PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Wednesday, 7 September 2005

(extract from Book 3)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

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Economic Development Committee — (*Council*): The Honourables B. N. Atkinson and R. H. Bowden, and Mr Pullen. (*Assembly*): Mr Delahunty, Mr Jenkins, Ms Morand and Mr Robinson.

Education and Training Committee — (*Council*): The Honourables H. E. Buckingham and P. R. Hall. (*Assembly*): Ms Eckstein, Mr Herbert, Mr Kotsiras, Ms Munt and Mr Perton.

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Scrutiny of Acts and Regulations Committee — (*Council*): Ms Argondizzo and the Honourable Andrew Brideson. (*Assembly*): Ms D'Ambrosio, Mr Jasper, Mr Leighton, Mr Lockwood, Mr McIntosh, Mr Perera and Mr Thompson.

Heads of parliamentary departments

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

Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Coote, Hon. Andrea	Monash	LP	Olexander, Hon. Andrew Phillip	Silvan	LP
Dalla-Riva, Hon. Richard	East Yarra	LP	Pullen, Mr Noel Francis	Higinbotham	ALP
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Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	Nats	Smith, Mr Robert Frederick	Chelsea	ALP
Eren, Hon. John Hamdi	Geelong	ALP	Somyurek, Mr Adem	Eumemmerring	ALP
Forwood, Hon. Bill	Templestowe	LP	Stoney, Hon. Eadley Graeme	Central Highlands	LP
Gould, Hon. Monica Mary	Doutta Galla	ALP	Strong, Hon. Christopher Arthur	Higinbotham	LP
Hadden, Ms Dianne Gladys	Ballarat	Ind	Theophanous, Hon. Theo Charles	Jika Jika	ALP
Hall, Hon. Peter Ronald	Gippsland	Nats	Thomson, Hon. Marsha Rose	Melbourne North	ALP
Hilton, Hon. John Geoffrey	Western Port	ALP	Viney, Mr Matthew Shaw	Chelsea	ALP
Hirsh, Hon. Carolyn Dorothy	Silvan	Ind	Vogels, Hon. John Adrian	Western	LP

CONTENTS

WEDNESDAY, 7 SEPTEMBER 2005

Wednesday, 7 September 2005

The PRESIDENT (Hon. M. M. Gould) took the chair at 9.33 a.m. and read the prayer.

LAND (MISCELLANEOUS MATTERS) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

PETITIONS

Hazardous waste: Nowingi

Hon. D. K. DRUM (North Western) presented petition from certain citizens of Victoria requesting that the Legislative Council abandon the proposal to place a toxic waste facility in the Mildura region (272 signatures).

Laid on table.

Water: Creswick–Ballarat pipeline

Ms HADDEN (Ballarat) presented petition from certain citizens of Victoria requesting that the minister for environment and water stop the building of a pipeline connecting Creswick's Cosgrave Reservoir to Ballarat's White Swan Reservoir and that no further action be taken until an environmental impact study has been undertaken and the Creswick community fully consulted (143 signatures).

Laid on table.

PAPERS

Laid on table by Clerk:

Statutory Rules under the following Acts of Parliament:

Fisheries Act 1995 — No. 103

Forests Act 1958 — No. 102

Intellectually Disabled Persons' Services Act 1986 — No. 105

Magistrates' Court Act 1989 — No. 104.

MEMBERS STATEMENTS

Timber industry: government policy

Hon. E. G. STONEY (Central Highlands) — Victorian forestry industries are in such crisis that they may never recover. This crisis can be directly attributed to the policies of the Bracks government. Reductions in the supply of logs over the past five years, even from areas that were classified as fully sustainable, have rocked the confidence of the industry. This confidence has been further undermined by the bumbling of the Department of Sustainability and Environment and the Department of Primary Industries on behalf of the government in its administration of what is left of the industry and there is now unprecedented uncertainty. For example, a program called 'The new directions for forests: East Gippsland project' seems to have no direction at all and is floundering.

Forestry issues are complex. They include the pricing and allocation of logs, the sustainable supply of logs, job losses due to pricing, the social and economic issues in timber towns, and there is also the government's attack on business through the owner-driver legislation. Overriding all of these issues is the big one: Victoria's moral responsibility to supply its own needs for timber on a sustainable basis, rather than import rainforest timber. This basic premise is not being addressed because of government disinterest.

I call on the Minister for Agriculture and the Minister for Environment in the other place to sort out the confusion in their departments and to demonstrate to the forest industries that the government supports them. However, to date it appears the government is totally against forestry in any form on public land.

Solidarity: 25th anniversary

Mr SMITH (Chelsea) — On 14 August this year we celebrated 25 years of the union movement known as Solidarity. Solidarity had its genesis in the shipyards of Gdansk in Poland. Its famous list of 21 demands known as *postulaty* became part of world heritage under the patronage of the United Nations Educational, Scientific and Cultural Organisation.

Workers of the world owe an enormous debt to Lech Walesa and the other leaders of Solidarity. With enormous courage they, with strong moral and spiritual support from Pope John Paul II, took on the communist leadership worldwide and won. The infamous Berlin Wall came down and the Eastern bloc disintegrated, and it no doubt assisted in the ending of the Cold War.

Workers have benefited from the work of Solidarity worldwide. There is still much to be done in the world of workers. In seven days union leaders worldwide will remember what can be achieved, and I believe they will be reinvigorated in their efforts to improve the lives of workers and their families.

Here in Australia the Australian Council of Trade Unions will no doubt use the Solidarity experience in its forthcoming fight with the Howard government. I wish it well. Like all politicians on this side of the house I will stand with unions in their fight against this federal government.

Netball: Victorian representatives

Hon. B. N. ATKINSON (Koonung) — I wish to note the success of Melbourne Phoenix in the national netball league grand final at the weekend. The team romped home in a match against the Sydney Swifts to record its fifth premiership in the national league in what was an outstanding effort.

Victoria is represented by two teams in the national league, Melbourne Phoenix and the Kestrels — of which I am a club member — because the team members are some of the younger girls who are up and coming in netball. Certainly on this occasion Phoenix represented Victoria, and did so with great distinction.

I also note that six members of the team that won on Saturday were selected for the national squad of 21 that will be contesting the Commonwealth Games. I particularly congratulate all the players from both Kestrels and Phoenix who were selected for that national squad. They include Sharelle McMahon, who is the vice-captain and was an outstanding shooter in last week's game; Bianca Chatfield, who did a terrific blanket job in defence last week; Natasha Chokljat; Wendy Jacobsen; Cynna Neele; Julie Prendergast; Eloise Southby-Halbish; Rebecca Strachan; and emerging talent, Johannah Curran, who has also been added to that team. Many of these girls have already played for Victoria, and I congratulate them on their selection now.

The PRESIDENT — Order! The member's time has expired.

Vietnam War: 30th anniversary

Hon. S. M. NGUYEN (Melbourne West) — I wish to pay my respects to the Vietnam veterans who recently, on 18 August, commemorated Vietnam Veterans Day. I was fortunate to be able to attend the commemoration on this date at the Shrine of Remembrance, where the Minister for Police and Emergency Services in another place, Tim Holding, represented the Premier, Steve Bracks, and laid a wreath out of respect to the fallen soldiers.

This date has been chosen due to the battle of Long Tan, where Australian soldiers fought so bravely against insurmountable odds. Eighteen Australian soldiers died that day and 24 were wounded. However, as I have said previously, they defeated an armed force of an estimated 2500 Viet Cong soldiers. The odds may have been against them, but they won the battle.

The people of Vietnam will never forget the brave Australian soldiers who fought to protect their freedom. In this year, which marks the 30th anniversary of the end of the Vietnam War, the Vietnamese refugees not only in Australia but those who relocated elsewhere in the world will remember the bravery of the Australian soldiers.

Planning: Mitcham development

Hon. A. P. OLEXANDER (Silvan) — If anything demonstrates the Bracks government's inability to listen to local communities and the abject failure of its Melbourne 2030 planning scheme it is the prospect of dual towers of 11 stories and 17 stories, which project is now up and ready for approval. It is ready for approval. Then construction will commence in Colombo Street in the quiet, leafy suburb of Mitcham, despite the massive opposition of the local community and the local council. Whitehorse City Council has spent over $140 000 unsuccessfully fighting this proposal in the Supreme Court of Victoria. The community is now dismayed that this completely inappropriate development is now slated for approval.

The Minister for Planning in the other place should have called this project in from the beginning. He should have listened to the communities in the east. People in the eastern suburbs are asking, 'What is next? Are we going to see 17 and 18-storey towers in Ringwood, Croydon, Bayswater and Ferntree Gully?'. It is a completely inappropriate development, and it should not be allowed to proceed. This government has betrayed the people of Mitcham, whose only recourse to make sure this sort of insane planning decision does not repeat itself is to respond at the ballot box in November 2006 and throw out their Labor member.

Festival of Poetry in Translation

Mr SCHEFFER (Monash) — I congratulate Lella Cariddi and Jane Hilbrink, organisers of the inaugural In Other Words — Festival of Poetry in Translation, a festival which was held last month after its launch at

federation hall, Victorian College of the Arts in Monash Province. Distinguished Melbourne poet Chris Wallace-Crabbe delivered a stimulating and very moving talk entitled 'In defence of poetry'. World Poetry and Multicultural Arts Victoria supported the festival.

The organisers believe festivals such as this enable people from many cultural and linguistic traditions to share each other's words and are especially important at the present historical moment when the very concept of multiculturalism is under challenge. The organisers commended the existence of the Victorian Multicultural Commission and the demonstration it embodies of a political will in this community to encourage harmony within diversity and celebrate common humanity.

The Poetry in Translation festival was supported by World Poetry, which was established in 2004 under the auspices of Multicultural Arts Victoria to help create a more inclusive literary scene. Its major objective has been to get the festival up and running and it achieved this remarkably well. World Poetry aims through events such as Poetry in Translation to showcase international writing and to help generate literary engagement and new opportunities among writers, readers, translators, audiences, publishers and academics so that literature in languages other than English, including indigenous languages, becomes part of multicultural Australia's literature. I congratulate everyone who contributed to this very successful initiative.

Western Port Highway, Lyndhurst: traffic control

Hon. R. H. BOWDEN (South Eastern) — I would like to make a contribution about the Western Port Highway at Lyndhurst. The commitment by VicRoads to seriously review this road between Dandenong and Hastings is an excellent idea. I commend VicRoads for its initiative. On several occasions I have expressed real concern about the road, not so much because of VicRoads' performance — although that can be improved and I welcome the survey it is doing — but because of my concerns about the behaviour of the City of Casey.

The City of Casey has recently, through its approvals process, enabled the construction of a road called Northey Road immediately adjacent to a service station in Lyndhurst on the left-hand side heading south. Northey Road is another incursion onto the traffic efficiency of the Western Port Highway, and its construction is a devious arrangement. A longstanding service station on that site has been replaced, which causes no problem, but it is a disgrace to put it next to the service station and allow the access to the service station to become a feeder to that subdivision. The City of Casey deserves condemnation; it is a disgrace.

Schools: report cards

Hon. H. E. BUCKINGHAM (Koonung) — On Wednesday, 24 August, along with the Premier, the Minister for Education and Training and the member for Forest Hill in another place, I was delighted to visit Livingstone Primary School in Koonung for the launch of a new school report card. The new report card will give parents a clear understanding of their children's performance against statewide standards. The report card will be in plain English and will provide rankings graded from A to E. This new program will standardise the way student reports are presented to parents at least twice a year for the 540 000 children who attend Victorian government schools. In addition to gradings, the report card will provide parents with reports on their children's progress since the last report and will state what the school will do in future to help them.

The reports will also outline for parents the subjects studied by their children, provide detail of what their children are learning and contain information about attendance, class behaviour and work effort. The new system will include goal setting and reviews by the students themselves and will also encourage parent feedback and aid parents with information about how they can help their children further at home. Launching this excellent new reporting system for our schools also gave the Premier a fantastic opportunity to visit a progressive and innovative local primary school. I congratulate the school's principal, Kathy Jones, her staff and the school community for the excellence of their learning programs.

Justice: translations directory web site

Ms MIKAKOS (Jika Jika) — On Friday, 26 August, I had the pleasure of hosting the launch of the justice translations directory web site at the State Library of Victoria. The web site, which was launched by the Minister assisting the Premier on Multicultural Affairs in the other place, the Honourable John Pandazopoulos, is a new online directory which links to more than 1000 translated legal resources in 26 categories covering over 40 languages. It is modelled on the very successful health translations directory developed in 2003 by the Department of Human Services, which can be accessed on the Internet at www.healthtranslations.vic.gov.au. Both the justice translations directory and the health translations directory are part of the Bracks government's four-year, $2.75 million strategy to improve delivery of language services in Victoria.

Information that was once almost impossible to find, especially for those from non-English-speaking backgrounds, will now be easily accessible, and people from those backgrounds will have a tool to find important information on their legal rights in their own language.

Resources that can be accessed through the directory range from information on consumer rights to conflict resolution, fire and water safety, victim support services and crime prevention. The justice translations directory can be accessed on the Internet at www.justice.vic.gov.au/translations. I encourage all members to have a look and bring these web sites to the attention of their constituents. I take this opportunity to acknowledge the tremendous efforts of all involved in creating this important resource for our community.

Taxis: rural and regional

Hon. D. K. DRUM (North Western) — Douglas Grey runs a taxi operation in Castlemaine. For quite a while the country taxi industry has been battling a whole range of discriminations when compared to the city taxi industry. In March this year the government held a community cabinet in Castlemaine and Maldon, and Douglas Grey answered an advertisement to make an appointment to go and meet the ministers and put forward any community issues to them. When he first rang he was told he was fifth in line and therefore would be assured of a meeting. Two weeks later he attended a business luncheon hosted by the Mount Alexander Shire. Attendees were told that there was a total lack of interest from anybody in the community wanting to meet with the community cabinet and asked to go out and rustle up interest so that the ministers would have someone to talk to.

Mr Grey was understandably upset in the extreme when he was informed that he had been bumped off the agenda due to the fact that he could not be fitted into it, and when the community cabinet came to Castlemaine and Maldon he could not make it to meet with the ministers to discuss the very important issues facing country taxi operators. This proves that, prior to the country taxi issue becoming an issue of public outrage on the ABC and in the papers, the Bracks government was not only intent on doing nothing but also intent on silencing those people within the industry who had genuine concerns and possibly some answers about how this disaster that has happened with country taxi services could have been avoided in the first place.

Cycling: Tour of the Murray River

Hon. B. W. BISHOP (North Western) — I congratulate all involved with the recently staged Tattersall's Tour of the Murray River. The tour began in Swan Hill and moved along the Murray River, taking in Manangatang, Robinvale, Euston, Merbein, Ouyen and Sunraysia-Wentworth. This year's expanded cycling tour had all the excitement and colour of a mini Tour de France. Now in its 10th year, the tour has grown to be Australia's no. 1 domestic cycling race and the final selection trial for the Tour of Queensland international road cycling classic.

The event has now been extended from four days to five, to take in Swan Hill and Manangatang and next year may well include Echuca, which reflects the enormous growth in interest in road race cycling across Australia. This year the event attracted the best of Australian and overseas riders and provided outstanding and far-flung promotional opportunities for the region. It was won by a 19-year-old Victorian, Simon Clarke.

The sponsoring partner approach saw the alliance of five municipal councils from both sides of the river and the Victorian and New South Wales governments supporting the event. This year the event was a recipient of federal funding under the Regional Partnerships program. A quality cycling field of more than 100 riders competed over the five days and covered more than 600 kilometres, which made this an outstanding event for Victoria, and especially Sunraysia. My congratulations go to local organiser, Eddie Warhurst, and tour manager, John Craven.

SERIOUS OFFENDERS MONITORING BILL

Introduction and first reading

Hon. RICHARD DALLA-RIVA (East Yarra), by leave, introduced a bill to repeal the Serious Sex Offenders Monitoring Act 2005 and to amend the Sentencing Act 1991 and the Bail Act 1977 to provide for continuing supervision of an offender convicted of serious crimes.

Read first time.

Second reading

Ordered that second-reading speech be incorporated on motion, by leave, of Hon. RICHARD DALLA-RIVA (East Yarra).

Hon. RICHARD DALLA-RIVA (East Yarra) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

Earlier this year the government had an opportunity to protect the community from recidivist criminals. A few prisoners released from prison on completion of a their sentence remain a continuing danger to the community. Authorities know who these dangerous prisoners are and those likely to reoffend upon release from prison after their maximum prison term. Currently, the law requires a prisoner to be released from prison once they have served their maximum sentence, which leaves authorities powerless to act even though they can predict which offenders may reoffend. Recidivists pose a significant danger to the community by committing further crimes, creating more victims, extra grief and trauma. Yet many of these cases can be predicted. The Liberal Party has responded to the community which wants their Parliament to implement appropriate laws to properly protect them and to reduce repeat offences.

While the opposition supported the passage of the Serious Sex Offenders Monitoring Act the Liberal Party remains concerned that the act does not go far enough. The recently enacted monitoring laws need to apply to all serious offenders, not just paedophiles. Criminals guilty of offences such as murder, rape, arson, kidnapping and armed robbery should be eligible for an extended supervision order (ESO) enabling the monitoring of these offenders for up to 15 years — which can be renewed. Once a court is satisfied, on evidence, that an offender remains a continuing danger to the community and is likely to reoffend the court may order that the offender be monitored by authorities beyond the expiry of their maximum term of imprisonment.

Importantly many child sex offenders are recidivists. However, dangerous recidivists are not the exclusive preserve of these types of child sex offenders. This bill, while repealing the Serious Sex Offenders Monitoring Act 2005, re-enacts and expands the range of offences to which a court can impose an ESO. This bill not only maintains the current list of child sex offences to which an ESO may be made, but greatly expands the list to include serious offences under the Sentencing Act 1991 and applies the bill to interstate parolees.

To the scheduled list of child sex offences are added:

> all 'serious offences' under the Sentencing Act 1991, including murder, rape, arson, kidnapping and armed robbery; and
>
> interstate parolees relocated to Victoria under the Parole Orders (Transfer) Act 1983.

Accordingly, a person convicted of a serious offence will be eligible to have an ESO imposed by a court if it is proved that they are a continuing danger to the community upon release from prison.

The Director of Public Prosecutions (DPP) should apply for an ESO. The DPP is the best person to make this application. The DPP is independent, prosecutes most serious crimes and appears for the state of Victoria on the sentences of convicted criminals. The DPP is the responsible person to collate all relevant evidence from various agencies and present it to a court on an application for an ESO. The Secretary of the Department of Justice may have an interest in the outcome of an ESO hearing, being the head of the department responsible for police, the Adult Parole Board and corrections but beyond that lacks the expertise to make the application. Despite urgent legislation passing this year, there was an unexplained three-month delay in bringing the ESO application in the 'Mr Baldy' case. The delay meant that the ESO application may have failed but for the prisoner's consent to the ESO being made out of time.

Further, this bill will now ensure that indecent assault involving a child under the age of 16 will be included as a serious offence under the Sentencing Act 1991. This ensures that an option available to a judge in sentencing this type of sex offender may be, in extreme cases, an indefinite sentence.

Breach of an ESO must be dealt with by the Supreme or County courts — not the Magistrates Court. Furthermore, a person the subject of an ESO who has already been found by a court to be a continuing danger to the community must not be granted bail unless they show 'just cause'. This bill places the onus on a bail application back onto the offender.

The current parole system of imposing conditions, or breaching a parole, are not subject to the rules of natural justice. The same principle should apply to an ESO in imposing conditions and breaching an ESO. The Adult Parole Board in protecting the community against dangerous recidivists is not subject to the rules of natural justice.

The bill also ensures the Department of Justice, Victoria Police, the Adult Parole Board, the Office of Public Prosecutions and Corrections Victoria must all exchange information to ensure agencies are aware of the fact of and the conditions of an ESO. A recent example is that while you cannot legislate to prevent stupidity, at least the Sunbury police will know that they have a paedophile from Western Australia dumped into their local community.

Finally, while it is not included in the current bill, the Liberal Party is committed, in government, to including the more sophisticated organised crimes as well as trafficking a commercial quantity of illicit drugs in the definition of a 'serious offence'. This enables an indefinite sentence as an option on conviction as well as providing an option for an ESO.

This bill is about taking appropriate action to implement sensible proposals to prevent recidivists reoffending. Undertaking the task of properly protecting law-abiding citizens from danger is probably the most sacred task of any government. This bill represents a great opportunity for the government to protect law-abiding citizens from predictable danger in the form of recidivist offenders. I call on all honourable members to join with the Liberal Party to support this bill and protect not only our children but all Victorians.

I commend the bill to the house.

Debate adjourned on motion of Mr LENDERS (Minister for Finance).

Debate adjourned until next day.

SMALL BUSINESS: GOVERNMENT PERFORMANCE

Hon. B. N. ATKINSON (Koonung) — I move:

> That this house notes the alarming fall in small business confidence in Victoria and condemns the Minister for Small Business and the state government for their failure to implement policies that support small business growth and investment.

I bring this debate to the house today on the basis of a genuine and strong concern about the demise of small business prospects in this state under this government. I will introduce into this debate material which is not of my authorship or that of the Liberal Party but is the result of independent surveys done by a range of organisations which all point to one outcome — that is, that small business in Victoria is on the slide, that the prospects of small business have diminished under this government and that small business confidence levels are plummeting. That can be directly attributed to the policies of this state government.

When you measure the performance of businesses and business attitudes and confidence in other states and consider the national measures, you find that all the other states and national measures are outperforming Victoria in nearly all the statistical categories. There is one exception in terms of another state government that is on the nose, if you like, with small business, and that is the state government of New South Wales. I do not believe it is any great claim to fame for us in Victoria to say that we are doing better than New South Wales, and indeed one might argue that a change in leadership in the New South Wales government might well address some of those very issues that have concerned small businesses in that state.

It may well be that there is a need in Victoria to look at a change of minister for the small business portfolio to achieve some turnaround in small business policy in this state, because the present minister is totally disinterested in the small business sector. He is still sulking about someone taking away his police cars and fire engines; he really does not want to be the small business minister, and he pines for another job. He has not gotten involved in this, and while I might well have criticised the former Minister for Small Business, the Honourable Marsha Thomson, I have to say that at least she paid a lot more attention to the needs of small business people; she was more prepared than is the present minister to engage small business people in dialogue to try to understand some of the issues confronting them.

Indeed when the Honourable Marsha Thomson became the Minister for Small Business she set up a Small Business Advisory Council, an organisation similar to the one maintained by the previous government. She met regularly with the council and discussed a range of issues in such a way that the industry participants in that organisation felt they were being constructively consulted on a range of issues. They did not always like the outcome, of course, but at least they felt they were part of the dialogue on government policy. Now — surprise, surprise! — since the appointment of the new minister in January that council has not met once. The government, and particularly the responsible minister, has stopped listening to small business.

I know that the journeyman of the Labor government, Mr Viney, will point to the minister's current consultation process, but that also is a bit of a disaster. It has failed to excite small business. I have had more people attending some of the forums held in the metropolitan area than has anyone else — in other words, I had three people go to a forum at Noble Park and two people to another forum in the Forest Hills area; in both cases they outnumbered all the other people who came along to those forums. I am aware that in country areas the government has been trying to get government agency people and local government people to come along to those forums, simply to bolster the numbers.

The fact is that small business has not engaged in the dialogue over the issues paper put out by the minister; if the minister is relying on that to provide the basis for a new policy direction for this government, he will again miss the mark as far as small business is concerned. The minister ought to immediately reconvene the Small Business Advisory Council, sit down and talk to its members about some of the things in the issues paper and start to tackle some of the key issues confronting small business.

It is interesting that while the minister has not convened a meeting of that body this year, neither have the Minister for State and Regional Development, the Minister for Agriculture in the other place or their parliamentary secretaries convened another meeting this year of the Victorian Food Council. The food and beverage industry, a significant export industry, is very important for Victoria.

I notice incidentally that our food export performance is one measure that is tumbling at the moment, and despite the fact that it is performing poorly neither Minister Brumby or Minister Cameron has seen a need to reconvene a meeting of the Victorian Food Council during this year either. In other words, they are still not

prepared to listen to small business. Is it any wonder that some damning reports by independent agencies are coming out now. This is not authorship from the opposition, but it is certainly a series of reports that has given us great concern, leading the opposition to suggest this government is on the wrong track with its policies.

Perhaps the most poignant report was the Sensis survey that was issued in the last couple of weeks. I do not know what spin the government will put on it, because I have noted in the past the government has been very quick to point to Sensis survey results as being a justification for and endorsement of government policies. This time I think the government would find it very hard to provide any justification for or validation of its policies based on the latest Sensis report, because on every one of the indicators or measures, Victoria was below the national average. This is not an issue on which you can run off and blame the federal government, because all the other states also operate under the jurisdiction of the federal government.

Confidence levels in other states were quite strong. Interestingly, if you like to draw conclusions on workplace reforms, the support from the small business sector for workplace reforms in the federal government sector was also very strong: 59 per cent fully supported those workplace reforms and a further substantial percentage did not believe there were going to be any major issues concerning their business with the reforms, so the lack of business confidence is not coming from the area of federal policy. Certainly when compared with other states it is very clear that Victoria is deviating from national averages and going south, and that is clearly the result of this government's policies. On every national indicator, whether it was sales, profitability, capital expenditure, the size of the work force, the wages bill or prices, Victoria performed worse than other states. In a trend analysis by state Victoria fell more than 30 points in confidence levels between August 2004 and August 2005. In 12 months there has been a fall of 30 points in confidence levels.

I notice that 90 per cent of people running businesses in Victoria believe that state government policies — and I emphasise 'state government policies' because that is the question they were asked in the Sensis survey — had a negative impact on their business or no impact at all. Only 10 per cent of small and medium-sized enterprises said that some state government policies had had some sort of positive impact on their business. Again, that is a damning statistic and compares unfavourably with the situation in other states.

If we look at attitudes to state government policies, we find that the Victorian government is the second worst-liked government of all the state and territory governments around Australia by small and medium-sized enterprises. The only one that does worse in the survey is New South Wales. The Sensis survey is a longitudinal survey, so it is very reliable and picks up material and trends in a way that many other surveys do not. That is one of the reasons it is well worth paying attention to. The survey shows that on an assessment of state government policies, people in small business believe the policies of the New South Wales government work most strongly against them, but Victoria comes in not far behind. All other measures such as sales value, the size of the work force, the wages bill and prices have taken a tumble.

I notice that in the other house yesterday the Minister for Small Business suggested that things were pretty good in the small business sector. He has clearly missed this Sensis survey. He claimed that capital spending was pretty good, but that is not what the survey results show — not just the Sensis survey but other survey results as well which have come out in recent times and which I will touch on. The minister said that fewer small businesses have exited from Victoria and we have a higher survival rate. Many businesses are hanging on by a thread, particularly in country and regional areas. They have been really buffeted by government policies — things like land tax policies and the common-rule awards, which have forced many businesses that used to trade at weekends in tourism areas to close their doors. They have closed their doors on Sundays and public holidays in particular because they simply cannot afford the wages bill. Because their turnovers have plunged those businesses are now in real strife in terms of their profitability. Some of them have already closed their doors.

The land tax issue is really starting to bite. I do not know of too many businesses that can see a land tax bill jump from $5000 to $100 000 — and there are instances of that happening — and keep their doors open. This government has absolutely rorted land tax, and it ought do something about it. In workplace relations there is strong support for federal government policy, so we are talking about state government issues here; we are not talking about the federal government.

I would hope that the speakers from the government really do start to think very carefully about the direction of their policies and their impact on small business. Not so long ago, in August, the Victorian Employers Chamber of Commerce and Industry (VECCI) came out with its stocktake of the state economy. It pointed out that according to it confidence in the state's

prospects, although slightly improved on the levels reported three months ago, was even bleaker. Only 13 per cent of those surveyed believed Victoria was headed for stronger economic growth compared with the national average of 18 per cent. In other words, again Victoria was performing below the national average on the expectations of its economic performance. The survey showed that in quite a cross-section of small businesses and industries there was a waning of confidence for the short-term business outlook. Mr Coulson actually said it was vital that both federal and state governments introduce infrastructure policies that encourage growth and enable Australians to take advantage of opportunities to trade in the Asia-Pacific region.

It is interesting to dissect that VECCI report a little further, because it shows that the performance of Victoria is again below that of the national economy. Not only were small businesses concerned about the outlook for their future prospects, 39 per cent of businesses in Victoria expected weaker growth over the next 12 months compared with just 35 per cent in Australia overall that expected a weaker performance. We had industries such as agriculture; forestry and fishery; manufacturing; building and construction; wholesale and retail trade; transport and storage; finance, property and business services; and health and community services all reporting subdued or lower expectations of the economy moving forward and reporting that their performance at this time was below what they would have expected.

This follows a report that came out in June which discusses export growth and which shows that Victoria was again performing very badly in exports. Food is such a crucial part of our export performance it seems extraordinary that the minister has not convened a Victorian food industry council. That Australian Bureau of Statistics (ABS) report shows a decline in Victoria's exports from the March quarter 2004 to the March quarter 2005 of 7.7 per cent in seasonally adjusted terms, yet in the same period the national increase was 2.7 per cent. There was positive growth around Australia but not in Victoria. Issues are also raised in the ABS report about capital expenditure. I find it particularly interesting that the minister yesterday referred to capital expenditure, because this ABS report shows that investment by state and local government in Victoria has slumped by a massive 31.8 per cent, or $277 million, over the past year.

That fall is consistent with the Victorian 2005–06 budget papers, which show that the Bracks government now expects its investment in property, plant and equipment to total only $2.198 billion for 2004–05 compared with an original budget of $2.471 billion. As well, investment by state and local public bodies has fallen by 25.5 per cent, or $91 million. Private sector investment in Victoria, which is probably an area we would want to see perform much more strongly than even government sector investment, because clearly that is the area where we create wealth in our economy, rose by only 0.6 per cent in this latest period compared with a 4.3 per cent increase nationally — in other words, private investment is not strong in Victoria. It is substantially below, dramatically below, the national average, so what the minister raised yesterday in the house is absolute nonsense.

He really ought to have a close look at the figures, to get out there and start talking to the small and medium enterprises sector in particular and business generally, and start adjusting the policies to make sure that businesses start to invest more strongly in plant and equipment and in the creation of new jobs and investment.

I also note a further damning report that was released in September by the Victorian Tourism Industry Council (VTIC). It indicates that there is a waning of confidence in the tourism and hospitality sectors; there has been a significant fall in confidence levels in those industries. The VTIC chairman Bob Annals, who is well known to members of both sides of this house, has attributed much of this fall to a 30 per cent increase in wages and a 14 per cent increase in other labour costs since the Bracks government's common-rule orders came into place in January.

As I said, that has resulted in many businesses across Victoria actually closing their doors at weekends and on public holidays, suffering a loss of sales and profitability and completely wiping out jobs that had existed. It is interesting to note that in that VTIC report, survey respondents — this was a reputable survey by an industry association — found there had been a general deterioration in business conditions in the second quarter of 2005, and that compared with a much more favourable outlook in the comparable period in 2004. In other words we have seen in the past 12 months a significant fall in confidence levels.

On all the measures taken by the VTIC, it is again bad news for Victoria and a wake-up call for Minister Haermeyer and the Bracks government. Sales were down in the second quarter, wage rises continued to be reported in the second quarter and are expected to rise further in the third quarter and to impact on the profitability and viability of many businesses. Other labour costs are up and are having that same impact on

businesses. Overall selling prices were flat during the first quarter.

Profitability was lower during the second quarter than for the same period last year or even in the first quarter. Employment levels decreased in the quarter in the tourism and hospitality industry sectors. Overtime levels decreased during the quarter consistent with the fact that many of these businesses are now operating for shorter periods simply because the business conditions in Victoria have waned. New capital expenditure was flat in the second quarter.

Mr Smith — It was the same for the rest of the country.

Hon. B. N. ATKINSON — No. Unfortunately the member was not here earlier when I told the house that all these statistics run counter to the national averages, and the only other state that comes anywhere close to us across the whole measure is New South Wales. Yes, I admit that in a couple of small business sector areas New South Wales is performing worse than the Victorian government, but right across any measurement you like to take in terms of economic performances for these small businesses, Victoria is up there, it is no. 1, it is the place to be if one wants to struggle in small business or look at a government whose policies are not in the interests of small business investment and growth.

The member should not talk about other states unless he has the figures in front of him. He should not give us the diatribe and spin of the Bracks government but should explain the statistics that are there for all to see. As I said earlier when Mr Smith was not in the chamber, the statistics are not of the opposition's authorship but are being delivered by reputable organisations like the VTIC, the Victorian Employers Chamber of Commerce and Industry and through the Sensis index results. These are crucial measures of economic performance and show that there is a damning attitude to the policies of this government, that its performance is bad.

I might also indicate that one of the other VTIC statistics I found alarming was that 14 per cent of small businesses indicated their business was operating under capacity compared to what it was 12 months ago. Wage costs and government regulations figures feature highly in the listed constraints on business as identified by the VTIC.

Also Engineers Australia put out a report on infrastructure spending in Victoria indicating that Victoria faces a road, rail, electricity, gas, ports and irrigation crisis because the Victorian government has failed to spend money on or even plan for improvements and upgrades, and in some cases replacement of essential infrastructure in this state.

Again, it does not matter what you look at in terms of the performance of this government: it is below par. Australian Bureau of Statistics figures show that Victoria has plunged now to fourth of all states on infrastructure spending. Victoria is now trailing New South Wales, Queensland and Western Australia by between $2 billion and $4 billion on infrastructure spending.

This gives the lie to the fancy roadshow that Treasurer Brumby has trotted out in support of the latest budget in May. The fact is that Victoria's spending on infrastructure is down, and Engineers Australia has pointed to some critical issues for this state if that is not addressed.

While spending on infrastructure might not always be the sexiest area of policy so far as governments are concerned, to business it is very important. Businesses rely on effective infrastructure, and many investment decisions in people's own businesses are based on whether they can get their products to market, how quickly they can get them to market, and how efficiently they can get them to market. Things like freeways, access to water, and the cost of power and energy supplies are all crucial issues in small business investment. If that infrastructure spending is lagging there is a major problem.

There are a number of reasons why small business confidence has been so severely eroded. The principal one is clearly land tax in the short term, but I also notice that while this government claimed it would pay its bills on time, and while we had protestations from a number of ministers about how they expected to pay their bills on time, the Auditor-General came out in June of this year and indicated that 23 per cent of all government bills were paid late even where a supplier had allowed a 30-day payment return.

Payment of bills on time is one of the crucial factors for the success of small businesses. It is one of things that they depend on. They need to pay wages at the end of the week. Nobody gives them an extension of some weeks or months to pay their wages bill, so they need those bills paid on time and that money coming in. The government assured them that that was its policy and that is what it would do, yet 23 per cent of those bills were paid late. It is simply not good enough.

