in Victoria. I expected that line from the Minister for Consumer Affairs, but I expected better from the Honourable Gavin Jennings. To put his comments about the GST in context it is worth reflecting on what happened in Victoria prior to its introduction. I go back to January 2000 when due to ineptitude and bungling the Bracks government failed to secure the Virgin Airline project and lost 300 potential jobs, six months before the GST was introduced.

Hon. K. M. Smith — Where did they go?

Hon. G. K. RICH-PHILLIPS — Queensland. The Studio City development at Docklands was scuttled in February 2000, five months before the introduction of the GST, with a loss of 3200 potential jobs. The list goes on. Bonlac was lost with a loss of 250 potential jobs four months before the introduction of the GST.

The list of jobs and investment projects lost from Victoria prior to the introduction of the GST is extensive. For Mr Jennings to suggest that the introduction of the GST is responsible for the flight of capital out of Victoria is ridiculous.

Another area I would like to speak to today relates to infrastructure, and it was a point Mr Jennings picked up in his speech to varying degrees. He put an interesting interpretation on certain infrastructure projects in Victoria. It is worth going back to fundamentals: why are we talking about business? Why are we talking about the economy? Obviously the standard of living of Victorians is determined by the success of the economy. Improvements in that standard of living will come about through improvements in productivity — real productivity. That is Elementary Economics 101.

The only way to get real improvements in productivity is by investment in infrastructure in an environment which is friendly to capital, and that is an environment we do not currently have in Victoria.

The Honourable Gavin Jennings was critical of the federal government, but it is worth reflecting on what the federal and Kennett governments did to support capital investment in Victoria, particularly the federal government's achievement in reducing commonwealth debt. An Australian Bureau of Statistics publication on non-financial public sector net debt shows that since the period when the Howard government was elected in 1996 public sector net debt has been reduced from \$96 billion, which was left by the Keating Labor government, to a current estimate of \$37 billion, a substantial reduction.

During the term of the Kennett government state public sector debt was reduced from \$32 billion to about \$6 billion. What is the significance of that for investment in Victoria? By reducing government demand for capital, more capital is made available to the private sector for infrastructure projects, and thus the cost of capital is reduced. That can be seen in the movement of interest rates over the period of the Howard government.

The Reserve Bank bulletin shows that the three-year Treasury government bond rate at the time the Howard government was elected was 8.4 per cent. The current rate on those bonds is 4.99 per cent, a reduction of 40 per cent in the cost of capital and the cost of financing projects — a significant impact when it comes to providing finance to fund the infrastructure projects that the state requires.

I turn to what the Victorian government is not doing in providing public sector infrastructure projects, in particular the role played by the Minister for Major Projects and Tourism. On the weekend I attended the opening in my province of the City of Casey Aquatic and Recreation Centre, a \$17.4 million project, the majority of which was funded by the City of Casey with a \$5 million contribution from the state government of which \$2.5 million was provided before the election by the Kennett government and \$2.5 million provided by the Bracks government.

The opening was by no means a significant state major or infrastructure project, but the Minister for Major Projects and Tourism attempted to open the centre, which was extraordinary. Today I looked at the minister's web site to see what projects were listed as having been announced, and — surprise, surprise! — he announced the \$17 million Casey aquatic centre as a major project. That is all he can list on the web site as an infrastructure project of the Bracks government. The minister was so churlish about the opening that he refused to let the Minister for Sport and Recreation turn up to it.

Hon. B. C. Boardman — That's not good!

Hon. G. K. RICH-PHILLIPS — That is not good, Mr Boardman. The Minister for Major Projects and Tourism was churlish about it because he did not want the Minister for Sport and Recreation hogging the limelight. He had to open a major project, and the best he could find was a \$17 million municipal swimming pool. That is the only major project on the minister's web site.

It is interesting to look at what else is listed on the minister's web site. When one clicks on the page entitled 'In the news' it is not unreasonable to expect to find potential new projects, but alas there is not a single thing listed. That reflects where the government is at when it comes to major projects.

What about real major projects, such as a 5000-seat plenary hall at the exhibition centre that can be used to develop the tourism industry and to develop the meetings, incentives, conventions and exhibitions industry or the MICE market, as it is known? The government could provide that infrastructure which would bring significant benefits to the private sector and the economy, but instead of doing that the Minister for Major Projects and Tourism is opening municipal swimming pools and saying they are major projects to make up for his own inadequacies.

Another area of infrastructure problems is roads. It is interesting to look at the Vicroads web site to see what the government is doing with government projects. One of the headers of the web site is a page entitled 'Why we need good roads'. According to the Vicroads web site:

Victoria's roads are vital to support our industries, to create economic growth and jobs.

Almost all goods in the metropolitan area and more than 80 per cent of goods in country Victoria are carried by road. Efficient freight routes and links with our manufacturing and distribution centres, ports and airports, are essential to reduce the costs of transporting our products to local and overseas markets.

Inadequate roads contribute to road crashes which cost the community hundreds of millions of dollars each year in lost productivity, property damage, higher insurance premiums and hospital and rehabilitation treatment.

It is a convincing argument about why we need a good road network, yet when one looks at road projects on the web site one can see that there are no new projects. The only projects under construction listed on the Vicroads web site are projects that were commenced by the Kennett government.

Hon. N. B. Lucas — Like the Hallam bypass.

Hon. G. K. RICH-PHILLIPS — Like the Hallam bypass, Mr Lucas. It is worth \$175 million. There is \$30 million for the Western Port Highway duplication, which was started in 1999 by the Kennett government and \$11 million for the Nilma interchange, which was also started in 1999 by the Kennett government. A further \$37 million was provided for the Springvale bypass, started in 1999 by the Kennett government. Where are the infrastructure road projects started by the Bracks government? They are not there.

The most tangible example of a major road project that is currently the topic of considerable debate is the Scoresby bypass. In late 1999 Mr Lucas received correspondence from the Minister for Transport indicating that the Bracks government had no intention of commencing construction of the Scoresby freeway in its current term of government.

Sitting suspended 1.00 p.m. until 2.01 p.m.

Hon. G. K. RICH-PHILLIPS — Before the suspension of the sitting I was referring to the letter from the Minister for Transport in the other place to my colleague the Honourable Neil Lucas dated late 1999, which informed Mr Lucas that the Bracks government had no intention of commencing the Scoresby freeway in the current term of government. That is indicative of the government's lack of commitment to that project.

Between late 1999 and today the government has been forced into something of a backflip by public opinion, the Aston by-election and the need for the project. I say, 'something of a backflip' because it has not been a real backflip: it has not changed its position. The Bracks government is still opposed to the construction of the Scoresby freeway.

Hon. J. M. Madden — That's rubbish!

Hon. G. K. RICH-PHILLIPS — I have the evidence. In May this year the federal government announced a commitment of \$220 million for the construction of stage 1 of the Scoresby freeway. What did the Bracks government do?

Hon. G. R. Craige — Nothing!

Hon. G. K. RICH-PHILLIPS — It is not quite true, Mr Craige, that it did nothing. In its budget the Bracks government committed \$2 million — in other words, the federal government put in \$220 million but Victoria contributed only \$2 million. Now the Premier is running around with a letter and trying to get the Prime Minister's signature to commit another \$250 million, which would amount to 50 per cent of the funding, yet the state has committed only \$2 million. So the feds have already given \$220 million, but the Premier is running around trying to get more federal money for the project. That goes to show that the government is not committed to the project. If it wanted to it could commence stage 1 tomorrow — it has half the funding from the federal government — but it is not committed to the project.

The Premier is running around trying to get a signature on a pledge, when in Canberra the federal minister has signed off on a \$220 million cheque. That is the big difference. The Premier and his minister should be signing the cheques, not running around and playing with a pledge. Scoresby is but one example of where the government is failing to provide the necessary infrastructure to ensure the development of business in Victoria.

Another prime example is the Pakenham bypass. That project is of particular importance to my electorate. It is important to the people living in Pakenham and the towns between Berwick and Bunyip. Their key interest in that project is amenity and improving the circumstances in which they live and the traffic conditions they, as locals, have to endure. But the importance of the Pakenham bypass is greater than just improving local amenity. It is a key piece of infrastructure to connect the Gippsland region to Melbourne and to provide access for Gippsland

producers to the major export opportunities available through Melbourne Airport, Victoria's seaport and up through New South Wales. Without that piece of infrastructure the Victorian economy is held back.

What is the state government's position on that piece of infrastructure? I can tell the house that recently the Minister for Transport appeared before the Public Accounts and Estimates Committee. During that hearing the minister spoke about his priorities for road funding. He broke them down into metropolitan and regional road funding priorities. Not once during the 3-hour hearing did the minister mention the Pakenham bypass. That indicates how much weight the Bracks government puts on that project and how little support the project has from the government.

The federal government has already committed \$30 million towards the estimated \$200 million construction cost of the project, but the Bracks government is refusing to commit a single dollar of state funds to get the project up and going. Again it is running around playing games and saying, 'The feds have to provide more money', when already federal money is on the table, but not one dollar of state money has been put alongside it. The Victorian government is refusing to progress the project. This is yet another example of the Bracks government failing to provide vital infrastructure for economic development in Victoria.

I return to the point I was making prior to the suspension of the sitting about the Vicroads web site, when I gave examples of projects on the web site. I reiterate that the only projects listed were those commenced and funded by the Kennett government or projects funded by the commonwealth government. The Bracks government web site lists Kennett government and commonwealth government projects but fails to list a single road project that has been initiated, planned and is under construction by the Bracks government. That again indicates the failure of the government to provide the vital infrastructure necessary for economic development in the state.

The other aspect of infrastructure development I will touch on is the provision of infrastructure by the private sector and the way the Bracks government reacts and deals with the provision of infrastructure by the private sector as well as its failure to create a business environment that encourages the development of infrastructure by the private sector.

Last night I surfed the web site of the Department of State and Regional Development to see what information that agency has available on investment

attraction and business development. I was somewhat alarmed to find that when you click on the investment link of the Department of State and Regional Development web page it takes you to the home page of the Minister for Industrial Relations, the Agency, Industrial Relations Victoria. That serves a warning to potential investors: if you want to invest in Victoria, click on the Department of State and Regional Development web page and be linked to the home page of the Minister for Industrial Relations — then you know Victoria is not the place to invest.

Hon. K. M. Smith — Not the place to be!

Hon. G. K. RICH-PHILLIPS — Not the place to be, Mr Smith. It is interesting to contrast that with the Queensland government's approach. Its investment web page shows specific details of the types of assistance, financial and non-financial, the Queensland government is able to offer investors. That can be contrasted with the Victorian situation where, at best, someone accessing the web site ends up with information on Ms Gould's version of industrial relations in Victoria, which, if anything, is a turn-off for potential investors.

Another issue relating to private sector investment is the Workcover situation. I have here a report produced by the Economic Development Committee of this Parliament. The committee found that in 2000–01, 51 per cent of all employers experienced a rise in their Workcover premiums in excess of 40 per cent. What sort of message does that send to the business community? How does that assist with the attraction of investment to this state? How does that assist infrastructure development in this state? It does not and it is ridiculous to suggest it would, but that is the type of environment this government has created for investment.

Another issue is the industrial situation generally. The Minister for Industrial Relations likes to get up in this house and talk about the seemingly low levels of industrial disputes in this state. What she does not say when she talks about that is the reason for those figures being so low. They are low simply because businesses and employers know that if they have industrial relations issues they will not get the support of the government and their only option is to capitulate to union demands. That is why we have low industrial dispute figures — employers are capitulating because they will not get support from this government and this minister despite her claims of being an honest broker.

Another issue which has detracted from the ability of this state to attract private sector investment is that of sovereign risk. When I worked in a consultancy firm in the private sector the issue of sovereign risk would have been considered in terms of Third World countries, very marginal economies and particularly unattractive investment environments. The concept of sovereign risk and the need to manage it is something that would never have been an issue when considering an economy like that of Victoria or Australia. Yet we now have a situation where sovereign risk is becoming an issue for potential investors in Victoria. There is now no certainty in this state for private investors in public sector infrastructure because this government is moving the goalposts.

There have been two examples of that recently. If time allowed I could refer in detail to the rail network and the position Freight Australia finds itself in with an access regime being imposed on it by the government — an access regime which means the company is unlikely to make the necessary capital investment in rail infrastructure. This government is imposing a regime that in the long term will mean the deterioration of the Victorian rail network. It is absolutely inevitable. That is just one example of how this government is moving the goalposts, creating an issue of sovereign risk and clouding the investment environment.

Another example is what is happening with the proposed Essential Services Commission and the impact it will have on utilities. We have heard from the electricity industry that it will be facing a similar scenario of price caps that will limit its ability to make viable investments in necessary infrastructure upgrades. In the long term the state's electricity infrastructure will be disadvantaged and will be run down because of this government's approach to the management and regulation of privately funded public infrastructure. The government is moving the goalposts. We have this ridiculous situation where sovereign risk is becoming an issue in the Victorian economy. Who would have thought that sovereign risk would be an issue in an economy like Victoria's, an economy as dynamic as it was during the 1990s? But it will be. It is a great shame that it has come to that.

A prime example of an issue that shows the failure of this government with privately funded public infrastructure is Essendon Airport. The Minister for Small Business was asked yesterday whether she supported the retention of Essendon Airport for small business in rural and regional Victoria. Her response was that the federal government has issued a lease and that is the end of the matter. There were no words of

support from the minister at all. It is ridiculous for this government to be running around saying it is trying to support rural and regional Victoria when at the same time it is failing to support vital infrastructure which serves rural and regional Victoria. One wonders whether it is the fact that the federal shadow assistant Treasurer, Kelvin Thomson, is involved in this issue that is forcing the Minister for Small Business to take the stand she has taken. It is illogical for the minister not to support the retention of Essendon Airport as vital infrastructure for rural and regional Victoria.

The final issue I would like to touch on is Ansett Australia. It is an issue we have heard much about in the last week. It is an issue which has generated much comment, but I think the most telling comment about Ansett has been the Premier's response to the issue. This morning I went through the Premier's press statements and his comments in the other place to see what he had said. That confirmed that the Premier's only comment on the Ansett issue has been to say he wrote to the Prime Minister in August and the Prime Minister has not responded yet, and the government will give \$10 million worth of as yet unspecified support to the tourism industry.

That has been the Premier's only response to the Ansett issue. The Premier has failed to recognise the very significant opportunities which arise from the Ansett situation. As a result of the Ansett failure we have had a significant reduction in rural air services and Mr Hall spoke about that this morning. Services to the Latrobe Valley, Portland, Albury-Wodonga — —

Hon. B. C. Boardman — Mount Gambier?

Hon. G. K. RICH-PHILLIPS — And services to Mount Gambier in South Australia have been withdrawn. This is a fantastic opportunity for a Premier with vision, for a Premier who knows what he is doing, to grasp the situation. Two significant rural and regional airlines, Hazelton and Kendell, are on the sale blocks and could be revived. A Premier who knew what he was doing and where he wanted to take this state would have been out there putting together a package with the private sector; he would have called in the banks and the venture capitalists to put together a package to ensure that those airlines remained in business. The Premier does not need to spend vast amounts of public money. He needs to show some leadership, get the private sector operators together and get a solution — not say he wrote to the Prime Minister a month ago and he has not responded; that is not a response from a Premier.

In conclusion, it is quite clear that over the past two years this government has failed to develop the public sector infrastructure necessary to ensure the advancement of the Victorian economy. It has failed to support the private sector in developing public sector infrastructure. It has failed to show the leadership necessary for the advancement of the Victorian economy and this government stands condemned for those failures.

Hon. JENNY MIKAKOS (Jika Jika) — I rise to make a reasonably brief contribution to this debate and to outline the reasons I will be opposing the opposition's motion. We have spent most of the morning and part of the afternoon listening to the most absolute drivel I have ever heard during an opposition business debate.

The Honourable Carlo Furletti began his contribution by giving us a run-down of today's newspaper headlines and the Honourable Gordon Rich-Phillips has just added to that by reading extracts from the government's web sites. We thank them for those particular summations, but the business of the Parliament should be about spending time on important and significant debates. It is quite clear that the opposition has absolutely no idea how to promote economic growth in this state. All it is about is talking down the Victoria economy. Opposition members obviously have a completely blinkered approach to the problems facing the world economy at the present time. If they want to go about a finger-pointing exercise of blaming the Victorian government for the unfortunate announcements made yesterday and the unfortunate job losses in the Victorian retail sector, it is about time they started to look at their own backyard and the absolutely abysmal role that the Howard federal government has played in some of the most significant corporate collapses in Australian history.