I notice that the Minister for Small Business in the other house, appearing before the Public Accounts and Estimates Committee in May, confirmed to that committee that there would be rises in fees, fines and charges on small business, but he refused to reveal any detail on those imposts. He implied at that hearing that small businesses should simply accept these annual increases in net costs without batting an eyelid. In fact, the minister said it does not really matter much to them, it will not affect them much and they should cop it sweet.

This government has automatically indexed all taxes and charges, and continues to increase costs to business, and that has a marked impact on business confidence. The government should check some of its spending and start to look at trying to relieve some of the tax burden on small business.

It also might have a look at things like occupational health and safety laws that it passed recently because, as has been suggested many times in the past, often OHS laws are used as an industrial weapon. I guess small business would have very little confidence about the latest range of laws which allow unionists to obtain a magistrate's right-of-entry permit, as it is called, to enter a business premises to check out its compliance with occupational health and safety laws.

If some of these union people were qualified to undertake that work perhaps small business would cop it, but when people like Martin Kingham and John Sekta get right-of-entry permits, and when some of the most militant unionists whose track record of attacking businesses and waging war on businesses get permits to come under the guise of OHS inspectors, it is just not on. It gives the lie to what the government's stated intentions are in that legislation and sends a shiver down the spine of the small business sector.

I notice the Bracks government also introduced a new parking tax for the city of Melbourne which was supposed to tackle traffic congestion. This issue was originally raised with the Melbourne City Council and then, without much consultation with it, the government announced that it would bring the tax in. There was no real thought about the impact of that tax. Access Economics has already put the lie to the wisdom of this tax as well, indicating that it will do nothing to relieve congestion and only represents a further imposition on businesses and a revenue-raising exercise. That is what Access Economics says, not the Liberal Party. Access Economics is a reputable body which the Labor government has used to cost some of its election policies in the past. That is its assessment of that policy.

All the policy does is tackle a whole range of small businesses that need to have transport and parking in the city as part of the running of their businesses, and now they face extra costs amounting to thousands of dollars a year in many cases to meet this new tax obligation. It is outrageous, because it was introduced without consultation. There was only limited consultation even with the Melbourne City Council, where the idea first popped up. The council was surprised when the government made the announcement on this policy.

We have the owner-driver legislation that was passed in the previous week of sitting. While that legislation might be seen by the government to tackle the exploitation of some people in the workplace, what the government tried to do was to rewrite what a small business was — to tell small business people, 'No, you are not small businesses, you are not really working for yourselves, you are actually employees so far as we are concerned and you must comply with a regime that we set out as employees rather than as people running your own businesses'.

The government might not see a problem in that, but small business enterprises right across Victoria do because they wonder where it stops. If the government is prepared to do it in this area, is it going to come into our industry sector and say, 'Look, you are not really a consultant, you are not really a person who carries on a business; you are really only an employee and should be covered by a totally different regime'. This is not on. That legislation runs counter to national taxation laws, and from that point of view the government is trying to rewrite exactly how people go about their business. It is a nanny-state option. It is ridiculous. It goes, just like all those other things, to the core of small business confidence levels in this state.

I also mention that recently the Premier was running around with a national agenda for how we could get economic activity moving in Australia. There were some aspects of that national agenda that were not without merit because certainly issues were discussed by the Liberal Party at both state and federal level, but one of the interesting things is that so much of the Bracks so-called blueprint was all about what the federal government should do and very little about what the state government should do.

I notice that one of the things that the Premier tackled was red tape. He said that the federal government should clean up red tape. Where is the Victorian government's commitment to cleaning up red tape? Every time we put our backsides on seats in this place we introduce, as we talk through legislation, more

layers of red tape. It is throttling and strangling small business. It is going to the very heart of small business confidence in this state. It is interesting to me that the federal small business minister, the Honourable Fran Bailey, has established a fund and is working with local government to try to reduce red tape in local government. Local government is a creature of the state government. I am surprised that the state government did not move to try to clean up the red-tape bureaucracy issues in local government. But no, this government was not really interested in those measures. It has taken a federal government minister, with whom I have had a quite a few discussions on the issue of red tape, to grasp the nettle and try to do something about red tape in local government. The state government ought to do the same. Bracks's blueprint ought to start at home. He ought to first clean up his own act.

Another issue of some importance is channel dredging. Whilst I do not want to be drawn on the issue itself at this point in time, legislation was introduced in the house but clearly has not been proceeded with. The reason it has not been proceeded with and that there is so much angst out there in the community and the business sector is that the government botched the environment effects statement (EES) process and had to go back and start again. If there is one thing the business sector hates it is uncertainty. It can live with all sorts of decisions as long as it has some certainty and can plan effectively within a decision-making process. There is absolutely no certainty given by this government. It is interesting to consider tolls. The Scoresby tolls situation certainly gave this government cause for considerable concern, and its stocks in the small business sector in the eastern suburbs are extraordinarily low because of its deceit in overturning its promise, its commitment to deliver a toll-free Scoresby freeway.

I turn now to the land tax issue, particularly the government's recent introduction of, effectively, a new tax mechanism — that is, to tax family trusts. It is interesting to note that when this was introduced in the state budget in May there was no disclosure of where this new foray on land tax was to go. We have seen that introduced more deceitfully on a subsequent occasion — the state government trying to add an additional impost. This is the greediest government when it comes to land tax collection. The Kennett government actually lowered land tax contributions. They are now more than double what they were in 1999, and there is absolutely no effort by this government — —

Mr Lenders interjected.

Hon. B. N. ATKINSON — Including the voluble Minister for Finance, who really ought to be an advocate at the table of cabinet in trying to change the land tax regime to try to deliver relief to small businesses that are being crippled by land tax contributions. They are being forced to close their doors and go out of business simply because this government is being so greedy and is unprepared to address the issue of land tax. This government has continued to try and increase its tax take and charges right across the board.

The shadow Treasurer in the other place, Robert Clark, and I had a dialogue about this situation. We wrote to the small business commissioner on 2 September indicating our concern about the government's refusal to address land tax issues and the impact they are having on small business. We have requested that the small business commissioner use the powers we believe he has under the legislation that established his office to investigate land tax and its impact on the small business sector. I hope that the government and the minister — because no doubt he will consult with the minister — will at least allow him to proceed with an examination of the impact of land tax, because that is one of the areas where this government ought to be turning around its policy settings as of today. Land tax, taxes and charges, red tape, issues relating to union entry in the workplace, compliance issues associated with long service leave and so forth are the very issues that go to the absolute core of this meltdown in small business confidence.

This government can pretend that it is not happening. It can say, 'Our policy settings are on the right track. We are delivering terrific government. This is the place to raise a family', and so forth as a mantra, but the reality is that people out there in small business do not believe that mantra. People in small business are paying the cost of this government's policies. On a weekly basis they have to stump up the money to meet these land tax charges and all of the other increases in taxes and charges. They are the people who have to cope with infrastructure that is falling down around Victoria because the government is failing to invest in vital infrastructure. They are the people who cannot plan their investment in new products and services and new jobs in the future because they do not know what the public policy settings are going to be in Victoria.

Whilst the Minister for Small Business might say, 'Business is seen to be hanging on. We do not seem to be having a lot leave the state', that is not true. All of us know businesses that have relocated interstate and businesses that are examining relocation interstate or, worse still, overseas. Why are they doing that? It is

because the imposts and public policies of this government are just too much for them to cope with in terms of their business operations. They are in many cases being attacked by the union movement, and I go back to the Saizeriya situation, where eight food processing plants were planned for Victoria. It ended up being one plant which opened late and well over budget and which sent an earthquake-sized warning into Japanese boardrooms and also, I understand, North American boardrooms that said, 'Do not invest in Victoria. Be very wary of Victoria because it is certainly not the place to be if you want to invest money in a business operation — you will get burnt'.

There is no doubt that small business confidence is crucial to the state of our economy. Small businesses comprise 96 per cent of business enterprises in this economy. They employ around a third of Victorians and obviously a considerably higher percentage in the private sector. They are crucial in delivering products and services to Victorians, but at the moment they are out on their feet. They are in strife because this government is pursuing policy settings that are not supporting small business; in fact, they represent an attack on small business.

I urge the government to start reviewing its policy settings. It might start with changing the minister with the small business portfolio because, as I said, he seems more interested in the police cars and fire-engines that he left behind in January than he does in small business.

Victoria needs a minister who strongly advocates for small business, and we need a government that is far more attentive to the needs of small business. On the results so far, it stands condemned.

Mr VINEY (Chelsea) — The 40-minute contribution from Mr Atkinson was very disappointing, because it had nothing but a bunch of rhetoric. He accused members of this government of stating mantras. But what we heard from Mr Atkinson was a series of standard Liberal Party mantras: he attacked the union movement in the latter part of his contribution by criticising government red tape, but made no specific suggestions about what state government red tape needed to be changed or altered; then he used a set of statistics, which is the substance of the motion, from the latest Sensis survey to condemn the minister and the government.

Let me deal with a number of these things in turn — first of all, the Sensis statistics. The recent quarterly results indicate a dip in small business confidence. It is always disappointing to see that. Of all the members in the chamber, I think I might be best able to comment on surveys and statistics. One has to be careful to remember that one quarterly figure does not describe a trend. One quarterly figure is merely one quarterly figure, it is not yet a trend.

It is fair to say Mr Atkinson completely misled the house when he suggested the forward figures of the survey indicated that business confidence was going to decline. The figures in the survey clearly showed that Victorian small to medium enterprises had some degree of confidence about the future and their future prospects in terms of employment and business growth. There are signs in those statistics of some opportunities for growth. It is fair to say that over the last six months or so we have seen some dips in business confidence across the nation, and it is not surprising that that trend has come into Victoria. However, the fact remains that the Victorian economy has been in an outstanding state for the entire period of this government.

Victoria's gross state product over the past four years has increased 14 per cent. We have seen the continuation of the Standard and Poor's, and Moody's AAA credit rating, and as I constantly remind the opposition, Victoria has had a AAA credit rating for five years but that when the opposition was in office it only had that rating for three months. We are very pleased with the continuation of that rating. The AAA credit rating is held by only 16 per cent of 180 regional governments around the world.

In the last number of years employment has risen by 13 per cent, which has exceeded the national growth rate. It equates to over 300 000 jobs across the total economy. For the first time in 40 years Victoria's rate of population growth has been exceeding the national trend. Victoria has achieved $14.6 billion of building approvals — the highest level of approvals of any state in Australia — and a 76 per cent increase on the $8.6 billion in the 1998–99 financial year.

The Victorian economy is growing. It is strong. Employment growth is strong and exceeds the national average. Importantly, we are also seeing population growth in Victoria. If anything is fundamentally important to the success of small to medium enterprises in Victoria it is to have a strong and vibrant economy. Small to medium enterprises will grow and prosper in a strong and vibrant economy, and that is what is being created by this government.

Mr Atkinson talked about the lack of investment in Victoria. His comments absolutely fly in the face of the facts. Over the course of this government there has been a substantial amount of investment in Victoria through the following organisations: Almonds

Australia, $150 million and 90 jobs; Atos Origin, $4 million and 100 jobs; Basslink, $780 million; Ceramet Technologies, $13.5 million and 90 jobs; Computershare, 1270 jobs at a new global headquarters; Effem Foods at Wodonga, $50 million; Ford, $504 million and over 420 jobs for the design and manufacture of new vehicles; GE, $98 million and at least 1500 new jobs; Hawker de Havilland, $175 million; Holden, $700 million and 500 jobs at the V6 engine plant; IBM, $7.5 million and 300 jobs; Iluka's new Douglas mineral sands project; Jetstar Airways; MAB Corporation, $50 million; NICTA — that is, National ICT Australia Ltd — $50 million and 80 jobs; and Origin Energy's $1 billion Mortlake gas-fired power station.

Also included are Pacific Hydro's project; Qantas Airways, $10 million and 300 jobs for an extension to hangar 4 at Avalon Airport; Santos invested $200 million; Singtel Optus is investing another $10 million; Toyota $75 million and 350 jobs for the R and D centre out there at Mulgrave; Woodside Energy's new Otways gas project; and Woolworths, 300 jobs for a new $90 million distribution centre in Wodonga.

Because of scaremongering associated with the union movement Mr Atkinson throws out scaremongering rhetoric saying that has killed investment in Victoria. In a couple of minutes I have shown that under this government there has been massive investment into this economy. That investment has driven jobs, innovation, energy, new technology and the great strengths of Victoria, agriculture and food production. The state has invested $1 billion in the innovation economy. We do that not just because we see innovation as a good thing — of course investments in medical research and new manufacturing and all of those areas are good investments in themselves — but because that is where we see the future economic growth and jobs. That is driving massive investment from small business. We have seen the growth of small business in this state.

I have spoken previously in this chamber on small business issues. I have put on the record how important this government and I see the small business sector to be. In particular we recognise that the small business sector is the engine room for Victoria's economy. I will give some basic facts. We have 300 000 small businesses in Victoria, which account for 96 per cent of all businesses in this state. More importantly those small businesses employ 811 000 people, representing 43 per cent of all private sector employment. Jobs in the small business sector are spread across a range of industry sectors, such as property and business services, retail and construction, but in regional Victoria the jobs in the small business sector are concentrated in agriculture, forestry and fishing, construction and retail trade. Interestingly significant growth is occurring in property and business services, health and community services and education.

This government absolutely recognises the importance of the small business sector to this economy. That is why the government and the minister made a commitment to bring down a small business statement by the end of the year. To that end, in July of this year the minister released a Victorian small business statement issues paper, which covers much of the information I have just touched on. As part of this process the government has been committed to consultation processes with the small business sector to identify issues that need to be addressed so it can grow and flourish. Unlike Mr Atkinson's suggestion that somehow the government's consultations with the sector have fallen off, the contrary is true. The government has undertaken an extensive consultation process — probably one of the most comprehensive consultation processes in our five years of government — to develop the small business statement by the end of the year. The government is committed to the small business sector, to the importance of the sector to our economy and to doing things to make sure that the small business sector can flourish.

There is no question that the most important thing to enable a small business to flourish is a growing economy. As I have mentioned previously in this chamber, having run a small business during the 1990–91 recession I understand absolutely how important a growing economy is to make sure a small business can flourish. I think I have told the story before. It is interesting that people in small businesses are often motivated by many things beyond simply making a profit. Making a profit is absolutely important to anyone in business, but often they are motivated by other things, like giving people jobs or contributing in other ways to the community. Very often small business owners and operators have to delve into the assets of the family home to enable the business to grow and develop. They take out a mortgage or a second mortgage on the family home to make sure that their business grows. Unfortunately I had that experience during the recession period, but it is an experience many others have had as well.

Very often people in the small business sector are most active in the community through Lions, Rotary, Apex and those sorts of organisations, and they contribute significantly to the community. We value the small business sector, and the most fundamentally important thing we want to do is to provide an opportunity for small business to grow through a growing economy.

This government is particularly proud that during our term we have been able to maintain growth in the state, including jobs growth and population growth.

Mr Atkinson touched on the issues of taxation, and land tax in particular. Land tax is another Liberal Party mantra at the moment, but of course opposition members conveniently forget that they increased the top rate of land tax under the Kennett government from 3 per cent to 5 per cent. It is this government that has actually brought land tax down and taken a lot of people out of the land tax net by increasing the threshold. The record of this government has been about reforming land tax and taking people out of the net. This government has also reduced WorkCover premiums. We now have the second-lowest WorkCover premiums in the country. We have also been successful in reducing the number of employers that are required to pay payroll tax. This is unlike the situation with the previous Kennett government, which included superannuation in the payroll calculation and captured more people in its net.

This government's record of reforming tax has been significant. We have been taking people out of the tax nets by upping the threshold for land tax and payroll tax and in other areas. This government has been reducing WorkCover premiums at the same time as making sure that there is proper protection for employees within the WorkCover scheme. That stands in stark contrast to the record of the previous government, which did not reduce WorkCover premiums to this extent. The only way members of that government kept the WorkCover system under control was by reducing the benefits to employees. That was the way they did it, whereas this government has been getting a proper system in place that has decent occupational health and safety standards and decent prevention measures. These are important things to undertake to make sure that small businesses can grow and flourish in this state, and to make sure that we have decent protection for employees at the same time as keeping WorkCover premiums to a minimum.

This government's record of achievement in small business has been outstanding. We have seen significant growth in the small business sector, in the economy and in investment. We have also seen reductions in the tax system and in the cost of doing business in Victoria. I have to say that that stands in particularly stark contrast to the record of the federal government, Mr Atkinson's mates in Canberra. Mr Atkinson talked about red tape, but the most significant red tape that ties up small business is the GST compliance, and that was introduced by the federal government. There is no greater burden on small business than the compliance requirements under GST, and there are additional compliance factors in relation to fringe benefits tax that have been introduced by the Howard government that are impacting on small businesses. Mr Atkinson talked about red tape, but he failed to bring any examples into this house about the impact of red tape on small business or where state government regulations could be removed to ease the burden on small business.

No-one likes or particularly enjoys doing paperwork, but some paperwork has to be done. Having run my own business for 10 years I can say that the most significant paperwork that I had to do was tax paperwork, and that is part of running a business. You are obliged to pay your employees' tax and your company tax. They are basic obligations, but in my business there were very few other bits of paperwork that I had to do. This is a bit of a furphy.

The final thing I want to touch on in my contribution is the absolute joke that Liberal Party members seem to think they represent the interests of small business. They do not. Without question, the impact the Liberal Party made on small business through the GST was the largest business dampener in the history of small business in this country. In fact Labor governments have consistently been delivering decent economies and fair practices that enable small businesses to operate in a fair business environment. One of the biggest complaints I heard in my consultations with small business has been the unfair practices of large businesses impacting on small businesses. We know that the large businesses in this country are the Liberal Party's mates. The Liberal Party looks after their interests.

What this government has done in this state is introduce legislation that protects many small businesses in the retail sector. We have introduced the position of small business commissioner to handle many of the predatory practices of the large businesses in this state. The truth is that the interests of small business in this state are always protected by a Labor government. It is a Labor government that delivers a fair business environment and delivers on decent arrangements in areas like WorkCover. It is fundamental that small business operators have a system that protects their interests if one of their employees gets injured at work. It is a Labor government that has delivered a fair system in WorkCover at the same time as driving down the cost of premiums to employers.

It is also a Labor government that always provides a fair and growing business environment, and that is what the Bracks government has delivered in its five years of

government: a growing business environment in Victoria that exceeds the national average. We have delivered to Victoria a business environment that is fair to small business. This motion before the house needs to be rejected.

Hon. B. W. BISHOP (North Western) — I am pleased to rise on behalf of The Nationals to support the notice of motion moved by the Honourable Bruce Atkinson. The Nationals are also happy to allow 5 minutes of our time to the Honourable Dianne Hadden so she can make — —

Hon. T. C. Theophanous — You are happy to give her that?

Hon. B. W. BISHOP — We are happy to do that, Mr Theophanous, so she can make a contribution to this debate. The Nationals are very strong supporters of small business, and given our constituency it is easy to see why that is. I was interested to note a headline on the cover of a report produced by AMP. It is 'There's no business like small business'. I was also interested to note that the first paragraph in the foreword says:

> Of all the private sector businesses in Australia, 96 per cent are small businesses with fewer than 20 employees and around two in every five private sector workers are employed in a small business. Small businesses is the engine room of a well-tuned economy.

I have also read somewhere — I cannot exactly place where — that agriculture was not included in the definition of small business. For the sake of today's debate I am certainly going to include it, and for the life of me I cannot see why it would not be included in small business across the whole of the sector.

The other interesting issue I found in this AMP report was that the fastest growth among small business workers was with sole traders. The report says:

> The proportion of small businesses with no employees apart from the owner has grown by 8 percentage points since 1995 and much of this growth is among home-based businesses. In 2004, there were around 856 000 home-based businesses in Australia, up by 9 per cent on the previous year.

I found those figures interesting — that is, that people have shown the initiative to go out and put their own small businesses together. As Mr Viney said, the work ethic demands on people in that area are huge, and they need to go the second mile, particularly nowadays, to make those businesses viable. It does not matter what sort of business it is. It could be a shop, a corner store, a farm, a fuel agency or a chemical agency, but whatever sort of business it is, the people who run it all work long hours.

I note that the AMP report also clearly identifies that small business owners are not big earners but they have that pride in having their own business and that sense of achievement. Mr Viney made the point that people in small business have a tough go. Certainly in the areas that I have been involved in most of us have had a tough go. Members of our family have been involved in small business most of their lives. Our son is now on a farm, and that is certainly not easy going. Our daughter runs a video store in the Northern Territory, and she also knows how difficult it is to manage the processes in small business. Members of The Nationals are well qualified to talk about small business.

Today I will focus on the agricultural sector. I do so knowing full well that there are substantial spin-offs from small businesses in country areas to country towns, regional cities and major cities. Today on behalf of The Nationals I want to try to offer some positive views on how we can improve the lot of small businesses under the state government administrative program. The first issue I wish to talk about today is assistance to small businesses which have been badly affected by drought. Everyone in the house knows that for the past eight or nine years we have had a tough run generally in agriculture right across the state. We have had pretty near the lot. We have had dry conditions; tough finishes in the grain industry with hot weather, hot winds and frosts; and a tough go in the pastoral industry. Although the prices have been quite reasonable, certainly the weather conditions have not been conducive to having an easy run there. In other areas prices have not been all that good.

Areas of drought across the state have been declared to be in exceptional circumstances. That has been across a great deal of the grain belt in Victoria. The process for recognition as being in exceptional circumstances is tortuous. The process is difficult and inevitably we end up drawing lines on maps. I have always believed that the process is overly bureaucratic and complicated. For the life of me I cannot understand why when that situation arises we cannot declare a whole area, without having lines on maps, and run a dual assessment process to give people an opportunity of being assessed to see if they can get through the gate. If necessary, they can then move on to a more complete assessment to pick up the opportunities that are there when an area is declared as being in exceptional circumstances.

The Department of Primary Industries did a good job on that. Certainly people like Rob Sonogan, who works out of Swan Hill, did a great job of understanding the issues involved at that time. Financial counsellors, including one I work with, a fellow called Grant Doxey who was very understanding and did an excellent job,

were instrumental in rounding up a number of people outside the line, if you like, to give them the opportunity of gaining some respite in relation to exceptional circumstances. I could not say the same thing about Minister Cameron, who played politics in that complex area. That certainly was not appreciated in those areas.

During the 2002–03 drought, we had some good state programs for small business. A cash grant of $20 000 was made available to people who were eligible for it. That went directly to farmers — and obviously then to small businesses — for inputs to their cropping programs. Despite all the pleading done by all of us across the whole sector, that program could not be applied in the tough run in the last couple of years. I acknowledge that the state government did give municipalities some money for infrastructure work and tidying up. That was also well received. The cash grant that would have assisted our farmers directly would have been the real answer to which programs should apply.

It is interesting to note that through all the difficult times in the last few years our small businesses have received none of the assistance available. Often they are the first to suffer because when times get tough the cheque books on farms close up and it is the small businesses who suffer the most — and at the first instance.

Mr Smith — And their workers.

Hon. B. W. BISHOP — And their workers, Mr Smith, that is quite right. I am including workers in those small businesses. The point Mr Smith raises is a very good one. I touch on the opportunity that exists for the state government to play a part to assist those businesses and their workers to ensure that that intellectual capacity, if you like, and experience does not go out of the district, never to return. They are the issues I wish to raise today.

I choose one area, the Horsham area. I will read a few paragraphs from a letter from Wimmera Uniting Care. It is dated 18 July and addressed to Cr Roslyn MacInnes, the mayor of the Horsham Rural City Council. It is headed 'Assistance for small business in drought-affected areas'. The first couple of paragraphs are quite telling:

> Since the failure of the 2002–03 cropping season, I have become increasingly concerned about the lack of financial assistance to small businesses in the Wimmera-Mallee.
>
> This issue has been raised at a number of forums — with my parliamentary colleagues I have attended a number of those excellent forums —
>
> across the region, however, I believe that it has not been given enough serious consideration by government at either a federal or state level. The reason given by government is that it is very difficult to provide appropriately targeted assistance to small business.

The letter also addresses a number of other issues and suggests that in New South Wales in 2005 businesses other than farms are eligible for payroll tax relief and $3000 to assist them to develop credit management strategies. Attached to the letter is an outline of the relief provided by the New South Wales state government. It states:

> Payroll tax relief
>
> Businesses dependent on farm income, such as farm machinery suppliers or those who service and maintain farm equipment, can apply for payroll tax relief to ensure they keep their specialist workers during the drought period.

That is the point that Mr Smith brought up, keeping workers in the area during the drought period. The outline goes on:

> Businesses that are due to suffer a 15 per cent reduction in gross income … will be able to defer their payroll tax. The Office of State Revenue will audit the applicant at the end of the financial year.
>
> If the applicant has not met the income-loss criteria, payroll tax must be paid. However, penalties and interest will not be charged on this deferred payroll tax, and, if needed, arrangements for a manageable payment plan can be negotiated with the Office of State Revenue.

That is a sensible, reasonable and practical solution to assisting our small businesses in those drought-affected areas. The letter goes on:

> I believe that it is important that we encourage government to consider the issue and work towards the introduction of some useful measures —

in relation to adopting these sorts of proposals. That is signed by Peter Brown, the chief executive officer of Wimmera Uniting Care.

As I said, that was written to the Horsham Rural City Council. The council referred the issue to my colleague the member for Lowan in the other place, Hugh Delahunty. Without going through all of the council's letter, I indicate that it is very supportive of what Peter Brown said and picks up the issues. It has a number of dot points on how the government can assist small businesses in rural areas that are under drought. The letter is signed off by Kerrin Shade, the chief executive officer of the council. The six dot points are:

> uses for the $600 million that was allocated by the federal government to help drought-stricken farm families but which has not been spent;
>
> interest relief on debt;
>
> income support;
>
> payroll or other tax or fee/penalty relief —

which has just been mentioned —

> support for existing and/or the development of financial management advice services and strategies; and
>
> any other strategies that would support individual small businesses and encourage their survival until the return of more favourable farming and business conditions.

The views put forward by Wimmera Uniting Care and the Horsham Rural City Council are quite sensible, focused and practical. They have been well thought through. Obviously there is a precedent in New South Wales, which has been picked up in the bill.

The Nationals urge the government to pick up those initiatives and put them in place to give our small businesses some assistance during the drought periods. Again, as the Honourable Bob Smith said by way of interjection and it is quite true, it would have a sound effect on those businesses by maintaining the skilled labour that is in the area but which would very quickly leave if those businesses were to suffer a downturn or had to close their doors.

In the few minutes I have remaining I would suggest another very positive move the government could make to encourage and support small business in the Sunraysia area — that is, to terminate its proposal to place the toxic waste dump in the Mallee at Hattah-Nowingi. It has just come to light in the last couple of weeks that the government has employed consultants to look at the effect of the proposal to put a toxic waste dump in the Mallee.

Hon. Andrea Coote — A bit late!

Hon. B. W. BISHOP — A bit late, yes, Mrs Coote. The consultants came and briefed the local council and industry experts on the one day. They did not hand out the reports, so our industry experts took down all the notes they could from the figures given to them by the consultants. The result is the reduction in output for agriculture and tourism would be about $40 million a year. The loss of value-adding would amount to $17 million a year; the loss of income, $6.9 million a year; and a loss in the first year of 232 jobs, which stretches out to 276. These are not our figures, these are the government's consultative figures that our experts noted, and they have worked off from there.

The government has responded by saying that is nonsense, that it has been misrepresented. They are the government's figures; the people who put them forward are employed by the government. We could probably say, and our local people say, that the scenarios the consultants put forward are quite probable and the likely outcome of those scenarios is quite probable, but what we would challenge very strongly are the consequences.

Nine scenarios were put forward. One is 'low level media coverage', and they say the likelihood of that is 'possible'. I suspect that is where it is, but it is nonsense to say that the consequence is 'negligible'. It has had a huge effect on our area. The second one is an 'incident event' — for example, a truck or rail accident. The likelihood is 'possible'; we all agree with that. The consequence? 'Negligible'.

Hon. Andrea Coote interjected.

Hon. B. W. BISHOP — Well, my eyebrow! It would have a massive effect on those particular areas. The third one is that the site 'comes to the attention of buyers or competitors', with the notation of 'Possible'. We all agree with that. Then they say there is 'not much consequence'. Not much consequence? It would be massive.

I could go on and on. The fifth one is 'Used to gain market advantage by local and overseas competitors', with the likelihood note 'highly probable'. Of course it is highly probable, but does the house know what they say the consequence would be? It is 'minor'. I can tell members it would absolutely decimate that area! So it is now absolutely clear that the government can do a lot to support small business in the Mallee area by terminating this proposal.

The sixth scenario is very interesting. It states:

> The existence of the site becomes a negotiating point in market access or protocol negotiations e.g. China.

It states that the likelihood is 'possible'. We all agree with that. But under the heading of 'Consequence' it states 'minor'. We would argue fiercely with that, and I am sure that our local people will continue those arguments as the Food Bowl Alliance and the Mildura Rural City Council have done quite successfully for some time. In fact, members will see their members gathered on the steps of Parliament House tomorrow lunchtime when they will conduct a silent vigil in relation to the 232 jobs identified in the consultant's report which will be at risk if this project goes ahead.

I want to finish by speaking for a couple of minutes on something that Mr Atkinson mentioned, and that was the common rule. People in country Victoria are concerned that the processes of government are reducing the flexibility of businesses to operate, particularly at weekends. We all agree that country Victoria has embraced tourism as a method of remaining viable in those areas, and the tourism business has been embraced by those in the metropolitan area who wish to come out and spend some time in country areas. But country businesses must be flexible in order to capture that market, particularly in relation to tourism and travellers. We have all been tourists and we demand access at all times. Things need to be open, whatever they are, and if they are not open they will not capture the market, and without too much trouble the government could go back and have a decent look at those areas. Businesses in the Sunraysia area often raise with me the reduction in flexibility and their capacity to open and remain viable at all times.

There is no doubt that those of us in country Victoria could talk for some time about the red tape that is applied across our businesses. For example, I have addressed a question to the relevant minister about the storage and handling of ammonium nitrate, which we are all fearful will become an overly bureaucratic, expensive and very difficult management process not only for farmers but also for those who bring the product into this country and distribute it to farmers. All of those things round up to the fact that the state government is in a position to help small businesses, which would have a direct effect on small towns, regional cities and major cities. We compliment the Honourable Bruce Atkinson on his motion, and urge the government to take up the opportunities we have offered in our contributions.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I am pleased to join the motion moved this morning by Mr Atkinson, which picks up three very important issues in relation to small business. Mr Atkinson's motion notes the alarming fall in business confidence among the small business sector and condemns the Minister for Small Business in the other house for the government's failure to implement policies which encourage business growth and investment. These elements are intrinsically linked, because without solid business confidence it is inevitable that investment in the small business sector will fall. As a further consequence we will see a decline in growth and employment. So in effect the first element of confidence is a critical indicator of what is likely to come later in terms of investment and ultimately employment.

I listened with interest to Mr Viney's contribution on behalf of the government. He made a number of points.

Hon. J. H. Eren — Good points, too!

Hon. G. K. RICH-PHILLIPS — We do not necessarily agree on that, Mr Eren. One of the points Mr Viney made was that a single figure does not necessarily reflect a trend, and I wholeheartedly agree with him on that. But I also point out that many of the statistics used in this debate this morning are not single figures and reflect a trend, and I will come to that shortly.

It seems that this government likes to trumpet the things it has done in terms of the press releases it has issued and the programs and brochures it has released as a sign of what it has achieved for business in this state. It does not reflect upon the results of its efforts, which are light on. Mr Viney talked about a number of investments that had been secured for Victoria. He mentioned Holden, Ford, IBM, Toyota, et cetera and they are all — —

Hon. B. N. Atkinson — None of them are contemporary!

Hon. G. K. RICH-PHILLIPS — That is a very good point, Mr Atkinson. The examples given by Mr Viney were not exactly contemporary. Holden is several years old. He talked about Jetstar from several years ago, and also about GE. There were not a lot of contemporary examples among those given by Mr Viney. Putting that aside, it is fantastic that Victoria has secured those investments and it is fantastic that Victoria has secured the employment that goes with them. But that ignores the overall trend in Victoria, and while you can trumpet 5, 6, 7, 8, 10 or 20 individual small investments you have to look at the overall level of investment in this state, and unfortunately the trend has not been positive.

Mr Viney — Rubbish!

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! Mr Viney is out of his place!

Hon. G. K. RICH-PHILLIPS — As Mr Viney said, one figure does not make a trend. I am happy to talk about some specific figures. I draw the attention of the house to the latest Australian Bureau of Statistics figures on capital investment in the manufacturing sector. I compare the performance of Victoria with that of the rest of Australia. This government likes to compare its performance with that of the previous government, so I too will compare that period. For the year to September 1999 Victoria attracted $3.24 billion

of manufacturing investment compared to Australia, which attracted $9.74 billion of investment. So in the year to September 1999, Victoria had 33.3 per cent of the total manufacturing investment that came into Australia.

Jumping forward to the figures for the year to June, which is the latest quarterly data available from the Australian Bureau of Statistics, Victoria's total new investment in manufacturing in current price terms for the 12 months — so it ignores the fact that there has been inflation over six years — was $3.02 billion. That is $200 million less than in the final year of the Kennett government, before allowing for inflation. By contrast, the nation as a whole attracted $12.6 billion of manufacturing investment. In a period over which Victoria's performance has declined by $200 million, the national performance has increased by almost $3 billion. As a consequence Victoria's share of manufacturing investment in Australia is now down to less than 24 per cent. When this government came to power Victoria attracted $1 in $3 exactly — 33⅓ per cent. It is now down to under 24 per cent.

It is fine for Mr Viney to come in here and talk about four individual examples, but what matters is the overall performance of the state. Those figures are not an aberration¸ they have been consistent over the life of this government. I will go back a couple of years to June 2003. At that stage, on an annualised basis, Victoria was attracting 30 per cent of national manufacturing investment. In the following quarter it fell to 28.6 per cent. Then it fell to 27.3 per cent. Then we had a minor blip — it went up to 27.8 per cent. Then it dropped to 26.5 per cent. Then it went down to 25.6 per cent, then down to 24.8 per cent. The following quarter it was down to 24 per cent, and it is now down to 23.9 per cent. That is a clear trend which refutes the example Mr Viney gave of saying, 'We have these couple of headline investments, therefore everything is okay'. That is also reflected in the August 2005 Sensis small business survey, which shows that Victoria has the lowest small business confidence of any state in Australia. That is a very concerning figure because, as I said before, it points to a trend. If businesses do not have confidence in this state, they will not invest in this state, and long term we will not have growth and we will not have jobs in this state.

In his rebuttal to Mr Atkinson, Mr Viney said that the federal government has done more to damage small business in this state, and he spoke about the GST et cetera.