It is important to indicate that we have just seen a completely hands-off approach by the Howard government in overseeing the collapse of two corporations, Ansett Australia and HIH Insurance, which will have a huge impact not only on the employees employed by those corporations but will also have a huge flow-on effect to the rest of the Australian economy.

Not only have we seen a completely hands-off approach by the Howard government on Ansett and HIH, we have seen a hands-off approach with One.Tel with the loss of 1400 employees. We have seen a hands-off approach with the collapse of Pasmenco with the loss of another 3800 jobs. And what has the federal government done in relation to Bradmill? We had calls

for the federal government to use its strategic investment program to help to shore up the textile, clothing and footwear industry in this country and it has taken absolutely no steps to do so. So it is a bit rich to have the Liberal Party stand here today and seek to attribute blame for the unfortunate job losses that have been announced in the Victorian retail sector when they are not prepared to accept responsibility for the very clear role the Howard government has played in overseeing the collapse of Ansett and HIH which, as I said, are the two most significant collapses in Australia's corporate history to date.

The Honourable Gavin Jennings indicated in his contribution the unfortunate world economic climate we are experiencing at the moment and the impact the terrorist attacks have had not only to the economy of the United States of America but also to the mood of fear and trepidation that is no doubt being experienced by the Australian people and by Australian businesses at this time.

It is important that we do not do what the Liberal Party is doing, and that is talking down the economy and Victorian businesses and discouraging them from making the necessary investment that is required to keep economic growth and jobs going in this state.

The Victorian government has created a very sound economic framework. All the indicators show that not only has the Victorian government got the fundamentals right with the level of public infrastructure investment it has announced, which is at record levels in this year's budget, the tax cuts it has announced and in ensuring that Victoria plays a leading role in e-commerce, but also in relation to engaging in important projects and partnership with the private sector. The Victorian government has established an economic framework and has the strategy in place to ensure that Victoria does as well as it can in the coming economic downturn that we will no doubt experience as a result of the slowdown of the US economy and other recent tragic events.

It is important that we do not engage in useless finger pointing and seek to attribute blame where clearly blame cannot be attributed to the role of government. We should work in a positive manner to ensure that the Victorian economy continues to be the engine in the growth of the Australian economy.

Not only does the Victorian government have the economic credentials and economic strategy in place to ensure that the Victorian economy continues to grow, it has been prepared to step in where necessary to ensure

that, where the market has failed, it can minimise the fallout for Victorians and Victorian businesses.

When HIH Insurance went into provisional liquidation in March this year, it was the Victorian government that acted first to ensure that it could keep the Victorian housing industry going and was in fact the first jurisdiction to announce a \$35-million rescue package for victims of the collapse. The federal government sat on its hands and only announced a royal commission into HIH after the Victorian, New South Wales and Queensland Labor governments threatened to establish their own royal commission. So it is a bit much to have the Liberal Party stand up here today and seek to attribute blame to the Victorian government when it is not even prepared to acknowledge the leadership role the Victorian government played in one of the most significant collapses in Australian corporate history.

It is quite clear, as a number of financial commentators have put on the public record, that the federal Howard government has a great deal of responsibility for the collapse of HIH because of its inadequate supervision of the insurance industry, because of a lack of standards adopted by Australian Prudential Regulation Authority and the completely failed approach by the federal Minister for Financial Services and Regulation to properly oversee Australia's insurance industry. We are looking at potential losses of \$5 billion. This corporate collapse will have a huge impact on the Australian economy. It is important that we acknowledge the important leadership role the Victorian government played in this particular market failure, and in particular the failure of the federal government to oversee the Australian insurance industry.

The Victorian government moved very quickly to introduce the House Contracts Guarantee (HIH) Bill earlier this year and to announce its \$35 million rescue package.

In addition the Victorian government has also played a leadership role following the collapse of Ansett. While the federal tourism minister was claiming that the Ansett collapse was a blip on the Australian economy — a most disgraceful and ignorant statement — the Victorian government was moving quickly to introduce a \$10 million rescue package to ensure that tourism remained a vibrant part of the Victorian economy.

The Victorian Minister for Major Projects and Tourism moved quickly to hold discussions with representatives of the tourism industry, and upon being alerted to the fact that the hospitality industry was experiencing a huge number of cancellations of hotel and conference

bookings the Victorian government announced a \$10 million rescue package to encourage Victorians to continue to take holidays within this state. The rescue package will in particular be targeted at regional tourism because regional areas in Victoria have been hardest hit by the Ansett collapse.

Following the Victorian government's leadership role in this area, the Victorian tourism industry has called upon the federal government to show some leadership and supplement that \$10 million package. The industry has called for a \$50 million package to be introduced around Australia as soon as possible to ensure that the tourism industry continues to grow in this country.

The Victorian government played a leadership role following the collapse of Ansett by seeking to promote tourism in this state, but clearly that is not the role played by the Deputy Prime Minister. John Anderson was sitting on his hands and not seeking to hold discussions with the New Zealand government to ensure that Singapore Airlines invested the capital Ansett needed to update its fleet of planes. The federal government has taken a hands-off approach to one of the largest corporate collapses in this country's history. It is important to put these things on the record, because today the Liberal Party has sought to attribute blame to the Victorian government for these unfortunate retail job losses. It is important to note that we have experienced two of the most significant corporate collapses in Australian history, and the Victorian government has taken a leadership role while the federal government has taken a hands-off approach.

The Honourable Gavin Jennings's contribution ably covered the strategy the Victorian government has put in place. To add to that contribution I point out that it is important to note that the Victorian economy is in a strong position at present. It is underpinned by a significant surplus in this year's budget and the expectation of a significant surplus forecast for the next three years. In addition we have seen the introduction of the Better Business Taxes package, a package the previous government failed to introduce, and the abolition of five taxes. We now have the lowest number of business taxes in Australia, and with tax cuts of \$774 million over the next four years we will see a reduction in the business tax burden of 13 per cent.

I note that a number of speakers have already referred to Tim Colebatch's article in today's *Age* and his call for governments to take some leadership in public infrastructure investment. I am very pleased that this government has invested \$325 million in the Austin and Repatriation Medical Centre, a project that even the Honourable Carlo Furletti has acknowledged is the

most significant development in Melbourne. I note that the Honourable Carlo Furletti advised the honourable member for Ivanhoe in a letter dated 20 September that he is currently distributing throughout his electorate the government's brochures on that development and is very pleased to participate in a bipartisan manner to the most significant development in Melbourne. I am pleased the Honourable Carlo Furletti is doing that, because I agree that it is a very significant development not only for his electorate but also for my electorate. I am pleased to make that very brief contribution in opposing the motion.

House divided on motion:

Ayes, 28

Ashman, 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 (<i>Teller</i>)	Powell, Mrs
Coote, Mrs	Rich-Phillips, Mr
Cover, Mr	Ross, Dr
Craige, Mr (<i>Teller</i>)	Smith, Mr K. M.
Davis, Mr D. McL.	Smith, Ms
Davis, Mr P. R.	Stoney, Mr
Forwood, Mr	Strong, Mr

Noes, 13

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

Pair

Mr Atkinson	Ms Hadden
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Motion agreed to.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (AMENDMENT) BILL

Second reading

Hon. M. R. THOMSON (Minister for Small Business) — I move:

That this bill be now read a second time.

The Bracks government pre-election policy called 'A safe and just society' included a proposal to introduce tougher penalties for convicted commercial level drug traffickers.

At the joint parliamentary sitting held on 21 March this year, Parliament was informed about, and debated, the effects of drugs in our society and additional strategies which could be developed to effectively address the wide-ranging, pervasive effects of drugs. The importance of a comprehensive drug strategy was discussed. Whilst there is a clear need for effective prevention, education and treatment strategies and services, it is also essential to stem the supply of drugs.

Large-scale drug traffickers peddle in death and misery, affecting hundreds of individuals and families. The Drugs, Poisons and Controlled Substances (Amendment) Bill will enable the full force of the law to be brought to bear on such drug traffickers by:

introducing a new offence of trafficking or cultivating a large commercial quantity of drugs, punishable by a maximum penalty of life imprisonment; and

enabling drugs to be combined in the one offence so those drug traffickers will be sentenced for the true extent of their drug trafficking and its harmful effects in our community.

New offences

The history of the development of the offences of drug trafficking and cultivation of narcotic plants reflects the increasing importance that the community and successive governments have attached to punishing those involved in the drug trade. Initially, drug trafficking and cultivation offences applied regardless of the quantity of drugs involved. However, in 1983 new penalties were introduced which distinguished between those who trafficked a commercial quantity of drugs and those who trafficked in a lesser amount. In 1997, higher penalties were introduced for trafficking less than a commercial quantity of drugs to a child.

However, it has become apparent that the current regime for drug trafficking and cultivation offences is inadequate. Because of the changing nature of the drug trade, new offences are required to provide higher penalties for larger quantities of drugs and to close loopholes that exist for those who trade in a range of drugs.

With this series of changes, the new offences cover a variety of circumstances. This government has taken the important step of restructuring the offences of trafficking and cultivation of drugs of dependence to enable the offences to work simply and effectively in a wide range of circumstances.

There has been uncertainty concerning whether the existing provisions create one offence or a number of offences. To remove this uncertainty, the bill makes it clear that there are general offences of trafficking and cultivating, and additional more serious offences apply where substantial amounts of drugs are trafficked or cultivated or where drugs are trafficked to a child.

Life imprisonment

The new offence of trafficking in a large commercial quantity will attack the Mr Bigs of the drug trade who operate at the top of the manufacturing and distribution hierarchy and who make large profits from trafficking in drugs. It is not directed at drug addicts who peddle drugs in order to obtain money to feed their own drug addiction.

At present the longest sentence of imprisonment that can be imposed for drug trafficking in Victoria is 25 years. This penalty applies to trafficking in any drug above a set amount. In the case of heroin it is 250 grams. Cases have arisen in Victoria of trafficking in several kilograms of heroin. The maximum that can be imposed for such cases is 25 years imprisonment.

Large-scale commercial trafficking is defined in this bill as any amount more than 750 grams of pure heroin, cocaine or amphetamines. Quantities have also been set for a range of other drugs, including cannabis, according to the commercial value of the drug.

In addition to imprisonment, the maximum fine for this new offence is \$500 000. This is double the maximum fine applicable to the existing offence of trafficking in a commercial quantity.

Similar maximum penalties have been set for cultivating a large commercial quantity of cannabis plants.

The new maximum penalty of life imprisonment reflects the community's abhorrence of large-scale drug trafficking and cultivation and will warn potential offenders of the price they could pay for engaging in this illicit trade.

Aggregation of drugs

The second measure the government is introducing is designed to close a loophole that currently allows some drug traffickers to escape being charged with commercial-level drug trafficking offences.

Currently separate parcels of different drugs cannot be added together, so that if a drug dealer has amounts of drugs, each of which is less than a commercial quantity,

that drug dealer cannot be charged with trafficking in a commercial quantity.

For example, the commercial quantities for heroin, amphetamine and cannabis are 250 grams, 250 grams and 1 kilogram respectively. The police might apprehend a large-scale drug dealer who is in possession of 200 grams of heroin, 200 grams of amphetamine and 800 grams of cannabis. Each of those quantities is below the commercial quantity specified for the individual drugs, and yet taken together the aggregate street value of the drugs in the trafficker's possession is in excess of \$100 000.

The inability to aggregate such parcels of different drugs means that large-scale traffickers can avoid the highest penalties and tougher confiscation regimes by ensuring that they do not have a commercial quantity of any single type of drug.

Difficulties have also arisen in cases where the trafficker deals only in one drug, but the drug is in different forms, and each form is less than the specified commercial quantity. For example, a person may be dealing in eighty cannabis plants and 800 grams of cannabis resin. Each of these quantities is less than the specified commercial quantity for the particular form of the drug (100 cannabis plants or 1 kilogram of cannabis resin), and yet it should clearly be possible to treat the total amount of the drug as a commercial quantity.

This bill closes this loophole by enabling drugs to be aggregated for the purpose of establishing whether they are a commercial quantity or a large commercial quantity. Instead of being subject to a maximum penalty of 15 years imprisonment, such drug traffickers will be liable to a maximum penalty of:

25 years imprisonment for trafficking in an aggregated commercial quantity of drugs; or

life imprisonment for trafficking in an aggregated large commercial quantity of drugs.

National problem

The scourge of drugs is not confined to the Victorian community. It is a national problem. The new offences of trafficking or cultivating large commercial quantities of drugs and enabling the aggregation of drugs to determine commercial and large commercial quantities are based on recommendations of the Model Criminal Code Officers Committee, a national committee that reports to the Standing Committee of Attorneys-General, in its comprehensive report, *Serious Drug Offences*, which was released in 1998 following Australia-wide consultation.

By introducing the maximum penalty of life imprisonment for large-scale drug trafficking Victoria's laws will be consistent with those in most other Australian jurisdictions including the commonwealth, New South Wales, South Australia, the Northern Territory and the Australian Capital Territory. Until now, some drug traffickers may have thought that it was better to traffic in drugs in Victoria than in New South Wales or South Australia because we have a lower maximum penalty. This bill makes it clear to those drug traffickers that they are just as unwelcome in this state as in any other state.

Confiscation of profits

Victoria's confiscation laws are among the toughest in Australia. The toughest procedures under the Confiscation Act are known as automatic forfeiture and civil forfeiture. Automatic forfeiture applies to a limited number of serious offences. If a person is charged with an automatic forfeiture offence, all of their property can be restrained to prevent its disposal. Following conviction, all of the restrained property will be automatically forfeited unless the defendant can prove that the property was lawfully acquired and was not used for any unlawful purposes. Civil forfeiture has similar reverse onus provisions but applies where the offence is proved on the balance of probabilities, rather than beyond reasonable doubt as occurs in criminal proceedings.

This bill provides that automatic forfeiture and civil forfeiture processes will be available for the new offences of trafficking in a large commercial quantity of drugs and trafficking in a commercial quantity of drugs (which now includes where drugs have been aggregated).

The application of these confiscation processes to the new offences provides a significant deterrent by ensuring that those who engage in drug trafficking will not profit from their criminal activities.

Bail Act

The Bail Act currently provides that if a person is charged with trafficking in a commercial quantity of drugs, the court must not grant bail unless it is satisfied that exceptional circumstances exist. The bill also expressly provides that a person who is charged with the new offences of trafficking in a large commercial quantity of drugs, a commercial quantity of drugs (which now includes where drugs have been aggregated), or the offence of cultivation of a large commercial quantity of drugs must also be refused bail

unless the court is satisfied that exceptional circumstances exist.

Sentencing Act

The Sentencing Act currently provides that if a person is convicted of trafficking in a commercial quantity or cultivation of a commercial quantity of drugs, that person may be regarded as a serious drug offender. If a serious drug offender commits another serious drug offence, then in fixing the sentence, the court:

must regard the protection of the community as the principal purpose of the sentence;

may impose a sentence that is longer than is proportionate to the gravity of the offence committed; and

must impose a sentence to be served cumulatively upon any other sentence of imprisonment unless the court orders otherwise.

This tougher sentencing regime will be extended to those who are convicted of the new offences of trafficking, whether in a large commercial quantity of drugs, a commercial quantity of drugs (which now includes where drugs have been aggregated) and the offence of cultivation of a large commercial quantity of drugs.

Unanimous verdicts and majority verdicts

Consistently with this government's approach to other offences, this bill provides that:

if the offence is punishable by life imprisonment, the verdict of the jury must be unanimous; and

for any other offence, the verdict of the jury may be by a majority in accordance with the provisions of the Juries Act 2000.

This approach is consistent with the government's approach in the Juries Act 2000, which provides that a person may only be found guilty of an offence punishable by life imprisonment by a unanimous verdict of a jury.

Jurisdictional issues

It is currently possible for the Magistrates Court to hear charges of trafficking in a commercial quantity of drugs. In recent years there have been a number of instances in which such serious charges have been heard in the Magistrates Court. If an offender is sentenced in the Magistrates Court, the maximum term of imprisonment that can be imposed is three years.

This government considers that offences involving large commercial quantities and commercial quantities of drugs are too serious to be heard in the Magistrates Court. These charges must be heard in the Supreme Court or the County Court. This bill provides that the Magistrates Court will no longer have the jurisdiction to hear and determine charges involving such large quantities of drugs.