Hon. T. C. Theophanous — That's true.

Hon. G. K. RICH-PHILLIPS — If that is true, Mr Theophanous, why do small businesses in Victoria have such low confidence? The fact is that every policy the commonwealth government has implemented applies to every small business in Australia, so why does Victoria fare so badly in the confidence ratings? Why is the Victorian manufacturing sector so low in the level of investment it attracts? It is fine for Mr Viney to criticise the federal government, but the reality is that these negative trends are by and large unique to Victoria. Irrespective of what is happening on a national level, the Victorian business sector is lagging behind the rest of Australia. Victoria is losing market share. We are losing our state's share of exports. That has been a concerning trend over the last four or five years, despite the national environment. We know that on a national level Australia's exporters have had a difficult time due to international factors — the exchange rate, et cetera — and that has applied to every exporter in Australia, yet for some reason Victoria has lagged behind the rest. For the three years to June 2004 Victoria recorded the lowest export growth of any state in Australia — less than 1 per cent. Despite the challenges, other states were able to perform reasonably strongly, yet Victoria is lagging behind the rest of Australia. It is fine for Mr Viney to try and deflect responsibility to the commonwealth, but the reality is that these trends are in Victoria and Victoria alone. That is something that this government needs to sit up and take notice of.

Hon. T. C. Theophanous — What about the resources industry? What about gold? What about oil? What about gas?

Hon. G. K. RICH-PHILLIPS — Mr Theophanous interjected and asked, 'What about the resources industry?', and referred to the petroleum industry. I am not aware, and perhaps Mr Theophanous can inform the house on this, that there are too many small businesses involved in the resources sector. It is interesting that Mr Theophanous wants to talk about the big companies in the resources sector, because his colleague Mr Viney was criticising the government for focusing on large enterprises.

The motion before the house today is about the small and medium enterprises sector. It is about the fact that this government has neglected its responsibilities to this sector. We are seeing that in the performance of this sector, in the level of investment in this sector and in the level of employment in this sector. Manufacturing has lost more than 30 000 jobs under this government. Despite the one-off examples Mr Viney quoted, we are seeing negative trends in the small and medium enterprise sector. The Sensis survey that came out this

month demonstrates low confidence amongst the business sector and points to further ongoing concerns about investment in this state, with ramifications for employment. It is about time this government did something about it.

Mr PULLEN (Higinbotham) — Generally I listen to Mr Atkinson's contributions, and I did again today, because usually they have some sort of substance to them and sometimes a lot of sense. But today I was extremely disappointed because Mr Atkinson quoted some selective statistics and gave the general sort of talk — I think it was about small business — that we have heard so often from the opposition. He may have drawn the short straw again, like Mr Koch did the other day, to bring on an issue in relation to the government. Mr Koch came in here unprepared to talk about the fact that the racing industry was in all sorts of trouble in relation to tourism. Unfortunately that was not a very good performance. Mr Atkinson also said we should not be talking about the federal government. I think we should talk about the federal government when we look at the effects it has on small business.

Before I move on to small business, I want to deal with a couple of the myths that are associated with it in Victoria. I have been involved in small business, large business — all sorts of businesses.

Hon. Andrea Coote — Profitable businesses?

Mr PULLEN — Sometimes. It is a popular conception that the failure rate among small businesses is high. Some statistics I have been provided with say that in 2003–04, 3.8 per cent of Victorian small businesses exited, whereas the business entry rate was 11 per cent. Victoria's exit rate is below the national average, and Victoria and South Australia have the equal lowest rate of all states.

The Victorian survival rates for 2001–02 business entries were 92.5 per cent after one year and 88 per cent after two years, both of which were slightly above the national average. It is also important to mention that we have done a tremendous amount for small business in this state since our election in 1999. As people know, we set up the retail-tenancy-in-business dispute resolution functions in the Office of the Small Business Commissioner and only last month celebrated two years of operation of the Retail Leases Act. I will cover a little more of that if time permits. We have shown national leadership in advocating federal Trade Practices Act reform and better protection for owner-drivers in the transport and forestry industries. That legislation was passed only during our last sitting period and was opposed by the opposition. I was absolutely staggered that the opposition would oppose that good legislation. We have strengthened scrutiny of regulations by establishing the Victorian Competition and Efficiency Commission.

Mr Atkinson could not help himself and had to attack the trade union movement, as is done regularly in this chamber by opposition members. He named John Sekta and Martin Kingham. As I have said before, the Cole royal commission cost Australian taxpayers more than $60 million, yet what did it achieve? It achieved absolutely nothing. It was just a muckraking exercise by the conservatives against the trade union movement.

In relation to business, Mr Rich-Phillips mentioned export growth. We still do not know where the opposition stands on the issue of the channel deepening project. We know clearly where The Nationals stand, we know where the farmers federation stands, we know where business stands and we know where the trade union movement stands, but we do not know where the Liberal Party stands on that issue. We know from speeches they have made at various places that Mr Bowden — I give him a lot of credit — and the Leader of the Opposition in the other place, Mr Doyle, are in favour of channel deepening. Certainly the members for Mornington and Nepean in the other place, Mr Cooper and Mr Dixon, have bayside seats and will say anything to try to get a Greens vote. Worst of all, in my electorate I do not know whether the member for Sandringham in the other place, Mr Thompson, is for or against it, because he says one thing one week and another thing the next week depending on what audience he is speaking to.

I want to touch on another point Mr Atkinson brought up in relation to EastLink and how the government is in all sorts of trouble in the eastern suburbs. I refer to an article that appeared in the *Australian Financial Review* on 3 August. It states:

> South-east Melbourne's EastLink toll road is proving a boon for the surrounding property — an industrial site was sold in a day for $4.8 million according to Jones Lang LaSalle.

I know that again The Nationals support the government on this issue, but we do not know what the policy of the Liberal Party is. We have been hanging on tenterhooks because apparently the Liberals are going to come out with some sort of a policy of buying it out. We have heard figures of $7 billion. I would double that. I would say at least $14 billion would be the sort of figure we would be looking at for that crazy policy. We are still waiting for it. The article goes on to say:

> Construction of the tolled highway began recently and is already boosting industrial land prices in the Rowville and Scoresby areas by an average of 10 to 15 per cent …

> Prices would continue to rise 'anywhere near an off-ramp', he said.

That was Mr Andrew O'Connell.

> 'Right along the length of it, decent land of a commercial or industrial nature is being highly sought after …

This is business chasing after this land because it knows eventually it is going to cut costs when it has got a great EastLink road going through.

> Three recent sales in Scoresby totalling about $10 million underscored the 'exceptional gains' in value over the past year while yields were still 'steady' at between 7.5 and 8.25 per cent, he said.
>
> The first was the five-year-old office and warehouse building at 20 Rocco Drive which was sold the day after it went on the market.
>
> 'I listed it, made five phone calls and it was gone,' Mr O'Connell said.

This is the sort of exciting thing that is happening in the eastern suburbs, despite what Mr Atkinson had to say about that.

We have the situation where it is said, 'The feds are squeaky clean in relation to what happens to business and so on'. It is interesting to note here that our federal party estimates that the federal Treasurer, Mr Costello, has introduced something like 170 new taxes. I will read a small part of an article from the *Herald Sun* of 18 March. It says:

> … since 2000 … the government collected an estimated $540 million from new withholding taxes on foreign residents, $36 million in wine industry taxes —

we have got a lot of wine industry taxes here in Victoria —

> $13.5 million in increased rent for the Sydney Harbour Federal Trust and $325 million in superannuation taxes …

That is the sort of thing the federal government has introduced, and yet it tries to talk about the Labor government here.

Mr Atkinson also asked what we had done for business in this state. Mr Viney put it very clearly in relation to the destructive effect the goods and services tax has had on small business. Part of the deal in signing up to the GST was that we had to get rid of a number of taxes, and I will run through some of them. The financial institutions duty was abolished.

Hon. R. G. Mitchell — Delivered!

Mr PULLEN — Delivered! Quoted marketable securities duty has been abolished. The bank debit tax has been abolished. Lease duty has been abolished. Mortgage duty has been abolished. Unquoted marketable securities duty has also been abolished.

Hon. R. G. Mitchell — Delivered!

Mr PULLEN — Thank you very much. We have delivered the lot in relation to the GST deal. That is correct.

Mr Atkinson also talked about land tax. I think that is a reasonable sort of a discussion to bring up, but it must be remembered, and Mr Atkinson outlined this, that the simple fact is that the Kennett government increased Victoria's top rate from 3 per cent to 5 per cent, as was outlined by Mr Viney, and this was compounded by its decision to reduce the then threshold from $200 000 to $85 000 in 1998. Mr Baxter remembers that this government did that, so I am not going to give The Nationals a pat on the back for that. I have been giving The Nationals a few pats on the back this morning, but I am not going to give it a pat on the back for that one.

Over the next five years the government will substantially reduce land tax worth over $823 million. Victoria also has the second-lowest rate of payroll tax in Australia. I do not want to be unkind, but I happened to read in the *Age* of 23 July that the leader of the pack in relation to land tax was a Mr John Ribbands who decided to lead the campaign to cut land tax. He happened to own the Metung Hotel. The *Age* article states that he sold the hotel to:

> David Strange, former vice-president of the St Kilda Football Cub and former pharmaceuticals businessman and Kim McKendrick …

The article goes on to say:

> Mr Strange says they will cope with the land tax and intend to upgrade the hotel, the only one in Metung and an important source of employment in the town. It is right on the water at Gippsland Lakes with what he describes as 'a million-dollar view'.
>
> Mr Strange and Mr McKendrick will install a new kitchen, generally modernise the bar and bistro and introduce a new menu. As yet, he says, they are uncertain what to do with the 4644 square metres of land that comes with the deal.

How much did they pay? $4 million. Where has Mr Ribbands now popped up? As a possible Liberal Party candidate for Burwood. He has thrown his hat in the ring. This issue was a stunt by the Liberal Party.

The support the government gets from businesses is staggering. In a media release from Timothy Piper, who happens to be the director of the Australian Industry Group, he talks about the budget the government brought down in May, and says:

> Today's state budget is another positive instalment in the Bracks government's strategy to provide a more competitive environment for industry, Timothy Piper … said.
>
> Mr Piper said the reductions in WorkCover premiums —

I know my colleagues will cover those —

> and land taxes were key elements of Ai Group pre-budget submissions and lobbying.
>
> He also welcomed the budget's confirmation of the 1 July abolition of debits tax, commitment to the abolition of business rental taxes in 2007 and provision of additional funding for infrastructure — including transport, schools and regional infrastructure.
>
> The WorkCover, land tax and rental tax cuts will help strengthen industry's competitiveness at a time when we are facing our greatest challenge from surging global competition and the prospect of more difficult economic conditions …

This is not me saying this, it is Mr Piper of the Australian Industry Group. The media release continues:

> The infrastructure spending also will provide increased opportunities for industry and we will be working closely with the government to ensure that as much of the work as possible is channelled to local companies.
>
> The government is to be commended for cutting the costs of its service delivery to help fund the budget initiatives and its recognition of the more difficult environment confronting industry in the period ahead.
>
> The budget should mean that Victoria will be better prepared to meet the challenges of the slower trends in the national and global economies …

Mr Atkinson was selective in his comments about the Sensis media release, of which I have a copy. What he quoted from the media release was correct, but in the part he left out it says:

> Having said that, the number of Victorian SMEs expecting more capital investment in the coming quarter has jumped to 8 per cent.
>
> In fact, while confidence is low, SME expectations for the future are rising across the board.
>
> A net 42 per cent of SMEs are expecting rising sales values in the next quarter, an increase of 18 percentage points on last quarter's expectations.
>
> The number of SMEs expecting rising prices and profitability has also grown.
>
> SME support for the state government also improved by 7 percentage points during the quarter.

I shall mention briefly one of the excellent initiatives of this government — that is, the Retail Leases Act introduced in 2003. It has promoted more certainty and fairness in the relationship between landlords and tenants, and is operating smoothly. Victoria has set a benchmark that other states are following, particularly with the role of the small business commissioner and its improving disclosure for prospective tenants.

Hon. ANDREA COOTE (Monash) — I have great pleasure in speaking on this motion, having been a very profitable small business owner myself. I understand the challenges and pride that many small business operators have in their small businesses — and that pride is the backbone of what small businesses are in this state.

Both Mr Atkinson and Mr Gordon Rich-Phillips gave a very clear indication of what the trends are in the state and the disturbing fact that business confidence is declining. Even Mr Viney acknowledged this. He said it was disappointing that the Sensis report said that business confidence in this state had declined. I put on the record my acknowledgment of the excellent report that Sensis put out under the guidance of Christina Singh.

Mr Viney recognised that we were in a decline in Victoria but he failed to mention that the last several reporting quarters had not seen exactly glowing endorsements of this government and business confidence in this government.

Mr Viney also spoke about being a small business owner and how important it was to have a healthy economy, but he forgot to acknowledge the enormous amount of money left by the Kennett government for this government to squander, as it has indeed done, and the huge impact that we have had from the GST.

Mr Smith interjected.

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! Mr Smith will get his chance.

Hon. ANDREA COOTE — He forgot to acknowledge the enormous amount of money from the GST. He reminded us of his own business experience in 1991. Why was the economy not in good shape at that time? Because we were a basket case. I remind members about the Cain and Kirner years; also, the Keating federal government was trying to pull through the recession that we had to have! That lot had some sort of a business understanding — absolutely none! It is important to understand the ramifications for channel deepening and the port expansion in Victoria. When one looks at the billions of dollars that come into the state from businesses, we must ensure we have an opportunity for small businesses to continue to get benefit from our port.

The other issue that Mr Bishop mentioned was the location of the toxic waste dump only kilometres from Mildura. That would be an absolute disgrace, because there are many small agricultural businesses and a whole range of businesses in that area which would be affected. It is appalling.

The imposition of land tax on residential aged care by the Treasurer was absolutely disgraceful; that was imposed earlier this year without any consultation with the industry. The government suddenly imposed out of nowhere, but with no consultation, a huge impost on residential aged care operators; some have had to face an unexpected $80 000 bill. When questioned on Melbourne radio, the Treasurer said in reference to the residential aged care operators, 'They are making a profit, so shouldn't we?'. If we cannot even get the Treasurer to understand what motivates and challenges small business, how on earth will this government ever understand the issues and challenges that face small business operators on a regular basis?

I would like the Treasurer to assure the residential aged care operators that they will not be facing additional land tax next year. He was vague on this issue, but those residential aged care operators are watching him. They want some certainty, consultation and understanding that they can continue to provide very good businesses well into the future, to have the aged care sector confident so that frail aged Victorians can continue to move into the future with certainty and an understanding that this government will try to support and understand what it means to be a small business in Victoria.

At the moment they are crippling this state, but do not understand that. They have been busily putting on 30 000 additional public servants. Why are they not putting more money towards ensuring that small business in this state does better than it is currently doing? It is a disgrace!

Mr SMITH (Chelsea) — I will start by stating that small business is, in fact, flourishing in Victoria.

Hon. Andrea Coote — Name them.

Mr SMITH — This is evidenced by the fact that employment in the small business sector has gone up by some 13 per cent. I would have thought that was a fair indicator that things are on the up, not on the down — but maybe we are wrong. Given that those opposite claim that we do not know anything about small business, who knows, they might be right and that increase of 13 per cent is not a positive sign at all.

Despite the protestations of Mr Atkinson, who continues to talk down Victoria — not just the government but also business and its prospects — the fact is that small businesses are doing quite well here. I am not suggesting that it is the best time they have ever had, but then we are all suffering to some degree and in some shape or form. That is principally a result of the increase in oil prices that are having an enormous impact, and will have an even bigger impact, on the economy as prices continue to rise and come downstream. We know the impact they are going to have and their flow-on effect. Of course, people having less spending money will have an impact on small business, as sure as night follows day.

One of the things we have done for small business in Victoria that has been of enormous assistance is to create an atmosphere that is conducive to immigration — not just overseas but also interstate. People are actually coming back to Victoria because they know that things are pretty good here. If you are running a small business, there is nothing better than a growing economy, a growing population and people with decent wages. People with spending ability are good for small business; they are good for all businesses.

This leads me to the issue that Mr Atkinson railed about — that is, the increased living standards of workers in this state who happen to work for small business. He is just beside himself with the knowledge that this government has put in place a system that ensures fairness and equity in the workplace. Workers now earn a reasonable income for themselves and their families. I will give a little insight for those opposite in case they do not understand this: the more money people have, the more they have to spend, so they go out and spend that money in other small businesses.

A classic example of this principle can be seen on the Gold Coast. I do not know if any member has recently been to Surfers Paradise or the Gold Coast but last time I was up there — I have a sister who lives on the Gold Coast, and I am very grateful for that — I looked at its industries and wondered, 'What do people do up here? They do not create anything; they do not build anything; they do not make anything'.

An honourable member — Tourism.

Mr SMITH — There is tourism and there is retail — everyone retails. They buy something in one place, they spend their money and they work in another place — a retail shop et cetera. It proves the point that if people are working and have a disposal income, business in general and small business in particular will

benefit. Since 1999 this government has done the things that are necessary to assist in creating an environment in which small business can thrive.

We have heard contributions from members opposite who really just went into the issues concerning big business. I do not know what that had to do with this motion. The Honourable Gordon Rich-Phillips said there is no small business associated with projects like the expansion at Hazelwood or in the power industry generally. What planet is he on? Who does he think provides the maintenance? There used to be a permanent work force there until the former government — this lot opposite — sacked them and contracted them out.

All the small businesses that provide maintenance, food and other supplies are directly linked to big business. Small business ought to be grateful that we are in government, that we understand and are aware of these things. I do not want to talk about their economic credentials and their comments about manufacturing, in particular those by Mr Gordon Rich-Phillips.

Down at Williamstown we used to have a really strong and viable manufacturing sector called shipbuilding. It had world best practice; high-quality warships were produced in a state-of-the art dockyard. What did the opposition, when in government, do? They transferred it to their mates in South Australia. The economic flow-on effect of that decision on Victoria's manufacturing base will be quite significant.

I want to express my confidence in Mr Salteri, who happens to be one of the principal owners of Tenix. He is a young man of enormous capacity and resilience, and I am sure the dockyard, despite attempts to shut it down, will survive. But it is hypocritical in the extreme for them to talk about our attitude towards business.

Last time I looked I did not think it was a Labor government that brought in the GST, which has had and continues to have a massive impact on small business. The house heard contributions to the debate by The Nationals about small business in the bush; their arguments had some validity, but they would know first hand that a lot of those very small businesses are not geared up with computerisation et cetera to handle the impact of the GST, and we have heard complaints from people about the system. So it is a bit rich for members opposite to complain about the way we treat small business or about the systems we have put in place that allow small business to flourish.

I, for one, am not going to cop that without some rebuttal.

We have heard from Mr Atkinson about the polling, or the surveys, that suggest small businesses are just beside themselves with the Bracks government. I would suggest that may have something to do with push polling, who conducts the polls, et cetera.

Hon. B. N. Atkinson interjected.

Mr SMITH — We know that if you want an answer, you ask the question and you will get the answer you want. The fact is, as I said earlier, employment in small business has gone up 13 per cent. That does not sound like a downer to me.

We in Labor are not just extremely pleased with but are proud of what we have done not only for small business but for all those people who work within small business. Bringing them into line with the rest of the country in terms of their wages and conditions is not something we shy away from or think in any way, shape or form was wrong or detrimental. It is silly to say we would do it all again, but we would, and we think small business has benefited from that. I hear comments like, 'All these businesses have closed down; they are uncompetitive; they are not viable any more; they will not open on weekends'. Where are they? I cannot remember the last time I went shopping on a Sunday and could not find a place open.

Hon. B. N. Atkinson — When was the last time you went into the country?

Mr SMITH — I live out in the country, Mr Atkinson. I think to myself, where are all these places that have closed down? I cannot see one. Maybe a panel beater or some business like that is closed on a Sunday, but then again I do not think they would be open on too many Sundays.

Hon. B. N. Atkinson interjected.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! Mr Atkinson has had his turn.

Mr SMITH — I know this sticks in the craw of those opposite, but what better thing could we do than to maintain and ensure Victoria has a AAA rating? What an enormous boost to small business that is! Earlier Mr Viney mentioned that 14 states worldwide have a AAA rating — I may be wrong about the figure, but I think that is what he said — and Victoria is one of them. We cannot be doing too many things wrong if we can maintain that. We know that that AAA rating makes it a lot easier for business in terms of interest rates and loans.

Mr Atkinson also made a puerile attack on Mr Setka and Mr Kingham from the Construction, Forestry, Mining and Energy Union — a couple of gentlemen with whom I have had a bit of experience over the years myself. Mr Atkinson misled the house and said that it would not be so bad if these inspectors that the union movement is putting up were qualified. I say to Mr Atkinson and members opposite that those inspectors are qualified. They have done the appropriate training courses that allow them to meet their obligations under the act to go into places. They are not the only two union officials who are qualified; there are dozens of them.

But at the end of the day, what do they actually do? They make sure people are getting paid the right rates and are living and working in a safe environment so — it is a big-ticket item — they can come to work and go home to their families at night without being injured. What a terrible thing to do! No wonder the opposition hates them. We know the sort of work environments that existed prior to all these changes. If you want to go back in history, we know exactly what the opposition did to working people and their families. I have said this on other occasions and I will say it again: the opposition created the union movement. If people were being looked after in the workplace, if they were being treated fairly, if the environment was safe, unions would not exist because there would be no need for them. I say it again: unions will be here a lot longer than the Liberal Party, The Nationals — —

An honourable member interjected.

Mr SMITH — Given that they are part and parcel of the Labor Party, we will both be around for a long time yet. I make no bones about that. That is our heritage and that is who we are. We are a labour movement and we have wings — a left industrial wing and a right political wing. You need two wings to fly, and we are not walking away from that. We admit we are predominantly determined to look after ordinary working people, but we are smart enough to know that we have to balance and do the right thing by the economy and set legislation in place that is conducive to good business. Witness the outcome of our decision on the Hazelwood power station. It is very good politics — well balanced, well thought out, good for the economy — and it enhances our environmental credentials. We on this side know we did the right thing, don't we!

If I hear one more time about the toxic dump up at the Murray River I am going to gag. Now we are even hearing comments from people in Toorak, but we never hear where they say the waste should go. I have some ideas where it should go, but I keep them to myself. I think it should go to the most logical place. The government is going to do that. We all know that no matter where it goes there is always going to be a group that will scream, 'Not in my backyard!'. While we have toxic substances they have to go somewhere, and I would like to think that we will logically work through exactly where is the best place for them to go.

I will quickly go through what we have done since we came into government in terms of public holidays. We lined them up, consistent across the country. Didn't the opposition bleat about public holidays? Now people have to get paid double time when they work on public holidays. Shame! We are proud of the fact that people in the workplace are getting a fair go, and we are not taking a backward step. We have eased and will continue to ease regulations to free up small business. We have lifted the proportion of business development expenditure for small business to about 70 per cent — or it is now up to about 78 per cent. Our credentials are good.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! The member's time has expired.

Hon. W. R. BAXTER (North Eastern) — The operative words of the motion are that the house 'notes the alarming fall in small business confidence'. If Mr Viney and Mr Smith think everything is hunky-dory and there has not been a fall in business confidence, or worse, if they think the statistics are shonky — a moment ago Mr Smith alleged there was some push-polling — they ought to get out into the community and listen to what small business is saying.

I certainly find the decline in confidence to be most evident when I go down Melville Street, Numurkah. I observe it in Punt Road, Cobram. I sense it in Main Street, Rutherglen. I detect it in Hanson Street, Corryong, and I hear it in Blake Street, Nathalia. In every main street in every main town that I walk up I get the same song from small business — that is, 'When are you going to get rid of this mob? They are crucifying us'. That is why the statistics show there has been a decline in small business confidence throughout the state. Small business thinks it is the meat in the sandwich. They know they are very significant generators of employment in this state, yet all they hear from the Treasurer, other ministers and members of the government, as we have heard today, is much praise for their attracting large investments in this state from very big companies — but small business provides 80 per cent of the jobs in Victoria.

Small business thinks it is under-represented in this government and in the cabinet. It thinks it gets lumbered with ministers well down in the pecking order. It got the Honourable Marsha Thomson as minister to begin with, yet she has come from the trade union movement. When she went around to small business functions in the electorate she showed no rapport whatsoever with her constituents in terms of her ministerial responsibility. Now it has got Minister Haermeyer in the other place, who has been shunted off to the small business portfolio because he was a failure in the police and emergency services portfolio.

Hon. B. N. Atkinson interjected.

Hon. W. R. BAXTER — That is right, Mr Atkinson! They say, 'What did we do to deserve getting the rejects?'. This is why confidence is dropping, as is seen in the statistics today. Wherever I go small businesspeople say to me they are drowning in red tape. They need a licence for absolutely every activity they undertake, no matter how minor. They feel they are being suffocated and forced out of business by rising fees and costs.

Fees are indexed on 1 July every year anyway but many of the charges are rising even faster than that by other step-ups. They feel affronted and seriously affected by the common-rule legislation that went through this Parliament. It was opposed and defeated in the previous Parliament but once Labor got control of this chamber, what was the first thing it did? It forced through the common rule, which is affecting small businesses right throughout regional Victoria. I daresay it is happening in the suburbs as well.

Mr Smith interjected.

Hon. W. R. BAXTER — It is all right for Mr Smith to say he has not found any small businesses that are now not open on Sunday but which were previously open on Sundays. I say he has not visited northern Victoria very much and I daresay he has not actually gone out to find out whether that is so. If he did move about the streets of our country towns, he would see notices on windows which say, 'We are no longer trading on Sundays because of changes to the law'. Only last week or so the fire services levy again increased. All these costs are being imposed on small business.

To turn to specific examples, I want to talk about the aquaculture industry. It is an emerging business in Victoria and is one which the state government should be encouraging because potentially it has an extraordinarily good future as people move more towards healthier eating, perhaps going more towards organics. That small business is being kicked in the guts by this government through its imposition of costs small businesses cannot sustain. I will give the house a couple of examples. A trout farm owner in Mr Mitchell's electorate but not far from mine writes that his agriculture licence in 2001 was $261. In 2004 it had risen to $723. That is an extraordinary increase. Similarly his Environment Protection Authority licence had risen over the same period of time from $512 to $706.10. That is not quite such a steep rise, but nevertheless in a short period of four years it is a significant rise. This is a plaintive plea from the small business operator:

> As you can appreciate we cannot keep funding this business at the increased running costs. Small business should be encouraged and not put out of business because of government fees.

What a cry from the heart that is! That small business is being forced out by the increase in fees.

I continue on the theme of examples in the aquaculture industry with one from my electorate. His letter says:

> As a small aquaculture operator I submitted —

and he is referring to a regulatory impact study that had been taken on —

> that it was totally unreasonable for a business such as mine producing less than 10 tons of product per year to pay a fee of over $600 (as well as charges for audits) —

and I agree with him. He then goes on to say:

> I am well aware that the activities of PrimeSafe as they apply to seafood are now fully funded by the licence fees paid by participants in the industry and yet PrimeSafe has total say as to what level of activity they maintain within the sector and can charge industry accordingly.

In other words, despite the fact that these fees are allegedly recovering costs, the actual payers of the fees appear to have no say in the level of activity that generates those costs. The aquaculture operator gives an example:

> I give you the example of a forthcoming visit that I have from one of your officers. He was at my property some months ago and agreed at that time that I was compliant with all the requirements of PrimeSafe and was ready for an audit (which is due by the end of 2005). He has now telephoned me —

this letter is dated 29 June —

> and insisted on another visit … This is clearly a case of making the job fit the time available as by his own admission there is no food safety requirement for his visit. Ultimately

> this visit will be charged back to industry through … licence fees.

And the writer says:

> Where is the accountability?

What a good question! No wonder confidence is dropping in small business. He then went on to say that as a result of the review of PrimeSafe fees a press release was issued that said there had been a 23 per cent reduction in fees for wild catch and aquaculture businesses. He asks how that can possibly be correct and honest when his fees have increased from $600 in 2004–05 to $629 in 2005–06. Again I say to him that I have the greatest amount of sympathy because I think he is really being assailed.

But worse than that, he got a one-paragraph letter back in response to his two pages of very cogently argued material and some very fair questions that he had asked. The reply says:

> All submissions concerning the review of PrimeSafe licence fees were considered as part of the comprehensive review of licence fees undertaken by PrimeSafe. Attached, for information, is a copy of the media release that highlights the outcomes of the licence fee review.

I referred to that media release in my earlier quote in which it was claimed the fees had gone down by 23 per cent. There is no date on the media release, but what a disgrace it is that a small businessman, after writing in with a well-argued case, gets a one-paragraph letter back which does not address the issues he raised at all. No wonder confidence is declining among small businessmen that this government has any sympathy for them whatsoever.

To see that we have only to look at a specific example, the Wodonga rail crossing. For years and years there has been talk about moving it. The previous Kennett government produced the money and put it on the table to move that railway line, but unfortunately the government changed. This government has had five years to get on with the job and nothing has happened. It is a project the government has not delivered, yet that railway line remaining in the main street of Wodonga is hindering 50 or 60 small businesses whose development, expansion and survival are affected by the fact that there is a planning blight throughout the area. There is a hiatus on development, and no-one can have the confidence to move forward and refurbish their premises until they know that that railway line is actually going to be shifted. That is yet another example of how this government is simply not responding to the needs of small business, that it cannot get the picture and so on.

I could go on at length and talk about what government is doing on land tax, for example, with family trusts. I have a constituent, a small operator, who happens to own — and his family has owned since the 1930s — two rental apartments in a family trust structure. This government has now said that simply because the property is owned in a family trust structure his land tax is going to rise by several thousand dollars. How can that small businessman have confidence? He certainly cannot.

We have the grab for cash coming from the State Revenue Office in terms of vendor term contracts, where it was proposing to charge duty on the interest component. Fortunately I have made representations on that. I received a letter back from the Treasurer in which, while it is a little confusingly worded, I think he acknowledges that that was a blue and the government would not go ahead with it. Perhaps it is a small victory, but it is yet another illustration of how this government, when it comes down to caring for and making small business an environment where people can survive and thrive, has no understanding at all.

I want to leave some time for my colleague Mr Drum to make a contribution, particularly in respect of his electorate, but let me say that I think Mr Atkinson has done the house a service today in enabling us to bring to the house some of the glaring anomalies in this government's policy as it relates to small business.

Hon. R. G. MITCHELL (Central Highlands) — I rise to speak against this motion. I believe that, despite all the rhetoric and the talking down that the opposition does, Victoria's small businesses are in good shape. They are working, developing and expanding, and they do that with the confidence of knowing that they have a state government that backs them 100 per cent and supports them all the way.

We have over 300 000 small businesses in Victoria that have fewer than 20 employees. That is about 90 per cent of the businesses that are around, and they employ 811 000 people in jobs that are spread across all industries. Today we have seen that opposition members will selectively pick little bits and pieces, because that is all they can do. But when opposition members talk about the entire small business sector — including property, business services, retail sales, construction, owner-drivers in transport companies or panel beaters — they do not talk about the whole sector because they know they would be shot if they did. They have nothing positive to say, and they cannot condemn a government that is doing the right thing and looking after businesses across the state. It would be an embarrassment, not that what they have said today is

not an embarrassment to them. I am sure they will be very sad when they read their words and realise just how far out of whack they really are.

We have heard about regional Victoria, which has done extremely well under this government. In fact regional Victoria is growing at a great rate of knots on the positive side, which is unlike the time when opposition members were in government. They cut the guts out of Victoria, ripped its heart out and called regional Victoria the toenails of the state. Jobs are going everywhere across the state, and we have a problem with skills shortages. Business is booming, Victoria is booming, and it is all because of the work done by this government and the former Minister for Small Business and the continuation of that work being done by the present Minister for Small Business.

From the non-intellectual giants on the other side we have heard that Labor Party ministers have no idea about small business. Members of the opposition do not have a clue. It is interesting to hear it coming from someone who sat here on softened cushions for 35 years but who did not understand what business is about. Our Minister for Small Business has been out there, has worked in and managed small businesses, has an understanding of them and is passionate about them. Unfortunately those on the other side cannot see that.

The most important factor we have to promote a thriving small business sector is to get the fundamentals right. In particular we need to make sure we have an innovative and vibrant economy. As I said, since coming to office in 1999 this government has ensured that there has been strong growth in the economy, strong growth in employment and investment in the population, and that is confirmed by Moody's and Standard and Poor's AAA credit ratings which Victoria has held since this government has been in office. That shows that what this government is doing is right. We are right first time, and we are continuing on the right track.

Today members have heard a lot about the Sensis survey. As usual, those on the other side have been selective in what they have said, as they are in what they do. Point 16 of the survey, referring to small and medium enterprises (SMEs) states:

> The key reasons given for SMEs believing that the federal government's policies were working against them were the amount of bureaucracy and red tape, and the belief that the federal government was only concerned with big business.

That is the opposite of what those on the other side are trying to preach. It is actually the federal government's policies that are causing small businesses grief.

Hon. B. N. Atkinson interjected.

Hon. R. G. MITCHELL — As it says, because of the red tape. Small businesses have to spend many thousands of dollars to fill in a business activity statement. When the GST was introduced, it caused a massive problem to small businesses. I read on page 13 of the *Age* of 6 September — —

Hon. B. N. Atkinson — You don't read the *Age*!

Hon. R. G. MITCHELL — Not very often. The article is headed 'The cost of hiring and firing', with the subheading 'Only 6000 jobs would be created by the IR changes, not 77 000' — which is what the federal government peddles about what it plans to do. The article states that:

> The survey covered 1800 small and medium enterprises from the Sensis business index …

It goes on to say that the:

> … task was to estimate the employment impact.

And further:

> If enterprises with fewer than 100 employees account for 51 per cent of total employment then the employment impact of the proposed unfair dismissal changes would be to create about 6000 jobs.

People in small business are again concerned and worried about the exaggeration of things by the federal government. The proposed industrial relations changes are basically a Third World employment exercise. Members of the federal government have only one thought and that is that they can drive up business by driving down wages. Anyone with a quarter of a brain — which might include Mr Atkinson — would know that if people have money — —

Ms Hadden interjected.

Hon. R. G. MITCHELL — It certainly would not include Ms Hadden. People know that if people have money they spend it and that generates employment and income.

Earlier I listened to Mrs Coote, who I usually find to be pretty normal but today she was way off the mark. She complained about the Treasurer suggesting that we should collect revenue. Is that not amazing? Mrs Coote was part of a government which ripped the heart out of every Victorian and sold off all our assets to build a massive surplus — for what? It was a bit like a phallic symbol, I suppose, but at the expense of Victoria and its small businesses it took and took and took and drove down Victoria. We hear it even today, in the constant

carping and whining from those opposite who are still talking down Victoria. One would think that after sitting in opposition for six years members opposite would learn that Victorians like positives. They like to grow, they like investment and obviously they like the Bracks government. That is why we are where we are.

Mr Bishop talked down Victoria with constant scaremongering. He said that he and his colleagues supported the area of Mildura. What he failed to inform the house or his electorate of was that he directly cost jobs and investment by doing shonky little deals which saw the end of efficient and safe rail freight and passenger services to Mildura. Now that people can see how bad he really was he has cut and run. That is why he has pulled the pin and announced his retirement — because he does not have the audacity to face the electorate.

With those few words, this motion should not be agreed to. It is a silly motion and a waste of time. It has been prepared by people who obviously do not have anything better to do than sit around framing silly little motions. They are afraid to go out and meet their constituents and work in their electorates.

Hon. D. K. DRUM (North Western) — I take great pleasure in rising today. The motion makes us all acutely aware, and it certainly reinforces in my mind why I sit on this side of this chamber. The ideas and philosophies associated with how we best kick-start the economy and engage people in gainful employment and in a sense generate and stoke up the economy have to be based on business-friendly policies. It is very hard to sit here and listen to people who have had nothing to do with small business talking about small business.

Hon. R. G. Mitchell — Like who?

Hon. D. K. DRUM — Like yourself, Mr Mitchell.

Hon. R. G. Mitchell interjected.

Hon. D. K. DRUM — Mr Mitchell can come up with a whole lot of rhetoric, but those people who have — —

Mr Viney interjected.

Hon. D. K. DRUM — Mr Viney, I also have run a small business — for some seven years.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! Mr Drum through the Chair and without assistance.

Hon. D. K. DRUM — It is interesting that you talk about having a successful small business. When we first started off in business it was anything but successful. In order to understand you need to be in the situation every evening of sitting at the table trying to work out how you are going to pay your bills. It is a very hard life out there because a lot of people have their houses linked to their businesses. The only way to get the money to purchase a small business is to mortgage your house against the small business. You have to take that leap of faith to do that and work exceptionally hard to make sure that you can make the repayments.

We need governments whose members understand what people in the small business world out there are going through. We need governments whose members understand the heartache and heartbreak of people in small business when they find out that they have employed the wrong person, that they have made a mistake and employed a person who is clearly unsuitable to their business. In the current environment all our small employers are stuck with the wrong people. They are either too scared to get rid of them or operate in an environment where they are unable to get rid of people who are clearly unsuited to the task for which they are employed. We need people who understand the impost of having authorised officers walk onto premises with the ability to shut down a business on a suspicion or whim. Again, that is the environment set up in Victoria by this government. It is very tough on our small business owners when people stand up here and talk but do not understand how small businesses operate and the pressures and threats that they constantly work under.

The motion refers to current confidence levels. It is impossible for members not to agree to the motion because if members go out there and talk to people they will understand that people are threatened by the red tape and a lack of confidence. There is a genuine lack of confidence which permeates the industry from one business to another. It is not something that you can automatically or artificially put in place or take away. It is either there or it is not. At the moment the confidence levels are down. We need to understand that and we need the government to take steps to ensure that that confidence can be renewed and invigorated. We need to take note of reports and not try to pick the eyes out of them. For example, reports on the tourism industry mention that confidence levels are down. They indicate that the costs associated with employing people in that industry have risen and profits are down. They are the facts.

Members need to understand that two and a half years ago the government ripped $150 million out of

employment programs that would have created a better educated and more qualified work force had we been able to stick with the programs that we then had. Of the $50 million or $60 million that was left, $8.8 million is still unspent. Even though the government left the employment programs as only a shell of what they were previously, not all of even that small amount of money has been spent.

It is great to see Mr McQuilten in here because I know that he has experienced both the highs and lows associated with small business. If members want to talk to someone about small business they can talk to Mr McQuilten, because he understands what people are going through out there in the real world.

Hon. David Koch — One of only a handful.

Hon. D. K. DRUM — He is, Mr Koch, one of a handful who can understand the pressures of people in the real world.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! The member's time has expired.

Ms HADDEN (Ballarat) — First of all I will place on the record that I wholeheartedly support the motion before the house, because it spells out the dire situation faced by small businesses in Victoria, especially in country Victoria. I have heard the contributions from the government members in this place, and it amazes me that they have no idea. They are clueless, and they ought to get out into the real world. One of their own, a country Labor executive member, has been writing letters to the Ballarat *Courier* in recent weeks. A letter of 30 August damns and slams the Australian Workers Union (AWU), which probably should be called the Un-Australian Workers Union, for delivering Australia's lowest paid and most disadvantaged workers. All it has done is dish up mediocre shoo-ins, such as Bill Shorten, who was anointed for preselection by the powerbrokers.

A second letter to the editor also slams the AWU, saying it has done nothing for the low-paid workers of this state and this country, that all it has done as the most compliant right-wing union is set the benchmark for low wages and poor conditions in this country and look after its AWU predecessors, such as Bill Shorten, whose mediocre union career is merely a stepping stone to a mediocre political career, like those of the other Labor Party hacks in this government. I have offered to give copies of both letters to Mr Shorten. I am waiting for him to contact me and ask for them, because I certainly think he needs to understand what people in my electorate of Ballarat think of the AWU and its representation of low-paid workers.

Small business is suffering across metropolitan Melbourne and in country Victoria. Small business is indeed the engine room of economic activity in this state — I agree with Mr Viney on that — but it is suffering. On 17 August we had in this place a government business debate on country taxi services and the terrible plight they are suffering because of the lack of parity and equity in subsidies and assistance from this so-called Labor government. What did the government do? Two weeks later it issued a press release saying it would have a review. That is great! That is wonderful!

Then we had another press release issued on 30 August announcing the giving of $400 000 to the Active Cabbies Moving People project. But it is not for country taxis, it is for the cabbies and taxi drivers at Melbourne Airport. It is to encourage them to walk and to undertake physical activities while at the taxi holding area. It is to give them recreational and volunteer opportunities and information on healthy eating and physical activities. I received a number of complaints and emails from country taxi services saying, 'This is a joke'. In fact it is so serious it is not a joke. If that amount of money were allocated to country taxi services by way of increasing equality and parity in subsidies from this government, country taxi services would not be in the dire situation they are in today.

Small businesses in this state are drowning in red tape. That is clear every day — and it is made clear to country members every day. It is certainly made clear to the government, but the Bracks Labor government, especially the Treasurer, listens with earmuffs on. It is not only government red tape that is the problem, it is the annual indexing of fees and charges that was brought in by this Labor government. Victoria, especially country Victoria, is not a place to live, work and raise a family under the Bracks city-centric government policies.

Earlier we heard from the Honourable Bruce Atkinson, the proponent of this motion, that the Sensis figures show business confidence in Victoria has actually dropped 30 points in the last 12 months. Ours is one of the lowest levels, showing that business confidence in this state has declined and is not improving. I heard Mr Smith say he goes shopping on Sundays and does not find any businesses suffering or closed. I invite him to come to Ballarat, Clunes, Creswick, Daylesford, Beaufort and all the other small towns in my electorate, and I will show him empty shops. I will show him businesses that are closed. He might like to speak to his

Labor colleague Mr McQuilten about the businesses that could not survive and have closed in Maryborough under the Bracks Labor government.

Greens Bakery and Gillies pie shop in Ballarat have closed. The bakery in Clunes closed even though it had no competition; it was the only bakery in Clunes. The husband and wife team built the premises two and a half years ago at enormous cost, but they have had to close their doors. Another business called Bohemia had to close its doors in Creswick and Clunes.

Food cafes across my electorate of Ballarat and all the country towns around the place close on public holidays; they cannot afford to stay open and pay the high utility fees and charges, and they cannot afford to pay wages. They also close when the proprietor is on holidays. A longstanding, popular, highly respected and renowned pottery and exhibition gallery in Creswick closed for seven weeks while the operator was ill and on holiday. They could not afford to put a replacement into the business.

Another example is the importing of skilled labour into Maxitrans in Ballarat. It proposes to employ skilled Chinese labourers— it has about 28 at the moment. I have no complaint with Chinese people, and no complaint with Chinese skilled labourers, but unemployed people in Ballarat were knocked back to bring skilled labourers into Maxitrans. There will be 40 people employed, and who supported them? The federal Labor member, Catherine King, as did the Ballarat Trades Hall. There was not one criticism of the fact that there were unemployed skilled people in Ballarat ready to pick up those 40 welding jobs. The Australian Workers Union was missing in action, no doubt on the golf course with Mr Smith.

I had to look up the government's media releases about the small business commissioner because I had not heard of him before. I wondered what sort of impact he was making. The Minister for Small Business in the other place, who is the former Minister for Police and Emergency Services, André Haermeyer, announced the third anniversary of the small business commissioner with big balloons and press releases.

Although he has been in this state for three years, I have neither seen nor heard of him. His name is Mark Brennan, and he has just been reappointed for a further three years. I was really interested in the aim of the Office of the Small Business Commissioner because I wanted to know what it was doing for country taxis and all the small businesses that cannot afford to operate under the regime of the Bracks Labor government.

According to Mr Haermeyer's press release of 2 May, the aim of the small business commission is to:

> … enhance a competitive and fair operating environment for small business.

I would like to know where that is, and what the commission is doing to implement its aim. This is the doozey of all doozeys. Minister Haermeyer says that:

> … over the coming year the small business commissioner's office will be working with Victorian government departments —

that is, Labor government departments —

> to develop small business service charters aimed at improving the quality of service to small business by government.

I thought that sounded a bit strange. Why would you want to spend money on that when you have small, private businesses that need the government's assistance? A headline in the *Herald Sun* of 22 June states:

> Payback. The Bracks government owes small business up to $2.6 billion, but fines you if you're late.

So it is probably appropriate that Minister Haermeyer wants the small business commissioner to work at improving relationships, but perhaps it should try paying its bills first so that small businesses are not forced to close their doors.

I could talk on this subject for another hour, although I know I will not get that time. I acknowledge and thank the good graces of the Liberal Party and The Nationals in this place for giving me time to speak today, because due to the Bracks Labor government's definition of democracy, I as an Independent member have no speaking rights in this place. I am not a member of a political party and my speaking rights are nil on this very important opposition business program on a Wednesday. The people of Victoria need to know that. They need to know that the Bracks Labor government is in fact Big Brother, and is not interested in the democratic operations of government.

Hon. R. G. Mitchell — On a point of order, Acting President, we know that lead speakers have an opportunity to be broad in their statements, but the member should be brought back to the motion; she should discuss only the motion.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! There is no point of order. Ms Hadden, to complete her contribution.

Ms HADDEN — Of course, that was a ploy by Mr Mitchell. He has nothing else to offer this place but makes a useless and unsupported point of order.

Another issue impacting on small business in this state is land tax and the greedy grab by the Treasurer on trusts. I received numerous letters of complaint saying, 'Get rid of this lot. They do not know what they are doing'. How many members sitting on the little couches opposite, or on my left, and in the lower house have run a small business? I can count five. The rest are Labor Party hacks who have not had real jobs. They know nothing; they are clueless.

Ms Carbines — I was a schoolteacher. Isn't that a real job?

Ms HADDEN — Schoolteachers do not run a small business, they are employees. The land tax grab is cruel, heartless and unnecessary. It is clearly designed to shore up this government's coffers for the next election in 2006.

Hon. R. G. Mitchell interjected.

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! The interjections are totally unacceptable. Ms Hadden has the right to be heard in this place, and I ask government members to show her the respect she deserves.

Ms HADDEN — Thank you very much, Acting President. I will pick up the useless interjection from Mr Mitchell. I have run a small business. He ought to try reading the member's book, although he might have to have it read to him! I have run a small business. I was a sole practitioner and ran my own business for eight years.

Back in April the Victorian Automobile Chamber of Commerce (VACC) called for an immediate reduction to the top level of land tax, from 4 per cent to 2 per cent, to save the closure of many small businesses. A good example of the impost of land tax in this state by the Treasurer is the huge increase in land taxes in regional areas. The VACC very thoroughly assessed its survey and found that land tax paid by its members has increased by as much as 900 per cent during the term of the Bracks Labor government. It showed in a table that the percentage increase in regional areas on a year-by-year basis for 51 respondents who have paid land tax consecutively from 2001 to 2005 was 227.5 per cent. It rose by 145.5 per cent in metropolitan areas in the same period. Clearly there is an inequity between what this government rips out of the heart of country Victoria and what it rips out of the heart of Melbourne metropolitan areas.

There are many other issues but in the few seconds I have remaining I will touch on the stamp duty levy on insurance policies, which is another onerous impost on country property owners. It is a tax on a tax on a tax because stamp duty is merely one of three taxes on a basic insurance premium on a property. There is the fire levy, then the Treasurer's stamp duty and then the federal government's GST. Of course, the GST was meant to replace state taxes. It has not done that because the Treasurer has done his damnedest to hit small business left, right and centre with every feasible, possible and unthinkable fee and charge, which he then indexes and increases annually.

This government is heartless. It has no idea on small business in country Victoria. I ask that government members get their heads out of the sand, out of the golf course and out of anywhere else they have them and actually look at country Victoria and country towns to see the terrible plight they are in because their small businesses are suffering. Businesses are closing and cannot afford to employ people. You will find a husband and wife team are working in their own businesses — —

The ACTING PRESIDENT (Hon. J. G. Hilton) — Order! The member's time has expired.

Hon. B. N. ATKINSON (Koonung) — This has been an interesting and predictable debate given the position taken by the government. I think it has taken a head-in-the-sand attitude. Apparently there is a belief by government members that small business is in good shape, that government policies are delivering for small business and that for those who fail it is simply their own fault. That is what Mr Smith said directly. Mr Smith actually said that if businesses failed — businesses like the Clunes bakery, which had to close its doors after investing considerable amounts of money — it was because the operators were poor business people, that it had absolutely nothing to do with government policies. Mr Smith went on to suggest that a lot of the material I relied on in my speech, and the material other members drew on in their speeches today, was a situation of push polling. That is an extraordinary statement to make in the context of this debate. It reflects very badly — —

Mr Smith — I'm full of them.

Hon. B. N. ATKINSON — You are full of it, not just full of them! Mr Smith reflected on Sensis. That organisation conducts one of the most reputable surveys, which has been in place for over 10 years. The government itself has relied on Sensis to extol the

glories of its policies in the past, yet now we have government members, and particularly Mr Smith, turning on it and suggesting it is really only push polling and that the results are not right.

Other members have suggested that there is some good news in this and that I was perhaps a bit selective in the figures that I took. First of all, there is a limited amount of time available. Secondly, I do not need to be selective, because what I quoted were surveys from four key organisations. Sensis was one of them, the Victorian Tourism Industry Council was another, the Victorian Employers Chamber of Commerce and Industry was a third, and the fourth one was Engineers Australia. Whilst government members might try and find a statistic somewhere in any one of those four reports that they can fly with, together with one of Mr Smith's two wings, the reality is that the sum total of those four reports shows declining business confidence and that the trends are poor. One government member suggested that with the Sensis survey we are only talking about one quarter, but we are talking about four consecutive quarters of declining business confidence. The result of August 2005 over August 2004 is an alarming statistic.

The government relied on historic information on how good its policies are. It quoted big investment in Victoria but ignored small business, which is at the heart of the motion. The government claimed credit for things that the Kennett government put in place, like the AAA rating. It is interesting to note that people started coming back to Victoria — in other words, the interstate migration from Victoria stopped in the last days of the Kennett government and people started to come back because there were opportunities. Do not rely — —

Honourable members interjecting.

Hon. B. N. ATKINSON — Members opposite can laugh, but they should look at the statistics, because the statistics are there and have been acknowledged in the past. If the government continues to rely on that statistic alone as a measure of how well it is going, then just watch this space, because its small business policies are driving small businesses and jobs out of Victoria and we will see a return to the interstate migration of Victorians to Queensland, New South Wales, Western Australia and other states into the future. This government needs to urgently appraise and change its policies, particularly in areas like taxation and levies, especially land tax.

The land tax burden is simply the last straw that is breaking the back of small business in this state. It is forcing businesses to close or to curtail their employment levels — to sack people so they can pay their land tax bills. Government members may well think this is an exaggeration, but as a number of members on this side have indicated, members like Mr Smith ought to leave Chelsea for a day and visit country areas, other parts of the metropolitan area or regional centres like Geelong and Ballarat to see just how much small business is suffering. One discussion with any small business person along any main street, as Mr Baxter suggested, will show why small business confidence has plummeted under this government.

House divided on motion:

Ayes, 19

Atkinson, Mr	Hadden, Ms
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr (*Teller*)
Davis, Mr P. R.	Vogels, Mr (*Teller*)
Drum, Mr	

Noes, 23

Argondizzo, Ms	Mikakos, Ms
Broad, Ms	Mitchell, Mr
Buckingham, Mrs	Nguyen, Mr
Carbines, Ms	Pullen, Mr
Darveniza, Ms	Romanes, Ms
Eren, Mr	Scheffer, Mr (*Teller*)
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr (*Teller*)
Madden, Mr	

Motion negatived.

Sitting suspended 1.04 p.m. until 2.08 p.m.

QUESTIONS WITHOUT NOTICE

Hospitals: risk management

Hon. D. McL. DAVIS (East Yarra) — My question is to the Minister for Finance. I refer the minister to his responsibility for clinical risk management frameworks, as outlined in the Victorian Managed Insurance Authority annual report 2003–04. Has the minister and/or VMIA undertaken an examination or risk analysis in the light of the Morris and Forster inquiries in Queensland?

Mr LENDERS (Minister for Finance) — I always welcome questions in this house, and I think question time is one of the great things about Parliament, but I am also always amazed by Mr Davis's constant questions regarding the health portfolio to me as Minister for Finance. Yes, the Victorian Managed Insurance Authority does do work for government agencies, including the Department of Human Services, as it advises government departments on risk assessment — that is a critical part of its job — but the responsibility for commissioning, receiving and acting on any of that work is that of the Minister for Health in the Legislative Assembly. I know Mr Davis may not have much regard for the capacities of the member for Caulfield in the other place, who represents his party in that house. I will happily take the question on notice for the Minister for Health, or perhaps Mr Davis could ask the member for Caulfield to ask the question of the appropriate minister in the appropriate house.

Hon. D. McL. Davis — On a point of order, President, I asked the minister specifically whether he or the VMIA had undertaken an examination or risk analysis. It is a simple question about — —

An honourable member interjected.

Hon. D. McL. Davis — The VMIA is an authority that he is responsible for. It is a significant part of my question, and I again ask him to look into this issue of whether the VMIA has undertaken any analysis.

The PRESIDENT — Order! Mr Davis has asked the minister a question about clinical risk relating to the Queensland inquiries and the Victorian Managed Insurance Authority. The minister has indicated that that is the responsibility of a minister in another place and has responded to the question. If the member does not like the minister's answer, there is nothing the Chair can do about it, but the minister has answered the question and now the member has the opportunity to ask a supplementary question.

Supplementary question

Hon. D. McL. DAVIS (East Yarra) — President, I seek guidance then on the matter of the Victorian Managed Insurance Authority. To whom I should direct questions in the future?

Honourable members interjecting.

The PRESIDENT — Order! I need to know from Mr Davis whether that is the supplementary question to the minister? I cannot answer the minister's question, it is up to the minister. Is that the member's supplementary question?

Hon. D. McL. DAVIS — Yes.

Mr LENDERS (Minister for Finance) — It is one of the more convoluted supplementary questions I have received, but I will answer it in the spirit it was intended.

The Victorian Managed Insurance Authority, as Mr Davis well knows, is a body that administers approximately half a billion dollars worth of assets and a lot of that is insured risk, and it is the capital invested in that to deal with issues. It also provides risk mitigation advice to government. The issues regarding the VMIA about its performance in how it is travelling with its assets, its provisioning and those type of issues are appropriately issues for the Minister for Finance to answer. As to issues, though, regarding work commissioned by other departments from the VMIA as an agent that works for departments on risk mitigation assessments, I suggest to Mr Davis that where a department has sought from the VMIA its services on a risk mitigation assessment, as to the results of those services it is more appropriate to ask the minister who commissioned that, which in this case is the Minister for Health.

Aboriginals: education assistance

Mr VINEY (Chelsea) — My question is to the Minister for Aboriginal Affairs. Can the minister inform the house on the way in which the Bracks government is assisting Victoria's indigenous youth to achieve their aspirations in education.

Mr GAVIN JENNINGS (Minister for Aboriginal Affairs) — I thank Mr Viney for his concern about the wellbeing of this and future generations of Aboriginal young people who are striving to achieve their full potential and to deliver outcomes for their community as being those exemplars of outstanding achievement so that others may follow in their footsteps and be encouraged to participate fully in the education process and can fully participate in community life. It is a major challenge confronting Aboriginal young people right around this nation, and certainly in Victoria it continues to be a challenge.

The Victorian government recognises the need for us to provide that degree of support. We do it in a range of ways. Previously I have discussed before the house a range of programs that we support. For example, there is the youth leadership project that has been run out of the Victorian Aboriginal Community Service Association in conjunction with Royal Melbourne Institute of Technology. A number of young leaders have gone through that program and learnt how to

analyse and how to participate in governance of community organisations. As a result of that program we have some outstanding young Aboriginal leaders right throughout Victoria.

I want to highlight two of those leaders today in the context of the Ricci Marks award that was recently announced, which provided a $5000 bursary to two outstanding Aboriginal students in the tertiary sector for their great achievement both in terms of academic achievement and participation in community life. Those two indigenous winners of the Ricci Marks award this year are 21-year-old Joleen Ryan of Geelong and 20-year-old Nayuka Hood from Carlton. They are both outstanding young women who have achieved great things.

Joleen Ryan, for instance, has had a book published by Random House titled *Urgent*, which is about young people in the Aboriginal community and their experiences of cultural identity and confidence building in their lives. It is a very successful published piece of work. Joleen has been the youngest and the first Aboriginal person to be elected president of the Deakin University students association. She has made an outstanding contribution to community life through her participation in the indigenous family violence task force. Joleen is a young person 'who has actually travelled the distance with that task force, taking on board community aspirations for dealing with and addressing the question of family violence — it is a body of work and commitment that is shining through. Joleen is continuing with her studies at Deakin University at this moment and will graduate as a social worker in the near future.

Nayuka Hood has in some ways a parallel experience of community activism and outstanding educational attainment. Nayuka continues to undertake her bachelor of arts studies at Melbourne University. She is a part-time caregiver at MacKillop Family Group Homes, continues to work within community organisations in Aboriginal health in particular, and was chosen by the Department for Victorian Communities to represent indigenous communities at an international forum on youth leadership that was held in Berlin earlier this year, where she shared with that international forum the experience of indigenous communities and young people's experience within the Victorian and Australian context. That was an outstanding body of work and commitment to community life.

Those two young women are exemplars to their community. We hope the assistance provided by the Bracks government — they will be provided with $5000 — will help them in their further education and community life, which will hold them in good stead in achieving their great potential in their own names and in the names of their families and their community.

Information and communications technology: SmartONE

Hon. W. A. LOVELL (North Eastern) — I direct my question without notice to the Minister for Information and Communication Technology. I refer the minister to the government's SmartONE partnership with Telstra, as announced in this year's budget. Can the minister guarantee that the SmartONE network, when it is complete, will be a declared service within the next five years?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — I am not quite sure what the member is trying to get at with her question. SmartONE is an initiative undertaken under the telecommunications purchasing and management strategy (TPAMS) contracts that have been arranged to provide services to the government.

They have provided and will provide to the government extraordinary outcomes, such as the rollout of infrastructure being provided beyond the expectation of the project, an investment by telecommunication companies, not only Telstra but also Optus, and savings to government in telecommunications costs. It is the cost reductions we are receiving out of the contractual arrangements that we have entered into that have enabled the government to put more money behind services to schools to enable them to buy greater bandwidth from our telecommunications provider for data, which in this instance is Telstra. I stipulate now that we will not own that infrastructure. It is Telstra's infrastructure. We do not own it. What we are doing is purchasing services from Telstra, like you do with your home telephone. What we are purchasing for our schools is 4 megabytes of services. We are buying services, not buying infrastructure.

Supplementary question

Hon. W. A. LOVELL (North Eastern) — Can the minister confirm that Telstra has made commitments to the government to provide satisfactory, competitive and reliable access to its competitors to the SmartONE network, particularly in regional Victoria, and say whether she has consulted with the telecommunications regulators on the issue?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — As I have already indicated in relation to our arrangements with

telecommunications purchasing, we are buying services for that. Telstra has undertaken that it will meet our service requirements. That has meant it will need to rollout additional infrastructure of varying kinds, some which will be digital subscriber line, or DSL, upgrades and some of which will be the rollout of fibre. That will depend on the orders put in by departments. I am pleased to say that now all agencies from the TPAMS first tranche have put in their orders for the purchases of mobile, voice and data, and their services will be provided by the telecommunications companies that have won the tenders in relation to those services. That means Telstra for data — —

The PRESIDENT — Order! The minister's time has expired.

Housing Week: scholarships

Hon. J. G. HILTON (Western Port) — My question is addressed to the Minister for Housing, Ms Broad. Can the minister inform the house of plans for Housing Week 2005 and any initiatives the Bracks government has for supporting young people?

Ms BROAD (Minister for Housing) — I thank the member for his question and his support for Housing Week, which is a significant opportunity for members of the community to acknowledge and celebrate the contribution social housing tenants make to Victoria. This year Housing Week will be held from 6 to 12 November. It is an event that I know at least all government members would encourage local groups to participate in. The member also asked about initiatives the Bracks government has for supporting young people. The Bracks government is working to help build a better future for all young Victorians.

Last year I was very pleased to launch a new initiative for Housing Week — scholarships designed to support young people who live in public housing, and especially to help them succeed at school. The scholarships recognise the importance of a decent education and the positive lifelong benefits it brings as well as the need to provide our young people in low-income families with improved access to education. Following the success of Housing Week last year, the scholarships are again being offered this year, with applications to be invited this month. The initiative will provide 35 scholarships of $1000 each across the state to assist students who will be studying years 11 and 12, or the TAFE equivalent, to remain at school or TAFE to complete their education. These scholarships are available to students under 18 years of age who will be enrolled in Victorian government schools, who live in public or community-managed housing or who are at risk of becoming homeless.

Victorian government schools and TAFE colleges have been invited to nominate eligible students who may benefit from these extra resources for education-related expenses. Last year the successful applicants used the funding to help them with a range of direct practical expenses associated with their education, including computer and technical equipment, books, art supplies, clothing and other very necessary materials required for the completion of their education. I am pleased to say that again this initiative is being administered by the Education Foundation, a not-for-profit, non-government organisation with a great deal of experience in administering scholarship programs. I am also pleased to say that the details of this scholarship program are being circulated to Victorian secondary schools and TAFE institutes and are being published on the Education Foundation web site. There will be an independent selection panel that will advise me on the successful candidates.

Applications close on 30 September, and I hope to have the pleasure of announcing the scholarships to be awarded to the successful candidates towards the end of the year. These Housing Week scholarships are an innovative and important way of helping disadvantaged young Victorians to stay in school. They demonstrate in a very practical way how the Bracks government is working for all young Victorians and building a better future.

Fuel: prices

Hon. P. R. HALL (Gippsland) — My question without notice is directed to the Minister for Finance. Is it not a fact that the Victorian government receives increased GST revenue of $35 million every time the price of petrol goes up by 10 cents per litre?

Mr LENDERS (Minister for Finance) — I am surprised Mr Hall did not ask this question of my colleague the Minister for Consumer Affairs, because she would have had a very good response prepared for him. Mr Hall has form in asking questions in these areas, but he tends to forget the role of his federal Nationals colleagues in this. Much as I would like to wax lyrically about the GST and its history, tragically, given the rules of this place, where you stick to your own portfolios, most of this GST issue is an area for the Treasurer. Much as I would like to join Mr Hall in a debate on this, I do not want to transgress the rules. I will pass over the opportunity and suggest that Mr Hall put it in writing to the Treasurer.

Supplementary question

Hon. P. R. HALL (Gippsland) — The lack of a response is fairly disappointing. I thought that as Minister for Finance the minister may have an interest in revenue coming into the state. However, if the minister is refusing to answer this question, I ask by way of a supplementary question whether he is concerned about the spiralling price of petrol and whether he, as Minister for Finance, has any capacity to reduce the financial burden of increased petrol prices on Victorian families and businesses.

Mr LENDERS (Minister for Finance) — Certainly the tools available to the Victorian government are significantly less than those that are available to the federal Liberal-Nationals government, which taxes fuel at a rate in the order of more than 50 cents a litre. Certainly the capacity is less in the state. Mr Hall's specific question is again an area for the Treasurer. Certainly I could take the house through the administrative arrangements and the role of the Minister for Finance versus that of the Treasurer, but in being responsive to Mr Hall's general question as to the capacity to ease the burden on motorists, he well knows that the greatest tools are in the hands of the federal Liberal-Nationals coalition government, which taxes fuel at a rate in the order of about 50 cents a litre. I suggest he raise it with his federal colleagues or put it on notice for the Treasurer.

Consumer affairs: product safety

Mr SMITH (Chelsea) — My question is to the Minister for Consumer Affairs, the Honourable Marsha Thomson. Can the minister advise the house how the Bracks government is working to protect some of our youngest Victorians?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the honourable member for his question and advise him that annually over 500 children under the age of 10 are treated in our hospitals for using products that are either unsafe or have not been used for their intended purpose. The government is concerned about that figure and would like to see it reduced; there are a number of ways in which that can occur.

Parents, of course, have a responsibility to ensure that their children are adequately supervised and that the products and toys handled by them are suited to their age group. One of the alerts we have put out advises parents who may be buying a gift for a child that if its label shows it as being not suitable for children under the age of three, it is not to insult the intelligence of the child who is two years old. That is not why those guides are there. They are not an indication of the child's intelligence or its ability to use the toy. The warnings are actually a guide to the safety of the product for a child of that age.

Consumer Affairs Victoria also has a role to play — that is, to ensure that as few as possible of these products that may be unsafe and require banning are available for sale. It takes that responsibility very seriously. Members have heard examples from my predecessor, Minister Lenders, and me on numerous occasions about the seizures that occur of unsafe or banned products. They would also be aware of the inspection of show bags. This year when the show bags were inspected we seized a gun that would have been included in one of the show bags. Another show bag did not have adequate holes in it and that situation has also been fixed.

Over the last financial year 29 000 imitation dummies have been seized and 42 baby walkers were seized because they represented a danger to babies. In fact, 200 infant toys, more than 11 500 toy guns, 70 grow toys and 25 yo-yo balls were removed from sale during the last financial year. It is not good enough to just seize these products, it is also important that we are out there educating people about what to look for in respect of dangerous goods and what to expect. We send out an alert to retailers so that they can look for these items and ensure they are not selling unsafe or banned products. We are also running a program in the schools to ensure that young people are aware of unsafe goods. We want to ensure that Victoria is a safe place to raise a family.

Commonwealth Games: financial reporting

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is for the Minister for Commonwealth Games. On 15 June, the Melbourne 2006 Commonwealth Games Corporation wrote to the minister seeking a determination under the Financial Management Act to delay the M2006 balance date. Does the minister support this request and what action has he taken?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the member's question as it relates to all aspects of the Commonwealth Games, in particular matters related to its financial aspects.

I do not have the correspondence in front of me but I believe I mentioned in the house that Melbourne 2006 Commonwealth Games Corporation had written to me on these matters. I am happy to check that

correspondence to see if Mr Gordon Rich-Phillips's comments in that respect are correct, but as I have mentioned on a number of occasions, we welcome full and thorough reporting on any financial matters related to the Commonwealth Games. Let me make that very clear.

Honourable members interjecting.

Hon. J. M. MADDEN — I will say it again because obviously the opposition does not want to listen: we are absolutely committed to a full and thorough reporting of all the financial affairs of the Commonwealth Games. I reinforce that as part of that process we have a special-purpose report which compiles all the expenditure across government in relation to the games, and of course we will also have Melbourne 2006 report on its finances in respect of the games. I am confident that at the end of the day we will have full and thorough reporting in relation to all expenditure on the games at all levels. I am also confident that not only will the games be a resounding success but the investment this government and the broader community has made in the games will serve as a fantastic benefit in the future in making Victoria a better place to raise a family.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I am a little surprised that the minister has no recollection of this letter, given that the minister himself subsequently sent the letter to the Public Accounts and Estimates Committee with a view to trying to explain his comments before the committee's budget estimates hearings a month earlier. I hope that jogs the minister's memory. Has he sought further information from M2006 in response to its letter requesting a change to the balance date?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I again welcome the member's interest on this matter.

There is always an array of matters discussed with Melbourne 2006, and I meet with the chairman and officers on a regular basis. We have an ongoing list of items as part of our agenda and this feeds into many of those items. They are items that are discussed on a regular basis. They will continue to be discussed and I am very pleased to continue to discuss those with Melbourne 2006 and inform the opposition as those matters come to light.

Sport and recreation: adventure activity standards

Mr SCHEFFER (Monash) — My question is directed to the Minister for Sport and Recreation. I ask the minister to explain to the house how the Bracks government is supporting the outdoor recreation sector with the development of adventure activity standards to give confidence to insurance providers that outdoor recreation operators, particularly those perceived to be engaged in high-risk activities, are responsible in the conduct of their activities.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the member's question, and I welcome his particular interest in adventure activities, which are part of my portfolio responsibilities. Although I talk about sport very often, it is not as often as I would like that I speak about recreation more broadly. One of the great initiatives this government has engaged in is the $230 000 investment through Outdoor Recreation Centre Victoria as the lead agency in the development of adventure activity standards.

What is particularly important about these standards is that when we had the flight of insurance companies from high-risk activities we were able to work with the sector, through the Outdoor Recreation Centre, to make sure that we set in place an array of standards so that people could have confidence in the overall sector and the delivery of those recreation activities, particularly the high-risk activities. The 15 standards launched since 2003 include those for whitewater rafting, waterskiing; horse trail riding — and I know members of the chamber are interested in that sector in particular, indoor and outdoor rock climbing, and mountain bike riding. Those are just examples. As part of the success of those standards we have seen the insurance industry come back in to support the sector. As well as that, the Outdoor Recreation Centre's role as the lead and peak agency draws together the recreation sector.

The Outdoor Recreation Centre won the 2004 sport and recreation industry award. This is a fantastic honour for the centre. Even the opposition reinforced that. I understand the opposition wrote to the centre, and I will quote Mr Atkinson's letter:

> On behalf of Robert Doyle and my colleagues in the Victorian Liberal Party I extend congratulations to the centre's adventure activity standards program team for recently being awarded the safety initiatives award in the 2004 sport and recreation industry awards.
>
> I am certain that all involved in this program and their colleagues are very proud and delighted with this recognition.

It is great to know that not only Mr Atkinson but also Robert Doyle is congratulating the centre. That is a resounding endorsement of what this government is doing.