Conclusion

The comprehensive range of amendments provided in this bill are an important symbol of this government's determination to introduce new and effective measures to address the scourge of drugs in our society.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until next day.

VICTORIAN AUDITOR-GENERAL'S OFFICE

Financial audits

Message received from Assembly seeking concurrence with resolution.

Assembly's resolution:

That, pursuant to section 17 of the Audit Act 1994:

1. Mr Christopher Lewis of KPMG be discharged from his appointment to conduct financial audits of the Victorian Auditor-General's Office;
2. Mr Graeme Ross of Day Neilson be appointed to conduct the financial audit of the Victorian Auditor-General's Office for the 2000-01 financial year in accordance with the conditions of appointment and remuneration contained in the report of the Public Accounts and Estimates Committee on the appointment of a replacement auditor to conduct financial audits of the Victorian Auditor-General's Office (parliamentary paper no. 92, session 1999-2001);
3. The level of remuneration for the financial audit be \$19 800 inclusive of GST; and
4. Mr Ross be appointed for the 2001-02 and 2002-03 audits, subject to negotiation of suitable levels of remuneration for such audits with the Public Accounts and Estimates Committee and approval by the Treasurer.

Resolution agreed to on motion of Hon. M. M. GOULD (Minister for Industrial Relations).

FUNDRAISING APPEALS (AMENDMENT) BILL

Committee

Resumed from 16 August; further discussion of clause 2.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — When we were last debating the fundraising issue I was talking about those who exploit community fundraising functions for their own gain and saying we hope this legislation will eliminate if not that kind of activity at least the participation of people who are involved in it as they are found.

I said in Ballarat that these people are the scum of the earth, and I do not retract that. If people cannot donate to their charities with confidence, they will stop donating at all. Our society depends on the generosity of our community. We need to have legislation in place to ensure that that confidence can be maintained and that people can give to reputable organisations knowing that their money will go to the people for whom the funds were raised.

We hope this legislation, and we intend that it will, not only makes it easier for all the small, voluntary organisations that raise funds on behalf of their local communities by making it possible for them to operate under legislation that is less restrictive and places less administrative burden upon them but also ensures that there is no room in Victoria for people who want to use our charity system to line their own pockets.

Clause agreed to.

Clause 3

Hon. C. A. FURLETTI (Templestowe) — I raise with the minister the government's interpretation of the definition of appeal manager and its application. The term appears in proposed new section 18(2)(f) at page 11. Clause 3 defines appeal manager in relation to a fundraising appeal as a person who has any managerial or financial responsibility for the appeal. That definition appears to be extraordinarily broad. Is that the intention of the government?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Yes.

Hon. C. A. FURLETTI (Templestowe) — That then, Minister, would on my understanding of it seem to indicate that if there were, for example, a door-to-door appeal and teams of collectors were involved, somebody who had a minimal supervisory

role in coordinating volunteers would be deemed to have a managerial role. Is that intended?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — No, that is not intended. It is in the funding — dealing with the fundraising exercise in its own right. However, it includes a situation where someone has been brought in specifically for a fundraising component of the organisation.

Hon. C. A. FURLETTI (Templestowe) — With respect, that is why I asked the minister whether the definition was intended to be as wide as it appears. From my reading, and from a literal reading — which is the first port of call in interpreting legislation of this nature — an appeal manager means a person who has any managerial responsibility for the appeal. A person who is supervising or directing another person in the course of an appeal, I would suggest, is engaged in a managerial role. If the government does not intend that, perhaps it should make that clear.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — With regard to an appeal manager, it is in relation to the appeal itself. The honourable member is talking about the management of staff; we are talking about the management of moneys. In relation to that, that would be the appeal manager, so any activity that involves dealing with money, and so therefore financial responsibility, or the management and flow of moneys, would be an appeals manager in the appeal. However, with regard to the management of activities such as a group of volunteers, there would be no money involvement, and this is to deal with situations where money is being handled.

Hon. C. A. FURLETTI (Templestowe) — The difficulty the minister has is that she may not understand the bill. With respect, she certainly does not understand its implications. The question I put to the minister is that what she or the government intends an appeal manager to be is totally irrelevant in terms of the definition that is contained in clause 3. An appeals manager needs to be registered pursuant to proposed new section 18(2)(f). It provides that the name and address of any person who is, or who it is intended will be, an appeal manager must be registered. The question I put to the minister is: how do we identify that appeal manager? The appeal manager is identified by reference to the definition. The definition states:

... a person who has any managerial or financial responsibility ...

The government might say that it is intended to be with financial matters, or whatever, but I do not think that is right because managerial means managerial, and as the

minister will see, there is provision for financial responsibility. I am keen for the minister to put on record exactly what is intended.

Let me take it to the next step, because it might make clearer the point I seek to emphasise. Any person who has financial responsibility for the appeal would of course be a person who has a collecting can or a person who handles money. That person has financial responsibility for the appeal in the sense that that person is holding money for the appeal. That would mean that conceivably every collector would have to register as an appeal manager. Unless the minister can direct me to a qualifying section, that is certainly the way I read the bill.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The definition of ‘appeal manager’ states:

... in relation to a fundraising appeal, means a person who has any managerial or financial responsibility for the appeal ...

I will make it clear again: the government is talking about the appeal in total, not in part. That is what the definition means.

Hon. C. A. FURLETTI (Templestowe) — Accepting what the minister says, is ‘appeal’ defined anywhere as meaning the total appeal, or is it the appeal to the individual?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Throughout the act it talks about ‘appeal’. We mean the function of raising money for a cause or purpose. That is what ‘appeal’ means.

Hon. C. A. FURLETTI (Templestowe) — Will the minister direct me to any particular references to support her comments? I was not able to find one.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Section 5 of the Fundraising Appeals Act 1998 defines ‘fundraising appeal’ and states:

- (1) A fundraising appeal occurs if a person solicits or receives money or a benefit on the basis of a representation that the soliciting or receiving is not solely for the profit or commercial benefit of the person or any other person, cause or thing on whose behalf the person is soliciting or receiving the money or benefit.
- (2) For the purposes of this section, it does not matter if —
 - (a) The person who solicits or receives the money or benefit does not make the representation ...

And it continues.

Hon. C. A. Furletti — That is exactly my point.

The CHAIRMAN — Order! Mr Furletti, the minister has the call.

Hon. M. R. THOMSON — The definition of ‘appeal’ has not been changed since the original definition in the act.

Hon. C. A. FURLETTI (Templestowe) — I am aware of that, thank you. This is not an issue of one-upmanship; this is a matter of making sure we have good legislation introduced. What I am putting is that a number of fundraising and charitable organisations who engage in fundraising have indicated to the opposition that the act is uncertain; they have concerns. One concern is the definition of an ‘appeal manager’. I fully accept that the government intends it to be simply relating to and catching only somebody who is engaged as the manager of the overall appeal, and I am happy with that. The problem is that the legislation and the definition the government has introduced are cumbersome and unclear.

The minister made the point herself in the definition of fundraising appeal which she thought would answer my question. It specifically talks about a person soliciting or receiving money. So if the minister admits that that is a possibility and that she will take it away and consider it and seek to amend it, I am more than happy with that response. I just draw the minister’s attention to the fact that it is sloppy legislation and I ask her if she will consider amending it.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I believe it is quite clear that when we talk about an appeal people understand what an appeal is, and that the act does say managerial or financial responsibility for the appeal. It says ‘the appeal’, so we are talking about the big appeal. Individuals run appeals, not just organisations. They can be run by one individual on a commercial basis, and we want that individual to be covered.

The definition states:

‘appeal manager’, in relation to a fundraising appeal, means a person who has any managerial or financial responsibility for the appeal.

I believe that is very clear.

Hon. C. A. FURLETTI (Templestowe) — To make it a little clearer, the government intends an appeal manager to be the person who has sole control from a managerial aspect of the appeal, but could there then be a second appeal manager who has sole control of the financial aspects of the appeal?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — A number of people could have responsibility for various aspects of an appeal. An appeal manager would be one who has responsibility for the financial and management role and would be registered accordingly.

Hon. C. A. FURLETTI (Templestowe) — I do not want to unduly drag this out, but the point I am trying to make is that the proceedings of this committee are recorded and will be referred to by those seeking to interpret this bill. The minister's evasiveness is not helping. If it is not evasive, then it is ignorance.

I ask the minister to try to define as precisely as she can what the government intends the definition to mean. If the definition is intended to mean that the person who is supervising the whole appeal from a managerial and financial perspective — in other words, the top of the tree when talking in corporate terms — and that it is not intended to include those who have managerial and financial responsibility down through the chain of control, if you like, the government should make that clear so that people will not be confused in interpreting the definition.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I believe it is in fact clear. The appeal manager will be nominated by the appeal and it will be the person responsible for the management of the appeal and the financials. Yes, we are talking effectively about the top of the tree, if you like, but the person nominated by the appeal holds that role.

Hon. C. A. FURLETTI (Templestowe) — That at least gets us part of the way. I raise some concerns that have been brought to my attention, particularly in the larger organisations that conduct appeals on various levels; indeed, they conduct them as different categories of appeals. Is it intended, for example, that there be an appeal manager for each activity of the appeal? Again seeking confirmation, are we dealing with the top of the corporate tree irrespective of the number of activities that comprise the appeal?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — There is the choice of whether they would nominate for individual appeals or nominate one responsible officer who is prepared to take responsibility for the appeals in total — that would be the appeal manager. In effect, it would be left to the organisation to determine whether it would require one person. If an organisation has a chief executive officer who wants to list as an appeal manager that would be an appropriate thing to do.

Hon. C. A. FURLETTI (Templestowe) — The difficulty with the minister's response is that I have received a request to clarify the provision for exactly that reason. It is not appropriate for the minister to throw it back on to the particular association. I have been asked to seek clarification on whether a separate application for each activity that is being project managed by a different person is necessary? That is a clear contradiction, and I ask the minister to clarify it.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — There is no requirement to make a separate application. Depending on how an organisation is structured, an option is that instead of the person being the chief executive officer the organisation may wish to register a certain appeal separately. I am not trying to place a limit, nor am I trying to increase the burden. We would expect that in most instances in a large organisation the chief executive officer, or whoever holds that position, would be the one who takes responsibility on behalf of appeals for that organisation.

Clause agreed to; clauses 4 to 6 agreed to.

Clause 7

Hon. C. A. FURLETTI (Templestowe) — I refer to proposed section 6B and the interpretation of public interest, which similarly is a very broad interpretation. Will the minister explain what elements a court or director would take into account in forming an opinion as to the reasonableness of a proportion of particular expenses?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — This clause has been introduced because originally the paper suggested that there be a cap on the amount that could be spent on administrative charges. In talking to a whole range of fundraisers and others involved in fundraising, it was felt that to put a cap on that is an unfair restriction because various charity bodies are of different size and therefore have different administrative costs and one could not apply a cap. A charity might raise money one year but not disperse it until the next and therefore be caught in the cap. The concept is to allow for some leverage but still deal with an issue that the fundraising community raised with the government — that is, having some recourse when there is an obvious abuse. We are trying through this clause to provide some recourse if there is an example of an abuse of administrative costs.

I will provide an example to make it easier to understand. If someone raises moneys of which 10 per cent is dispersed into the community for the purpose for which the funds are being raised and 90 per cent is not, and it appears 80 per cent of that has gone into one

person's salary, rental or accommodation, then we may investigate that and determine that that is unreasonable. Guidelines will be worked out with the fundraising community to ensure that it will enable us to deal with people such as those who in the past have used administrative costs in ways which have enabled them to line their pockets but not disburse the moneys appropriately or allow for proper disbursement.

It is important that there be some flexibility to catch those who use fundraising organisations for purposes other than for raising funds for the intent that they state. If there are aspects of unreasonableness, that will be properly investigated. There is also the avenue to take the matter to the Victorian Civil and Administrative Tribunal and to the courts if people feel they have been harshly affected by the decisions of the director.

Every fundraising body we spoke to believed there needed to be some avenue to investigate administrative costs and to be able to act where it was obvious there was an abuse.

Hon. C. A. FURLETTI (Templestowe) — I am sure the minister would have strong support in her quest to stamp out the shonks in the fundraising industry, and the minister certainly has that support from the opposition. With due respect to the minister, the government is pursuing a course that is totally unacceptable to the opposition if it is in the business of introducing legislation that nobody can understand but intends to come back later and say, 'We will check you out and if we think you have overspent we will prosecute you'.

I raise these matters because charitable organisations have raised with the opposition the need to have guidelines and some indication as to what 'a reasonable proportion' in proposed section 6B means. I have understood the minister to say, 'We will work that out later and if we think you have spent too much and not distributed enough we will lock you up'. The opposition needs to know, as does the public and the fundraisers, what the government intends by terms such as 'expenses' and 'reasonable proportion'.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The guidelines are being worked out currently. They will be worked out with the fundraising community and be published on the Web. But I assure honourable members that the intention of the clause is to get those who absolutely abuse the purposes for which they raise funds. It is not there as a mechanism for and will not be used by genuine fundraisers.

We understand the need for flexibility and we understand that in some years more money is disbursed than in other years. We understand that in some areas appeals are a one-off and may not occur regularly and that they utilise the accumulated funds to increase the amount of money they have through wise investments. We understand there are mechanisms for fundraising appeals that occur out there and we are trying to encompass all that by allowing some flexibility.

If we are too restrictive in our definitions we are likely to catch somebody we do not wish to catch. I assure the committee that with the clause we are attempting to ensure we do not allow for abuse to occur and have it covered up under administrative costs when we have had no capacity to act on that basis. This will give us flexibility. We have had examples in the past where that has occurred — that is, where people have claimed expenses and administrative costs that have had nothing to do with advancing the charity or fundraiser, but rather to benefit the individual. That is who we are trying catch; that is what we will be doing.

This clause is about ensuring there is no abuse of the terminology under administrative costs. The guidelines will be worked out with the industry; they will be lodged on the web and it will be open for people to be involved in their development.

Hon. C. A. FURLETTI (Templestowe) — We appear to be at cross-purposes. If the government intends to legislate by guidelines and by executive decision, the state is surely falling into some very turbid waters. The purpose of the legislation is to be clear and effective.

Will the minister give some indication of what types of expenses payable would be acceptable and what would not? Perhaps the minister may like to give examples of what may be in between and questionable. I am sure certain expenses would be clearly out of the question and I am sure others would undoubtedly be acceptable, but would the minister give some indication of those expenses, given that the bill is now before the committee?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — We would question the purchase of a Porsche; that would be unacceptable. But in relation to what might be cloudy, which is where the guidelines are important, you may want to investigate if you found an organisation had spent 80 per cent of its fundraising activity on administration. You may wish to question how that was made up. It could be that you are finally fully convinced that it has gone to genuine purposes — perhaps the cost of setting up a new organisation,

including rentals, telephones, furniture and so on, which would be legitimate. But if you found that the 80 per cent was broken up and included giving somebody a holiday on Hamilton Island you would want to be able to take further action.

The intention is to allow for the obvious legitimate telephone calls, car expenses and those sorts of things, but to be able to look at the distribution of funds if and when it was obvious a percentage was questionable. It could be a break-up of maybe 80 per cent going to administration and 20 per cent to the cause, or you may find there has been a change in pattern, with better distributions in one year than in another, whether through changed circumstances or a change of person running the appeals so that normally the reverse would apply — that is, 80 per cent going out and 20 per cent being used for administration.

If that changes drastically in one year so that 80 per cent goes on administration and 20 per cent on the intent for which the funds were being raised, you might ask why that was occurring. We want mechanisms in place to be able to ensure moneys are being appropriately allocated and spent.

Hon. C. A. FURLETTI (Templestowe) — From the tenor of the minister's response I assume the government has no idea what 'a reasonable proportion' of the total amount raised would mean. Has the minister given any consideration to models?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Originally we had a 30 per cent cap in the issues paper as an option for consideration to be included in the legislation. After the recommendations of various organisations we went for a model that was more flexible on the basis, as I said earlier, that from year to year the amount spent on administration can change.

The amounts spent on administration and on funds distribution can change according to the size of the organisation or from appeal to appeal. We have allowed for that flexibility based on the information that has come to the government; it can differ from year to year. We want that flexibility to be maintained.

We also know that in the instance of an appeal, where you are looking to raise great amounts of money, there may be a lot of administrative costs up front in getting the appeal together. You would allow for that to occur.