As we are talking about high risk, it is unusual that only months after that letter of support a media release came across my desk in relation to the opposition's stance on this. The media release from the opposition's Mr Atkinson only months later states:

> … these adventure activity standards will have implications of insurance and legal responsibilities for all people using public land for recreational activities.
>
> Victorians don't need the Bracks government introducing regulations and funding projects with taxpayers dollars to discourage participation in sport and recreation and restrict outdoor activities in the community.

You cannot have it both ways. What this shows is that the opposition is not only absolutely lazy on policy, it is erratic when it comes to these issues. You cannot congratulate on the one hand and condemn on the other. While we are showing leadership across the sector, the opposition is in total disarray. We are making this state a better place to live, raise a family, participate in sport and recreation and be active. We are not sure where the opposition is on any of this.

Commonwealth Games: financial reporting

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — My question is to the Minister for Finance. Although he apparently has no recollection of it, on 15 June the Melbourne 2006 Commonwealth Games Corporation wrote to the Minister for Commonwealth Games asking that the Minister for Commonwealth Games write to the Minister for Finance seeking approval for a determination under section 6 of the Financial Management Act to be made to extend the balance date of M2006. Has the Minister for Finance received such a request from the Minister for Commonwealth Games?

Mr LENDERS (Minister for Finance) — There is a sense of deja vu here — I would have thought that I had had this question before. Like the Minister for Commonwealth Games, I am delighted to take questions on my portfolio. Today we have hit bingo — this is a question on my portfolio, so I am delighted to receive it, and I will fulsomely answer the question.

One of the things in the administrative arrangements which are the responsibility of the Minister for Finance under the Financial Management Act is that from time to time we deal with requests exactly like the one Mr Gordon Rich-Phillips has raised where one part of government seeks some variation within the accounting standards as to how reporting is done. That is a thing that has happened through government over a long period of time, and I am one of a string of finance ministers who has received those requests from time to time.

Obviously those things are done in the spirit of good financial management and fiscal rectitude — the sort of environment that lets this government have a AAA credit rating, the sort of environment that lets this government have AAA credit ratings from both ratings agencies and the sort of environment that lets this government proudly say it is a hallmark of good financial management, a model around the country. Other jurisdictions are now moving to our accrual standards. Other jurisdictions look to Victoria, they look to the power we have given the Auditor-General and they look to our lead on accounting standards in a whole lot of these areas. I certainly welcome Mr Rich-Phillips's interest in this.

In regard to the specifics of his question, these are very routine matters where agencies from time to time seek to have the end-of-year reporting standards varied so that in a spirit of transparency we can capture the most information, the most knowledge, and report to the Parliament in an open and transparent manner, in a way that Mr Rich-Phillips's party would never have dreamed of. Certainly in its days in power it never did this. It gutted the Auditor-General, it was not transparent, and it closed down the Parliament. It is very slow on a lot of these things. As one of my colleagues said, the time it has taken the opposition to respond on the Mitcham–Frankston–Scoresby costings is longer than the gestation period of a female elephant. But this government will respond.

Ms Broad — We are still waiting and still counting!

Mr LENDERS — We are still waiting. I, as a minister, will be far prompter than the Leader of the Opposition when I receive a formal request from the Minister for Commonwealth Games on these matters. It has been canvassed in this house. There is nothing secret about what Mr Rich-Phillips has raised. These requests are routine. They come from time to time, and when they come from a minister I consider them upon advice from my department. If the advice is that it is a good thing to do on all the tests I have mentioned, if it adds to transparency and openness, we will do it.

I can recall the debate in this place and the interest of Mr Rich-Phillips and others, but I do not recall receiving a formal request from the minister on this matter. If I do, I will respond to it expediently, and far more swiftly than the Leader of Opposition has

responded to his pledge of getting the Mitcham costing out. We will deal with it fairly according to the law. We will do it all as part of maintaining fiscal rectitude and keeping our AAA credit rating so that we make Victoria a much better place to raise a family.

Supplementary question

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I thank the minister for his answer. He indicated that he has apparently yet to receive a request from the Minister for Commonwealth Games. If he does find such a request, will he tell the Minister for Commonwealth Games what it is about, because seemingly he has no idea?

Mr LENDERS (Minister for Finance) — I will ignore the inconsequential drivel at the end of that supplementary question, but I will respond to the — —

Mr Gavin Jennings — To the drivel at the beginning!

Mr LENDERS — I will not respond to the interjection from my colleague the Deputy Leader of the Government, but I will respond to the general point at the start of the question. I will rebut the opening remarks by Mr Rich-Phillips. I made it clear in my substantive answer that lots of requests were received. I do not recall having received a formal request from the Minister for Commonwealth Games, but if there is one from him or when I do receive one, I will deal with it expeditiously.

Electricity: Hazelwood power station

Mr PULLEN (Higinbotham) — My question is directed to the Minister for Energy Industries. Can the minister advise the house of reaction to yesterday's announcement about the historic signing of a deed between the Bracks government and Hazelwood, and in doing so say how the government will respond to any genuine concerns?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — Reaction from almost all sectors of the Victorian community to yesterday's announcement of the historic agreement between the government and Hazelwood was positive. I will go through a few of them. The Victorian Employers Chamber of Commerce and Industry said that the decision was a win for Victorian industry. The Australian Industry Group said it represented a sensible middle ground. I think even the *Age* said it was a sensible, middle-ground position. The Victorian division of the Minerals Council of Australia also praised the decision, describing it as good news for the Latrobe Valley and the minerals industry in Victoria. In fact the minerals council said that the decision will make a considerable contribution to the future prosperity of the state and reinforce business confidence both in the Victorian minerals sector and the prevailing policy environment. I have also spoken to representatives of various unions which are involved in this project and which also recognise that it is a balanced decision which protects union members' jobs while taking account of environmental concerns.

We also had praise from some in the opposition and The Nationals. The Leader of the Opposition in the other place, Mr Doyle, described the decision as sensible. The Leader of the Opposition in this house has also welcomed the decision, describing it in his press release as one that will have a significant impact on the local economy over many years to come. I welcome the support from opposition members in relation to this decision. The Leader of the Nationals in the other place, Peter Ryan, also welcomed the decision, and I believe Mr Hall has also welcomed it.

However, there are always those who will oppose the decision. Some environmental groups have voiced concerns. I hope that when those groups consider the deed further they will realise what a good outcome it is for the environment as well as for the economy. We have also had strident criticism from an unexpected quarter of the community. Given the support from the Liberal Party in both houses you would think that the Liberal environment spokesperson in the other place, Phil Honeywood, would also support it. But no, little Phil came out and bagged the proposal, stating there was a lack of genuine commitment to environmental enforcement.

There must be two tables in the Liberal party room. I reckon there is an adult table, where Robert Doyle sits along with Mr Davis, who gets a seat there sometimes. Then you have a children's table, where apparently Phil Honeywood sits with Ted Baillieu, because they do not seem to have policies that are in line with their leader's policies. Leaders of the Liberal Party in both houses supported the proposal, as did both leaders of The Nationals, but that has not stopped Phil Honeywood from going out and trying to get a cheap line on something that he knows is actually good for the environment and good for the economy.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 2081,

3071, 3072, 3738, 3938, 3940, 3941, 4168, 4465, 4466, 4468, 4692, 4706–08, 4733–38, 4795, 4825, 4828, 4829, 4882, 4938, 4979, 5057–65, 5068, 5072, 5073, 5220, 5225, 5254.

LOCAL GOVERNMENT (FURTHER AMENDMENT) BILL

Second reading

Ordered that second-reading speech be incorporated on motion of Ms BROAD (Minister for Local Government).

Ms BROAD (Minister for Local Government) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

On 9 August 2005, the Governor in Council made an order in council which suspended the councillors of Glen Eira City Council and appointed Mr John Lester as the administrator for the council, effective 11 August 2005.

This action was taken following consideration of recommendations prepared by Mr Merv Whelan, inspector of municipal administration, as part of the report on his investigation of governance at the council. The Minister for Local Government asked Mr Whelan to conduct this investigation, following receipt of a request from the council itself, for an inspector to be appointed

On 18 July 2005 the Minister for Local Government received Mr Whelan's report. That report was damning of elected governance at Glen Eira and chronicled serious failures by the councillors to provide good government for their local community over a period of up to seven years, as well as an inability or unwillingness to remedy those failures, despite the advice of respected figures in the local government sector, and the intervention of an inspector of municipal administration under the previous government. The report demonstrates that the issues identified then were not resolved and that elected governance at Glen Eira continued to deteriorate over the intervening period.

Elected office at local government level is a serious and important responsibility under the Local Government Act which is conferred by voters at election and comes with certain privileges. When elected councillors prove themselves unable or unwilling to properly carry out the responsibilities of their role for the good of the community, the Local Government Act provides the means by which government can and should take action.

According to the inspector's report, which was tabled in this place on Thursday, 11 August 2005, Glen Eira councillors have demonstrated themselves:

> unable or unwilling to properly carry out the responsibilities conferred on them by the Local Government Act;
>
> unable or unwilling to show leadership for the good government of the municipality;
>
> unable or unwilling to put their personal animosity aside for the sake of good decision making and strategic planning;
>
> unable to set a code of conduct and expenses policy that they are willing to abide by; and
>
> unable or unwilling to participate in meaningful mediation to address their problems.

For example, the appointment of the chief executive officer was a protracted process which took eight months and is described in necessary detail in the report. That process demonstrated all that was wrong with elected governance at Glen Eira.

In light of the report, the government has introduced a bill to restore good government to Glen Eira.

I now turn to the bill and its contents.

The bill is to come into operation on the day it receives royal assent, and should be read and construed as if it were part of the Local Government Act 1989.

Firstly, this bill provides for an election of councillors at Glen Eira City Council on 26 November 2005. This is the same date on which an election was due, before Glen Eira councillors were suspended.

This is the same date on which 53 other councils will go to election in Victoria, pursuant to section 31 of the act, and maintains the process towards full alignment of local government elections established by the Local Government (Democratic Reform) Act 2003.

The people of Glen Eira will be able to make an informed decision at the election on 26 November 2005, having had access to the report by the inspector of municipal administration.

It is the government's intention that the election of councillors for Glen Eira will be the same as every other council's election. Clause 6 provides for this.

However, because of the suspension of the council, it has been necessary to make specific provision for the Glen Eira election, in clauses 7 to 11 of the bill.

These provisions ensure that valid voters rolls may be prepared for the election, and are required because the usual statutory process for an election on 26 November 2005 would have to commence on 18 August 2005, which is before the bill will be passed and commence.

The process provided in the bill for the election at Glen Eira specifies an entitlement date (when rolls close) to be 7 October 2005, which is one week later than for other councils going to election on the same date, as well as an alternative process for the public exhibition of a draft voters roll.

Some of these steps will require action by the administrator of the council. An additional provision is included to ensure the validity of the rolls is not affected by any action or inaction by the administrator. This is consistent with the existing

section 25 of the act, which ensures the validity of voters rolls with respect to actions, for example, of the CEO and the Victorian Electoral Commission.

Secondly, the bill dismisses the Glen Eira City Council. Otherwise the suspended councillors would remain as sitting councillors, with no provision for them to go out of office.

This is consistent with every other suspension of councillors undertaken by a state government under the Local Government Act, including Nillumbik Shire Council and Darebin City Council. The people holding office as councillors cease to hold office, and the continuity of the administrator is maintained.

Councillors who are dismissed are eligible to stand for election. However, I would urge them to honestly consider the inspector's findings, to reflect on their own conduct over the past three or in some cases seven years, and to consider the high levels of integrity, skill, probity, cooperation and insight required to perform as councillors that the community is entitled to expect of their elected representatives.

Thirdly, the bill provides for the expiry of the order in council that suspended councillors and appointed the administrator

Clause 12 requires the chief executive officer to summon a meeting of the newly elected council within 14 days after the day the result of the election is publicly declared. The administrator will remain in place until the first meeting of the newly elected council.

Fourthly, the bill amends section 219(7) of the act so that in future, where flexibility is required, orders in council under section 219(2) of the act can be made for periods of less than one year.

Currently orders in council made pursuant to section 219(2) expire one year after publication. The action to suspend councillors and appoint an administrator is a serious step to take, and one taken only where there is good foundation, as required by section 219(1) of the act. This amendment will allow an order in council to be made for a period less than 12 months, where this is considered necessary and appropriate.

By this bill, the government demonstrates its commitment to good government and democracy in local government, and recognises the desirability of returning those things to Glen Eira as soon as possible in the best interests of the local community.

I commend the bill to the house.

Debate adjourned for Mr VOGELS (Western) on motion of Hon. Andrea Coote.

Debate adjourned until next day.

RACING AND GAMING ACTS (POLICE POWERS) BILL

Committee

Resumed from 6 September; further discussion of clause 3.

The CHAIR — Order! When the committee last met progress was reported on clause 3. I call Mr Koch to move his amendment 2.

Hon. DAVID KOCH (Western) — I move:

2. Clause 3, lines 28 to 31, omit paragraph (b) and insert—

"(b) any other race-course in respect of which a licence has been issued under section 24 for the purposes of—

(i) horse racing;

(ii) harness racing;

(iii) greyhound racing;".

The purpose of this amendment relates to removing the 14 tracks that have been specified out of the 86 where we know that TAB meetings do take place. I ask the minister why somewhere like Beckley Park in Geelong would be a specified track when we know that a bookmaker is very rarely on that course and there is low attendance there. If you threw a handful of gravel in the bookmakers' ring in Geelong I doubt that you would hit even a person, yet places like Bray Raceway in Ballarat, which is outside this magic zone of 80 kilometres, would be outside being qualified for a specified track. It is in the interests of the racegoing community and members of the opposition that all tracks be included.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the member's comments. As I said last time we met in the committee stage of this bill, I am informed that it is the intention of the Minister for Racing to regulate to cover all racecourses. It is the intention that that would be done through regulation. At the end of the day all the racecourses will be covered, but I understand that technically, as I mentioned previously, it is very hard to clearly define some of these titles in relation to some of these racecourses. Because of the complexity of law enforcement, if you cannot clearly define where these titles are, then that will be worked through the system and done through regulation.

It is a matter of clarifying that and appreciating that some of the racecourses are used for things other than racing, such as field days — which Mr Drum might attend from time to time — or the like, so it is a matter of getting the administration clarified in the rollout. It is not to say that this is the limit to the courses. This is just the starting point, and I am informed that the Minister for Racing intends to regulate to cover all racecourses, but this is the only technical and administrative way

this can be delivered — that is, by this means through the legislation.

Hon. DAVID KOCH (Western) — I have a further question to the minister on this amendment. Can the minister assure the opposition and the industry that having only these 14 specified tracks will stop third-party advocates working on behalf of crooks or as agents of crooks, and will this stop money laundering on racetracks?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Because I am speaking on behalf of the Minister for Racing on this I cannot give any guarantees, but I can say that this will go a long way towards ensuring that we reduce, minimise and, we hope, eradicate the opportunity for money laundering on racecourses. That is not to say that people will not invent new ways to do these things, but we believe this will go a long way towards reducing, if not eliminating, the opportunity for criminal types to enter into money laundering practices on racecourses. We believe this is a step in the right direction — more than that, it is probably a quantum leap — and if at any time in the future there is a need for adjustments to be made to any of things, then they can always come back to the Parliament. That is why the Parliament is here.

Hon. DAVID KOCH (Western) — The minister certainly has a confidence that neither I nor the industry can share. I have a further question. Opposition members had their original briefing in May and we are now in September with the Spring Racing Carnival on top of us. Can the minister indicate to the chamber when we can anticipate seeing the next specified racetrack being declared?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I missed the last part of the question.

Hon. DAVID KOCH (Western) — Could the minister indicate when he would foresee the next specified racetrack in Victoria being declared? That would be racetrack no. 15.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the regulatory process has yet to be established, and I am also advised that it would be anticipated post this year's Spring Racing Carnival.

Hon. DAVID KOCH (Western) — A further and last question. Does the minister consider it impractical and non-available, especially when we look at the manner in which the 14 specified racecourses are gazetted, that courses such as Bray Raceway and the Ballarat Greyhound Racing Club venue would not also — —

Ms Hadden interjected.

Hon. DAVID KOCH — Sorry, did I not say Bray Raceway?

Ms Hadden interjected.

The CHAIR — Order! I ask Mr Koch to ignore interjections.

Hon. DAVID KOCH — Those two racecourses in Ballarat, which I indicated yesterday are clearly defined, with high fences around them, are registered and licensed racing tracks. I have little doubt that they would have their own allotments and would easily qualify as specified tracks.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Again, I am advised that the Minister for Racing intends to regulate to cover all racecourses, so I think the member can well expect that those courses would be covered within those regulations once the regulatory delivery is established after the passage of the bill, in the time indicated previously — some time post the Spring Racing Carnival this year.

Hon. DAVID KOCH (Western) — Quite evidently it has been put into the too-hard basket. An 80-kilometre radius from the GPO has been indicated for those 14 specified tracks. Regional Victoria has been given very little consideration in recognising and including the specified tracks on the register. Therefore I have no further questions.

Committee divided on omission (members in favour vote no):

Ayes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Mrs (*Teller*)	Mitchell, Mr
Carbines, Ms	Nguyen, Mr
Darveniza, Ms	Pullen, Mr
Eren, Mr	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr (*Teller*)	Viney, Mr

Noes, 19

Atkinson, Mr	Hadden, Ms
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr
Bowden, Mr (*Teller*)	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr

Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr (*Teller*)	

Amendment negatived.

Clause agreed to.

Clause 4

Hon. DAVID KOCH (Western) — I move:

4. Clause 4, page 6, after line 7 insert —

"(5) The Chief Commissioner of Police must ensure that an up-to-date copy of a list kept under sub-section (1) is provided to the casino operator within the meaning of the **Casino Control Act 1991** as soon as practicable after the list is prepared under that sub-section or amended under sub-section (2), as the case requires.".

The principal reason for moving this amendment is to give continuity and cover across the casino as well as the racing clubs in relation to providing that information for those persons who should not be either on the racecourse or at the casino. We would like to see that provision as all-encompassing across both acts.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I appreciate the member's point, but I am advised that because they are separate bills, they require separate lists.

Hon. DAVID KOCH (Western) — I have nothing further on that.

Committee divided on amendment:

Ayes, 19

Atkinson, Mr	Hadden, Ms
Baxter, Mr	Hall, Mr (*Teller*)
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr (*Teller*)	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

Noes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Mrs	Mitchell, Mr
Carbines, Ms (*Teller*)	Nguyen, Mr
Darveniza, Ms	Pullen, Mr
Eren, Mr (*Teller*)	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr

Amendment negatived.

Hon. D. K. DRUM (North Western) — I move:

Clause 4, page 4, line 31, after this line insert —

"(3) In this section, **"public interest"** means having regard to the creation and maintenance of public confidence and trust in the credibility, integrity and stability of the racing industry.".

Through this amendment we are seeking to bring the Racing Act 1958 into line with the Casino Control Act 1981 in relation to the Chief Commissioner of Police being able to place exclusion orders on people at the Crown Casino complex and at racetracks.

The Casino Control Act contains a very clear definition of when the commissioner is acting in the public interest, yet that definition does not exist in the Racing Act. This amendment seeks to bring those definitions into line with each other. The acts have been brought together in this bill to work hand-in-glove and this is simply a tool to ensure a lack of confusion. Certainly, should we ever prosecute a person under this legislation they will not be able to use the fact that it does not contain a definition of 'public interest'.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it is normally for the courts to determine a definition of 'public interest'. It is not normally set down in legislation. It is for the commissioner to determine and then for the courts to decide at appeal. To try and define 'public interest' might mean making it too narrow. There is normally a little licence left for the commissioner, but also for the courts in particular to decide at appeal what is in the public interest. To define it is inconsistent with what normally takes place in legislation.

Hon. D. K. DRUM (North Western) — That is very similar to the answer given by Ms Mikakos in her contribution to the second-reading debate. But it does not explain why the definition is clearly set out in the Casino Control Act 1991. This seems to be exactly the same situation.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that when the bill is passed, the 'public interest' will be the same within the two acts. A definition might limit its application. My advice is that it is consistent with what is in the two acts.

Hon. D. K. DRUM (North Western) — I do not want to labour the point, but it does not seem to make

sense that you have the potential to prosecute by including that clear definition when it already exists in one of the two acts being amended by this bill. How is it detrimental to prosecutors in one instance but not in the other? It just does not make sense.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I can only reinforce what I said before. The advice I have is that it would narrow the scope of the definition and would not be conducive to the operation of the legislation. I take the member's point, but that is the advice I have.

Committee divided on amendment:

Ayes, 18

Atkinson, Mr	Hadden, Ms (*Teller*)
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr (*Teller*)	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Drum, Mr	Vogels, Mr

Noes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms (*Teller*)
Buckingham, Mrs	Mitchell, Mr
Carbines, Ms	Nguyen, Mr
Darveniza, Ms	Pullen, Mr
Eren, Mr	Scheffer, Mr
Hilton, Mr (*Teller*)	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr

Amendment negatived.

The CHAIR — Order! We are continuing on clause 4. Mr Koch to move his amendment 6, which is a test for his consequential amendments 7 and 9 and also a test for amendments 11 and 12.

Hon. DAVID KOCH (Western) — I move:

6. Clause 4, page 6, after line 19 insert—

"35C. Person excluded from casino complex not to enter race-course

A person the subject of an exclusion order under section 74 of the **Casino Control Act 1991** must not enter, or remain at, a specified race-course at any time during an exclusion period for that race-course.

Penalty: 20 penalty units.".

Amendment 11 proposes to insert in clause 10, after line 14, words to provide that a person the subject of an exclusion order under section 33 of the Racing Act 1958 must not enter or remain in the casino complex. From the point of view of administrators in both the casino and the racing industry it is quite disturbing that if somebody at the casino is the subject of an exclusion order that person can then travel out to Flemington and participate at a race meeting. And vice versa, a person can be excluded from a racecourse, catch a taxi back into the casino and continue with their activities there. I ask the minister whether the government is serious in relation to these exclusion orders and whether it sees this as a way of completely removing the opportunity for and stopping money laundering in these two industries.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am informed that the two acts regulate different activities and it is appropriate for the chief commissioner to issue exclusion orders separately under each of those acts. I am also advised it is important the chief commissioner exercise his or her discretion under each act separately, and I am also advised that there may be circumstances where the chief commissioner considers it appropriate to exclude a person from the casino complex and not racecourses, or vice versa.

I am also informed that as the chief commissioner is responsible for the same function under both acts, it is entirely unnecessary for the list made under one act to be provided to anyone under the other act. I am informed it is up to the chief commissioner to exercise their function under each act and make a determination as to whether or not an exclusion order is appropriate.

Hon. DAVID KOCH (Western) — Does the minister not see one binding on the other? How is that discretion that the minister has expressed going to limit money laundering activities by the same individuals if we are not going to ban them from the casino and racecourses? This is why the racing industry has explicitly wished that those activities on racetracks, those culprits and people who flout the laws at race centres, be warned off versus these exclusion orders which would actually limit the opportunity for money laundering. We believe very strongly that this is what the bill is all about.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I appreciate the member's point about consistency but also, as I have highlighted now and earlier, because we are dealing with two acts it is about the ability to technically do that within both acts. What is consistent in this circumstance, as I mentioned before, is that the chief commissioner exercises the discretion in relation to these and in relation to the acts.

The consistency that the member is seeking is in effect delivered by the single person through the chief commissioner.

Hon. DAVID KOCH (Western) — The minister's response certainly indicates that, yes, there are exclusions in both acts, but we are actually talking about individuals who participate in these activities, and these two acts do not pick up the banning of an individual across more than one centre, which will certainly allow them, unless directed otherwise, to continue in their activities of money laundering and other corrupt activities.

Committee divided on amendment:

Ayes, 19

Atkinson, Mr	Hadden, Ms
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr (*Teller*)
Bowden, Mr	Lovell, Ms (*Teller*)
Brideson, Mr	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

Noes, 22

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Mrs	Mitchell, Mr
Carbines, Ms	Nguyen, Mr
Darveniza, Ms	Pullen, Mr
Eren, Mr	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms (*Teller*)	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr (*Teller*)

Amendment negatived.

Clause agreed to; clauses 5 to 15 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

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

That the bill be now read a third time.

In so doing I thank members for their respective contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

HOUSE CONTRACTS GUARANTEE (AMENDMENT) BILL

Second reading

Debate resumed from 17 August; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. W. A. LOVELL (North Eastern) — It is a pleasure to talk today on the House Contracts Guarantee (Amendment) Bill, and in so doing I inform the house that the Liberal Party will not be opposing the legislation.

The purpose of the bill is to establish a new housing guarantee fund called the Housing Guarantee Claims Fund (HGCF) to replace the existing industry-controlled Housing Guarantee Fund Ltd (HGFL). The bill will also confer on the Victorian Managed Insurance Authority (VMIA) responsibility for the Housing Guarantee Claims Fund and the Domestic Building (HIH) Indemnity Fund, and for claims on those funds. It will also provide for the transfer of property, rights and liabilities of the HGFL to the state in anticipation of the winding-up of the HGFL.

If we were Bracks government ministers we would not have got past the table of provisions in the bill, because for proposed section 17G it says:

> Auditor-General to order financial staements of the Housing Guarantee Claims Fund.

Hon. D. McL. Davis — Little Timmy Holding would have not got there!

Hon. W. A. LOVELL — Little Timmy Holding would not have read past that point, it would have had a big red pen mark across it. It would have been returned to the department for the spelling to be corrected. Not only is the word spelt incorrectly in the table of provisions, it is also spelt incorrectly at page 15 in the heading of proposed section 17G.

It is bad that these spelling mistakes should appear in a bill, because we are talking about the law. A spelling mistake could be an incorrect word and a missing comma or full stop could completely change the context of legislation, so it is important that legislation is correct when it comes into the house.

Not only did this bill come incorrectly into the lower house but Nick Kotsiras, the member for Bulleen in the other place, actually drew it to the government's attention during the debate in the lower house on 16 August. It was not even corrected while the bill was between houses. This bill has managed to make its way into both houses of the Victorian Parliament with these spelling mistakes intact. Perhaps we should just stop now and send it back. Will we stop now and send it back to the bureaucrats, just as the Bracks government ministers would do? No. In the interests of good government and getting legislation passed in Victoria we kept reading and arrived at a position of not opposing this bill.

To understand why this bill is before the house it is important to also understand the history of the Housing Guarantee Fund Ltd. In 1974 the house builders liability scheme was introduced in recognition of the need to regulate the industry and provide a guarantee to consumers. The Housing Industry Association (HIA) and the Master Builders Association (MBA) established two corporations that were appointed to facilitate and administer the scheme, and these corporations were required to establish a list of suitable builders. Builders were required to provide a six-year guarantee to their customers. In 1983 the two industry corporations merged and established the HGFL.

In 1987 the House Contracts Guarantee Act was established to enhance the ability of the government to supervise and control the operation of the scheme. Prior to 1995 HGFL was the only body to provide insurance and protection to consumers for defective or incomplete domestic building work. This protection was guaranteed for a period of seven years from the date contracts were entered into. In 1995 domestic warranty insurance for builders was established under the Domestic Building Contracts Act. This confined the role of HGFL to the handling of claims that had not run out. In 2001 HGFL's role was expanded to include the administration of the HIH indemnity scheme, which was introduced following the collapse of the HIH Insurance Group. Although I was not in the Parliament at that stage I am informed that the Bracks government's handling of the HIH collapse was not all that flash. Apparently the government was very slow or reluctant to act, and when the legislation was brought into Parliament it was flawed and needed to be brought back later for amendment. We are now at the point where HGFL claims are almost exhausted and claims on the HIH fund have only about two years to run.

The Liberal Party received a briefing on this bill. I thank the minister and the public servants involved for that briefing. However, I note that more and more questions during briefings concerning consumer affairs are being taken on notice by the minister's adviser. The adviser did get back to us, but most of his answers to our questions referred us to the annual report. He did supply us with a copy of that report, but I wonder why he could not have simply answered our questions. Many of the questions asked during the briefing were to do with the current status of the two funds, and we were just referred to the annual report. The last annual report is over 12 months old — it was produced in June 2004 — and I feel that the minister and the department must surely have had more up-to-date figures they could have provided to the opposition.

The annual report does identify that at 30 June 2004 the total funds standing in the name of the HGFL fund were $3 630 191. If there is a more current figure, I would like the minister to make that available to us in her response. The report also identifies that the total claims paid by HGFL for the 2003–04 year totalled 119, with a value of nearly $1 387 219. It is interesting to note that the cost of administering those claims totalling $1 387 219 was $1 086 662. In other words, the costs of administering the fund were almost as much as the claims paid from the fund. I find it extraordinary to think that it cost almost as much to administer the fund as the total paid in claims. The annual report also identifies the fact that during the 2003–04 year there were 682 claims paid from the HIH fund at a total of $2.8 million. As at 30 June 2004 a total of 600 claims were still in progress. From the commencement of the HIH fund in June 2001 until 30 June 2004 there had been a total of 2857 claims that resulted in 2146 claims being finalised at a total cost of around $18 600 000. This fund has provided enormous benefits to consumers in Victoria who have found themselves in the unfortunate situation of needing to make a claim on builders warranty insurance.

One of the many people I spoke to during consultation on this bill was the chairman of the HGFL, Mr Garry Richardson. He informed me that it was the board of the HGFL that had initiated the changes that are to be brought about by this bill. The board initiated those changes because it recognised that HGFL was in run-down mode, that there were very few claims still to be made on the fund and that the HIH fund probably only had about two years left to run. The board was concerned that the staff might decide to leave their jobs due to uncertainty about their future employment and that it would lose the skills needed to run out the HGFL. Under this bill staff from the HGFL will be transferred to the Victorian Managed Insurance Authority. The main provisions of this bill transfer all property, rights and liabilities of the HGFL to the state and establish a new fund called the Housing Guarantee

Claims Fund. The bill also transfers the responsibility for administering claims on guarantees from both the HGFL and the domestic building indemnity scheme to VMIA.

I note that during the consultation we were also informed that VMIA was not the government's preferred model for the run out of the HGFL. The government actually tried to get the private sector to take it over. While some private insurers examined HGFL, they all passed it over. But this was all done in total secrecy, as are most things the Bracks government does.

The bill provides for the transfer of staff from HGFL to VMIA and stipulates that staff employed by HGFL will immediately before the appointed day be taken to be employed by VMIA on the same terms and conditions and with the same accrued and accruing entitlements which apply to them as employees of HGFL, and their employment with HGFL and VMIA will be considered to be continuous service.

The bill provides for the winding-up of the Housing Guarantee Claims Fund — the new fund — and for any moneys standing to the credit of that fund to be paid to the Domestic Builders Fund. This is consistent with the current legislation for the Housing Guarantee Fund. The bill also provides that on the winding-up of the HIH fund any money standing to the credit of the fund will be paid into the consolidated fund, and this is also consistent with the current legislation for the HIH fund. The bill requires that HGFL prepare a final annual report, including the details of both funds, and we look forward to finding out the exact figures that are in those funds from those final reports.

The bill will amend the Building Act 1993, the Domestic Building Contracts Act 1995 and the Victorian Managed Insurance Authority Act 1996. As with all legislation, the Liberal Party consulted widely on this piece of legislation, and we found that there was general support for the bill. As I said before, the board of HGFL initiated these changes. Some concerns were raised with us, and I would like to address those now.

Some industry representatives expressed concerns that the bill had reached legislation stage with very little industry consultation. These concerns were raised particularly in light of the significant industry contributions that have been made to the HIH fund. This seems to be a theme of legislation coming through this Parliament from the Bracks government — that is, it comes here with little or no consultation with the community or with the industries it affects.

Another concern was the part of the bill that provides for the transfer of staff from HGFL to VMIA. We have been informed that apparently not all staff will be transferred to VMIA — that is, some staff may be made redundant or some may even be sacked. The annual report identifies that the number of staff dropped from 28 in 2003 to 25 in 2004. I ask the minister to clarify in her response what the number of staff is now, how many of them will be transferred to VMIA and how many may be sacked or made redundant.

Concerns were also raised about the expertise on the board of VMIA. We have heard that the staff were to be transferred to provide a continuity of expertise in the running out of the HGFL, but concerns were raised about whether there would be the expertise on the VMIA board to handle building matters. I ask the minister in her response to clarify whether there is the expertise on the VMIA board to handle building industry matters or whether there will be an appointment to that board of someone with that expertise.

Generally, as I said, there is a lot of support for the legislation, but there is also a lot of concern about the Bracks government's mishandling of warranty insurance since the collapse of HIH. Some industry sources will tell you that the crisis in warranty insurance has eased slightly and that there are now several providers offering warranty insurance, so the market is becoming somewhat more competitive. However, this is still not what the builders are saying. I attended several meetings in the Goulburn Valley and a rally held here in Melbourne where reputable builders who have never had a claim made against them spoke of their difficulties in gaining warranty insurance or of the unrealistic cost of that insurance or the need to gain bank guarantees.

Mr Phil Dwyer of the Builders Collective of Australia has taken up the cause of the building industry over the past few years, and he has continually lobbied all parties to highlight that by not addressing the crisis that has existed in the warranty insurance area the Bracks government has not only failed the building industry but has also failed to protect Victorian consumers. I would like to congratulate Phil on his extensive and sustained campaign on builders warranty insurance. I would also like to read an email I received from Phil. It was sent after the second-reading speech in the lower house and states:

> To all contributors [to] the second reading of the House Contracts Guarantee (Amendment) Bill, thank you for your contributions. However, if I may specifically direct my inquiries to the government contributors and request your individual responses as soon as practical.

> Dear government members,
>
> This association has no issue with the principle of the bill, and it is obvious that all contributors believe that consumer protection for the building industry is of the utmost importance and must be in place at all costs; it is certainly comforting that we have bipartisan support for that principle.

He notes a few of the statements that were made by government members in the lower house. The email continues:

> Mr Hudson stated that insurance surprises are always bad news, while Mr Wilson feels the process is fraught with possible conflict; on the other hand Ms D'Ambrosio believes the government acted quickly and we have an insurance forum, possibly you should check that out. Mr Loney had constituents that had spent $80 000 on legals — where was the builders warranty insurance (consumer protection)? — and Mr Seitz talked of shoddy work and construction not covered under legislation; his answer is to have insurance companies weed out shoddy builders that are not covered under the legislation!!!!

I note this is highlighted by four exclamation marks. It continues:

> Reality check needed here, Mr Seitz. Ms Munt speaks particularly about protection for consumers, while Ms Beattie finishes off with insolvent builders.
>
> Now that we have clearly established the need for consumer protection, we now need to confirm its value and ensure it is meeting its role of a benefit to the building consumers of Victoria, because as many of you have rightly stated the consumers' purchase of a home or the renovation of an existing home is most likely the biggest purchase … or dollar commitment they may make in a lifetime and we feel the existing BWI arrangements are failing the very consumers we are all so concerned about.