We are trying to prevent making it prohibitive for some organisations to operate because we would be restrictive if we applied a percentage cap. We are trying to move away from that and build in more flexibility to

allow genuine organisations to continue to raise funds and distribute them in the way they have always done.

Hon. C. A. FURLETTI (Templestowe) — The minister was talking about establishing guidelines. May I suggest that having some form of reporting pro forma incorporated in that may be of assistance. Has the minister given any consideration to what would be included in the guidelines? Will the minister advise when the guidelines will be released?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I would hope to have the guidelines out for consultation within the next couple of weeks. That will allow the fundraising bodies the opportunity to have a look at the guidelines and come back to the government on what they believe might be necessary changes to them.

Clause agreed to.

Clause 8

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

Clause 8, after line 5 insert —

'(b) after sub-section (1)(b) insert —

“(ba) a kindergarten that employs a pre-school teacher (as defined in the **Pre-school Teachers and Assistants (Leave) Act 1984**);”.

The clause amends section 16 of the principal act, the Fundraising Appeals Act 1998, to effectively enable kindergartens to obtain an exemption for the conduct of fundraising appeals in the same manner as a state school, a school council, a registered school or a tertiary institution. It seems somewhat illogical that a primary school council should be exempt from the operation of the Fundraising Appeals Act while a kindergarten is not.

Since the clause was proposed the opposition has engaged in considerable discussions with the government with a view to resolving the issue. I do not think I am being excessively blunt in saying that the Minister for Small Business probably agrees that something should be done in this area but it is somewhat difficult to enact, because — and I was surprised to discover this — a kindergarten as such is not defined. In the course of preparing the opposition's amendment I sought a definition, and I assumed — it would appear erroneously — that the one I found in the Pre-school Teachers and Assistants (Leave) Act 1984 was a fairly acceptable and general definition. I am advised by the minister that it is a restricted definition and that for the purposes of this exercise the

government would like to include a greater number of preschool centres and differentiate them from day-care centres.

I think the opposition and the government are probably *ad idem* on this type of amendment and it is only a question of the extent and degree. For the purposes of the short term I move the amendment with the understanding that the government will look at it and perhaps take further action in the future.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The government will oppose the amendment because, for reasons the Honourable Carlo Furletti mentioned, it does not cover what we are trying to do. The government has tried to work out a mechanism for defining a preschool. Unfortunately there are so many models out there that it is pretty hard to define them. The other thing is that their structures are changing constantly, which would mean we would have to keep coming back with amendments to the legislation to meet the new structures put in place. To give honourable members an example, kindergartens are now starting to operate under a federated system, which is also hard to define.

The government believes the best way of dealing with the issue of kindergartens is via the ministerial order component of the act. That will give the government the flexibility to look at a number of options and definitions. In addition ministerial orders can be amended more easily when the structures of kindergartens change than legislation can.

The government has had discussions with the Department of Human Services on reporting to try to make it simpler and easier for kindergartens to maintain proper records. The government understands that kindergartens are voluntary groups and the committees change each year, often with very little or no continuity in office-bearers. As I said, the government has spoken to the Department of Human Services, and it has agreed that kindergartens will be required to keep only one set of books. The government will provide simple guidelines and templates to make it easier for kindergartens to keep their books. We hope kindergartens will be able to keep one set of records to cover all their reporting requirements, whether it be for the Australian Taxation Office, for the Department of Human Services or in relation to fundraising. That will make it a lot easier for kindergartens compared to what they have had to put up with in the past, when they have been required to keep one set of books for the tax office, another for human services and a third for fundraising.

The intention is to streamline it and provide kindergartens with an easy how-to handbook. That is vitally important for kindergartens because there is such a massive turnover in the committees. The government is hopeful that it will have finalised that requirement in time for the new kindergarten year so the new kindergarten committees will have easy access to that kind of information to alleviate some of the problems they have had to date.

Hon. P. R. HALL (Gippsland) — I would like to indicate, as I did during the course of the second-reading debate, the National Party's support for the amendment moved by the Honourable Carlo Furletti. The National Party appreciates that the government wishes to achieve the same outcome as the Liberal and National parties — that is, to relieve the compliance burden associated with fundraising on volunteer committees of kindergartens. Honourable members know kindergartens are now required to undertake quite a deal of fundraising, and I think many kindergartens could well exceed the figure nominated in the second-reading speech of \$10 000 if one takes into account the fees parents are asked to pay.

Hon. M. R. Thomson — They are not included.

Hon. P. R. HALL — If the fees do not come into play, I would be happy to have some clarification on that matter. However, in any case I think there would still be kindergartens that would undertake fundraising involving amounts in excess of \$10 000.

The minister's argument is that kindergartens are flexible organisations that are not all one and the same but have diversity in their services and structures. That could equally be said of some of the other organisations listed in section 16 of the Fundraising Appeals Act 1998. Some schools are very diverse in their structure and nature. Some of the organisations that come under the Health Services Act are very diverse in the types of services they offer and the structures under which they operate. It seems to the National Party to be commonsense that we should include preschools alongside the other educational institutions. The proposed amendment gives some heart, hope and certainty to preschools by including them in the list of organisations that are exempt.

As I said, I appreciate that it is the intent of the government to rectify this issue by way of regulation, and it may still need to do that. I accept that, but including preschools in section 16 of the principal act is a positive move that will be appreciated by preschools. That is why the National Party is prepared to support the amendment.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I want to make something very clear in relation to the ministerial order as it will apply to exempting organisations that raise up to \$10 000 and are totally voluntary. This is an important point to make after the contribution made by the Honourable Peter Hall.

It needs to be made clear that a lot of what kindergartens do with fundraising is within what we would classify as the definition of the kindergarten community. If they are raising funds within that kindergarten community, that is not included in the \$10 000 threshold. The \$10 000 amount is counted in where you have a general fundraising appeal. So if a kindergarten has a general appeal in the community that would be covered as part of the \$10 000.

Schools must report their financial fundraising activities under the Education Act. That is the difference. Unfortunately there is a difficulty with the reporting mechanisms of kindergartens to the Department of Human Services. They do not have that arrangement. That is the dilemma we are now facing.

We will try to deal with the definition of a preschool, which we do not have with a school. We do not have a definitional problem of what comprises a school, but we do with a preschool. There are proposed structures that will change the definition of a preschool. That is occurring now, and that is what is causing us some concern: how do we deal with something that is continually evolving because of society and the circumstances that preschools now face?

The government believes it would be preferable and would probably address the needs of kindergartens better if the arrangements were more flexible and were able to be done through ministerial order. We could then ensure we are encompassing those we wish to encompass and not have a situation where things might move on and the legislation has to be amended every time the definition of 'preschool' changes as a result of structural change.

Hon. C. A. FURLETTI (Templestowe) — I regret, Mr Chairman, that the minister's comments are totally ill based and ill founded in talking about the change in definition of 'preschool', and whatever. I am aware that the minister has at her disposal the resources of government. I suggest that it would not be difficult — and if she wants to give me the burden I would be happy to take it — to come up with a definition of 'kindergarten'. The reason I am convinced that that is the case is that while the minister is not in a position to come up with a definition for the purposes of the act,

she is certainly in a position to come up with it for the purposes of ministerial orders. I find that an extraordinary state of affairs where you can define a beneficiary for the purpose of this exemption under ministerial orders but you cannot under statute.

My argument is that if we allow the government to have this breadth of discretion it could very well be abused. That aside, the issue is that we will then create two classes of kindergarten: those that are allowed to be exempt because they undertake to raise less than \$10 000 a year and those that raise more than \$10 000 a year which cannot be exempt. That would create a dichotomy that would not be acceptable to the community. So the reason for amending the principal act is specifically to exempt them under the principal act, to take them outside ministerial executor's control and to have certainty in this particular area, and deservedly so, because the difference between a preschool and a primary school is after all a matter of a year.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — As I indicated, we intend to cover the kindergartens that raise more than \$10 000 a year via the ministerial order. It is not as simple as people would think it is; otherwise I am sure the Honourable Carlo Furletti would have proposed an amendment that would do just that. It is complex. The definition is not easy and we require flexibility with the structure of kindergartens. What I am flagging to this committee is that the best way to do it that provides certainty for kindergartens, that will remain up to date and meet their requirements as they develop and change is through the ministerial order; that would put them on the same footing as kindergartens that will be exempt under the voluntary organisation and \$10 000 threshold provisions.

Committee divided on amendment:

Ayes, 26

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

Noes, 12

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

Amendment agreed to.

Amended clause agreed to; clause 9 agreed to.

Clause 10

Hon. C. A. FURLETTI (Templestowe) — I refer the minister to proposed new section 17A and ask whether, if the same organisation conducts a number of different appeals, it is the organisation that needs to be registered or each appeal.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The organisation would register. If it is a major organisation running a number of appeals it will indicate the major appeals it intends running.

Hon. C. A. FURLETTI (Templestowe) — Proposed new section 18(6) relates to an incorporated association that was not incorporated in Victoria. I suspect the purpose of that is that the government requires a resident agent for the incorporated association. Is that the intent?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — In a word, yes, but we also need to know that they are acting on behalf of the body interstate, so we would need to know who has been nominated for that.

Hon. C. A. FURLETTI (Templestowe) — One of the matters that has been causing the opposition some concern is the degree of discretion that is given to the minister, the chief commissioner and the director. Proposed new section 18E gives the chief commissioner the discretion to apply for the criminal record of any person — a very broad discretionary power. Will the minister explain to the committee what sort of parameters she envisages and what criteria apply to enable the chief commissioner to ask for that very private information?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The police commissioner can seek those records only if the individual gives permission for a police record check to be undertaken.

Hon. C. A. FURLETTI (Templestowe) — I am fully aware of that, but I assume that if the person did not give that consent there would be no application. I understand in reading it that the consent to the inquiry, the signature of the formal consent, is part of the

application process. If that consent is not given, the application is refused, so it is innocuous to say that it can be obtained only if consent is given. I am asking what the parameters are and what criteria have to be met to lead the commissioner to make the inquiry?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — If the police believe the person applying is a known paedophile they may want to check their reports — those sorts of issues. But it is also about fraudulent activity. I do not believe in the majority of cases the police checks will be done. However, if the police have reason to believe they are dealing with someone who may have a fraudulent record that needs to be checked, they will check it. Police checks may be done on certain individuals who have already been brought to the attention of the police for unlawful acts they may already have been associated with.

Hon. W. I. SMITH (Silvan) — I ask the minister about proposed new section 23A. I have expressed concern in the past that there are no set criteria. Having heard the minister say that once the legislation is passed she will go away and write the conditions and how it is going to work, my concern about proposed new section 23A is reinforced. I note that the director may impose conditions. I want to know, firstly, what conditions the director may impose, and secondly, what are the criteria for the director imposing those conditions?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I will give examples of some of the criteria that may be imposed. Where there has been an indication in the past that a person who for one reason or another may have misappropriated some money, there may be a request that that person does not do the banking or handle the money. You might not actually say that they cannot be associated with the fundraising, but you might say that part of the condition for allowing that person to fundraise is that he or she does not handle the funds, or where an associate of someone who is involved in a fundraising activity might be an inappropriate person to be involved in that activity. Rather than stop the activity from occurring, you might ask the association to remove that person from their committee or whatever it is. I can provide some examples, but I do not think there is any need.

The other might be in relation to tin rattling. You might say they are not allowed to tin rattle. It is a way in which the government might try to monitor the amount of tin rattling occurring on the streets. There is a whole range of areas where a condition might be imposed because of known factors that have already been brought to your attention by the way the form has been

lodged. For example, if there is an indication that there is a criminal record, a condition will be sought. If the criminal conviction is inappropriate for the fundraising activity that might take place, you might want to put some conditions on it.

That is the basis under which conditions will be applied. They will be appealable to the Victorian Civil and Administrative Tribunal. In the instance of restrictive conditions, rather than those you might use to manage something like tin rattling, which you might decide is a management tool for fundraising generally, you may want to assist a group you otherwise might not want to fundraise. In the instance where an individual might not be an appropriate individual to be handling the money but is genuinely trying to participate in other ways, you might allow for that participation to occur but say that that person can only fundraise on the basis that he or she does not do the banking or handle the money.

Hon. W. I. SMITH (Silvan) — Your clarification is saying quite clearly that a condition would be imposed only if the person is found to have been improper with funds or is not considered fit to be in a fundraising position?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — If you are talking about the broader term of the fundraising organisation and associates, that would be the basics of it. But as I said before, you may impose a condition of no tin rattling. Not to restrict an individual; it is a mechanism for putting more regulation on who tin rattles and when and how. You would put on a condition which says that a person cannot tin rattle unless an exemption to tin rattling is sought for a particular purpose.

The government might say to an organisation which is fundraising by a whole range of means that it cannot tin rattle and that if it wishes to do so it would have to seek an exemption from that condition.

Hon. W. I. SMITH (Silvan) — The other area where I would like some clarification is the specific period. Does that change and what sort of time frame are you looking at? Will the director have the ability to change that from time to time within that?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Yes, we have allowed for flexibility in the time frames. One reason is that it might be a one-off appeal. In the instance where you might want to restrict the practice of an individual, they might only be involved in a one-off appeal. It might be said that for the length of time the appeal goes on, the government

would prefer that that person did not handle the accounts, and that person then drops off. The government wanted to allow some flexibility so that some controls might be put on certain aspects for a period that reflects who is involved.

If there is a change in circumstance and, for example, if an original block is put on someone and the period of time lapses and the justification for having that block changes — —

Hon. W. I. Smith — And the director makes that decision?

Hon. M. R. THOMSON — The best example would be if a person had a criminal record and the 10-year period has lapsed.

The government also wanted to allow a little discretion about what that record might pertain to. There might even be some flexibility around that. If the 10-year period had lapsed but you had already put a condition on it, you would allow for them to come back in after that period had elapsed.

Hon. W. I. SMITH (Silvan) — The area where I have the greatest problem is looking at the specified percentage of the proceeds of the appeal being distributed. That is one of the areas that has been brought to me, as I mentioned before, by various fundraising groups who say, 'How do you find that? What is the correct percentage'. As you are aware fundraisers do a whole range of things with their money. They may invest it, they may spend some of it now, they may spend some of it later, they may decide to roll it over for 12 months or they may decide to put staff on. There are a range of things. One well known fundraising group uses the money it gets to put staff on. The staff then go out and get free accommodation, food and whatever it is for their clients.

The question really is: how do you specify what is the acceptable percentage and how can you make sure what the correct percentage is when the groups vary so differently?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — That is precisely why the government did not go with the percentage cap because you cannot define it given the different activities and the way different organisations are structured.

We wanted to allow that flexibility so organisations can continue to fundraise and to distribute their funds in the way they always have. The government is concerned about those who abuse the system, and it is only those people we are interested in. There might be an occasion

when you find that someone is raising funds and you may say, 'I think you should distribute a little more to the public', on the basis that someone has brought to the attention of the organisation that some strange things might be happening. However, nothing would be done without a proper investigation. It would not be arbitrary. People would have an opportunity to present the situation and the circumstances to the director.

Hon. W. I. SMITH (Silvan) — Can the Victorian Civil and Administrative Tribunal be used?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The Victorian Civil and Administrative Tribunal certainly can be used. The normal appeal processes will be in place. All of that will be available to anyone who feels there has been some problem with the process or with the decisions, so there will be an appeal process. I do not see this as a heavy-handed exercise. In one year some genuine community groups might not distribute funds. They would not be picked out and asked to bring in their books. They may have a reasonable and easy way of establishing the situation if it is brought to the attention of the department. Those organisations might be asked about the circumstances, and that would be the end of it.

However, a mechanism is needed to identify those who are abusing the system, and in the government's view this was the most flexible way of ensuring we do not impinge upon the genuine fundraisers that have a whole host of different ways of dealing with their fundraising and the people they are trying to assist. We are trying to keep enough flexibility to ensure we are not impinging upon that. We want to be able to allow people to continue the practices they have in place if they are genuine fundraisers. We want to get those who are not.

Hon. W. I. SMITH (Silvan) — I hear the sincerity of what the minister is trying to achieve, but I am concerned that it is in-house and at the director's discretion. How would it be triggered? Can the minister explain how an investigation would be triggered and what sort of incident would get the director calling in a particular fundraising group for investigation?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — There are a couple of mechanisms, and one would be a complaint. If someone lodged a complaint about an organisation and asked for it to be investigated, the officers would ask for an explanation or ask to see the books. Depending on what comes out of that, the director would make a decision. Another mechanism would be if it appeared that a fundraising organisation was not distributing its funds in the way it

had indicated it would distribute them. The officers would investigate that to identify any discrepancies.

Hon. W. I. SMITH (Silvan) — What will prevent an individual from making an unjustifiable complaint for personal reasons against perhaps a well-established group? One of the concerns about the bill is that there is no defined set of rules or conditions. It is all at the director's discretion.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I can assure Ms Smith that any frivolous complaint would be treated according to what it deserved. It cannot be known whether a complaint is frivolous or serious. Initially discreet inquiries would be made about the complaint, and according to the way that unfolds further action may take place. If an adequate response to that discreet inquiry is made then it would go no further. However, we all understand that everyone needs to be accountable. This is a mechanism that allows us to deal with genuine complaints against those who would inappropriately use the funds coming to them.

Clause agreed to; clauses 11 to 24 agreed to.

Reported to house with amendment.

Report adopted.

Third reading

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I move:

That this bill be now read a third time.

In so doing I thank all honourable members who contributed to the debate. I would also like to thank the officers of the department, who have worked diligently on the legislation and have put a lot of effort into trying to get it right and have consulted widely.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

INFERTILITY TREATMENT (AMENDMENT) BILL

Second reading

**Debate resumed from 19 September; motion of
Hon. M. M. GOULD (Minister for Industrial Relations).**

Hon. M. T. LUCKINS (Waverley) — The Infertility Treatment (Amendment) Bill was introduced into Parliament last week. The opposition thanks the government for allowing it access to the bill a couple of hours prior to its being introduced into the house. The opposition deviated from normal practice and agreed to debate on the bill being adjourned for only one week. That necessitated swift consideration by shadow cabinet, by the Liberal and National party rooms, and also by the Scrutiny of Acts and Regulations Committee, on which I have served for the past six years until today.

I am pleased to state that the opposition supports the bill. The bill proposes changes to spouse consent provisions for the donation of gametes, being sperm or eggs, in limited circumstances where a couple no longer lives together on a genuine domestic basis. It also makes provision for a voluntary register of donors, donor offspring, their descendants, and recipient families for procedures and donations undertaken prior to 1 July 1988.

The bill repeals section 43(c) of the Infertility Treatment Act 1995, which prohibited the implantation of embryos formed prior to the death of a donor or husband in specified circumstances. To provide a proper context for the changes we are debating today it is worth while revisiting the principal act.

The first legislation in this area, passed in 1984, was known as the Infertility Medical Procedures Act. It was landmark legislation, which followed recommendations by a committee, chaired by Professor Louis Waller, AO, which was established to investigate the social, ethical and legal issues surrounding in-vitro fertilisation (IVF). This year the one millionth IVF child will be born somewhere in this world. The legislation before us today has a profound effect on all donors, all parents, their families, children born of a procedure, their descendants and children yet to be born.

The bill amends the Infertility Treatment Act 1995, which repealed the Infertility Medical Procedures Act 1984. The act defines the human embryo as coming into being at syngamy, when there is a fusion of chromosomes from gametes, an egg and a sperm, which usually occurs about 22 hours after fertilisation. The Infertility Treatment Act 1995 established the Infertility Treatment Authority, an independent statutory authority which reports to Parliament. The authority's role is to regulate the performance of assisted reproduction in Victoria.

Section 5 of the Infertility Treatment Act outlines guiding principles for the act, which are listed in order

of application. The 2000 annual report of the Infertility Treatment Authority expands on the guiding principles. I refer honourable members to page 7 of that report and the comments of the authority on how it views its obligations under the act. I will refer to the four guiding principles and give the view of the authority to put into context how it sees its obligations to fulfil its role. Section 5(1) of the act states:

It is Parliament's intention that the following principles be given effect in administering this Act, carrying out functions under this Act, and in the carrying out of activities regulated by this Act.

Section 5(1)(a), the first guiding principle, states:

the welfare and interests of any person born or to be born as a result of a treatment procedure are paramount.

The authority's view is that this is why there are restrictions in treatment procedures and why there are provisions allowing access to information and identification of donors. Section 5(1)(b) states:

human life should be preserved and protected.

The authority's view is that this is why there are restrictions on what may be done to, and with, zygotes and embryos. Section 5(1)(c) states:

the interests of the family should be considered.

The authority's view is that this is why the consent is important and counselling is a required feature of treatment. Section 5(1)(d) states:

infertile couples should be assisted in fulfilling their desire to have children.

The authority's view is that the aim of all treatment procedures permitted by the Infertility Treatment Act 1995 is to assist couples to have a healthy child. The circumstances in which sperm, eggs or embryos may be donated and stored and the circumstances in which research may be carried out upon sperm, eggs or embryos are all directed towards fulfilling this aim.

The membership of the Infertility Treatment Authority currently includes Professor Jock Findlay, who succeeded Professor Louis Waller this month as chair; Dame Margaret Guilfoyle, OAM, the deputy chair; the Very Reverend Professor Anthony Fisher from the Catholic Archdiocese; Michael Gorton; Dr Heather Wellington; and Dr Leeandra Wilton.

I take this opportunity to record my personal appreciation and that of my party for the terrific work and commitment of Professor Louis Waller. I was pleased to attend a function in Queen's Hall last night that gave former ministers for health, members of

Parliament and members of the committee the opportunity to thank Professor Waller for his work for almost 20 years in this very important field.

In the 1980s the so-called Waller committee advocated for legislation in this area. As a result of the 1984 act and the 1995 act Victoria has the most comprehensive legislation in Australia to regulate the use of reproductive technology and to provide safeguards for the industry, for individual couples and donors and, most importantly, for the children born through this technology.

The Infertility Treatment Act currently restricts access to all but heterosexual couples living together on a genuine domestic basis. This is made clear in the definition in the act of husband and wife. In 1997 the act was extended to include de facto couples. The main reason for this restriction is that Parliament's view at the time was that access should be allowed only to couples because a child has the right to know both a mother and a father.

It could be argued that children are better off raised by two parents who are committed to working together to raise the children. It does not matter whether or not that is a biological parent. Notwithstanding that fact, in the wider community many single women give birth and raise their children very well. But these women conceive naturally and do not require the assistance of the state to allow them access to reproductive technology.

The state and the Parliament must weigh up the interests of the child to be conceived and born. In cases where reproductive technology is made available, Parliament has determined that access should be restricted to heterosexual couples. The fourth guiding principle, section 5(1)(d), specifies that couples will be assisted.

The Infertility Treatment Authority has many ethical and social challenges it must confront from time to time. In the report tabled by the authority in Parliament last year, I noted that during the reporting period from 1 July 1999 to 30 June 2000 the authority was faced with a number of key themes relating to consent, posthumous use of donor sperm and embryos, and human cloning. The authority has made recommendations to the government, many of which are featured in the bill before the house today.

The bill amends sections 13, 15, 18 and 19 of the principal act dealing with spousal consent to substitute the word 'divorce' for words relevant to the section, whether that be 'ceased to live together' or 'are no

longer living together as husband and wife on a genuine domestic basis'. Subclause (3) applies the same principle to de facto couples. Any objection that may have been made in the past by a spouse to the donation of gametes also lapses when that married or de facto couple cease to live together as husband and wife on a genuine domestic basis.

The reason for the amendment is that some men and women in the community are unable to get divorced for social or religious reasons, and that restricts them from making donations for the benefit of others. Under the current legislation they do not have the same opportunities as divorced or single people. Clause 5 repeals section 43(c) of the principal act, which states:

A person must not —

- (c) transfer to a woman a zygote or an embryo formed from a gamete from a person known to be dead ...

There is a hefty penalty of \$24 000 or 240 penalty units or two years imprisonment or both. The repeal of this section with the support of the opposition will allow Joanne Bandel-Caccamo to have the embryos created by Pino and herself implanted. In future other women who hope to have the opportunity to have children under these circumstances will be afforded the same opportunity.

I strongly sympathise with Joanne, who has been very strong in arguing her case to the government, the opposition, the community and the media. It would have been very difficult knowing that not only was she precluded from having her embryos implanted, which were created with her husband, Pino, but without the repeal of section 43(c) those embryos would have ceased to exist. I refer to guiding principle (b) in section 5(1) of the principal act, which states that human life should be preserved and protected.

The act defines an embryo as a human life at and from syngamy. While honourable members may personally deviate from that definition of life, the Parliament has established it as a benchmark. As the mother of two children and a Catholic, I believe that definition is correct. Under section 12 of the act, even if Joanne had wanted to have the opportunity to donate the embryos to someone else, she would have been precluded from doing so because Pino had not consented. Clearly it was his intention as a father that his wife carry their children.

It would have been incredibly difficult for Joanne not only to lose her husband but then to very soon after have a reproductive procedure fail. I extend every hope to her that she can fulfil her goal and have her children.

I also note the very strong support of her family — her parents and her brother will assist and support her through this challenging time.

In the public policy context, when the Parliament and the Infertility Treatment Authority are the arbiters and protectors of the welfare and interests of a person born or to be born under a reproductive procedure, as referred to in guiding principle (a) of section 5(1) of the principal act, we must consider how that principle is to be applied. Because we are opening up the opportunity for women in a similar situation to Joanne to be afforded the opportunity to have their embryos implanted, we must be very firm in the guidelines we set.

The potential for a woman who is grief stricken to want the baby of her deceased spouse, without giving due regard to the practicalities of her capacity to raise the child as a single parent, is where the state must ensure that the welfare of a child to be born is of paramount concern. Counselling is a crucial aspect for couples undergoing infertility treatment and is very necessary in a situation where a spouse has passed away. Counselling for participants in fertility treatment is required under section 11 of the principal act, and section 11(2) also provides for further counselling after the procedure is carried out. I am assured that that provision will extend to and include grief counselling after the failure of a procedure and in the event of a loss.

It is known that grief can lead to debilitating depression if not treated swiftly. Both men and women are susceptible to depression and both handle grief differently. It is very important that appropriate counselling is available to both the husband and wife. I am advised by the Infertility Treatment Authority that under guidelines provided by it to clinics, patients should also be counselled as prescribed in section 11 of the act if there is a significant change in treatment — for example, if people are considering using donor eggs or sperm, or certainly in the case of a partner passing away. I suggest that the psychological counselling of a mother considering ongoing treatment after the death of a spouse should be conducted after mandatory and extensive grief counselling to ensure that the woman whose husband has died is not unrealistic about her physical, psychological and financial capacity to care for that child in the best possible way.

I am not suggesting that a mother or someone aspiring to be a mother would want anything but the best for her child, but in a case where a partner has died I imagine it would be extremely difficult to think about all the potential consequences of seeking very physically and

emotionally taxing medical procedures. I urge the authority to give immediate consideration to the application of the changes we are debating today so that guidelines are reissued as a matter of urgency to the clinics.

I also note and am concerned by the lack of a minimum period of time in the bill after the death of a spouse before treatment can be recommenced. This means that effectively a spouse could immediately seek to become pregnant while still at the height of her grief. The counselling psychologist should make his or her assessment about the individual's fitness to proceed with treatment known to the treating doctor, and if there are any serious concerns it is up to the doctor, once alerted, to decide whether or not the treatment should proceed in the best interests of the woman.

I refer honourable members to the report of the Infertility Treatment Authority for 2000. Table 1 on page 23 shows that for the calendar year from 1 January to 31 December 1999, 4471 couples commenced 10 118 infertility treatment cycles resulting in 1225 clinical pregnancies which in turn led to the birth of 577 babies and 561 ongoing pregnancies. I provide those figures because it is important for honourable members to be aware of the number of procedures undertaken to achieve a relatively low number of births of children. The success rate for achieving pregnancy over a 12-month period for infertile couples is around 18 per cent to 20 per cent. For couples involved in infertility treatment the failure rate is daunting.

I am aware from friends who have undertaken these reproductive procedures that many couples, particularly women, grieve every time a much anticipated pregnancy is not achieved after a procedure. In addition, the risk of miscarriage is much higher among women undergoing assisted reproduction. Around one in three pregnancies ends in a loss compared with one in four in the population of women who conceive naturally. If the pregnancy proceeds after six weeks, however, the figure drops to 5 per cent risk of loss for infertile couples.

For the past six years I have been proud to be a patron of the Bonnie Babes Foundation, which supports and counsels women and families after suffering loss through miscarriage, stillbirths or prematurity of a much loved and wanted baby. Increasingly Bonnie Babes and other similar counselling organisations are called upon to counsel couples involved in infertility treatment. I believe it is the responsibility of the clinics providing the treatment to ensure they provide timely and appropriate counselling at all stages of the treatment as required because they clearly have the

expertise and knowledge of the issues confronting that couple.

The repeal of section 43(c) will ensure that if a donor dies the couple who may have already given birth to one child or other children through reproductive technology will not be precluded from seeking further treatment to have the embryos, the siblings of the children already born, implanted. That is a sensible change.

The second-reading speech notes that, sadly, some parents or donors may die during pregnancy or during childbirth, but that the children will at least know one of their parents when born. I am sure all colleagues have seen recent media reports about the birth of children following the terrible tragedy in the United States of America, in this case the fathers of the children perishing in that terrorist act. Those children will never have the opportunity to know both their parents. The fact is that through accident, illness or war throughout the ages children have been raised by one parent or by other family members. So long as children are raised in a loving, caring, accepting and secure environment they will flourish.

I flag one concern with the government relating to the repeal of section 43(c). The second-reading speech refers to a person who has produced the other gamete used to form the embryo, and states:

... in most cases the mother, has a large interest in and expectation about future access to the embryo.

One could also argue that the father has equal interest in and expectation about the future of the embryo. With the repeal of the section and using the words 'in most cases the mother', rather than excluding the father, it could raise the expectation of a father that he will have the same right to preserve the embryo and seek to have it implanted into another woman rather than destroy it. This presents ethical questions. If it is not the intention of the government to allow access to fathers in cases where embryos have been formed and the mother of the embryos passes away, it should make it clear during debate in this house or when the second-reading speech is made in the other place. If the government does not specifically exclude access of a father to an embryo and there is a legal challenge, the intention set out in the second-reading speech may be taken into account during any hearing or decision. I flag that as a matter for urgent attention by the government.

The final part of the bill inserts new part 7A entitled 'Pre-July 1998 procedure information'. The Infertility Treatment Authority currently operates two parts on one register. One was established under the 1984 act

and one under the 1995 act. Section 82 of the Infertility Treatment Act 1995 requires that a donor treatment procedure register for lodgment of details on a voluntary basis be maintained. A request for inclusion on the register must be received by the authority in writing. Anyone born as a result of a donor procedure, the donor, or the parents, women and their husbands who have undergone treatment, and also the relatives of the people I have specified, can have the details entered into the register. I stress that it is on a voluntary basis. The 1984 act, which established a register from 1 July 1988, provided that information identifying an individual could only be released with the consent of the person to whom the information related.

Transitional arrangements in the 1995 act ensured that the donor and the person born, as well as the people I mentioned earlier, could also apply for the release of identifying information with the consent of the donor but only non-identifying information without the consent of the donor. This applied to procedures carried out after 1 July 1988 and before the commencement of the current act in 1995. The second-reading speech for the principal act in 1995 states that in regard to non-identifying information being available to a child born as of right, he or she will be able to obtain information which may or may not identify a donor only with the donor's consent. The second-reading speech in 1995 states:

This distinction has been drawn as in the past persons may have made a donation on the understanding that identifying information about them would not be provided to another person without their consent.

The effect of new part 7A, notwithstanding the prohibition in section 181(9), means that an eligible person involved in treatment procedures prior to 1 July 1988 has the right to go on the procedure information register established under section 82 of the act. In addition to registering information, the eligible person can also record his or her wishes about what information can be released upon application and also importantly under what circumstances.

Under the clauses being debated today the authority may only release information in accordance with specified wishes. A person applying to have information entered onto the register must be over the age of 18, and provision is made in the bill for counselling of both parties prior to the release of identifying information. That will ensure both parties are aware of the potential consequences of the disclosure of that personal and identifying information.

The bill also provides that in the case of non-identifying information the authority must be satisfied that both

parties were offered the opportunity for counselling before the release of the information. In a clause that dots the i's and crosses the t's the counselling requirement is waived if the person for whom counselling was required is either dead or unable to be found.