These statements by the Bracks government members in the lower house show how little the Bracks government knows about builders warranty insurance. It also shows that government members have their heads in the sand because the builders warranty insurance is failing reputable builders and consumers in Victoria. The Bracks government needs to put in place something that will actually support the reputable builders and consumers in Victoria.

But Phil is not the only person who has been raising concern over the crisis in builders warranty insurance. A federal Labor senator raised concerns during a senate inquiry into the building and construction industry on 24 February 2004. Senator Cook asked if it were true that since the HIH collapse, premiums had gone from $250 or $300 up to $4000. He also asked if it were correct that with fewer insured builders available, home renovation prices had gone up by 40 per cent. Obviously Senator Cook recognises that the price of builders warranty insurance is having a direct impact on consumers who want to build homes in Victoria.

I will read from an article in the *Herald Sun* of 28 August headed 'Cover charge'. The subheading is:

> '*Choice* magazine has slammed Victoria's home warranty insurance scheme'.

It goes on to say that:

> Victoria's compulsory home warranty insurance is lining the pockets of insurers at the expense of consumers and builders a recent report says.
>
> …
>
> *Choice* says the insurance has meant higher building and renovating costs for consumers, has seen few claims and is a licence to print money for insurance companies.
>
> …
>
> For builders, it means onerous paperwork, large costs and financial risk to get the required cover. Builders often have to provide a bank guarantee or pledge personal assets to cover any future claims — costs ultimately borne by the consumer.

This article and Phil's campaign to bring the matter to the attention of the Bracks government are having some impact, but we have not seen the Bracks government move to fix the crisis. This legislation will not fix the crisis that currently exists in builders warranty insurance in Victoria as it only deals with the running down of the HGFL and the HIH fund. The Victorian government needs to now turn its attention to the crisis in builders warranty insurance in Victoria to assist reputable builders to obtain warranty insurance at a reasonable cost and also to provide protection for Victorian consumers.

Hon. D. K. DRUM (North Western) — The House Contracts Guarantee (Amendment) Bill has been introduced because the Housing Guarantee Fund Ltd (HGFL) is starting to wind down and claims are starting to be paid out. As what was once a strong and vibrant entity starts to dwindle in its numbers, the staff and resources behind that entity are diminishing as well. Therefore the government has looked at the situation and decided that the Victorian Managed Insurance Authority (VMIA) is the body that best suits the infrastructure to be brought across into one organisation. So now the HGFL will be managed by the VMIA.

The Nationals believe that is a good outcome. Effectively it will not change the operation of or the way the schemes are administered. It will simply help centralise and rationalise the operation that encompasses building insurance. I certainly believe that

the main reason why The Nationals will not be opposing this legislation is because effectively this bill does very little. If this bill can be famous for anything, it is for what this bill does not do.

The whole issue of builders warranty insurance is an extremely important and highly volatile one in the building industry at the moment. The situation we face is quite amazing and beggars belief in that the insurance companies are getting away with charging the premiums they now charge. We still have a near monopoly in this industry in relation to builders warranty insurance.

While preparing for this contribution to the debate I thought about the meaning of the word 'insurance'. It is worth putting on the record how *Macquarie Dictionary* defines 'insurance'. It is a:

> … system, or business of insuring property, life, the person …against loss or harm arising in specified contingencies, as fire, accident, death, disablement, or the like, in consideration of a payment proportionate to the risk involved.

In other words, the payment should be proportionate to the risk involved. That clearly is what is wrong with the Housing Guarantee Fund Ltd at the moment. There is no risk involved. The insurers are writing out in the vicinity of 80 000 policies each and every year in Australia, yet do members know how many claims have been made over the last three years? Six!

The insurance premium when a house worth about $250 000 is being built is about $2500. Every time a builder constructs a house he has to pay $2500 insurance, or else he will not get a permit or approval to build the house. This is what is going on in the insurance industry in Australia — the cost to Australian builders is close to $350 million a year, or $120 million a year in Victoria.

Hon. T. C. Theophanous — If there is a fault, they can fix it themselves anyway.

Hon. D. K. DRUM — Exactly, Mr Theophanous. It is great that we have your support given the astonishing situation we have at the moment. It is beyond belief that this system of effectively putting — —

Hon. T. C. Theophanous — Half the time they do not do it; they do not fix the problem.

Hon. D. K. DRUM — Effectively the builders have to go back and fix the defect, and they have to keep going back if the defect is not fixed. They have seven years within which the owner of the house, the client, can keep calling them back. If they do not fix the defect to the required level, they risk their registration. They will not put that at risk. They will keep going back to fix it, and they will fix it outside — —

Hon. T. C. Theophanous — Have you ever had a house built?

Hon. D. K. DRUM — Exactly, and I have built them. It is just amazing that we have this situation where the risk is totally disproportionate to the premiums that are being charged in this industry. Whilst we now have, I think, five or six players in the builders warranty insurance market, there is only one — Vero Insurance — that effectively has 80 per cent of the market. It really is laughable that you can have these sorts of premiums being charged. Builders all around Victoria are paying exorbitant fees. If you pick a good, average-to-strong builder in the central Victorian region you will find that they are paying in the vicinity of $100 000 to $150 000 every year for these policies. The only way people can ever claim is if their builder happens to die, go broke or disappear. No discount or consideration is given to builders who have a clean record, who have never suffered any financial difficulty and who have never had clients putting in defect claims or the like against them. These builders just have to keep paying and paying, and that is something we really need to look at.

We need to be very aware of the fact that this is a total anomaly on a commonsense issue. It is an impost on the building industry that it clearly does not need. The government is going to run the risk of having an uprising from builders who are looking at this issue seriously. They are fed up with paying this sort of money. If you are paying $125 000 a year to build 70 or 80 houses, it does not take long before you can look back at your six or seven-year career in the building industry, during which you have never had the slightest problem in relation to client satisfaction, and realise that you have paid $1 million over a seven-year period to a builders warranty scheme that you are never going to use. This is the reality of the current situation, and I think it is incumbent upon the government to somehow or other get into the system and make sure that the premiums reflect the proportion of risk that is involved in builders warranty insurance at the minute.

The Nationals have consulted widely on this issue. Phil Dwyer has been very good in pushing forward the information on how it is affecting the building industry. We have also consulted Glenn Wade from Glen Loddon Homes in the Bendigo region. He was very clear about how it affects the building industry in central Victoria.

This is an area the government needs to take very close notice of. It is an area the government needs to become involved in. Whilst the government has made some inroads into the builders warranty market, the market is still too closed at the moment. We need to open it up and let market forces dictate a decent premium that is more in tune with the risk that is involved. As The Nationals have said quite a few times in our contributions to the debate, there is no risk when you look at the 6 claims in 80 000 — 6 over three years!

The Nationals will not be opposing this bill. We realise that the Housing Guarantee Fund Ltd is slowly winding its way down, that the claims are starting to be met and that the seven-year period for each of these claims is extinguishing. When we look at this bill we see that it is a commonsense and decent move that the government has taken to change the HGFL to the Victorian Managed Insurance Authority, but we think it is touching an area that needs to be addressed if we are going to continue to support the building industry. We need to listen very carefully to have a true understanding of what is going on in the real world in relation to the building industry. We certainly need to be doing far more to support the industry than we are currently doing, which equates to very little.

Mr SOMYUREK (Eumemmerring) — I rise to make a contribution to the debate in support of the House Contracts Guarantee (Amendment) Bill. This bill aims to implement the government's decision to transfer the current responsibilities of the Housing Contracts Guarantee Fund Ltd (HGFL) to the Victorian Managed Insurance Authority (VMIA). More specifically the bill amends the House Contracts Guarantee Act 1987 to establish the Housing Guarantee Claims Fund and to confer responsibility on the Victorian Managed Insurance Authority for the administration of that fund and the Domestic Building (HIH) Indemnity Fund and claims on those funds.

The bill also provides for the transfer of the assets and liabilities of the HGFL to the state. It also ensures that HGFL powers, which are required to administer both funds, are transferred to the VMIA and provides transitional arrangements in relation to ongoing legal proceedings and the construction of instruments and taxes which may be payable as a result of the transfer of HGFL responsibilities to the VMIA and the transfer of HGFL staff to the VMIA. It ensures that their leave and other entitlements are preserved. The bill also amends the Victorian Managed Insurance Authority Act 1996 and the House Contracts Guarantee Act 1987, the Building Act 1993 and Domestic Building Contracts Act 1995.

The bill protects consumers by ensuring the stable wind-down of the house contracts guarantee scheme and the domestic building (HIH) scheme by transferring the staff and registers of HGFL in relation to these schemes to VMIA. This avoids staff departing from HGFL permanently and the loss of their expertise. Although I am interested in the whole bill, the part I would like to enhance during my commentary today is the component about the protection of consumers. The reason I am particularly interested in this is that the province I represent, Eumemmerring Province, includes the city of Casey and the south-eastern growth corridor. The city of Casey is essentially one of the fastest growing municipalities in the whole of Australia. In fact it is the third-fastest growing municipality in Australia, behind the Gold Coast and Brisbane, with about 60 families moving in every week. That is down from about 80 families a week, which is due to a bit of a housing downturn. Nevertheless it has a very young demographic, with young families moving in after having houses built for them or in some cases building for themselves.

For most people buying a house will be the biggest investment they make in their lives. The last thing they need is for the biggest investment of their lives to be ruined by some unscrupulous builder. I have come across a few people who have been victims of some shoddy workmanship and their cases have gone to the conflict-resolution stage. A couple of months ago the condition of a two-storey house in Narre Warren was pretty bad. We must ensure that the transition is smooth and that we provide appropriate recourse for consumers who have been the victims of shoddy workmanship or unscrupulous builders. Having said that, we must not overcompensate but must ensure that the builders can also operate reasonably and that their income is not put at risk due to overregulation. The two things I am really interested in are safeguarding the consumer, especially the young families in my electorate, and making sure that builders can operate on a functional level. Members must understand also that the housing industry is critical for the Victorian economy.

I refer now to a couple of criticisms. A question that has been asked is: does the transfer of the responsibilities of the Housing Guarantee Fund Ltd to the Victorian Managed Insurance Authority impact on builders warranty insurance and other protection in building? That is not really a criticism but a sensible question. The guarantee scheme administered by HGFL applies only to domestic building contracts entered into before 1995. As claims against the schemes are no longer possible, the HGFL now primarily manages on behalf of the Victorian government claims against the Victorian government's rescue package for those home

owners who had been affected by the collapse of the HIH warranty insurance.

Another question I have heard is: what will happen to the surplus funds on the winding up of the Housing Guarantee Claims Fund? The bill allows the minister to close the new Housing Guarantee Claims Fund once all the claims have been satisfied. The bill provides for any money standing in the credit of the fund to be paid into the Domestic Builders Fund established under the Domestic Building Contracts Act 1995. This is consistent with current legislative arrangements, which under section 22 of the principal act provide for any remaining funds in the guarantee scheme on the winding-up of HGFL to be paid into the Domestic Builders Fund.

All in all, this is a largely administrative bill and is good legislation. I reiterate that the housing sector is very important for the national and Victorian economies. The housing sector is still pretty buoyant although it has tapered off slightly. The state government's first home owner grant has certainly helped to keep the housing sector buoyant. With that, I commend the bill to the house.

Hon. A. P. OLEXANDER (Silvan) — In the interests of expediting passage of the legislation, my contribution will be fairly brief. I will confine my comments to what are a very small handful of concerns expressed by the opposition. This is not controversial legislation and will not be opposed by anyone in the chamber, but members of the opposition wanted certain questions answered by the government during the course of the debate. I note that Mr Somyurek had an opportunity to answer those questions but essentially confined his comments to the non-controversial aspects of the bill — that is, 90 per cent of it. A couple of concerns of the opposition still remain unanswered.

The first was one mentioned by my colleague Ms Lovell — that is, how the consultation process, particularly in the drafting of the legislation, took place. She outlined to the house that it is our understanding that a number of key stakeholders were not consulted and that even when they went to the extent of asking to be consulted and included in an active role in drafting the legislation that request was not taken on board and not granted. We on this side of the house are very concerned about that. We have been lectured ad nauseam by members of the government on how consultative the government is and that it takes on board views and listens and acts. The government has not been prepared to consult adequately on this matter. We still do not understand why offers of assistance from key stakeholders in the industry were actively rejected by the government when the stakeholders made approaches to assist in the drafting of the legislation.

Another concern I raise is that the bill has as one of its stated objectives the protection of the entitlements of the staff of the Housing Guarantee Fund Ltd. Members of the opposition have been advised that not all HGFL staff will be employed. Again, that issue was not touched upon by Mr Somyurek. We would like to understand what is the truth of that matter. If all staff are not to be employed or are to be made redundant, we would like to understand the magnitude of that and to know what the arrangement will be for those employees if their entitlements are not to be made continuous or provided for under the legislation. Will they just be sacked? What mechanism will be used in the transfer of responsibility between the HGFL and the Victorian Managed Insurance Authority (VMIA)?

Mr Smith — The transmission of business.

Hon. A. P. OLEXANDER — We would like to understand it, Mr Smith. The employees of those organisations also would like to understand what the arrangement will be. If there are to be redundancies or sackings, we would like that to be revealed in the interests of transparency.

Members of the opposition also have concerns about the appropriateness of the VMIA to handle the claims and make decisions related to them. The opposition has concerns at two levels and again they were not touched upon or answered by the government speaker, Mr Somyurek. The first is that the ratio of claims that the HGFL paid in the year ended June 2004 amounted to $1.3 million but the expenses related to the payments of those claims was a staggering $1.08 million, which is almost the same amount as was paid out in claims. You do not have to be an accountant to understand that that is an extraordinarily high ratio of expenses to claims. If this were a commercial organisation, it would be out of business. Certainly a serious review would be taking place into what the money was spent on. Given that the claims will continue to be paid, we on the opposition side ask that in the transfer process that ratio be addressed. Why are the administration costs so high in relation to the payment of a mere $1.3 million of claims to 30 June 2004? It now needs to be addressed by the Victorian Managed Insurance Authority as the newly responsible body.

The second concern we have is whether the VMIA has sufficient expertise to assess and pay these claims, and whether the specific building industry expertise exists. It has not been revealed to us whether that is the case.

From a brief perusal of the web site and from looking at the backgrounds of members on the VMIA board it appears that none of them has specific building industry experience or experience in this claims area. We would like the government to address that as well in the implementation of this legislation. As far as the VMIA is concerned, in the interests of transparency we would like the government to reveal to us whether it plans to expand the board, whether it plans to hire specialist staff to handle these claims, what arrangements it sees fit to put in place to ensure that these claims are administered appropriately and correctly, and what steps it intends to take to make sure that the claims are administered efficiently so that the level of administration costs does not equal the cost of the claims, which is an outrageous statistic.

As we have already said, we do not oppose the bill. However, we are concerned about discretionary power being given to the Treasurer, the Honourable John Brumby, by proposed section 17E(1), which is inserted by clause 13 and which states:

> VMIA may invest any part of the Housing Guarantee Claims Fund that is not immediately required for the purposes of the fund in any manner approved by the Treasurer.

That is an extraordinarily wide discretion. We would like to understand, again in the interests of financial transparency, how the government intends that those funds might be applied. It is a very straightforward and reasonable question to ask. It is a sweeping power. It takes control of the application of those funds out of the hands of VMIA and hands it to the Treasurer. It is certainly not under the oversight of this Parliament but under the oversight of the Treasury. We would like some further information from the government on what the Treasurer believes the appropriate application of unused funds would be in those circumstances, and when he would invoke that power.

We are also slightly concerned about the VMIA being given the power in proposed section 17E(4) to dispose of any property other than money in the fund. We want to know how that money could be applied legitimately and whether it could be applied to pay for political promises in an election campaign, for example. We may be talking about multimillions of dollars. Is this another hollow log? I notice Mr Smith grinning on the other side of the chamber. If it is not, perhaps he can give us some comfort on the issue and let us know. All we are seeking is further information. We are not going to stand in the way of what we think is a very sensible piece of legislation and a set of arrangements that need to be made. But certain of these provisions have the capacity for misuse, and we believe it is incumbent on the government in the interests of the transparency about which it lectures ad nauseam everybody in Victoria to come clean and tell us how it is going to do that. As I said, in the interests of getting a resolution to this debate and hopefully getting some answers to that small handful of key questions, I wish the bill a speedy passage.

Hon. P. R. HALL (Gippsland) — This bill makes arrangements for some very limited activities of the Housing Guarantee Fund Ltd. Those activities have been explained in the second-reading speech and by previous speakers, so I will talk a little about the HGFL and builders warranty insurance. I remember the old Housing Guarantee Fund Ltd system pretty well. In my files at home I still have two HGFL contracts for when I had some building work undertaken on my house. What HGFL delivered is probably best explained on page 1 of the second-reading speech. It states:

> HGFL guaranteed domestic building work against defects and incompletion for a period of seven years from the date that the domestic building contract was entered into, or the building approval was granted, whichever occurred first.

Key words in the context of the debate are that it guarantees against ‘defects’. In Victoria now there is no insurance system that provides any sort of insurance against defects in building, so the concept has been greatly changed.

Since 1995 we have had the Domestic Building Contracts Act, which introduced the concept of builders warranty insurance. What most consumers simply do not understand is that when they enter into a building contract the builder is required to take out builders warranty insurance cover. They falsely believe that that provides some assurance that any defects in the building will be rectified. It does not. It is simply last resort insurance that will only give you some come-back if the builder dies, disappears or goes bankrupt. Hence we have had what is commonly called insurance of last resort.

You have to fight over defective work matters with the builder, and in some cases that means going back to the courts to have the builder rectify the defect in his building work. That is why it is so important to undertake any contracts with a registered builder because some sanctions can be taken against registered builders. They can be deregistered, so it is in their best interest to ensure their work reaches the quality expected of them.

In my experience the builders in my electorate, in a country area, are pretty jolly good. They develop a good reputation and that is why their businesses survive; they are prepared to go back and rectify any

defects that might occur in their work. Generally speaking I do not think I have had a complaint against any of my local registered builders, and that speaks well for them. Nevertheless, there are some, and I heard by way of comment from Mr Somyurek that there are people in his electorate who have experienced very defective building work, and they have had great hassles to try to have those defects rectified.

Let us make it very clear, and consumers need to be very clear, that the builders warranty insurance system we have in place at the moment is only a very limited insurance system in those last-resort cases that I mentioned previously, so the premiums people pay should also be limited. I think it is worthwhile having builders warranty insurance. I would like to have some assurance that if the builder undertaking my job disappears, goes bankrupt or dies, there is some insurance cover, but it should not be at the premium levels that people are being required to pay now.

For the interest of the house, the builders warranty insurance premium on an average house costing $250 000 is 1 per cent, or $2500. The maximum claim you can make on any builders warranty insurance, no matter what the cost of the house you are having built, is $200 000. That includes up to $100 000 in legal costs. So the collective sum of perhaps your uncompleted building work and the legal costs incurred cannot exceed $200 000 for the $2500, on average, premium you have paid.

My colleague Mr Drum mentioned some of the startling facts about how much consumers are asked to pay for builders warranty insurance. The national take across Australia is something in the order of $350 million each year. In Victoria consumers are paying $120 million a year. If you want to break it down and work it out on an hourly rate, consumers in Victoria are paying about $58 000 every hour, 8 hours a day, 5 days a week, 52 weeks a year in builders warranty insurance. We must ask: what for? It is difficult to ascertain exactly how many claims have been made under builders warranty insurance because the insurance companies do not disclose those figures.

People in the industry who have done far more research than I have told me that nationally in the last three and a half years there have been just six claims on builders warranty insurance. Given the maximum claim is $200 000, that amounts to $1.2 million in claims against premiums of $1.2 billion over that three and a half years.

Builders warranty insurance is an absolute sham. Consumers in Victoria are being slaughtered. If Victorians paid a premium of $50 on an average house, they would still generate $4 million a year. That would give insurance companies $4 million to pay out any claims. That is more than enough, and yet consumers in Victoria are being asked to pay $2500 on average where $50 would more than adequately cover any claims made against the builders warranty insurance system. I find that absolutely incredible.

In Victoria something like 81 000 domestic building permits are issued each year. That, multiplied by, say, $2500 on average, amounts to an extraordinary amount of money for an extremely poor return. Therefore the builders warranty insurance that is spoken about in the second-reading speech is absolutely shonky and consumers are being ripped off. It is a government-mandated scheme and this government refuses to do anything about it, despite the strenuous efforts of many people — and certainly members of this Parliament have been included in that.

The Honourable Chris Strong and I have spoken extensively about it in the Parliament before and others have spoken about it today and at other times as well. The government says it is a mandated scheme. It says, ‘We are not prepared to change it’ and yet insurance companies are absolutely ripping off people in Victoria. The cost of owning and buying a house is quite significant now. This government could reduce it by $2500 simply by changing the builders warranty insurance scheme. But government members sit with their hands folded, and are not prepared to do anything about it. I say, ‘Shame on you, Victorian government’. This system does not work. Even government members here today have said in their contributions that the system does not work. Consumers in Victoria are being hoodwinked, and it is about time the Bracks government did something about it.

Hon. C. A. STRONG (Higinbotham) — Essentially this bill transfers the staff and assets of two organisations — the Housing Guarantee Fund Ltd (HGFL) and the Domestic Building (HIH) Indemnity Fund — across to the Victorian Managed Insurance Authority (VMIA), which is the state government’s insurance arm.

It is worth recording how well the existing organisation, the Housing Guarantee Fund, which has managed these issues, has performed over very many years. Its latest annual report highlights that during 2003–04 it handled 119 HGFL claims for a cost of nearly $1.5 million, and 682 HIH claims for a cost of $2.8 million. As at June 2004, total claims in progress were 600, and if you look at the HIH tail pick-up, it has handled over 2854 claims at a total cost of $18.5 million — a very

commendable activity. The old HGFL, which has not taken in any new money since 1995, has accumulated funds of some $7.4 million, which will be transferred to VMIA, and the HIH indemnity fund has assets of $4.8 million.

The values of all of these assets go up and down as new contributions come in. I would like to deal quickly with the whole issue of building warranty insurance, which other speakers have dealt with at some length. It is fair to say that the current system is a failure and a farce. It is a failure simply because it discourages small builders from getting involved in the marketplace. It is a failure because it provides no protection to consumers at all for the vast amounts of money that are raised in insurance policies. Why is the insurance policy a farce? It is a farce because it does not effectively cover consumers for what they want, which is some insurance against shoddy workmanship and faults in their buildings. All the insurance covers consumers for — and let us be very specific about this — is a partial completion, because the dollar amount is capped. It allows for a partial completion of a project if the builder becomes insolvent, dies or disappears. Three very specific conditions apply and, as other speakers have said, these conditions have very seldom been met. Very few claims fall into those categories of insolvency, death or disappearance of a builder.

The vast majority of concerns that consumers have with buildings are in the area of faulty workmanship and faults, where the builder does not do the job properly in some measure. This insurance does not cover that area at all. As a consumer protection policy it is a farce, but it was not always so. Up until the demise of HIH, building faults were covered by the policy. Following the demise of HIH the government scrambled in an absolute panic to a find a solution to this. It did a deal with the insurance companies that said, 'If you stay in the business, we will relieve you of the need to cover faulty workmanship. We will narrow the policies down to these three core areas of death, disappearance and insolvency'. The deal that this government did with the insurance companies was a massive betrayal of consumers, because what consumers wanted was cover against faulty workmanship. That was taken away in this deal with the insurance companies and, as other speakers on this side of the house have said, we have been asking, requesting, pleading for the government to do something to put back the consumer protection it took out in the shoddy deal it made with the insurance companies that has without question put a great deal of money into the coffers of the insurance companies without a commensurate risk profile because the current risks are very, very limited.

It is intolerable today that there is no consumer protection for domestic buildings and that the government does not seem to understand. It was with great interest that I read through in *Hansard* some of the contributions made in the other place. One after another members of the other place got up and said that this insurance covered faulty workmanship. It does not cover faulty workmanship. In fact in a famous case that has been quoted on many occasions the Premier said on 3AW that it covered faulty workmanship and had to come back a couple of weeks later and correct himself. There is a desire by the government to fudge this issue because quite clearly it is embarrassed and refuses to do anything about it.

I would like to put it on the record that the Liberal Party has been very specific that when it comes into government there will be proper consumer protection for domestic building contracts. What this government has done and continues to do is a betrayal of those hundreds of thousands of people out there who believe in good faith that they are covered for shoddy workmanship and for builders faults only to find in the greatest shock in their lives that when something goes wrong they are left like a shag on a rock and have to try to deal with a builder. If they have an intransigent builder who wants to take them through the Victorian Civil and Administrative Tribunal (VCAT) and the courts they are in big trouble.

Members will know that I have related numerous cases in this house in which that has happened — consumers have been left hanging, have failed to get satisfaction from their builder and have nowhere to go. What is the use, I ask, of building warranty insurance that does not cover up to 95 per cent of the cases that consumers want it to cover? We have a warranty insurance which through their building contracts costs consumers thousands of dollars for every new house — $2000 or $2500 in insurance — but which does not cover the very thing they want, which is some protection against faulty workmanship. Consumers want someone they can go to to get restitution or get a fault fixed if a builder refuses to do the right thing. This insurance does not provide the very thing consumers want. The government knows that. The government has been told that by the building industry. It has been told that by the Australian Consumers Association, but it has its head in the sand and refuses to do anything about it. In the meantime the insurance companies are having a ball taking in these premiums with very little risk. It is an absolute disgrace.

Compare that to the figures I read out initially for the old Housing Guarantee Fund. The HGF, which did cover building faults and still has a small number of

those on its books, is way in front after doing 119 cases last year at a cost of $1.5 million. With the money it has invested of over $7.8 million it is still in front. After close to 10 years of having no new premiums and dealing with hundreds and hundreds of claims, by proper management it has been able to do that and to provide what consumers want, which is what is called first-resort coverage.

The whole building warranty situation is a disgrace. The government refuses to do anything about it. All its rhetoric about looking after consumers is an absolute joke. The most expensive consumer item that a normal citizen would enter into is his house, yet in respect of that he does not have the most basic consumer protection that you would have if you went out and bought a pair of shoes or a shirt or any other article. With most consumer goods you have an assurance that if there is some faulty or shoddy workmanship, they will be replaced and repaired. In a deal it did with the insurance companies in the late 1990s this government has taken away the very insurance people want. It is a disgrace. As I said, a Liberal government will not stand by and leave consumers hanging out to dry like this.

Ms MIKAKOS (Jika Jika) — I rise to make some brief comments on the House Contracts Guarantee (Amendment) Bill 2005. I indicate my strong support for another piece of Bracks government legislation that seeks to protect Victorian consumers. This bill does a number of things. It establishes the Housing Guarantee Claims Fund and confers responsibility for the administration of that fund and the Domestic Building (HIH) Indemnity Fund, as well as for claims on those funds, on the Victorian Managed Insurance Authority. It provides for the transfer of assets and liabilities from the Housing Guarantee Fund Ltd to the state to ensure that HGFL's powers, which are required to administer both funds, are transferred to the VMIA.

The bill contains a number of transitional arrangements in relation to ongoing legal proceedings, the construction of instruments and taxes that may be payable as a result of the transfer. Provisions also cover the transfer of staff from the HGFL to the VMIA to ensure that all their entitlements are preserved.

The bill also amends the Victorian Managed Insurance Authority Act 1996 to add to the functions conferred on the authority under the House Contracts Guarantee Act. It also makes a number of consequential amendments to the Building Act 1993 and the Domestic Building Contracts Act 1995.

I am sure all members are fully aware of the circumstances relating to the collapse of HIH in 2001. We have discussed this matter on many occasions, and I do not wish to go over all the issues again in detail, but I do want to point out that the Bracks government acted swiftly and responsibly in developing and implementing a comprehensive $35 million rescue package to bail out Victorian policy-holders when HIH collapsed. It would be remiss of me not to point out to members opposite, who have very selective memories when it comes to many of these issues, that it was their federal counterparts who consistently and repeatedly failed to heed the warning signs about HIH. We saw a complete failure of the Australian Prudential Regulatory Authority, which is the federal regulator of the insurance industry, to properly regulate the industry and prevent the disastrous collapse that impacted on so many thousands of Victorians and other Australians. Its effects are still being felt to this very day. Unlike the federal government, which was completely remiss in its care and responsibility in regulating this industry and looking after Australian consumers, the Bracks government is committed to protecting Victorian consumers.

The transfer proposed in this legislation will not impact on consumers or builders in any way. It will take place in an orderly and stable manner, and it has been the subject of consultation with key stakeholders — and I will come to that issue in more detail in a moment. I want to emphasise that this bill in no way impacts on or alters the ongoing requirements and arrangements regarding builders warranty insurance for new home construction and renovation. The only impact on builders and consumers will be that they will deal with the Victorian Managed Insurance Authority instead of the Housing Guarantee Fund Ltd in relation to matters to do with the old building guarantee scheme and the state's HIH rescue package.

The opposition's claim that there has not been adequate consultation is laughable. In preparing this legislation Consumer Affairs Victoria consulted and liaised with the boards of the housing guarantee fund and the Victorian Managed Insurance Authority. Importantly this proposal was actually initiated by the Housing Guarantee Fund Ltd. As original sponsors of the HGFL, the Housing Industry Association and the Master Builders Association of Victoria have been aware of these proposed changes. Both the Housing Industry Association and the Master Builders Association of Victoria have representatives on the board of the Housing Guarantee Fund Ltd, and it was open to those representatives to bring any matters of concern to the attention of the boards of the organisations they represent. My understanding is that at no time did HIA, the master builders or indeed the Victorian Managed Insurance Authority (VMIA) have

any concerns about this transfer, so I refute the assertions that have been made by the opposition.

In relation to staffing matters I note that workers in any industry and in any organisation are of course sensitive to change, and it is inevitable that staff at the Housing Guarantee Fund Ltd would have concerns about the proposed transfer. The current proposal actually increases the opportunities for many of the staff of the Housing Guarantee Fund Ltd without jeopardising their entitlements, and I think that is a very important matter that members should be aware of. It should be noted that the staff of the Housing Guarantee Fund Ltd are generally employed under contract at the moment. At the time of the HIH collapse the guarantee scheme had been in run-off for some years, and the volume of work had steadily been winding down. The decision of this government in 2001 to give the Housing Guarantee Fund Ltd responsibility for managing claims under the HIH rescue package extended the employment opportunities for staff working at the Housing Guarantee Fund Ltd at that time.

With claims management work under the HIH rescue scheme now also winding down the Housing Guarantee Fund Ltd has been reducing its number of contracted staff in accordance with the terms of those contracts, and staff have been aware that this would occur and have no doubt been making arrangements about alternative employment. I want to emphasise that the bill provides that all staff still working for the Housing Guarantee Fund Ltd at the time the VMIA takes over management of the schemes will transfer to the VMIA to perform the same work on the same contractual terms and conditions, including accrued entitlements. No staff will lose any of their hard-earned entitlements. As these schemes continue to wind down I understand the VMIA will assess its ongoing operational needs in respect of the scheme responsibilities that have been transferred to it. The VMIA may be able to find opportunities for some of these staff to transfer to other duties within the VMIA, and such opportunities would not have existed at the Housing Guarantee Fund Ltd as it has no ongoing responsibilities other than a run-off of the two schemes.

Any staff for whom VMIA cannot find continuing work will be entitled under their contracts to the same terms and conditions, including those related to termination, as they would have been entitled to had the Housing Guarantee Fund Ltd continued in operation and reduced its staff numbers as the schemes ran down. The staff of the Housing Guarantee Fund Ltd will transfer to the VMIA on the appointed day, which is defined in the bill as being the date on which the act is proclaimed to commence, and I understand this transfer will occur no later than 1 July 2007.

I note that members of the opposition have raised some concerns about the credentials of the VMIA to take on this new responsibility, and I find this quite astounding. As members would be aware, the VMIA acts as an insurer for, or provides insurance services to, Victorian government departments and participating bodies for a very wide range of risks, and it assists state government departments and participating bodies to establish programs for the identification, quantification and management of those risks. Apart from the property and public liability risks, the range of risks insured by the VMIA includes amongst many others professional indemnity, marine and aircraft, specialist vehicles and directors' and officers' liability. To suggest that the VMIA is not suitably qualified or able to take on these additional responsibilities under this bill is really quite laughable.

In response to suggestions that the VMIA does not have the required expertise, I understand the board of the VMIA is drawn from many industries and has outstanding expertise in claims management. In relation to the issue of expanding the existing board of VMIA, I note that the responsible minister may choose to appoint a new board member who will complement the existing expertise of the board in relation to building industry matters and, following the transfer, the board of the VMIA will be able to draw on the expertise and knowledge of those key staff who will also be transferred to the VMIA as part of the process envisaged by this legislation.

I understand that the Housing Guarantee Fund Ltd is no longer taking new claims under the guarantee scheme and that the number of new claims in relation to the HIH rescue package is likely to begin to substantially decline. Its staff and the board have established very clear procedures to handle the majority, if not all, of the remaining claims that the Housing Guarantee Fund Ltd is likely to have to respond to.

In response to matters relating to the issue of funds being disposed of and clauses in the bill that relate to the Treasurer's discretion and so on and so forth, I note that the Treasurer will not decide where the money goes and that the Bracks government will not dispose of any property and use the money for any political purposes, as has been suggested. These kinds of allegations are laughable, and I think the opposition needs to be more responsible when coming into the house and making these types of assertions.

Proposed section 17E should not be read in isolation but in conjunction with proposed section 17C, which requires that all income arising out of these investments and all moneys received from the disposal or sale of assets must be paid into the fund.

The range of purposes for which payments can be made out of the fund are outlined in proposed section 17D. Primarily these payments must be for the settling of claims and the meeting of normal administrative and other costs incurred in managing and settling these claims.

The VMIA decides what investments to make and what property to dispose of, although in the case of investments the Treasurer must approve that decision. These provisions are similar to those applying in other legislation and are the same as those currently applying to the Domestic Building (HIH) Indemnity Fund while under the management of the Housing Guarantee Fund Ltd.

We have again seen members of the opposition developing policy on the run and telling us what they would do with the fund in the unlikely scenario that they were returned to this side of the house any time soon.

In conclusion, we have heard some interesting and colourful suggestions by opposition members in relation to this legislation. This bill is about ensuring the orderly wind-down of the Housing Guarantee Fund Ltd and transferring its responsibilities to the Victorian Managed Insurance Authority. It is an important piece of legislation dealing in large part with the failure of the federal government to properly keep an eye on the Australian Prudential Regulation Authority and to do its job in regulating the insurance industry, and I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

MELBOURNE COLLEGE OF DIVINITY (AMENDMENT) BILL

Declared private

The ACTING PRESIDENT (Hon. R. H. Bowden) — Order! The President has had the opportunity of examining this bill and is of the opinion that it is a private bill.

Mr LENDERS (Minister for Finance) — I move:

That the bill be dealt with as a public bill.

Motion agreed to.

Second reading

Debate resumed from 18 August; motion of Hon. T. C. THEOPHANOUS (Minister for Energy Industries).

Hon. ANDREW BRIDESON (Waverley) — I rise today to speak on the Melbourne College of Divinity (Amendment) Bill, and indicate at the outset that the Liberal Party is in support of this special piece of legislation. Mr Hall indicated prior to my rising that he would allow me a couple of minutes to speak on the bill. I could be a little briefer if I wanted to be, but it would be somewhat demeaning to the legislation if I only took a couple of minutes, so I will take perhaps 5 minutes or so to elaborate and enunciate a little of the detail of the bill. That may mean Mr Hall and others who follow me may be briefer than they first intended.

I should start by outlining the purpose of the bill, which is to amend the Melbourne College of Divinity Act 1910 to make further provision for the college's governance and operation. These amendments will enable the college to comply with the new national governance protocols and thereby be eligible for the additional commonwealth funding which is contingent on the adoption of those protocols. The bill makes further changes which will improve the operational efficiencies of the college. Members may remember that in April we passed legislation that is complementary to this for all other universities, and I shall later touch upon why this is separate legislation.

This is an historically interesting bill, and most of the information I have I gleaned from the Melbourne College of Divinity (MCD) web site. I would thoroughly recommend to those who are interested in this type of education that they look at that web site, because it contains all the necessary information.

The Melbourne College of Divinity was constituted by a 1910 act of this Parliament. At that time the college represented the Church of England, the Baptists Congregational and the Methodist and Presbyterian churches as well as the Churches of Christ. The act was further amended in 1956, 1972 and 1990 to enable the Melbourne College of Divinity to incorporate other branches of Christianity to become more

comprehensive. The MCD now includes representation from the Anglican and Baptist churches, the Churches of Christ and the Presbyterian, Roman Catholic and Uniting churches, and it also includes the Salvation Army in its teaching program. Although it has been affiliated with the University of Melbourne as of 1993, the college has maintained its autonomy and its degree-conferring status.

The college became eligible to receive federal funding for research, Australian postgraduate research awards and international postgraduate research scholarships. The Higher Education Support Act of 2003 listed the MCD as a table B private, self-regulating higher education provider, allowing students to access federally funded loans under the FEE-HELP scheme earlier this year. This relationship between the college and government has proved to be successful, and it will continue to be with this amendment bill, which is part of the update of the act which governs higher education providers in the state and brings them into line with the commonwealth's national governance protocols. To be eligible for grants under the commonwealth grants scheme, under section 33-15(1)(a) of the Higher Education Support Act 2003, higher education providers need to adhere to the national governance protocols. This was enunciated in the previous bill that I mentioned was passed in April of this year.

Changes were made to Victorian universities so that they could conform to the commonwealth's national governance protocols as part of the bill amending the higher education act which was passed in April this year. The MCD act is debated separately due to the unique structure of the college. This structure sets a standard for theological education for the rest of Australia. Furthermore there are only few examples in the world of institutions that have the same success.

The college has one board with members of different denominations. The board retains the power to award the degrees and diplomas; however, the board does not conduct the teaching or become involved with the staffing. This is undertaken by the different colleges under the mast of the Melbourne College of Divinity. Melbourne College of Divinity degree and diploma courses are taught at four campuses, including the Catholic Theological College, which in itself is spread across numerous campuses in Melbourne, the Evangelical Theological Association and the United Faculty of Theology, both of which I think are based in Parkville, and the Yarra Theological Union, which is based, from memory, in Albion Road, Box Hill.

The college's sources of information and education are quite diverse within the context of Christian teachings. The MCD has been able to affiliate itself throughout the last 10 years with bodies such as the Centre for Ecumenical Studies, the Centre for Religious Education and the Christian Spirituality Centre. This has continued to broaden the scope of opportunities for research and for students of the college. From memory, the second-reading speech outlined the number of higher degrees and doctorate awards made in the past year.

The Melbourne College of Divinity also publishes a journal called *Pacifica*, which is distributed to raise awareness of the scholarships and resources available, and it is a great source of information.

I would like to put on record the mission statement of the college which is published on its web site. I quote from a printout from the web site:

> The Melbourne College of Divinity is an ecumenical provider of tertiary education in theology, with commitment to:
>
> quality in teaching and research
>
> the understanding of faith in secular contexts
>
> the integrity of the Christian churches.

Further on the web site the values of the MCD are spelled out. I quote verbatim:

> Critical enquiry and open dialogue in the exploration of truth
>
> Active engagement with local, national and global social contexts
>
> Recognition and respect for the traditions of the member churches in an atmosphere of mutuality and ecumenical cooperation
>
> Interdependence in the development of all learning activities
>
> Honest professional relationships between students and staff
>
> Freedom from all forms of discrimination
>
> A climate of respect and openness

And finally:

> Enthusiasm, flexibility and innovation.

It is interesting for members to reflect on the fact that in 2005 a Melbourne college with a 95-year history in theological education professes values that are extremely relevant to the issues we face in today's society.

The amendment to the MCD legislation will involve the establishment of an academic board and council which will include the dean, the chairperson of the academic board, representatives of the five member churches and members appointed by the council. The

college will also now include MCD faculty staff, students, fellows and committee members, as opposed to just members of the governing body. The governing body will not exceed 22 members, and it must include people with certain expertise. For example, at least two members must have a background in finance and at least one member must have commercial expertise, unless there are 10 members on the governing body, in which case one member with a financial background is sufficient.

The amendments to the act also allow the governing body to remove a council member by a two-thirds majority vote, and smaller amendments have been made to ensure some flexibility in the legislation that will enable small changes to be made without needing legislative amendment. These amendments will allow the MCD to respond to changes as a result of the Australian universities quality agency audit which will be conducted this month.

As I think I mentioned at the outset, 11 national governance provisions required by the commonwealth are applicable to the MCD as a table B provider. These are more than adequately outlined in the second-reading speech and in the bill, and I do not propose to put them on the record. All members who spoke in debate on the bill debated by the house back in April made mention of these, and I do not think it is necessary for me to put them on the record.

I read with great interest the contributions to the debate conducted in the lower house. Some members had actual experience of attending the Melbourne College of Divinity. I think the member for Burwood in the other place was educated at the MCD; he spoke very highly of his experience there. Some interesting comments and remarks were made by our colleagues in the other place. I certainly do not have any similar experience that I can relate to the chamber, so I implore those who are interested in this bill to read *Hansard* for those contributions and reflect on the comments made.

I do not think there is anything more I can add to my contribution to debate on this bill. The Liberal Party consulted with the Melbourne College of Divinity, which was looking forward to this day — the day on which the bill will be enacted. Without saying any more, I wish the college well in its future direction. I am sure it will be a great fillip for Victoria and those who undertake theological studies. One of my constituents studied at the MCD, and he asked me to put on record the fact that he received a very sound, thorough and proper education there, and that he is making good use of that education.

With those comments, there is really not much more than can be said on this bill. I wish it a speedy passage; the Liberal opposition supports that speedy passage.

Hon. P. R. HALL (Gippsland) — I am pleased to advise the house this afternoon that The Nationals will be joining the government and the opposition in their wholehearted support for this bill which amends the Melbourne College of Divinity Act.

I am also pleased that the chamber has decided to treat this private bill as a public bill — it is not often that such an event happens in this place. Treating what is deemed to be a private bill as a public bill avoids a rather convoluted process in making amendments to the act and also exempts the Melbourne College of Divinity from paying some remuneration to the Parliament for making those changes to the act. So we are saving the Melbourne College of Divinity a few dollars by classifying this bill as a public bill, and I am pleased that decision has been taken.

I did not directly consult with the Melbourne College of Divinity on this bill but went to its web site, as did the Honourable Andrew Brideson. I read the college newsletter which expressed its gratitude to the Parliament for the amendments contained in the bill that will be passed through the house this afternoon. From that I gleaned that the college was in wholehearted support and was very pleased with the arrangements for its new administrative structure provided for in the bill.

While I was on the web site I read through some of the history of the Melbourne College of Divinity. Some of that is repeated in the second-reading speech — —

Mr Lenders — Sounds like the web site has had more hits today than it has for a while.

Hon. P. R. HALL — Possibly. It is a good and interesting web site. It speaks about the inauguration of the college back in 1910 by an act of the Victorian Parliament. It mentions that at that time the college was represented by the Church of England, the Baptist, Congregational, Methodist and Presbyterian churches and that by co-option it had membership from the Churches of Christ. Today the college encompasses the Anglican, Baptist, Presbyterian, Roman Catholic and Uniting churches and Churches of Christ, and has a strong association with the Salvation Army. The web site lists the various theological and ministry education programs the college has to offer and talks about the long history of the college's involvement with research activities. While I am not going to go over all of that, it

is very interesting and helpful information when we come to consider the bill.

The college was established by statute in 1910. Over the intervening period — almost 100 years — there have been three amendments to the act, and this is the fourth amendment. The act was amended in 1956, 1972 and in 1990. One of the major changes in the history of the college occurred in 1993, when it was affiliated with Melbourne University but retained its autonomy and degree-conferring status. The early 1990s was an important period for higher education right across Australia, because the then federal minister for education, the Honourable John Dawkins, required that a single higher education system be put in place right across the state. That sent many higher education institutions, like Melbourne College of Divinity, scurrying to find a partner. In some cases that has had good outcomes, and in other cases the outcomes have not been so good.

The Melbourne College of Divinity sought and gained affiliation with Melbourne University. Another higher education provider, the Victorian College of Agriculture and Horticulture, was also forced to find a partner and found it in the Melbourne University, but that association has been less than successful following the recent decision of the university to abandon some of the courses it offers through the former campuses of the agriculture and horticulture college. The Victorian College of the Arts also sought affiliation with Melbourne University, and that has been a successful affiliation. Certainly the Melbourne College of Divinity's association with Melbourne University has been advantageous, and importantly the college has maintained its autonomy and confers its own degrees. We are seeing that further autonomy expressed in this amendment bill.

Another important milestone in the college's history was the 2001 listing as a schedule 1 higher education institute by the commonwealth government. That meant that the college was eligible for some federal government funding, particularly in the area of research. It also enabled students of the college to access federally funded student loans, which was important to the functioning of the college. In order to be eligible for this funding the Melbourne College of Divinity, like all other higher education providers, had to comply with certain governance protocols. In this chamber some weeks ago we passed an act that amended the acts of, I think, seven universities in Victoria plus the Victorian College of the Arts so that they now conform with the nationally agreed governance protocols.

Essentially the main thrust of this bill is to change the Melbourne College of Divinity Act so that it fits with those agreed governance protocols. If you look through the table of provisions in the bill you can see some common headings that were applied to other university acts in Victoria. It defines things like the constitution of the college and its objects. The council structure is being changed, and the new structure is put in place by clause 6. A number of clauses set out the procedure for how the council will operate. Clause 14 defines structures for the new academic board of the college. Without going into the details of all of these definitions, each of those changes concerning the college council, its academic board and the procedures of the college council accord with the agreed governance protocols. That is essentially why this bill is before us this afternoon.

I wish the college well. It has continued to serve the Christian community in Victoria for the best part of 100 years. It has served well in the past and I am sure it will continue to do so in the future. This legislation will help in that endeavour to serve Christian communities throughout Victoria, and it certainly has the wholehearted support and best wishes of The Nationals.

Ms ROMANES (Melbourne) — I too am privileged to speak on this special piece of enabling legislation for the Melbourne College of Divinity. Firstly, it makes the necessary changes for the institution to comply with the new national governance protocols and therefore be eligible to receive funding as provided for in the commonwealth's Higher Education Support Act 2003. Secondly, it makes additional amendments requested by the college that will improve its operational efficiency and correct anomalies that are currently in place.

Speaking on the bill today provides members with an opportunity to put on record our recognition of the importance of the college in the history of this city and state and to note the way the college has developed and evolved since it was established in 1910 by the original act of Parliament.

There are a number of distinct phases in its history which reflect the history of the times through which it has served the Christian church in this state and more broadly in Australia. The first phase was from 1910, when the Melbourne College of Divinity was established as an examining body for the bachelor of divinity and diploma of divinity, to 1972. The degree and diploma were examined each November in centres across Australia, New Zealand and beyond. The doctorate of divinity was awarded for research leading to a thesis, with the master of theology being added in

1956. The fact that the Melbourne College of Divinity Bill was a separate bill to the one establishing the University of Melbourne reflected the history. As I understand it, the University of Melbourne refused to have a faculty of divinity. To understand that, we need to think back to the educational context. There was a strong feeling about the need for free and secular education in this state. There was also a tussle for supremacy going on between the Anglican Church and the Roman Catholic Church, and Archbishop Mannix was a very strong leader of the church in that period. If history had emerged differently we would not have the Melbourne College of Divinity taking its place in history as the second tertiary institution in Victoria after Melbourne University.

In the second phase of its life between 1973 and 1990 the role of the Melbourne College of Divinity was accrediting teaching in ecumenical settings as well as being an examining body. The 1972 act made changes which brought the Roman Catholic Church into the college and provided for the first Australian undergraduate theological degree, the bachelor of theology, which was taught by associated teaching institutions comprising Anglican, Baptist, Churches of Christ, Roman Catholic and Uniting church colleges in varied partnerships. The 1972 amendments to the act had an effect which was to reverberate across the nation, because it established a thoroughly ecumenical institution which developed an outstanding reputation internationally.

Other members who have spoken this afternoon have delved into the Melbourne College of Divinity web site for further information. I made contact with Reverend Emeritus Professor Denham Grierson, who was emeritus professor in the Uniting Church within the united faculty of theology. He described the united faculty of theology as ‘a unique centre for economical education scarcely matched anywhere in the world except perhaps the ecumenical centre in Dublin’. He described the impact of the united faculty of theology, with its interchangeable courses where students could move across centres of learning, and a faculty of theology which was so inclusive and flexible that at one stage it was able to even embrace a rabbi as one of its students. Denham Grierson captured the enormous impact of this initiative, this great achievement of an academic ecumenical institute that has been a source of considerable influence on the kind of society and values we uphold and live by in Victoria today. I do not think we can overestimate the impact of an institution such as the united faculty of theology at various levels, whether they be political, in society or broader.

In its third phase from 1990 to 2000 there was a period of expansion of teaching and a diversification of courses so that a wider range of degrees and diplomas was offered to reflect the widening mission and ministry of the church. In the fourth phase from 2001 to 2005 there has been more attention to research and restructuring the Melbourne College of Divinity, with commonwealth research funds becoming available in 2001 and participation in the postgraduate education and loan scheme, or PELS. It has been superseded now by the FEE-HELP scheme introduced earlier this year that enables students at any level to borrow up to $50 000 through a deferred loan scheme operated through the tax system.

These initiatives have enabled the Melbourne College of Divinity to enter the wider tertiary sector with some of those benefits, and as a result there has been growth in the number of students completing higher degrees — for example, eight doctorates and 16 masters in research were completed in 2004 — and access to commonwealth funding has assisted the financial situation of the college, the training institutions and the libraries attached to them. But of course with access to commonwealth funding and resources has come greater accountability for those funds and for loans as a higher education provider. Hence there is a need for the Melbourne College of Divinity to adopt and comply with the national governance protocols as set out in the commonwealth’s Higher Education Support Act 2003.

Therefore enshrined in the legislation we are dealing with today is the provision for a new governance structure with a new council and academic board. This should provide a less cumbersome, simpler and more effective structure to take the Melbourne College of Divinity forward towards its centenary year.

The Melbourne College of Divinity has been enthusiastic about using this as an opportunity to look again at its central administration and its operational effectiveness, and to respond to the need through the national governance protocols to tighten quality assurance. It has used the restructure to enhance its planning for the future, and through the revision of the act in the bill before the house today is helping to reshape the Melbourne College of Divinity as it moves forward into the next phase of its work.

It is also very clear that the MCD has taken this opportunity to reaffirm its vision and values and to recommit to pursuing the highest standards in teaching and research in Christian theology and ministry. It is a very important institution in our community, and I join with other members of this house in wishing the

Melbourne College of Divinity well in the next phase of its important work in Victoria.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

VAGRANCY (REPEAL) AND SUMMARY OFFENCES (AMENDMENT) BILL

Second reading

Debate resumed from 6 September; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. C. A. STRONG (Higinbotham) — The opposition will not be opposing the Vagrancy (Repeal) and Summary Offences (Amendment) Bill.

Hon. C. D. Hirsh — Aren't you going to vote against removing witches?

Hon. C. A. STRONG — I was going to say something about that.

Hon. A. P. Olexander — It would be too frank an observation!

Hon. C. A. STRONG — That's right! In essence this bill simply repeals the Vagrancy Act and in the process of doing so expunges various unnecessary provisions of that act and moves other provisions into various other acts, particularly the Summary Offences Act with a few moving to the Crimes Act.

The bill arose from an inquiry held by the redundant legislation subcommittee of the Scrutiny of Acts and Regulations Committee (SARC) some time ago. That subcommittee acted on a reference given to it by the Attorney-General to look into both the Vagrancy Act and the Summary Offences Act. The redundant legislation subcommittee did that and produced reports into both acts. It recommended a series of changes to the Summary Offences Act and said that the Vagrancy Act should be repealed.

The bill picks up almost all of the recommendations of the SARC redundant legislation subcommittee's final report of September 2002. The report I am holding is the one on which this bill is based. It is entitled *Review of the Vagrancy Act 1966: Final Report*. The members of the subcommittee who looked into this included the Honourable Andrew Olexander; the members for Yuroke and Brunswick in another place; the former member for Pakenham, the Honourable Robert Maclellan, who had been a minister in a previous government; and me. I had the job of chairing that subcommittee.

The simplest way to briefly run through what the legislation does is to refer copiously to the report, because it sets out in some detail the rationale for the various provisions being repealed, moved and so on. It is an interesting exercise in how legislation can be repealed and the methodology used in carrying out that repeal.

When I mentioned the names of the various members of the subcommittee I neglected to mention the name of the consultant who worked with us, one David Blumenthal. He was quite an outstanding young man, and his contribution to the inquiry and knowledge of the law was extremely helpful in putting together this particular report. It would be remiss of me not to acknowledge his very significant contribution.

In looking at the repeal of the Vagrancy Act I think it is worth reflecting quickly on some of the issues.

Hon. A. P. Olexander — By all means! It was a very good inquiry.

Hon. C. A. STRONG — One of the other members of the subcommittee, the Honourable Andrew Olexander, acknowledges what a wonderful inquiry it was. The report sets out a brief definition of 'vagrant'. It says:

> It was once said that 'vagrants' are persons that 'wake on the night and sleep on the day, and haunt customable taverns and ale-houses, and routs about; and no man wot from whence they come, ne wither they go.'

That is the definition of a vagrant. Members may wonder how long ago this was, and that is one of the reasons I put that definition in there. It was because the roots of the Vagrancy Act are very old, and clearly that is one of the reasons it needed to be repealed. The various acts that came after it picked up some of the anachronistic concepts in it. The Vagrancy Act that is being repealed commenced operation on 21 December 1966. It repealed part III of the Police Offences Act 1958, which until then had regulated acts of vagrancy in Victoria. The various categories of vagrancy in the Police Offences Act had their genesis in the English Vagrancy Act, which was enacted in 1824.

That gives some idea of the necessity to review the act, which included offences such as witchcraft, alchemy and various other somewhat anachronistic provisions. I

think it would be useful for the house to know the basic process by which the review was carried out and how the decisions were made. As I said, the committee's decisions were basically picked up in drafting the bill.

Over the years since the introduction of the Vagrancy Act which, as I said, includes provisions relating to a whole series of small offences — and the same is true of the Summary Offences Act — a great deal of subject-specific legislation has been introduced. For instance, we have introduced subject-specific legislation which deals with traffic, the Control of Weapons Act and the Firearms Act et cetera. We have introduced acts that provide for how people should behave themselves on the roads and so on. In the old days we did not have subject-specific acts and many of those matters were dealt with under the Vagrancy Act, which had provisions relating to firearms, traffic et cetera. Many of the provisions in the current Vagrancy Act which is being repealed were duplicated in various other acts. In that respect, this is basically a clean-up job, to remove duplication, particularly where new legislation had picked up many of the offences in the act.

Because of the nature of the Vagrancy Act and its genesis in history, many of its provisions are no longer desirable in a modern society. They are quite clearly anachronistic in the current environment. As I said, it has provisions relating to witchcraft, alchemy and fortune telling — making it illegal — and so on. Of course, it is no longer appropriate to legislate for those as offences and they should be removed.

Another important matter that members of the committee considered should be recognised — and I acknowledge that the government has picked that up in the amendment to the Summary Offences Act — is that it is silly and confusing to have similar provisions dealing with petty crime spread over various pieces of legislation. In other words, there should be one general statute that deals with minor offences in Victoria. Rather than having a series of acts that deal with minor offences, why not put all the minor offences in one act so that members of the community, the police and others who want to look at the law can go to one act knowing that it incorporates all the minor offences? That concept was included in the report and is picked up in the bill. That is the rationale for members of the committee coming to their conclusions.

I touch on a couple of matters of interest. When members of the committee looked at all the provisions of the Vagrancy Act, three areas caused some controversy and interest. There was quite some concern as to whether the offence of consorting was anachronistic and therefore appropriate in the world today. There was concern also about the offence of begging — whether it should be a criminal offence or something that should be dealt with as a social welfare issue. There was also concern about the offence of loitering — whether in this day and age loitering should still be an offence. I will touch briefly on some of the discussion on those three issues of consorting, begging and loitering and refer to how the bill addresses those and some of the rationale for that.

I turn first to begging, which is a problem. Unfortunately we still see a significant amount of begging on our streets. Quite a bit of concern was expressed about whether it is a social or criminal issue. I put on the record some interesting facts mentioned in the report. A survey of begging in the Melbourne CBD conducted by Hanover Welfare Services over four months in 2000 found that of those begging:

> 93 per cent were long-term unemployed;
>
> 71 per cent were sleeping rough or in squats and a further 28 per cent were living in crisis accommodation or with family or friends;
>
> 43 per cent were long-term homeless;
>
> 71 per cent suffered from substance addictions —

that is a very important statistic —

> 93 per cent were receiving social security payments …

So as well as receiving their social security payments they were begging and in many cases of course using that money to support a substance addiction. The report also states:

> The main reasons given for engaging in begging behaviours included:
>
> > the inadequacy of social security payments …
> >
> > psychiatric disabilities and disorders; and
> >
> > heroin, alcohol and gambling addictions.

The committee also heard some interesting evidence from the United Kingdom, where begging is also a problem. Once again the report contains some statistics which would be of interest to the house. The report states:

> Estimates by police in London are that the number of rough sleepers and beggars using class A drugs —

which are addictive drugs —

> range from 75 per cent to 90 per cent. It is usually heroin, but significant numbers are using crack as a top up or a bit of a treat.

> Some research was done on what sort of drugs they used. The majority had used cannabis — 85 per cent; amphetamines — 75 per cent; crack — 73 per cent; heroin — 73 per cent; cocaine — 67 per cent; LSD and other hallucinogenic drugs — 65 per cent; and nearly half had used solvents.

Members can see from those statistics that a large number of those people in Melbourne and London — and there is no reason to think that the mainspring for begging would be different in either case — were fundamentally into many sorts of drugs of addiction and were using money from begging to support that addiction.

The committee also took evidence from the police in the United Kingdom. In some of their submissions the Westminster police provided an interesting statistic. Like all police forces they, I presume, have certain performance measures they are required to reach — in other words, in a particular area they have a performance measure to, for example, reduce car thefts by 10 per cent and to reduce larceny by 5 per cent or whatever.

The metropolitan police said that when they came down very hard on beggars in an area, without any work at all on these basic measures of larceny, breaking into cars and stealing things, painting graffiti and so on, as if by magic the statistics on car thefts — where they were looking for a 5 per cent reduction — were reduced by 60 per cent. They achieved a huge reduction in low-level larceny simply because those people were off the streets. When you have been begging and you need a little extra money for your cocaine habit, you break a car window and steal something. The police found that because of that relationship between begging and drug addiction, when they cleared out the beggars they had a remarkable reduction in crime. The committee spent some time considering what it should recommend about the offence of begging. At the end of the day it recommended that that offence remain. I am pleased that the government has picked up that particular recommendation, and that the offence of begging is being removed from the Vagrancy Act and transferred to the Summary Offences Act.

The other of the three areas that I had some interest in was loitering. In its discussion paper the committee recommended that the offence of loitering be retained in the Summary Offences Act and that that act be amended so that 'loitering' as an offence should be amended to 'loitering with intent to commit an indictable offence', because the committee felt that simply 'loitering' was no longer appropriate. With the act of vagrancy being the way it is today, the whole issue of loitering in itself should not be an offence but loitering with intent would be appropriate as an offence. I am glad to say that that particular recommendation has been picked up in the bill.

The other area of concern was the consorting offence, and I will spend a moment on that. Section 6(1)(c) of the Vagrancy Act makes it an offence for a person who:

> … habitually consorts with reputed thieves unless such person, on being thereto required by the court, gives to the satisfaction of the court a good account of his so consorting.

In other words it is an offence if you habitually consort with reputed thieves, unless you have a good excuse as to why you are with them. It was certainly the view of the committee that that offence was no longer appropriate in this day and age. Simply meeting and sitting down having a cup of coffee somewhere with people who were reputed to be thieves is hardly a reason for being arrested and thrown into jail, so the committee recommended in its discussion report that the offence of consorting be repealed. This caused some consternation. We had a very significant amount of evidence from a lot of people on this particular subject — from various lawyers and people supporting the position of the committee, saying that it really was not fair in this day and age. On the other hand, the police very strongly wanted to keep the offence of consorting.

I would like to read what the committee said on the matter. Its report states:

> It seems unlikely to the committee that the consorting provisions would have great utility as a measure to prevent persons with extensive criminal records from meeting to plan further crimes, in part because such meetings must be 'habitual' in nature and documented by police …

In other words, to consort, one needs to meet habitually. Habitually meeting with people requires some documentation of times and places to make the offence stick. The report continues:

> In addition, police evidence suggested that consorting provisions were generally used to respond to consorting in public, and it appears likely to the committee that groups of persons planning criminal activities could avoid being observed consorting by simply choosing to meet in private.

In other words, the committee was of the view that if people really wanted to get together to plan a crime, they would be silly to do it out in a pavement coffee lounge. If they were fair dinkum, they would go to some private place and plan their criminal activities there. The report continues:

> The committee is concerned that the consorting provisions may be used to put pressure on individuals and groups which the police want to 'move along', rather than as a tool for preventing the planning of serious crimes.

> After considering the submissions of all parties on this matter, the committee is persuaded that while the consorting offences may have some limited utility in crime prevention, this benefit is outweighed by the numerous problems with these provisions noted above.

In other words, the committee found the submissions by the police — who were strongly of the opinion that they wanted to maintain the offence of consorting — unconvincing simply because if there was a real desire to meet to plan some crime, then the criminals would be foolish to do it in a public place where they could be observed consorting. It would be very easy to do it in a private place.

This particular recommendation was not picked up and the bill still maintains a consorting offence. However, this consorting offence has been somewhat sharpened insofar as rather than it being the general consorting offence where you habitually consort with persons convicted or suspected of an offence, it is targeted particularly at people involved in organised crime and according to the second-reading speech is:

> designed to assist police in creating a hostile environment for organised crime —

and drug dealers. It seems to me that it is a bit of a joke. It is hard to conceive that prominent organised crime figures would sit down at the local coffee lounge with all their criminal mates to plan some drug haul somewhere — but if they were, they would make sure they had some damned good excuse as to why they were doing it, because obviously these are not just small-time people. They know the law and how to use it. So one wonders what the utility of this retained consorting offence would be.

That is a quick run through of some of the issues and reasons why various things were done by the committee, noting that almost all of the recommendations are picked up in the bill. It also gives some background to the bill.

It is worth running quickly through precisely what it means in terms of the provisions that have been included. The bill inserts into the Summary Offences Act many of the provisions of the Vagrancy Act which the committee deemed were worth keeping. It retains the offence of obscene exposure; it retains the offence of begging and gathering alms; it retains the loitering offence but in this case loitering with intent; it retains being disguised with unlawful intent; it retains possessing housebreaking implements; it retains escaping from lawful custody, and as I said, it retains in a new form a consorting provision.

Some of the provisions it removes include child begging, because that offence is already covered in the Community Services Act; and it removes soliciting alms under false pretences, because once again that is already covered in new acts. It deletes playing or betting in relation to games because these are now covered by the gaming and betting acts. It removes 'unlawfully on premises or on a vessel' because those provisions are duplicated in the Summary Offences Act. It repeals the fraudulent sale of manufactured substance — the alchemy offence — because that is anachronistic and also partially covered by the Crimes Act. It also removes the offence of fortune telling and witchcraft.

In conclusion, it is appropriate that the Vagrancy Act be repealed because many of its provisions are anachronistic or duplicated in more recent legislation. It is a piece of statute which should be removed. It goes in some very small measure to reversing the trend that we see in this place every day this house sits, of adding more and more acts to the statute book to make us a more regulated, controlled and complicated society. I commend the bill to the house, and urge its passing.

Hon. W. R. BAXTER (North Eastern) — If one is to believe the overblown rhetoric of our part-time Attorney-General in the *Age* of 22 July, this bill is a damp squib, because in those articles — and there were two in the *Age* of that day — our Attorney-General talked about how he was going to do away with the Vagrancy Act, saying that it was Dickensian, anachronistic, was based on outdated views, was no longer necessary and so on.

What have we got? We have got a re-enactment of virtually everything that is in the existing Vagrancy Act, other than section 13 relating to witchcraft, because, as Mr Strong has explained, all the other provisions have been subsumed into other legislation which has been passed since the Vagrancy Act was enacted in 1966 or, in line with the purposes of the bill that is before the house today, are being inserted in more appropriate places, either in the Crimes Act or the Summary Offences Act.

In that sense the bill is a damp squib, but I am pleased it is because I believe most of the longstanding offences under the Vagrancy Act, and under the Police Offences Act before that, are worth keeping on our statute book. I am not too concerned about the witchcraft provision — I know a lot of people make jokes about it — because only one charge was laid over some years under section 13. On the other hand it never ceases to amaze me how many citizens — gullible I suppose they may be — are taken in by people professing to have some

ability to forecast the future, locate missing objects, get in touch with the dead or all this sort of ridiculous business. To see that one has only to look at the popularity of the star signs and so on in magazines and the daily papers. That does not seem to me to be much removed from witchery, in any event, but I suppose there is consumer legislation now that is sufficient to cover those sorts of activities if people are silly enough to be taken in by them.

I do not dispute that the Vagrancy Act as currently in the statute is outmoded. It uses some quaint language and lists a whole series of offences which have been more properly modernised and included in other legislation. To that extent it makes a lot of sense that the Scrutiny of Acts and Regulations Committee's recommendations have been taken up by the government.

I am similarly pleased that the other offences which have not been included elsewhere are now being transferred to the Crimes Act and the Summary Offences Act, because, as I said earlier, I think they ought to be kept on the statute book. I will run through them somewhat briefly. The offence of obscene exposure obviously needs to be retained. I notice now we are much more ready to use the sort of language that members were obviously not prepared to use in the Parliament of 1966, because the corresponding section in the existing Vagrancy Act talks about someone who 'wilfully and obscenely exposes his person in a public place or in the view thereof'. We have now updated the language to 'A person must not wilfully or obscenely expose the genital area of his or her body in, or within the view of, a public place', so we have certainly made it non-gender specific, and we have referred more explicitly to what the offence is all about rather than using the rather strange term 'his person'.

Other offences that are being transferred to the Summary Offences Act include begging. I know a lot of people think that begging is somehow indicative of the ills of our society and that people who beg have no other option. I say that is absolute rubbish. In this country we have one of the most generous social welfare systems in the world. Anyone who is in distress is able to qualify for assistance under our very generous social welfare provisions. I know the Hanover centre produced a submission to the Scrutiny of Acts and Regulations Committee which suggested that many people who beg are long-term unemployed. I am sure that is so. The centre drew the inference that somehow or other that justified their begging.

It might have been more productive if it had had a look at why these people were long-term unemployed. How seriously had they gone out and looked for a job? How job-ready were they? How much self-discipline do they display that would make them attractive to a potential employer? In this last decade or so we have been enjoying virtually full employment in this nation. Anyone who wants a job can get a job.

I do not think that the fact that you are long-term unemployed is in any way an excuse for begging. I acknowledge that some people who beg are suffering from a mental illness. I put them perhaps in a separate category. But there is nothing more galling than walking down Collins and Bourke streets and seeing young, fit, able males sitting there with a tin and a sign, begging. They are making a trade of it. I simply believe it is offensive and it is an offence, and I am pleased that it has been seen so by this government and has been retained in legislation.

The next offence is loitering. I think the police need to have that sort of power. It is not often used, but clearly on occasion it has been used to good effect for the general wellbeing and security of our community. Then there is being disguised with unlawful intent. Surely if someone is setting out in disguise with unlawful intent, we need something that enables them to be caught up with. Then there is the offence of possessing housebreaking implements. Burglary of private homes is absolutely endemic in our community, and I do not think enough attention has been given to it. The police have a very difficult task, and even in our regional towns and our small country towns the incidence of housebreaking and burglary is now quite alarming. It is an absolute affront to the householder. It is an invasion of private space. It is not good enough to use some excuse such as that it was some young buck out on a bit of a lark or someone who needed a few bob and stole the video recorder to cash it in. It is an invasion of people's most private possession — their home. When my home was burgled in the 1990s it did not affect me particularly, but it affected my wife to such an extent that when we are leaving the house we have to go around and check every door and every window twice to see if it is locked. That is the sort of effect it has on people. The police need the wherewithal to attack this problem, and clearly having an offence of possessing housebreaking implements gives them some authority and some power that they would not otherwise have.

Escaping from lawful custody is obviously an offence that needs to be retained, as I think is consorting. I remember when I was a much younger person that consorting seemed to be an offence that was much more regularly used by the police. I am not sure why it has gone out of fashion, but I took particular notice of the evidence the police gave to the Scrutiny of Acts and

Regulations Committee, and I agree with them when they say that it is an offence that ought to be retained, albeit not used very much in this day and age.

The Nationals do not oppose the legislation. We are somewhat disappointed that the Attorney-General has made such a meal of it and went out and made statements that he has not followed up at all. But we certainly believe the police need in their armoury in this day and age all the sorts of weapons that are included in this legislation to use against the criminal element in our community. The mere fact that these offences have been on the statute book for centuries is no reason for them to be gotten rid of simply because we now live in a different sort of age. You could perhaps say the wheel has gone full circle. If we are to have the sorts of terrorist cells that we are seeing in some countries now, perhaps these sorts of offences in our legislation will assist in that battle as well.

Sitting suspended 6.30 p.m. until 8.03 p.m.