The bill makes it an offence for the authority to release the information other than in accordance with the new provision and requires that a record of information be kept about what has been released from the register and to whom it was released. The prescribed penalty is 50 units.

In conclusion, this is a small bill in size but it is of huge significance in that it amends one of the most complex acts on the Victorian statute book. It is legislation that will potentially have a profound effect on the lives of tens of thousands of Victorians, particularly on couples who without reproductive technology and infertility treatment would be unable to fulfil a dream that many of us take for granted — that is, the dream of being a parent.

It will also have a profound effect on the donors and their biological children born as a result of procedures prior to 1988. It is very important that the children born from the procedures from donor gametes have the opportunity to gain access to information about their biological parent not only to fulfil a sense of self, their place in the world and an idea of where they have come from that may help them to be guided to where they are going, but also because it is most important that they have access to information that could alert them to possible genetic illnesses to which a child may have a predisposition.

I am blessed to have two healthy and beautiful children. I extend my very best wishes to Joanne Bandel-Caccamo in her quest to become a parent. On that note, I commend the bill to the house.

Hon. KAYE DARVENIZA (Melbourne West) — It gives me great pleasure to rise to speak in support of this important bill — a bill, I am pleased to say, that has the support of both sides of the house.

Hon. R. A. Best — All sides of the house.

Hon. KAYE DARVENIZA — All sides of the house — did I say both sides? I meant the opposition as well as the government.

Hon. Bill Forwood — Don't lump them in with us.

Hon. KAYE DARVENIZA — I will remember that — 'Don't lump them in with us'.

I am pleased to have the opportunity to speak on an important bill that has the support of all sides of the house. The bill is before the house because of a real situation which now exists and which has had a lot of media publicity. It is the situation the Honourable Maree Luckins alluded to during her contribution, the situation of Mrs Joanne Bandel-Caccamo, a young Melbourne woman who I understand is in the gallery today listening to the debate. Mrs Joanne Bandel-Caccamo, a young Melbourne woman aged only 29 years, was part of an in-vitro fertilisation (IVF) program with her husband, Pino, who unfortunately died from cancer some 12 months ago after a three-year battle with the disease. Two of their embryos were implanted on, unfortunately, the day Mrs Bandel-Caccamo's husband died. She was unable to continue with the pregnancy and miscarried soon after his funeral. Three frozen embryos that were created using her eggs and fertilised by her husband's sperm are stored in a Melbourne IVF clinic.

The law as it exists today prevents Joanne Bandel-Caccamo from having the embryos implanted because section 43 of the Infertility Treatment Act prohibits the use of embryos from a person known to be deceased. I refer to an article in the *Sunday Herald Sun* of 12 August. The article quotes Mrs Bandel-Caccamo, who said she would not give up her right to the embryos. The article reports her as saying:

But not the embryos ...

They were created by Pino and I, together, when he was alive.

She went on to say she has lost her husband and:

... I have already suffered the miscarriage of two babies.

Am I now going to lose three more? I need help. I want these babies. I want to fulfil Pino's wish, our dream to have babies together.

That is a reasonable and real plea. Even through her most difficult and emotional circumstances of grief this young woman has put this plea to the public, the government and Parliament. Therefore, I am pleased as a woman, a mother and a parliamentarian to be able to stand up today on behalf of the government and speak on a bill that I hope will enable Joanne to fulfil that dream.

The way the act now stands creates a ludicrous situation. It does not allow the use of an embryo where one donor is deceased. An infertile couple, a wife and a husband, can be involved in an IVF program. They can produce the eggs and the sperm and thus the embryos, but if the husband then dies the woman cannot use the embryos created by her husband's sperm. If, however,

she were infertile that woman could become part of an IVF program and other donor sperm could be used to create embryos that could be implanted. That would be permissible under the act. In other words, as an infertile woman she could be allowed as part of an IVF program to use donor sperm. But the act stipulates that she cannot use embryos created by using her now-deceased husband's sperm. Those embryos are to be discarded or destroyed.

What a ludicrous situation! No wonder we need to bring this bill before the house. No wonder we are changing the legislation so that it makes more sense. If honourable members look around Australia they will see that Victoria leads the way; our state has the most comprehensive legislation on infertility treatment.

The government believes very strongly that the amendments set out in this bill will refine and streamline the provisions in the principal act. They will result in the operation of the act being more efficient and they better reflect current issues and community attitudes and thinking. The act will now better reflect people's expectations of participation in an IVF program.

The government believes the amendments before the house today are consistent with the guiding principles of the Infertility Treatment Act. Those guiding principles state:

- (a) the welfare and interests of any person born or to be born as a result of a treatment procedure are paramount;
- (b) human life should be preserved and protected;
- (c) the interests of the family should be considered;
- (d) infertile couples should be assisted in fulfilling their desire to have children.

The government believes not only that the amendments outlined in the bill are consistent with those guiding principles in the principal act but that they will very much enhance the ability to deliver fairer and more compassionate infertility treatment to all eligible Victorians. The purpose of the bill is quite clearly set out in clause 1. It states:

The main purpose of this Act is to make various amendments to the Infertility Treatment Act 1995 to provide for —

- (a) the removal of the requirement for a spouse's consent in limited circumstances where the couple is no longer living together on a genuine domestic basis;
- (b) the use of embryos formed from the gametes of a person who has died;

- (c) voluntary inclusion on the donor treatment procedure information Register of information related to donations and treatment procedures undertaken prior to 1 July 1988 and for the release of that information.

Clause 4 proposes an amendment to section 13 of the principal act. The act as it currently stands requires that where one partner of a married or de facto couple wishes to donate either sperm or eggs the other partner must give their consent to that donation. The act requires that a person who is married and separated but not divorced must also have consent from their spouse. Clause 4 removes the requirement for consent of the donor's spouse before any donation of eggs or sperm can be made if they are no longer living together as husband and wife on a genuine domestic basis.

The phrase 'living together on a genuine domestic basis' is already in the act and is used as a test for eligibility for heterosexual de facto couples wishing to access IVF treatment. The amendments allowing de facto couples access to IVF treatment were introduced by the previous government and passed by the Parliament in 1997.

The amendments here apply exactly the same test. If a couple is living together on a genuine domestic basis the consent of the partner is required before a person can donate any sperm or eggs. A single person or a person who has left a de facto relationship can donate eggs or sperm without having to seek the consent of any other party. This amendment removes discrimination against people who are legally married but separated and no longer living in a genuine domestic relationship but for whom for whatever reason, whether it be cultural or religious, the option of divorce is not available and is something they will never take up because it is unacceptable to them.

By amending the act in the way set out in this bill we will be removing a section that significantly disadvantages women who are legally married but permanently separated. That section can be seen as discrimination against such women when their rights are compared with those of single women or women in de facto relationships. This amendment provides people who are not living with someone as husband and wife on a genuine domestic basis with the ability to donate their sperm or eggs for whatever reason without any reference to their spouse and without the spouse's consent.

Clause 5 of the bill removes the ban on the use of embryos formed with the eggs or sperm of a person who has died. However, it is important to note that the bill does not remove the prohibition on the use of the gametes of a person who has died; it is about removing

the ban on the use of embryos which have been formed. It is also important to note that the deliberate formation of embryos from sperm and eggs when a partner has died is still prohibited, as the bill makes no changes to that. However, the government considers that consent has already been given to allow embryos which have been formed to be used. The partners involved in forming those embryos have given consent to their formation and therefore the government believes very strongly that a woman should have access to those embryos.

Of course there are those who view the destruction of embryos as absolutely abhorrent and who see the possible development of life from an embryo as preferable to its deliberate destruction. At the moment, embryos formed for IVF treatments and no longer required by a couple can be donated to another couple for use in the IVF program with the consent of both parties involved in the formation of the embryo.

The position at the moment is that where one of the partners who has formed the embryo has died, the embryo cannot be donated to another couple. The bill provides that if one of the partner donors has already given consent to the formation of the embryo prior to dying, embryos that are formed can be donated to other couples.

The person who provides the other gamete — and in most cases that is the mother — has a justifiable expectation that they will have access to those embryos. I do not know how many honourable members really understand the sort of commitment that is made by a couple and the emotional upheaval that goes into being part of an IVF program. I have not participated in that program, but because of my health background and my time as a nurse I have always taken an interest in health issues. Also because a very close friend of mine was part of the IVF program, it has given me a clear understanding of why people who participate in this program have an expectation that they should be able to have access to the embryos.

It is a reasonable expectation because the procedure is not a pleasant one. It is not an easy one. It is not one that is over in a flash. It takes an enormous commitment by the couple to participate in the program. As I said, I do not know how many honourable members are aware of what that process involves, so I will run through it very briefly so they will have some understanding of it.

The first thing that happens is that you have to be deemed eligible: you have to pass the criteria to be eligible to be accepted into the program. Given that you are accepted, the woman then goes through a series of

hormone injections, which she self-administers, that increase and stimulate the development of eggs. Every day the woman has to self-administer these injections. Huge doses of hormones are given through these injections, which stimulate the production of the eggs. It means you have hormones racing through your body and you are on a roller-coaster ride of emotions that you normally do not go through.

You often suffer physical pain because your ovaries swell up and become the size of a fist, causing distension and abdominal pain. Then once the eggs have been produced you have to go in for a day procedure to have them removed. If it is the husband, he comes in and has to produce the sperm so that the eggs can be fertilised. The couple then has to wait. Part of this procedure is not only painful and emotional but is often quite embarrassing for the people participating in it. They can feel quite humiliated having to go through some of these procedures. But they do it.

Why do they do it? They do it because they have a commitment to each other, to having a family and to producing a baby. They want a child. I guess it says something about how strong that desire is to have a child. The wait is then on to see whether any of the eggs were fertilised, or how many of them were fertilised. That takes a couple of days. So for those couple of days you are living on tenterhooks. Is it one egg? Is it 10? Is it none? It can be absolutely devastating if not many are fertilised, because every couple that is involved in this program knows they have got six goes.

Six cycles are funded by Medicare. I understand couples incur a cost of about \$1500 for each cycle. You know this at the back of your mind — and it is always at the back of your mind — that this will not go on forever — not that you would want it to go on forever, either, because it is not a pleasant process. If the embryos are produced the woman then has to go in for the implanting of the embryos. Then it is fingers crossed — the emotional trauma and anxiety of waiting to see whether the embryos can be carried and develop into a full-term pregnancy and result in a baby. Again, it is an agonising wait. It is a huge emotional investment for a couple. It is a huge commitment that they make to each other to go through this process. It should never be underestimated what that procedure and process cost the couple emotionally.

That does not happen if you are trying to conceive a child naturally. You do not have that roller-coaster ride and those huge doses of hormones; you do not have to keep going back to the clinic and going through rigorous procedures. You do not have the feeling

hanging over your head that it all has to be done within six cycles. Normally nobody would even start to query whether there was anything amiss until you had been trying for about 12 to 18 months.

There have been medical experts who have been quoted in the press about the case of Joanne Bandel-Caccamo. I would like to read a couple of those to the house. Professor Wood, the IVF pioneer, is quoted in the *Herald Sun* of 7 July as saying that it was tragic that Mrs Bandel-Caccamo could not gain access to her offspring. The article states:

The ITA and the government should have sympathy for the tragedy that has occurred and the fact that her husband said he would want her to go ahead and have a child ...

We as doctors don't have any rights over embryos ...

In the *Australian* of 9 September he is again quoted. The article states:

... this is not a complicated situation.

And I agree with him there.

Joanne and Pino wanted to have children together. Together they created these embryos and no-one has the right to deny the embryos life, not the politicians and not the church.

Professor Wood said this story was both tragic and beautiful. It further states:

Tragic, because Pino died, but beautiful because Joanne is doing something in her husband's honour.

It is unforgivable that anyone tries to prevent Joanne becoming pregnant with these embryos. They do not belong to the government, or to the church. They have a right to life, a right to become lovely babies.

That is one of the reasons we are here today. The government agrees with many of the sentiments that have been expressed by Professor Wood that we need to change the legislation so that access to these embryos can be gained.

There are other doctors who support it. I quote from page 13 of the *Australian* of 17 September:

Monash IVF professor Gab Kovacs said people such as Mrs Bandel-Caccamo should be given a chance to become pregnant. She denied it was interfering with the natural process.

'I think we are playing with nature every time we prescribe penicillin ... we just have to accept we don't live in a natural society any more and it's the 21st century', Professor Kovacs said.

The community support has been overwhelming. I am sure many honourable members read the comments from the general public who were asked what they

thought about giving access to embryos. The *Herald Sun* of 9 July put the question:

Should the IVF laws be changed so a woman can give birth to her dead husband's babies?

I will read out a number of responses.

Jay Batterson, 34, Blackburn: Yes, The memory of the husband lives on. These days a family is not necessarily made up of a father, mother and children.

Tim Shepherd, 26, Blackburn: Absolutely.

Lily O'Connell, 73, Moonee Ponds: Definitely. It's his sperm and it's her egg, and they should be allowed to use it. I have 10 children, and I feel sorry for women who can't.

Jean Clarke, 75, Melton: Yes.

Debbie Townsend, 40, Newport: I think it's up to the individual and what they want. Everyone to their own. I think they should be able to if they want to. It's their decision.

The amendments set out in clause 5 will enable women to gain access to the embryos formed using the sperm of their deceased husbands. The amendment also enables women to use embryos that have already been formed using donor sperm. Many couples want to use embryos that have been formed using the sperm of the same donor so their subsequent children will have the same genetic inheritance.

Clause 6 inserts in the act part 7A, which enables the voluntary donor treatment procedure information register to apply to procedures that were undertaken before 1988. That gives people who were involved in a procedure prior to that time an opportunity to put information on the register about themselves and their family and also to get information from the register. Prior to 1988 the eggs and sperm were donated anonymously. The amendment will enable donors, offspring and family to have access to this information.

I conclude by saying that the bill is important. It refines the provisions of the act in a way that takes up community attitudes and concerns and the expectations of people who are participating in the IVF program. It is a very good bill, because it shows compassion for individuals and responsibility to the wider community. The bill deserves the support of every honourable member, and I commend it to the house.

Hon. R. A. BEST (North Western) — It gives me pleasure to contribute to this debate. Firstly, I congratulate the two female members of the chamber — from the Labor side, my very good friend Kaye Darveniza and from the Liberal side, Maree Luckins — on their contributions. They have put into their contributions knowledge and understanding not

only of in-vitro fertilisation (IVF) legislation but also of emotional issues they understand as mothers and parents. That is particularly important because normally when IVF legislation comes before the house it is contentious. It attracts an enormous amount of correspondence to members of Parliament. The views that are put are often divergent, and it makes our jobs as legislators who have to represent the whole community difficult because we have to put the interests of individuals aside while we consider what is in our opinion the best outcome for the whole of the community.

It is a pleasure to contribute to this debate because the bill has tripartite agreement. Each of the parties has considered the issue on its face value as well as the issues relevant to the cases that have been put before us, and we have all come to the same conclusion. It is a good result that guarantees that the proper legislative process can achieve outcomes that meet community expectations.

I have been a member of this house since 1988, so I have been associated with many of the changes that have occurred. There have been times when I have not agreed with proposed changes. However, as time has gone on and as we have moved forward since the original bill back in 1984, many of us have become familiar with either a family or a friend who has been through the IVF program. In my case one of my very good football friends, Ken Collins, and his wife Sue went through the program and had quads — two girls and two boys. Sue, who is a very forthright lady who never steps back from telling you her point of view, explained to me the commitment that was needed to go through the program. To use her words, ‘At the end of the program I looked like a beached whale because I was carrying four babies, and I was just huge and virtually bedridden’.

I agree with the point made by the Honourable Kaye Darveniza that families, and particularly partners, who go into this program need a lot of emotional commitment and resolve, and that pressure and commitment normally form the basis of a very loving family. In the case of the Collins quads, Ken and Sue are just outstanding parents and the children are being brought up in a very loving family environment.

The Infertility Treatment (Amendment) Bill has three purposes: firstly, to remove the requirement for spousal consent to donation when a couple is no longer living together as husband or wife on a genuine domestic basis; secondly, to remove the ban on the use of embryos formed from gametes of a person who has died; and thirdly, to enable people who were involved

in treatment procedures prior to 1 July 1988 to exchange information through the voluntary donor treatment procedure information register.

The bill’s introduction is the result of a campaign about Joanne Bandel-Caccamo’s plight to be able to access the embryos created by her and her husband, Pino. The campaign has attracted support from most of the media across Victoria, including editorial comment from both the *Sunday Herald Sun* of 1 July and the *Age* of 13 July. I want to refer to those editorial comments because they are emotive and inflammatory. In some cases it is helpful when members of Parliament are advised of particular cases. Sometimes I think people should be a little cautious about the way they promote a particular cause. The *Sunday Herald Sun* of 1 July states:

Cruel law must go. Professor Carl Wood speaks for Victoria when he says of Joanne Bandel-Caccamo’s plight: ‘The cruelty to this woman makes me feel angry and ashamed’.

Anger and shame are only two emotions welling up in many Victorians.

As a grave injustice is done to this brave young widow, who has been robbed of her right to happiness by a bad law, we predict her story will also generate contempt for legislators who are yet to acknowledge their mistake.

...

She owns the genetic material. They are her eggs. They were taken from her body. They were willingly fertilised by her husband’s sperm.

The catch from the state government’s point of view is that her husband has died.

But the law that prevents the use of sperm from a donor, who has subsequently died, was not meant to punish women in Mrs Bandel-Caccamo’s predicament — it is flawed legislation in need of remedy and a retrospective amendment to cover this touching case.

...

It is an outrage and Professor Wood, the IVF pioneer, urges us to protest.

The *Sunday Herald Sun* agrees — and today launches a campaign to have the law changed. We invite readers to join us in asking MPs to examine their compassion, consciences and commitment to people.

I am quite prepared to ensure that we go through the analytical process of examining what is in the best interests of any case in any circumstance. But as legislators we also have a responsibility to ensure that we act on behalf of the whole community.

An editorial in the *Age* of 13 July started with the potential benefits of stem cells and concludes with comments relating to Joanne’s case. It states:

In Victoria, in the meantime, Premier Steve Bracks has indicated that the Infertility Treatment Act, which prohibits the use of embryos when one of the contributors has died, may be changed. The case of Joanne Bandel-Caccamo, who has three embryos — fertilised by her husband before he died last year — in storage, has influenced the Premier to consider changing the harsh provisions of the act. He is right to do so.

The *Age* has given a considered opinion and I welcome it. However, there are other articles and other opinions that also need to be considered when we are looking at changing laws. Jill Singer is a person I do not always agree with, but I enjoy her contributions. In a very good article in the *Herald Sun* of 6 July she states:

In the debate over the latest IVF ethical dilemma, the language see-saws from the clinical to the emotional. Sometimes it's a baby, sometimes just an embryo. In the days before IVF technology, the meaning of words like pregnancy and abortion was clear.

Now, they are being twisted and used in highly emotional ways. Consider the reactions to the case of the Victorian widow who wants the law changed so she can give birth to her dead husband's babies.

...

Whatever the merits of Joanne's case, and I have nothing in particular against it, much of the language and arguments being used to support it confound me.

For example, Joanne claims that her late husband was a Catholic —

I certainly know what that is like because like the Honourable Maree Luckins, whom I believe is also still a practising Catholic, we have certain doctrines that are imprinted on us from a very early age; some people say that is good; some people say it is not necessarily a good thing —

and wanted his children baptised in the Catholic church. She is now calling on the church to help her lobby the state government and stop her 'babies' being destroyed by what she calls 'abortion'.

It goes on further to state:

But Joanne has found some influential supporters outside the church, including IVF pioneer Professor Carl Wood, who argues that the embryos are Joanne's legal property.

But if stored embryos are property, what happens to them in the event of divorce? Professor Wood suggested this week that in such an event, ownership should be settled between the divorcing parties as another form of property division.

The articles continues — and there are only two other passages I want to quote, but they are very good quotes:

For example, he says the law preventing the three frozen IVF embryos being transferred to Joanne is 'repugnant and dictatorial' because 'pregnancy' starts at the moment of fertilisation, and that disallowing access to the frozen embryos is 'forced abortion by the state'.

To me, all this talk of pregnancy and abortion about events taking place outside the mother's body proves how far the IVF industry is prepared to manipulate our language and emotions. When it comes to research, an embryo is never called a baby or referred to as causing pregnancy, and if it is killed for research, it is not called abortion.

The article concludes:

What puzzles me is why we see headlines such as 'Let my babies live' when a woman wants access to her frozen embryos, but when scientists want access to 65 000 of them, we read 'Green light for embryo research' rather than 'Government to kill 65 000 babies'.

As I said that article was written by Jill Singer and provides an alternative view to the editorial comments from the *Herald Sun* and the *Age*. That is one of the difficulties we face as legislators in addressing changes to what is sometimes controversial legislation.

The nice thing about this amendment is that all parties have come to the same conclusion albeit by different means. It does raise the issue — and I would like to put on the record my concern — that sometimes emotive or evocative language is less than helpful. It does not help when people go over the top in trying to ensure that their view is put and supported by the legislators and members of Parliament. It is all very well to appeal to our emotions but as legislators we have to face the backlash and the consequences if we do not get the balance right. However, I am confident and convinced that with the existing provisions within the legislation and the changes being proposed today sufficient checks and balances will remain to ensure there is not an abuse of the changes we are making. These changes are a significant shift in the use of embryos created by both donors and married couples. They should not be taken lightly. There is a continuing need to examine the issues associated with science — the medical, emotional and ethical issues — in the future.

As legislators we have the decision right in supporting the bill. I am confident that with the legislative framework, the regulations that underpin the legislation and the guidelines that go to the clinics from the Infertility Treatment Authority — with those checks and balances and the access and participation in the program — the right thing will be done to ensure that loving couples and people wanting to have children can access the program while at the same time community concerns are addressed.

On behalf of members of the National Party I am delighted to advise that we do not oppose the legislation. As discussed in the party room, while the bill broadens the use of embryos there is still protection within it to ensure appropriate compliance. We examined the two cases where the legislation impacts

most. The first case of Joanne has been referred to already. One of the issues we discussed in the party room was distinguishing the fine line between being a consenting partner who has created an embryo and being a widow and single parent because of the unfortunate and tragic death of one of the partners. If you think of the case as a wife being pregnant and her husband being killed in a car crash there are great similarities which is why we could not stand in the way of the legislation.

In the second case, which most people are aware of, a mother has had a child, she has received a donor's embryo, the donor has since died, and she now wants to have a second child with the same genetic background. We see no difficulty in supporting that case either. We accept that the embryos were formed by a loving husband and wife who wanted a family.

The National Party has given enormous consideration to the bill. As I alluded to in my opening remarks, we have not always supported changes to IVF legislation. We have always given this type of change enormous scrutiny. However, we are convinced we have made the right decision by supporting the bill presented to the house. At the same time, we take offence at being emotionally blackmailed. We have not been by Joanne — and I put that on the record — but the very emotive and emotional language that has been used has not been helpful.

In closing, I repeat that the National Party does not oppose the bill. As I told Joanne about 1½ hours ago, we pray that she is able to become pregnant and become a mother. When she and her husband formed those embryos it was about wanting to have a family and we hope and pray she is able to have that family.

Debate adjourned on motion of Hon. ANDREA COOTE (Monash).

Debate adjourned until next day.

ADJOURNMENT

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the house do now adjourn.

Neighbourhood houses: health card holders

Hon. N. B. LUCAS (Eumemmerring) — I raise a matter with the Minister for Sport and Recreation, who represents the Minister for Post Compulsory Education, Training and Employment in the other place. I have been approached by a local community centre, which is

concerned about the costs it faces when providing community programs to holders of commonwealth health cards and other concessions.

Honourable members may be aware of the requirement that holders of health care cards are charged no more than \$40 annually for courses undertaken at neighbourhood or community houses. As a result of this requirement, when a large number of applicants holding health care cards enrol in courses — which is good — the courses may have to be run at a loss.

But the fact of the matter is that that course then runs at a loss. To make up the loss what is the centre to do? One way to make up the loss is to charge the other participants a higher fee. The other way is to get some money from the government, because it is the government that is really saying that the centre cannot charge too high a fee.

When the issue was raised with me it appeared that perhaps the minister should look at it. On 23 July I wrote to the minister about the issue indicating my belief that some consideration should be given to the issue of health card holders having a reduced fee that has to be made up by somebody else. I reiterate that I am not against the principle of the reduction, but the funds have to be made up in some way, and that is why on 23 July I asked the minister to look at the matter. I have not yet received an answer to my request for its consideration. I ask that the minister look at my letter and give me an answer.

Highpoint Shopping Centre: alcohol regulation

Hon. S. M. NGUYEN (Melbourne West) — I raise for the attention of the Minister for Energy and Resources in her capacity as the representative of the Minister for Local Government in another place the issue of alcohol consumption in a public place in the City of Maribyrnong.

Since the establishment of entertainment venues at Highpoint Shopping Centre there has been an increase in reports of patrons consuming alcohol in public places. The City of Maribyrnong is one of the few places in Victoria where the consumption of alcohol in public places is not prohibited. I ask the minister to request the Minister for Local Government to discuss with the City of Maribyrnong the option of prescribing the Highpoint area as an alcohol-free zone.

Caves Grove–Springvale Road: traffic control

Hon. G. B. ASHMAN (Koonung) — I raise a matter with the Minister for Energy and Resources, representing the Minister for Transport in another place.

It relates to traffic signals being installed at the corner of Caves Grove and Springvale Road. As I understand it, the signals are being installed as part of the Smart Bus program that is to run across Springvale Road from Nunawading through to Glen Waverley.

Microroads started to install a left-turn lane on the left approach to Caves Grove but that work was stopped pending a redesign. A control box has been installed on that side of the approach, which effectively obscures the vision of traffic exiting Caves Grove and turning into Springvale Road.

I understand the lights are being installed to enable buses to depart from the bus zone, cross to the right-hand side of Springvale Road and turn into Canterbury Road and head west. The works have been under way now for well over three months, but I am not quite clear about their real purpose. From the work that is under way it appears to me that no provision will be made for vehicles exiting Caves Grove to use the lights, and that the lights will be activated only by buses. Given the volume of traffic on Springvale Road at that point, it makes sense to enable traffic exiting Caves Grove to use the lights to cross Springvale Road and head north.

Given that this process has been going on for several months and at this point there appear to have been several redesigns of the signalisation and the layout of the roadworks, I ask the minister to explain what is going on.

Electricity: solar power station

Hon. B. W. BISHOP (North Western) — My adjournment issue is for the Minister for Energy and Resources. An Australian–German consortium is reported to be investigating the construction in inland Australia of a \$700 million solar electric power station featuring a 1-kilometre-high tower. Designed to withstand high winds, the huge chimney would form the core of the Solar Mission station, which reportedly could generate enough energy to power 200 000 homes. It has been reported to me that it would have a huge glass base 5 kilometres in diameter.

Consultants from the Stuttgart-based engineering company were expected to arrive in Melbourne on Monday, 17 September, to formalise an agreement with Melbourne-based renewable energy company Enviromission on the proposal. The areas under consideration for the proposed power station include north-west Victoria, South Australia, western New South Wales and south-west Queensland.

Is the minister aware of this potentially valuable acquisition for Victoria and Sunraysia in north-west Victoria, which has all the requisites for the establishment of the power station, and if so what steps have been taken to ensure its construction in this state?

Burnley Tunnel: speed signs

Hon. ANDREA COOTE (Monash) — My question is for the Minister for Energy and Resources for reference to the Minister for Transport. It is really a much more pragmatic suggestion. I asked a question on the adjournment debate on 7 June — —

Hon. M. M. Gould — Compared to the previous one?

Hon. ANDREA COOTE — That is right, compared to the previous one. On 7 June I asked the minister to ask the Minister for Transport about the speed signs in the Burnley Tunnel. That was almost 90 days ago — not quite, but almost.

Hon. M. M. Gould — Don't tell me you have another speeding ticket.

Hon. ANDREA COOTE — No, I have not. The signs are still unclear, and some of my constituents are concerned about it. I would like the minister to follow up the issue with the Minister for Transport to see what the situation is. I sent him a letter on 10 July, and I would really like an answer.

School buses: rural VET students

Hon. E. J. POWELL (North Eastern) — I raise an issue with the Minister for Sport and Recreation, representing the Minister for Education in another place. The issue concerns bus transport to vocational education and training (VET) courses for rural students.

I received a letter from Mr Brendan Cooney, the principal of St Mary of the Angels Secondary College in Nathalia in my electorate, asking me to assist on a very important and urgent matter. Mr Cooney has written to the school bus review panel raising three major issues: one is the issue of equal rights for non-government school students; the second is the total inadequacy of the conveyancing allowance; and the third is the access of rural students to VET courses. The first two issues are referred to briefly in the school bus review panel interim report, but there has been no mention of the third issue, which the school sees as very important.

Currently students at the college are paying \$240 a year to go to Shepparton to participate in VET programs.

The college already subsidises the bus system to the amount of \$80 000 a year, which is in addition to the \$252 a year paid by the family of each student, which is on top of the \$300 conveyancing allowance received by the college. A small, rural non-government school such as this college does not have the resources or the financial advantages of the independent schools, and the college is looking particularly for justice and equity in the school bus review.

I join other honourable members — the Honourable Peter Hall, who has raised this issue a number of times, and the Honourable Andrew Brideson, who raised it last night — in asking when the report of the school bus review will be tabled. More importantly, I ask that the issues raised by St Mary of the Angels Secondary College be addressed by the minister in the school bus review when it comes out.

Drugs: counselling and support services

Hon. A. P. OLEXANDER (Silvan) — I seek the assistance of the Minister for Small Business, representing the Minister for Health in the other place. I understand this evening the Minister for Industrial Relations will be taking her question.

The issue I raise is the need for drug and alcohol counselling and support services in the outer eastern suburbs of Melbourne. I am sure all honourable members are aware of growing trends relating to drug and alcohol abuse across Victoria, and the outer eastern region has similar problems to those experienced in the rest of the state.

While any substance abuse constitutes a serious problem for the community, it has been particularly disturbing to see growing substance abuse among young people of school and university age. Recently the Ringwood East drug and alcohol support centre responded to local community needs by extending its counselling service out of business hours to operate for two nights a week. The extra hours in the evening cater for those who study or work full time, and it has been quite successful.

Centre management wishes to extend the after-hours services to five nights a week to provide much-needed services to the outer eastern suburbs. The funds necessary to do this amount to approximately \$60 000. I ask the minister if he will respond to growing needs by allocating a grant of this amount to the Ringwood East centre so it can extend its excellent work.

Fishing: Corner Inlet licence

Hon. P. R. HALL (Gippsland) — I raise for the attention of the Minister for Energy and Resources an important matter concerning one of my constituents, Noela Cripps, of Port Franklin. Noela Cripps tragically lost her husband, Laurence, last year when he was washed overboard from a fishing vessel in Bass Strait. Laurence Cripps was the holder of a Corner Inlet fishery access licence, and his will bequeathed that licence to his wife, Noela. For financial reasons Noela needs to sell that fishing licence, and in June of this year she made application to have the licence transferred into another name. I understand from inquiries made that she is required to have that licence transferred into her name before she can sell it, and she is seeking to have that attended to at the moment.

Interestingly the catch and effort unit of the Department of Natural Resources and Environment obviously believes Mrs Cripps now holds that licence, because it has written to her, rightly or wrongly, and referred to ‘her’ access licence.

I am not sure what the impediment is for the transfer of that fishing licence into the name of Noela Cripps and I am not sure why it has taken so long to do it. I ask the minister to outline why there has been a delay in the transfer of this licence to Noela Cripps, and I seek a commitment from the minister to do all in her power to expedite the matter.

Water: sustainable management

Hon. BILL FORWOOD (Templestowe) — I raise a matter for the attention of the Minister for Energy and Resources as the representative of the Minister for Environment and Conservation in the other place. The Minister for Environment and Conservation wrote to a colleague of hers and a constituent of mine, the honourable member for Ivanhoe. The letter states:

Thank you for your letter of 12 July —

I should point out that the letter was written on 7 September, so the minister does not reply any faster to her own colleagues than she does to anyone else —

in which you note the concerns of a number of your constituents —

I point out that they are also my constituents —

about the level of Victoria’s water reserves ...

The minister goes into a detailed response to the issues that were raised by the honourable member for Ivanhoe. On the final page she says:

I suggest that you could draw the attention of your constituents to the water resources strategy ...

... Written submissions are being sought on this paper by 24 August ...

I point out that that is the last sentence above her signature. The problem was that by the time the minister got around to signing the letter it was 7 September, which was two weeks after the date on which she was seeking submissions on the water resources strategy. The honourable member for Ivanhoe did not get the letter until a few days later on 12 September.

The issue I raise is, will the minister extend the deadline for receipt of submissions, given that she signed the letter after the close of the date for receiving submissions?

Minister for Transport: correspondence

Hon. C. A. FURLETTI (Templestowe) — I raise a matter with the Minister for Energy and Resources, representing the Minister for Transport in the other place, which follows on from my concerns expressed last night about ministerial responses to matters raised on the adjournment debate. I also raise a matter with regard to answering correspondence.

On 16 May I wrote to the Minister for Transport seeking information about the Banyule freeway, for want of a better term, connecting Greensborough Road with the Eastern Freeway, an issue which has been raised in the house before. I wrote that letter on 16 May, and having received no response, on 4 July I wrote a follow-up letter. I received a telephone call from the minister's office saying the first letter had not been received and could I send a copy. I duly faxed a copy on 9 July, which was the same day I received the telephone call. I had confirmation that the fax had been received.

On 11 July I received a response saying that my letter was receiving attention and a response would be forwarded as soon as possible. On 25 July I wrote asking for a response, as promised. On 7 August I wrote stating that it was my fourth request since first writing, and I would appreciate an urgent reply. My fifth request was sent on 23 August, asking for an urgent reply. My sixth request was dated 19 September and I stated that I would appreciate an urgent reply from the minister. I now ask the Minister for Energy and Resources to ask the Minister for Transport for an urgent reply.

Frankston Hospital

Hon. B. C. BOARDMAN (Chelsea) — I ask the Minister for Industrial Relations to seek an explanation and justification from the Minister for Health in the other place, but considering the track record of the government I might have to hold my breath. I ask the minister to justify the dramatic and unacceptable situation at Frankston Hospital, as confirmed in the recently released *Hospital Services Report*, which reveals a level that is almost beyond repair.

I turn to some figures that are benchmarked on a quarterly basis, and I refer to them by category. In 1999 under the Kennett government the number of cases in the category of patients staying on trolleys for longer than 12 hours was 210. In the comparable quarter under the Bracks government in June 2000 the figure escalated to 462. That has escalated once again to 714 cases in the June 2001 quarter. In the category of people on hospital waiting lists for longer than the ideal time, the number under the Kennett government in the June 1999 quarter was 121 cases. Under the Bracks government the figure for the June 2000 quarter was 736, with a jump to an extraordinary level in the June 2001 quarter of 892 cases. For the category of semi-urgent cases for elective surgery waiting lists, the figure in the Kennett quarter to June 1999 was 701 cases. In the Bracks June 2001 quarter that figure was 1686 cases. The number of ambulance bypasses in the Kennett June 1999 quarter was 14 cases, which almost quadrupled to 56 cases in the Bracks quarter to June 2001.

Equally, I would like the minister to consider that despite his parliamentary secretary, the honourable member for Frankston East in another place, making a song and dance at the Frankston Hospital for 18 months before the state election, in the two years he has been the member for Frankston East and parliamentary secretary, he has been silent on this issue. If the honourable member is not prepared to comment publicly, perhaps the minister would like to reassure the people of Frankston that they are receiving the level of health care they deserve.

Casesy Weir

Hon. E. G. STONEY (Central Highlands) — I raise a matter for the attention of the Minister for Energy and Resources as the representative of the Minister for Environment and Conservation in the other place. Dick Klingsporn of Mansfield, a very keen fisherman in my electorate, often fishes in the Lower Broken River below Benalla and parks his car at a delightful spot on the Shepparton–Benalla Road called Casesy Weir. It is

a lay-by for that highway and is a very popular fishing parking spot that attracts many people during the year. When the Winton car races are on many groups come to Benalla and many of them camp within reach of the raceway. Some of them camp at Caseys Weir. Unfortunately there are no toilets, so after a Winton weekend it is a bit unpleasant in that area.

The solution is not to close the area but to build toilets. I ask the Minister for Environment and Conservation to consider that option because the economic benefit from groups such as these coming to patronise Winton is significant for Benalla. It is a delightful spot that is suitable for overnight camping. If toilets were provided at Caseys Weir it would be of great benefit to the Benalla district.

Schools: woodwork materials

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I direct to the attention of the Minister for Sport and Recreation, representing the Minister for Education in the other place, a matter relating to the use of medium-density fibreboard (MDF) in woodworking rooms in secondary schools. This is an issue that I first raised with the minister on 22 March seeking information from the Minister for Education on government policy of the use of MDF in schools.

I waited three months and did not receive a reply from the Minister for Education. As a result I raised the issue again with the Minister for Sport and Recreation for the attention of the Minister for Education on 14 June reiterating the concerns regarding the issues raised with me by a constituent who at that time after three months was not unreasonably expecting a response.

A further three months later I still have not received a response from the Minister for Education. I know there may be a reason for it, and the honourable member for Warrandyte in the other place has produced evidence of the expenditure of the Minister for Education on lunches. One could conclude that the Minister for Education is out to lunch! I ask the Minister for Sport and Recreation to ensure that if and when the Minister for Education returns from lunch she will respond to this issue.

Hastings: seabed lease

Hon. R. H. BOWDEN (South Eastern) — I raise with the Minister for Ports, which could be of interest to the Minister for Environment and Conservation in the other place, a complex matter that requires resolution. In 1994 a group of 30 boat owners purchased the facility at the Hastings Jetty for \$84 000.

The state did not sell the rights to the land under the water because it was not available for sale.

At that time the rent structure with the department was some hundreds of dollars, probably less than \$1000, for the 30 boat owners. In 1999–2000 a rent review was undertaken of the water space. The rent was raised to \$2400, and there is now a demand from the Department of Natural Resources and Environment for \$4800.

These recreational boat owners — it is my understanding that they are principally recreational boat owners — are now receiving demands from the department for what is basically water space. The group is similar to a yacht club with motorboats and sailboats. Essentially it is the same type of activity that is carried out 100 metres away by the Hastings Yacht Club which pays \$104 a year for similar water access.

It is true that in order to make the purchase the group had to form a company, Hayman Pacific Pty Ltd, as a legal vehicle to make it possible. The Australian Taxation Office has recognised not-for-profit recreational and non-commercial situations, and the group is recognised by the ATO as a not-for-profit organisation. The demand for \$4800 annual rental is a major impost when people doing similar things in yacht clubs and boating areas are only paying \$104. Will the minister urgently intervene to have this matter fully explored to ensure that the Department of Natural Resources and Environment completely understands that this is a responsible community group that needs relief from the demands of the department?

Bruthen Creek

Hon. PHILIP DAVIS (Gippsland) — I raise with the Minister for Energy and Resources, representing the Minister for Conservation and Environment in the other place, a matter concerning a constituent of mine, Mr Graeme Foat from Woodside, who has significant problems caused by flood damage to his farming property from the Bruthen Creek.

The West Gippsland Catchment Management Authority has undertaken works in the Bruthen Creek to deal with long-term erosion problems in that water course. Part of the work involved realigning the Bruthen Creek watercourse by creating a new channel, but the original watercourse was not filled in. There has been in that part of Gippsland recently — I am referring back to May, June and July — significant heavy rainfall which has caused significant erosion not only to the new creek alignment but along the original creek alignment.

Approaches to the West Gippsland Catchment Management Authority has not resulted in action being undertaken because of a lack of funding. Given that the damage caused to the property of Mr Foat is due to work undertaken by that authority, it seems apparent that there is an obligation both on the authority and the government to deal with remedial action.

The Minister for Environment and Conservation acknowledged in correspondence that an application had been made to the Department of Treasury and Finance about undertaking some works. The problem is that weather waits for no man or woman, and indeed it has continued to rain and the erosion damage is continuing. Will the minister advise me and my constituent when remedial action will be taken on this important environmental issue?

Geelong hospital

Hon. I. J. COVER (Geelong) — The matter I raise with the Minister for Industrial Relations for her to take up with the Minister for Health concerns the latest June quarter *Hospital Services Report*. I refer firstly to the number of Geelong hospital patients waiting on trolleys for more than 12 hours in emergency. For the June quarter the figure was 67, compared with 26 in the 2000 June quarter and 1 in the 1999 June quarter under a Liberal government.

Interestingly, fewer patients presented to emergency. The waiting list for patients categorised as semi-urgent at Geelong hospital for 2001 is 2478 compared with 2193 for the same period in 1999 under the same period of a Liberal government in 1999 of 2193, an increase of almost 300.

I am concerned at the same time that admissions from the waiting lists are down 26 per cent, and surgery cancellations are up 43 per cent. The June quarter *Hospital Services Report* also revealed a leap in the number of patients classified as semi-urgent who were forced to wait longer for admission than recommended by accepted medical benchmarks. That leap was from 70 to 180, a 157 per cent increase. These figures, sadly, illustrate the consequences of Victoria having a part-time health minister. He is a part-time planning minister and a part-time health minister!

I have great admiration for the staff of the Geelong hospital who struggle against the odds under a government that claimed it would fix the health system. The figures clearly illustrate otherwise. Will the Minister for Health admit that under Labor our hospitals, in particular the Geelong hospital, have gone backwards?

Antonio Park Primary School

Hon. B. N. ATKINSON (Koonung) — The matter I raise for the Minister for Energy and Resources is for reference to the Minister for Education in the other place and concerns Antonio Park Primary School in Whitehorse Road, Mitcham. At one stage the primary school was likely to close because of low enrolment numbers but in the past five to six years it has experienced a considerable increase in its enrolments, with siblings coming behind the existing families associated with the school. It looks forward to a continued expansion of its enrolments.

The school has a very good teaching staff and an enthusiastic parent body. At this point it is a school that is certainly looking for an expansion of the school buildings and facilities but has been unable to progress through the Department of Education, Employment and Training and the honourable member for Mitcham in the other place any opportunity to receive either master plan funding or any assurance of funding for building works at the school in the foreseeable budgets over a two-to-three year period.

The school community is working hard to provide quality education for the school and I am sure my colleague in the other place the honourable member for Mitcham would also attest to the fine work the school does in the community. The parent body is keen, and I certainly support it, to obtain funds at an early stage for redevelopment. I ask the minister to look at providing funds to the primary school for an upgrade of its facilities.

Public sector: employment

Hon. R. M. HALLAM (Western) — I welcome the opportunity to raise an issue with the Minister for Industrial Relations. Earlier today the minister, when answering a question without notice, boasted that under the Bracks government 6500 permanent jobs had been created in the public sector. I ask the minister whether she would concede that an employment cost of \$50 000 per person would be a fair average; if so, would she further concede that the 6500 new jobs she so proudly proclaims represent a year-on-year cost of \$325 million to Victorian taxpayers?

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Andrew Olexander raised a matter for the attention of the Minister for Health. I will ask the minister to respond in the usual manner.

The Honourable Cameron Boardman raised for the Minister for Health a matter concerning Frankston Hospital.

The Honourable Ian Cover raised a matter for the Minister for Health regarding Geelong hospital.

The Minister for Sport and Recreation will take up the matter raised by the Honourable Bruce Atkinson because he is the responsible minister.

The PRESIDENT — Order! The minister referred to the matter about Geelong hospital raised by the Honourable Ian Cover, but what will she do about it?

Hon. M. M. GOULD — I will refer it to the minister to respond in the usual manner.

The Honourable Roger Hallam referred to my answer at question time today when I informed the house that the government had converted short-term, contract casual labour hire firms into permanent positions, which amounted to 6500 jobs in the public sector.

Hon. Bill Forwood — You said ‘created’.

Hon. M. M. GOULD — During the course of my answer to the question I referred to the fact that the Bracks government had converted 6500 jobs from part-time jobs; it had converted part-time jobs to ongoing full-time employment that created security and in doing so would allow the government to continue to maintain the surplus. That is creating certainty after the previous government had put all those people on short-term contracts; it has given them the ability to apply for loans because they now have some security in their employment.

Hon. R. M. Hallam — On a point of order, Mr President, my issue was quite specific. I asked the minister whether she was prepared to acknowledge that the total employment cost would be fairly estimated at \$50 000 a person and whether the cost would be \$325 million a year. I suggest the minister has not addressed that.

Hon. M. M. GOULD — I do not believe there is a point of order. Mr Hallam has just restated his question and I have dealt with the matter in accordance with the adjournment rules.

The PRESIDENT — Order! My recollection of what the minister said this morning accords with what the minister said before. Mr Hallam’s point was a separate point as to what the costs are of having 6500 people in full-time employment at \$50 000 a

head. I do not think there is any difference. The minister is right; her response resolves the issue.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Sang Nguyen requested the Minister for Local Government in the other place to discuss with the City of Maribyrnong the option of proscribing the Highpoint area as an alcohol-free zone. I will refer that matter to the Minister for Local Government.

The Honourable Gerald Ashman requested the Minister for Transport to provide advice as to, I think he said, what is going on in relation to roadworks and traffic signals at Caves Road and Springvale Road. I will refer that matter to the minister.

The Honourable Barry Bishop raised for my attention the reports on the possible siting of a proposed solar power station at Mildura. I can advise the honourable member that this very innovative and ambitious proposal is one I am aware of and have been briefed on. I understand the proponents are currently seeking funds for that proposal.

The Honourable Andrea Coote raised a matter for the Minister for Transport concerning speed signs in the Burnley Tunnel, a matter she has raised previously, and requested an answer from the minister. I will refer that request to the minister.

The Honourable Peter Hall raised for my attention the particular circumstances of Noela Cripps. I advise the honourable member that the Department of Natural Resources and Environment has received an application from Mrs Noela Cripps to transfer her late husband’s fishing licence. I am aware that Mrs Cripps is in some financial difficulties and is anxious that the transfer of the licence is determined as soon as possible.

In March 1998 my predecessor issued a ministerial direction providing that the licence that Mrs Cripps now holds can be transferred only on a 2-for-1 basis, which means that two licences must be transferred together to consolidate into a single licence. I am advised that those arrangements have been in place since 1998. As a result, Mrs Cripps is unable to transfer the licence now held by her because of the difficulty in finding another licence to which it can be attached so that it can be transferred.

I am very keen to provide whatever assistance I can in the circumstances. Ministerial directions are important legal documents. Accordingly I have obtained legal advice on the wording of a variation to the existing direction that will aid Mrs Cripps and enable her to transfer the licence.

However, a further step must be taken. Before I can consider varying a ministerial direction I am required by the Fisheries Act to seek comments from the Fisheries Co-Management Council, and I have now done this. I have also sought advice from Seafood Industries Victoria, the peak body for commercial fisheries, regarding this matter. I have asked that those bodies give this urgent attention, and I am hopeful of resolving this matter as soon as I receive that advice within the next three to four weeks.

The Honourable Bill Forwood raised a matter for the Minister for Environment and Conservation concerning the deadline for receipt of submissions about a water resources strategy and requested an extension to that deadline. I will refer that matter to the minister.

The Honourable Carlo Furletti raised some correspondence with the Minister for Transport in relation to the Banyule freeway and requested an urgent response. I will refer that matter to the minister.

The Honourable Graeme Stoney raised for the attention of the Minister for Environment and Conservation the need for toilet facilities at Caseys Weir in connection with camping there in association with racing at Winton. I will refer that matter to the minister.

The Honourable Ron Bowden raised the matter of rentals struck by the Department of Natural Resources and Environment at Hastings Jetty. This is a matter for the Minister for Environment and Conservation; however, I certainly have a keen interest in the matter and I will take it up with the minister and respond to the Honourable Ron Bowden.

The Honourable Philip Davis raised for the attention of the Minister for Environment and Conservation a matter concerning a constituent of his, a Mr Graeme Foat, concerning flooding in Bruthen Creek, works by the West Gippsland Catchment Management Authority and the need for remedial action to deal with erosion. I will refer that matter to the attention of the minister.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I will refer the matter raised by the Honourable Neil Lucas regarding holders of commonwealth health cards accessing courses through community houses to the Minister for Post Compulsory Education, Training and Employment in the other place.

I will refer the question raised by the Honourable Jeanette Powell regarding bus transport to vocational education and training courses by rural students to the Minister for Education in the other place.

I will refer the question asked again by the Honourable Gordon Rich-Phillips about the use of medium-density fibreboard in woodwork classes in government schools to the Minister for Education in the other place.

I will refer the question raised by the Honourable Bruce Atkinson regarding Antonio Park Primary School and expansion works to the Minister for Education in the other place.

Motion agreed to.

House adjourned 6.28 p.m.