Ms MIKAKOS (Jika Jika) — I rise to speak in support of the Vagrancy (Repeal) and Summary Offences (Amendment) Bill. The Vagrancy Act is from an era which does not have a place in any modern society. It is a throwback to the days when power was in the hands of a privileged few, the rights of the masses did not exist, science was ridiculed and feared, poverty was a crime and child exploitation was the norm. This bill repeals this outdated act and re-enacts those offences that remain relevant and necessary in other legislation.

In looking at the final report of the Scrutiny of Acts and Regulations Committee's review of the Vagrancy Act, I was reminded of the three classes of vagrants defined in the criminal law in Victoria prior to the introduction of that act. Vagrants were either 'idle and disorderly persons', 'rogues and vagabonds' or 'incorrigible rogues'. I note that the third edition of the *Macquarie Dictionary* defines a vagrant as a person who 'wanders from place to place and has no settled home or means of support'. Quite clearly the Vagrancy Act was put into place many years ago and was aimed at homeless people and people who had no means of support. In 2005 we as a society have moved beyond a situation where we penalise people under our criminal law merely because they live in poverty.

The Bracks government is committed to modernising justice in Victoria and bringing our legal system into the 21st century. We have heard the Attorney-General make a number of commitments in relation to the justice statement and our vision for the legal system for the next 10 years, and in numerous other public pronouncements and in legislation that our government is about modernising our legal system, providing access to justice and bringing our laws into contemporary society to reflect the values of that society. This bill is about strengthening laws that are needed to deal with crime in a modern society whilst having the foresight to abolish those laws that are archaic or that unfairly impact on the marginalised and disadvantaged.

I note at the outset that I was a member of the Scrutiny of Acts and Regulations Committee when it handed down its report in 2002, and I want to acknowledge the work that was done by the SARC in making a number of recommendations in relation to the Vagrancy Act. This bill gives effect to commitments made by the government in April 2003 in announcing its response to the SARC report and also resolves issues identified at that time for further consideration. We have previously made a number of changes in the vagrancy legislation. This bill builds on those changes to now complete the process and, as we see in clause 3 of the bill, to finally repeal the Vagrancy Act 1966, which is something all honourable members here today should welcome.

As I said at the outset, the bill is about repealing anachronistic or unnecessary offences. One of these offences relates to fortune telling and witchcraft. I know there has been a surprising amount of interest in this particular issue — it is something that I found surprising — but it is important that the community understand the reasons for the repeal of the current section 13 in the Vagrancy Act, which has only been used once in the last five years, on which occasion no conviction was entered. The Bracks government has carefully considered the consequences of repealing section 13 and believes that will have no adverse effect on the Victorian community for a number of reasons. Firstly, despite suggestions by others, section 13 deals with conduct which is basically deceptive conduct using witchcraft or fortune telling for dishonest purposes so as to impose on, defraud or trick someone. Consumer protection laws already target serious misleading or deceptive conduct. In addition, the repealing of section 13 will not legalise conduct that in the public eye may be associated with the practice of black magic, such as kidnapping, assault, offensive behaviour, cruelty to animals, theft or property damage. Neither a belief in witchcraft nor any other form of religious observance is a defence to conduct which is a crime under our laws.

Those members of our community who are concerned about this change should also note that currently under both Victorian and commonwealth laws that relate to freedom of religious observance there is some legislative protection for those people in the community

who follow witchcraft. Despite the hysteria that some members in the community seem to have whipped up in relation to this particular change, it is important to note that the repeal of section 13 of the Vagrancy Act is all about practices being undertaken for dishonest purposes. The change here is not in any way condoning or legalising witchcraft. Witchcraft is already legal. What is changing is that we are taking out some anachronistic provisions that have been the law for a considerable period of time and are unnecessary for a consumer protection objective. The bill also removes offences that have been replaced by more up-to-date laws — for example, offences relating to betting at a game of chance, which are already covered by provisions in the Gambling Regulation Act 2003, and offences relating to being unlawfully on premises, which are covered by the law of trespass and are already a summary offence.

In relation to those provisions of the Vagrancy Act which we have decided remain relevant and necessary, we have sought to modernise the language of those provisions in transferring them across into the Summary Offences Act or the Crimes Act. For example, the offences of escaping from lawful custody, wilful and obscene exposure, begging or procuring a child to beg and being armed with criminal intent, have been re-enacted in a more modern guise. In relation to the offence of begging, many commentators have suggested that retention of this offence is not consistent with the rhetoric of social justice. I note that the SARC itself grappled with this very complex and challenging social issue and urged that this issue be examined again in the future.

In the government's social policy statement *A Fairer Victoria* the Bracks government has outlined a number of strategies to overcome disadvantage within the Victorian community. Strategy 5.2 covers the reforms associated with poverty law and makes a commitment to monitor the impact of begging on people experiencing genuine disadvantage. I want to emphasise that the retention of the begging offences is not about penalising those in genuine need, it is about responding to community concerns about those who aggressively demand money from passers-by when it is known that they have the means to support themselves.

The Bracks government is committed to responding to social disadvantage, and we will continue to ensure that vulnerable Victorians are not forced on the streets to survive. I note that in his contribution the Honourable Bill Baxter made the point that in Australia we are fortunate to have an extensive social welfare net. A very stark contrast could be made with what we have seen in the television coverage over the past few days of the absolute desperate plight of the many thousands of Americans stranded in New Orleans and other parts of America who were impacted on by that terrible hurricane. Clearly the social welfare net, and I would also argue the industrial relations practices of the United States of America, make it quite clear that thousands, in fact probably millions of Americans, fall through the cracks and are forced to resort to desperate measures such as begging. I view with great concern the proposed changes that the Howard government has flagged in relation to changes to sole parent and disability pensions, and I am extremely concerned about the Howard government's dismantling of the social welfare net in this country, which will force more Australians to resort to begging to survive.

It is important when we are talking about retaining these offences for people to understand that Victoria Police has clear protocols on how they should respond to these issues, that people are referred to welfare agencies for assistance and that there are practices in place to assist the most disadvantaged members of our community. In dealing with those issues this government is very much committed to assisting people who may be homeless or suffering from mental illness and ensuring they do not end up begging on our streets.

In relation to the other offences that are being retained and modernised, we are seeking to ensure we can address discrimination and strengthen offences to target serious crime. In their present form the loitering and consorting offences can unfairly impact on marginalised members of our community — for example, the homeless, young people, indigenous people and others. The bill amends these offences to ensure that they are targeted at serious crime. For example, the amended loitering offence will target drug dealers and thieves while the broader consorting offence currently in the Vagrancy Act will be replaced by a more focused consorting offence to ensure that Victoria Police has the powers it needs to disrupt organised crime. In particular, the consorting offence currently targets reputed thieves. The new offence is directed at people involved in organised crime, and there is an extensive definition in the bill of organised crime. It is designed to assist the police in creating a hostile environment for those involved in systematic and well-planned criminal activity. I note also that the defence of reasonable excuse is available to a defendant charged with these types of offences. The amended loitering offence adopts the formulation proposed by the Scrutiny of Acts and Regulations Committee in its final report. The revised defence targets the conduct of persons engaging in drug-related crimes and more precisely defines the conduct which could constitute intent.

In conclusion, these reforms strike the right balance between addressing disadvantage — a central theme of the Bracks government — and retaining the tools that are needed to make Victoria an even safer place to live. This is an important piece of legislation, and I commend it to the house.

Hon. RICHARD DALLA-RIVA (East Yarra) — I rise to contribute to the Vagrancy (Repeal) and Summary Offences (Amendment) Bill, which the opposition will not be opposing. I see the bill as an interesting amendment in that the word 'vagrancy' is not considered in our community as being a politically correct word, yet we are putting into the Summary Offences Act of 1966, of which I have a copy, vagrancy offences. We have a bill that is repealing one act and placing sections of it into an act that is close to 40 years old. I also note with concern that we do not seem to be reviewing a range of acts. Members can see at the table in front of them the volumes containing the vast array of acts that have been passed during the term of this government. The number of bills that come into this place is amazing. We only need to look at the bills, amendments and subsequent amendments that are introduced dealing with police corruption to get an understanding of the amount of legislation that has been placed before this house, yet when it comes to the politically incorrect word 'vagrancy' we are keen to remove it but put provisions from the Vagrancy Act into the Summary Offences Act, which is getting close to 40 years old.

It is not as though anyone believes vagrancy is a major concern. Those who have had some involvement in dealing with the Summary Offences Act, as I had in my former role as a police officer, know that the Summary Offences Act was often used by junior constables as part of their training, as a way of cutting their teeth in charging people with minor offences. It is also my view that the Summary Offences Act was considered to be at the minor end of the scale whereas the Crimes Act was seen as the principal act when major offences were committed. Often the Summary Offences Act was seen as the subset to the Crimes Act in respect of a more serious offence. You would be charged in the context of what some would colloquially call the hamburger with the lot — you would charge somebody with a series of offences under the Crimes Act and rely on the fact that there were backup offences under the Summary Offences Act, with which you would also charge the offender or offenders.

It is interesting to note some of the concerns expressed in relation to the repealing of the Vagrancy Act. I know a lot of people are concerned that begging or gathering alms for the intention of using those for financial gain has at least been maintained and transferred into the Summary Offences Act. To some degree that has diminished the seriousness of begging and gathering alms. We know people are begging. I recall there was a review of the number of people begging in the city, and it appeared that those who were genuinely begging were in the minority.

There are some people out there fraudulently begging for financial gain, and it is appropriate that the bill at least deals with that issue and puts the offence into the Summary Offences Act. As I said, in my view the word 'vagrancy' is perhaps seen as politically incorrect in the current climate.

The bill also inserts into the Summary Offences Act offences such as loitering with intent to commit an indictable offence. In years gone by I charged a person with that particular offence and they received a term of imprisonment. In my experience it was always considered to be a serious offence, in that it was not necessary to catch the offender committing an indictable offence and they could still be charged with the loitering offence. A particular incident I recall concerned a person loitering with equipment that could be used to break into a series of homes. The evidence was such that I was able to charge him with that offence. It may be the perception in the community or from the point of view of a judge or a magistrate that loitering with intent to commit an indictable offence is minor, but my view is that it was always considered to be significant and should be placed within the Summary Offences Act.

The offence of possessing housebreaking implements came within the ambit of the Vagrancy Act, and again I had the experience of charging somebody with that particular offence. It related to particular offenders who were charged with multiple counts of burglary, and if they were caught in possession of housebreaking implements they could also be charged with the Vagrancy Act offence. My concern with placing this provision within the Summary Offences Act is that it diminishes the concept of what the offence is. If a person who carried out a burglary was equipped with housebreaking implements in order to conduct the burglary, they would still be charged with burglary but they would also be charged with the lesser offence.

We come now to the offence of escaping from lawful custody. It is amazing what you find when you work as a police officer in Broadmeadows. You seem to get all types of offences. I also charged somebody with escaping from lawful custody. In my view, placing this offence in the Summary Offences Act — —

Ms Mikakos — You would have had a whole rap sheet.

Hon. RICHARD DALLA-RIVA — As I said, Ms Mikakos, it is often the most applicable offence in terms of charging the offender. There are certainly Crimes Act offences in terms of escape, but I think this would allow for the lesser charge to be applied. It is not a serious, indictable offence because it does not incur a term of imprisonment of five years or more, but placing it within the Summary Offences Act reduces its impact when presented to the court.

I am very pleased that offences covered by the Vagrancy Act, in particular the offence of consorting, remain. It was a tool that we often used as part of intelligence gathering. You would consort with offenders who were consorting together to commit a particular crime. It is a very difficult charge to prove nowadays, given that the old consorting forms and those things that used to be in place have now gone out the window. Whilst I understand that the offence of consorting has now been placed in the Summary Offences Act, I would be very surprised to find anyone now being charged with the offence of consorting. It certainly was an offence I had to deal with when I was a crime collator at Broadmeadows. We would actually consort with people and if we considered it serious enough the CIB would then charge the relevant offenders. Given that there is now no framework about consorting with known or reputed thieves and all those wonderful words that used to be in the legislation, not removing it perhaps makes it a misnomer.

The bill also amends the Crimes Act 1958 to re-enact the offence of being armed with criminal intent. That is a side issue, but it is important, and we support that provision in its current context.

The issue of witchcraft has been discussed a lot and members would have received a lot of communication from various people. In my experience if a person is conducting a series of fraudulent events there are offences within the Crimes Act that relate to that type of fraud. There are also relevant offences or sanctions in the Fair Trading Act that probably better express the modern prohibition on exploitative conduct.

The opposition's policy is that the offence of loitering with intent ought properly to include the Liberal Party's Move On policy. The legislation has been sadly lacking in this area. I found it amazing that when you requested people to move on to avoid the possibility of their committing offences you did not have the power to make them do that.

We think this is a bill that is designed to appease the politically correct Bracks Labor government. The word 'vagrant' is one its members cannot fathom. They would like to believe in a perfect world where people do not fraudulently beg for alms. They want to believe it would only be people who are in genuine need of support — and we certainly believe there are people in that situation — but there are people out in the community who are fraudsters, who are charlatans and who are liars. We do not want to use the word 'liars' too much, but there are liars in our community who will use any opportunity to obtain money by whatever means they can. Repealing a small act such as the Vagrancy Act adds no value to the overall context of law enforcement in this state.

The placement of a number of these offences into the Summary Offences Act, an act which is 40 years old, diminishes the seriousness of the crimes which previously were covered by the Vagrancy Act. In my view and that of the Liberal Party, that move diminishes the fact that those who commit offences under the Vagrancy Act should be dealt with more seriously than those dealt with under the Summary Offences Act.

The Summary Offences Act is designed to deal with what I would class as minor offences. It is an act that always dealt with offenders where the seriousness was not of such a level that it would involve offences under the Crimes Act or other similar acts.

The bill is about pandering to the minority left of the Labor Party or about dealing with the left-wing movement of the Labor Party. The Liberal Party will not support but will not oppose the bill because the government is abolishing one act while it has established a red tape regulatory overview on how we should deal with legislation in this place through a range of acts.

Mr SCHEFFER (Monash) — The Vagrancy (Repeal) and Summary Offences (Amendment) Bill originated from the Scrutiny of Acts and Regulations Committee's 2002 final report on its review of the Vagrancy Act. The purpose of the review was to consider the content and relevance of the Vagrancy Act and to identify any provisions that needed to be clarified, that were redundant and which should be repealed or updated. The review found that the Vagrancy Act should be entirely repealed and that any useful provisions in it should be added to the Summary Offences Act. The committee singled out the offence of wilful and obscene exposure. This offence attracts the fourth largest number of charges and is better placed within the Summary Offences Act.

The committee needed to assess certain contentious or debatable provisions in the Vagrancy Act. Early in its deliberations the committee considered the offences of consorting, begging and loitering. Differing arguments were put to the committee by way of submissions. The case was put that the consorting provision is useful for the police because it enabled them to use that offence against thieves as a strategy to prevent crime. The police submitted that the offence is used by them to intervene in situations where known criminals meet in a public place to plan crimes.

On the other hand, legal associations such as the Law Institute of Victoria submitted that the offence of consorting should be repealed because it breached the community belief in the principle of freedom of association and was based on the principle of guilt by association. The case was also put that the offence enabled individuals to be charged in the absence of a substantive charge, that the reverse onus of proof breached contemporary legal practice and the right to remain silent. More arguments were put, but these examples are sufficient to show that the committee was dealing with important matters of principle and individual rights.

The issue of begging was debated in the media earlier this year. Many people feel personally unnerved by being approached in the street for money. Part of this, I suspect, is because most people who have a steady income and live fairly securely find the reality of hard-up people on the streets asking for a handout threatens their sense of how society should be and perhaps provokes a sense of guilt. Many people rationalise turning away from beggars, or worse, abusing them. They feel that beggars are on the take and are misunderstood, whereas most people who beg are genuinely at risk and very often suffer from a mental illness and need genuine support.

Hon. Richard Dalla-Riva — How do you make that claim? There was a report done and it has been found that that is not true.

Mr SCHEFFER — Yes, there was a report done by the Victorian Council of Social Service that actually showed that was true.

Hon. Richard Dalla-Riva — No, it was not.

The ACTING PRESIDENT (Ms Hadden) — Order! Mr Dalla-Riva will resume his place.

Mr SCHEFFER — Begging is an issue that can provoke disproportionately strong responses in people — as in the case of Mr Dalla-Riva — often resulting in calls to clear beggars and vagrants from the street, especially when the city is on show as it will be for the Commonwealth Games.

The Scrutiny of Acts and Regulations Committee initially recommended that this offence be repealed, but given the sensitivity surrounding the offence, the committee called for and received a large number of submissions. Many submissions argued that begging should not be decriminalised because it was a serious problem and local councils did not have the means to deal with it. On the other hand, a range of organisations, such as Hanover Welfare Services and the Law Institute of Victoria, supported the committee's interim recommendation to decriminalise begging.

They pointed to the fact that begging was a complex social and economic issue that should not and cannot be addressed by criminal law. They said begging was overwhelmingly related to long-term poverty; and if people who beg were pressured not to beg, they might be forced into committing more serious crimes such as robbery or prostitution, which would expose such vulnerable people to significant danger.

The bill completes the commitments the government made in its response to the final report and also resolves issues that the report identified for further consideration. The reforms strike a balance between addressing disadvantage and protecting individual rights on the one hand and keeping those provisions that are necessary to maintain public order and community safety on the other hand.

The old Vagrancy Act made it an offence for a person suspected, known or reputed to be a thief or cheat to loiter in or about or frequent a public place with intent to commit an offence. The final report of the Scrutiny of Acts and Regulations Committee recommended that an updated loitering provision be prepared and included in the Summary Offences Act so that loitering would include the performance of an act with the intent to commit an offence.

After considering many submissions the committee remained convinced that the loitering provision could be open to misuse. The provision could be used disproportionately against homeless people because of their need to use public space, and it conflicted with the principle of the presumption of innocence. The committee supported the idea that the loitering offence should be broadened to apply to drug-trafficking offences. The government has sought to balance fairness towards the disadvantaged members of our community, the protection of individual rights, the need to support public order and strengthen public safety. I commend the bill to the house.

Hon. R. H. BOWDEN (South Eastern) — I rise to make a contribution to debate on the Vagrancy (Repeal) and Summary Offences (Amendment) Bill. There are some noble and well-intentioned ideas behind the bill, but without being cynical I still feel that human nature does not change. We have to make sure that not only do we modernise the legislation and make sure the technology and social customs are accommodated in it, but we must also remember that human nature does not change. It has been developed over tens of thousands of years; it is not going to change just because this government brings in a bill and calls crimes something else. I am not a negative person but, having sat in the courts as a justice of the peace for four or five years in the 1980s and heard more than 2000 cases, I have some views on this. They may not exactly strike a sympathetic chord with some members of the government, but I think it is necessary to express those views here in the chamber.

The purpose of the bill is to modernise the language and bring the operation of the offences in the Vagrancy Act and the Summary Offences Act into a more modern context. It is helpful that the offences of consorting, begging and loitering are being retained, because to repeal those offences would indeed be a backward step in the context of law and order.

I have a personal view that we in Victoria are extremely fortunate to have a very good police force. Other people do not necessarily share that view, but I sincerely believe we are fortunate to have a professional and conscientious police force. I get disappointed at times when I see reports in the press and the media of the courts not seeming to understand what the community expects of them. The police, often at great personal risk, carry out their responsibilities and take alleged criminals to court but on many occasions, even in proven situations, the courts, and particularly the Magistrates Court, do not exercise the amount of responsibility they should. There have been many complaints over a long period of time that bear this out.

I feel that at times some of the processes undertaken in the Magistrates Court concerning the level of consideration of the penalty disappoint the community. At times a degree of political correctness is exercised without proper consideration by a magistrate. It is time someone said that. I would like to illustrate that and convey some misgivings that are evident from time to time in the community about offences relating to burglary.

The statistics and the numbers that are published show that the offence of burglary is quite widespread in our community. Burglaries are quite prevalent throughout the state and affect people of all levels of income. I would suggest that if you were to look at the statistics you would find the incidence of burglary is way beyond what the average community would consider tolerable or acceptable. I am concerned that our Magistrates Courts do not penalise proven cases of burglary to the extent they should. I think that is a disgrace. It is unacceptable, and I hope the chief magistrate and senior and experienced magistrates read this debate — I think Mr Baxter also mentioned his concerns about the way burglary is treated — so that the magistracy understands that at least two members of the legislature are becoming very concerned about the light treatment of burglary in our community.

Burglary is one of the most invasive things that can happen to anybody. My home in Frankston was burgled in the 1980s and some few years ago my present home was burgled. As recently as last Friday there was a person loitering outside my home, and my wife had to chase that person away. I am not very comfortable at all about the deterrence offered by this legislation or present legislation and the treatment of burglary and loitering offences.

It really does not matter whether these offences are covered by the Vagrancy Act or the Summary Offences Act. The important point is that they stay on the books and that the police do their job, as they do, and the courts exercise their responsibilities, as they do — and should in my opinion do to a greater extent.

The loitering offence bothers me very much. I have read the bill carefully, and I refer honourable members to proposed sections 49B and 49D. The second-reading speech talks about loitering. It says:

> However, the perpetrator must do something 'in furtherance of' an indictable offence to be guilty of loitering with intent.

I put it to you, Acting President, that someone standing outside someone's home with tools, with no real reason for being there, intently watching a private home for several minutes only to be chased away should perhaps be at least subjected to questioning and possible charges. But under that scenario, as I read the second-reading speech, that person cannot be charged because nothing has been done 'in furtherance of an indictable offence'.

I suggest that hanging about someone's house, looking in their windows, looking at their property and running away when someone comes up and says, 'What are you doing?' is very questionable behaviour and should be the subject of charges. I am most uncomfortable with the definition of 'loitering' in this bill; I do not think it

is acceptable, but that is my personal view based on an unfortunate experience.

As to the offence of consorting, I could draw attention to an old saying which says that if it looks like something, walks like something and talks like something, then it just may be something, and so forth. Consorting is something where it is quite obvious that if people are mixing with a person of known history, the consorting element or allegations of offences under the consorting provisions should be much more prevalent in appearances before our courts.

In relation to drug dealing in parts of our city, the consorting provisions of the law have not been adequately used, and I hope that the arrival of this legislation on the books in due course will have the police consider using to the maximum possible the consorting provisions that we as a legislature are giving them.

There is no excuse for drug pushing and illicit drug sales. There is absolutely no excuse because of the death and destruction it causes our young people and our community. I hope Victoria Police and the courts will act firmly, responsibly and quickly in making sure that the tools and weapons we are giving the police in the form of the consorting provisions in this legislation are followed through with the intention Parliament would intend.

The offence of begging has several aspects to it. Some people are truly disadvantaged, some have genuinely fallen on hard times, and a compassionate community like ours that legislates, provides for and is concerned as a community that those people are looked after should receive the support and compassion that we are happy and willing to provide.

It also goes to say that there are people who regrettably trade on that. I do not know whether all members have experienced it from time to time, but sometimes so-called beggars are quite intimidating. They are not really forced to beg; some do it for another reason, and at times it is quite disconcerting and threatening. I think the intimidation that can come with aspects of begging and some forms of begging is completely unacceptable. If someone truly needs help, there are agencies able to and willing to give it. I could name several very respectable organisations that most of us would know that provide help to those in genuine need. But for those who do not need that support and compassion, unnecessary begging is an intimidation of other members of the community and should be handled as a criminal offence.

I was pleased to see that a balanced approach has been taken to this issue in the legislation. It is necessary to take a compassionate and balanced approach, but it would be naive in the extreme to believe that all people who beg are down and out. That is simply not the case.

I come back to some suggestions that I made to honourable members in the early part of my contribution, and I briefly return to the subject of burglary. If the government were absolutely serious about law and order and protecting people's community circumstances — their property, their wellbeing and their peace of mind — a much tougher approach would be taken to burglary and the court processes for those criminal offences. Burglary is taken too lightly in our community. It is not punished enough, and if ever there was a case for a review to upgrade the offence of burglary to become a serious offence, now is probably the time, given the prevalence of that criminal activity, the fact that it is so widespread and that it affects so many people.

For instance, once one's home has been invaded, other members of the family who are home alone often feel quite insecure. That is a violation of their level of comfort and the rights of people. The government professes to be very strong on people's rights. The government could prove that it really cares about people's rights by strengthening and upgrading the criminality and penalties attached to the offence of burglary. People who commit those crimes should be put behind bars where they belong. In my opinion burglars are not victims, they are predators. We hear a lot in society and this chamber about predators, but I suggest that people who take other people's property, invade their houses and ruin their peace of mind are predators and should be jailed. I am pleased that the offence of burglary will be retained in the legislation.

As a member of this place I am very unhappy that loitering needs the other aspect of 'in furtherance of an indictable offence' to be attached. That is unacceptable, but the offence will be retained on the books. The Attorney-General should have a long, hard think about the prevalence and impact of burglary, and the government should do something to increase the peace of mind of the community when it is able to do that.

Mr VINEY (Chelsea) — I am very pleased to speak on the Vagrancy (Repeal) and Summary Offences (Amendment) Bill. I take this opportunity to make a couple of comments on some of the contributions to the debate I have heard so far this evening.

Firstly, I will respond to a couple of matters raised by Mr Bowden. In view of the criticism of the law in this

state, this country and the judicial system we have inherited from Britain, it is an interesting, if not a bit ridiculous, observation to say that we do not treat crimes against property seriously enough. In fact I have often heard our legal system and the law criticised to the extent that we often treat crimes against property more seriously than crimes against people.

Having heard his concerns, I agree with Mr Bowden that a burglary in one's home is highly offensive and can be very distressing to the victims of those crimes; however, it is a bit rich to be suggesting that this government has not been doing anything about it. This is the government that has put more coppers on the streets and employed 1000 extra coppers, whereas Mr Bowden was part of a government that sacked them and saw the level of crime increase.

Hon. D. K. Drum — Get back to the bill!

Mr VINEY — I am responding to Mr Bowden's speech, Mr Drum. He was part of a government that saw crime rates go up, but this government has seen the crime rate in this state go down because we are putting coppers on the streets and making this community a safer place to live. That is what you have got to do to deal with this.

In relation to the sentencing of people who have been convicted of crimes against property, Mr Bowden ought to go back to the fundamental principles of the separation of powers. It is actually a matter for the judiciary to determine case by case an appropriate sentence within the framework set by the government of the day. Mr Bowden should go back to the fundamental principles of a parliamentary democracy and a separate judiciary. That is the system we have and it has served our community pretty well for a pretty long time. It is not a particularly good development for members of this Parliament to be suggesting that somehow the executive, the Attorney-General or the Parliament should be determining the sentences of people. Members of the government know that members opposite want to go down the path of having fixed sentences, with three strikes and you are out. We know that they want to introduce all those kinds of things that are the agenda of the extreme right.

I refer also to some matters raised by Mr Dalla-Riva, who suggested that the legislation is before the house tonight because the government is pandering to a left-wing agenda within the Labor Party. That is a pretty interesting observation because the legislation members are dealing with tonight is a direct response to the review of the Vagrancy Act undertaken by the Scrutiny of Acts and Regulations Committee. My understanding is that the particular subcommittee that looked at this was chaired by Mr Strong. I have heard Mr Strong, who is a member of the Liberal Party, speak in this house on many occasions. I think in his views he is a very, very long way from the left of the Labor Party. In fact, I suggest that Mr Strong is a long, long way from the left of the Liberal Party. He is probably somewhere closer to the man in New South Wales that we are hearing a lot about at the moment, Mr Clarke. Mr Strong is far to the right in the Liberal Party. I have heard him talk about such things as free enterprise and say that people should have the right to employ others without any rules and regulations.

Mr Strong is a long way from the left of the Labor Party and that puts to rest the stupidity of Mr Dalla-Riva's contribution when he suggested that the government is pandering to the left wing of its own party. I might say that I am more than happy to work with all groups within the Labor Party, but I am also more than happy to work with all groups within this Parliament, even the right-wing sections of the Liberal Party, when its members come up with sensible recommendations, such as those in the report of the Scrutiny of Acts and Regulations Committee that states:

> The committee considers that the Vagrancy Act should be repealed in its entirety, and that any useful provisions in the Vagrancy Act that are not otherwise covered by subject-specific legislation, or by generic, broader provisions in the Crimes Act 1958, should be housed in the Summary Offences Act 1966 and remain minor offences.

That is precisely what the legislation will achieve.

I touch on a couple of the provisions of the bill. As I said, it is consistent with the recommendations of the Scrutiny of Acts and Regulations Committee. I consider begging to be a difficult issue. In a decent society there should be no need for anyone to beg. There should be adequate safety nets, provisions, services and support systems for people to be supported in their community. If the society had a comprehensive approach to that, begging might occur but it would essentially be an unnecessary practice. But we do have people who slip through the safety nets in our community. It should not happen but it does. Therefore it is very difficult to treat all begging in one context, with one provision. I have considered this issue, which is difficult for all members. In the end, begging does cause offence, can be offensive and sometimes can verge on harassment. Therefore, it is important to have a provision that makes the act of begging a breach of the law. I hope that those responsible for the exercise of that law will act responsibly and sensibly.

The first port of call for someone in serious need ought to be to get them back into the safety systems in our community to make sure that they are protected and looked after. Ultimately there is a need to have begging as an offence. As I said, it is a difficult issue. Certainly I found it a difficult issue to deal with, but on balance if there is a decent approach in the way the law is implemented and there is a good safety system in our community so that people can be assisted to get their lives back into some construction, there is a need to have the act of begging as an offence.

There are a number of other issues associated with possession of housebreaking instruments, escape from lawful custody and being disguised with unlawful intent. Those provisions were in the Vagrancy Act and have been put into the Summary Offences Act in anticipation of the proposed repeal of the Vagrancy Act on the passage of the legislation tonight.

I want to speak briefly about the loitering with intent provisions. I do so with some deference to my great-great-grandfather, who I am sure would have some difficulty with his great-great-grandson in this Parliament supporting the passage of this legislation. I took the opportunity to look at the act that the house will repeal, and I looked carefully at the loitering provision. The Vagrancy Act gave enormous power to police to charge people with essentially just hanging around. I am pleased to see that the bill provides some real protections for people in relation to the loitering charge. In particular, the protections provide that if people are to be charged with loitering there must be a connection between their just hanging around and their clear and imminent intent to commit an offence that would otherwise be chargeable. Because of the changes of the words and the new provision, the legislation will provide some protection for people who would otherwise have been charged when essentially they should have just been moved on and not charged when it really was not appropriate.

In beginning my comments on loitering I mentioned my great-great-grandfather, whose name was Kaziah Roebotham. He was an English Jew who lived in the northern parts of England. About 170 years ago he was transported for seven years to Australia, to Van Diemen's Land, on a charge of loitering with intent. I clearly have an ancestral interest in this particular provision. My understanding is that my great-great-grandfather was very aggrieved by the charge and was not a model convict in his time until he married my great-great-grandmother, Eliza, who apparently helped to settle him down. On several occasions before that marriage he was lashed for his bad behaviour as a convict, but apparently he settled down and lived a good quality farming life for many years afterwards. As I said, he felt very aggrieved at the loitering with intent charge. The provisions the house is putting in place under this legislation would have provided some protections to my great-great-grandfather, who did not have those protections more than 170 years ago in England. Therefore I am happy to support the bill.

Hon. J. M. McQUILTEN (Ballarat) — I support this important bill. I would like to concentrate on the aspect of vagrancy. I note that in his contribution the Honourable Ron Bowden said human nature does not change. That is one of the key issues this debate is about. Sometimes I agree with Mr Bowden that that is the great hurdle for mankind. Even in our modern-day society we tend to slip back to tribal, ancestral behaviour, but that does not make it right. As a society, and I hope as one of the leading societies in the world, we should strive to do things better, to be more compassionate, open, friendly and forgiving. Unfortunately most of the time we are not.

I stand here tonight because the debate I have heard has been about what has happened here in Melbourne, in Victoria and in Australia, but vagrancy and begging happen all over the world, not just where we live. The issue of the disadvantaged is not seriously discussed in our society because most of us in this place do not know what disadvantage is. You might see it, but you do not feel it, smell it or taste it. Human compassion has been incredibly lacking in this debate tonight. Human compassion is the one thing that makes us as a society strive for something more than we are. We do not have enough human compassion. To me compassion is what defines a society. Sometimes we show it in respect of places like Aceh and some of the great disasters that have happened, but it is not normal and tends to be a bit superficial.

We have been talking about vagrancy. The *Macquarie Dictionary* states that vagrancy is:

1. the state or condition of being a vagrant.
2. the conduct of being a vagrant.
3. mental wandering; digression in thought.

A vagrant is defined as:

1. one who wanders from place to place and has no settled home or means of support; tramp.

Did members hear that? A vagrant is someone who has no home. A vagrant is someone who wanders from place to place and has no settled home or means of support. Vagrants have no money. They are tramps.

That is how English society, and western society in general, talks about a vagrant. They say vagrants are tramps, which is an Americanism in itself. It implies they are useless. It is saying, 'If you are not one of us, then you are a tramp, a hobo. You are useless'. It is ingrained in our society. How compassionate is that? What message does that send? It sends a terrible message to me.

The debate I have heard tonight also sends a terrible message. There has been no compassion, no feeling and no striving for a better society with love. I am not a Christian, but I am sure that if Christ were around now, he would be beside himself. If Mohammed were around now, he would be beside himself, because there is a lack of compassion. I will give an example, which is why I am making this contribution. When I was 20 years old I was in Calcutta. It was an incredible shock for a guy who had never been outside Australia, apart from being in Singapore on my way to Calcutta. I arrived in difficult circumstances. The morning after my flight into Calcutta I was walking along the street with my brother and there was a dead lady lying on the footpath. I stepped over a dead woman who looked to be about 45 or 50 years old. She was a vagrant, a tramp. In Calcutta in 1970 they drove carts around the streets in the early morning to pick up all the dead bodies and cart them away. They were vagrants and beggars, and we are now saying, 'We are worried about these people'. You did not have to worry about them in Third World countries at that time, because they died. They would not be a worry to members sitting in this house, people driving around in nice cars or people running businesses, because they were dead. They were vagrants and beggars. I found that incredibly confronting, and I still do. My brother and I had to get out of Calcutta. It was just too horrible and too hard to take for little Aussie guys who had been brought up in Moonee Ponds and Essendon and who had a nice life. It was very confronting.

We then got to the Calcutta railway station, and by that stage a New Zealand guy was clinging to us like glue to a blanket because there was safety in numbers and we were all confronted by what we were seeing and what was happening. There was a big demonstration because at the time there was a Marxist uprising in West Bengal. We were in the first-class area of the railway station. It was very dirty and pretty horrible, and you would not have thought it was even the third-class area. About 1000 demonstrators came through the doors into our area. At the time first-class tickets up to the north of India cost about $4, so it was not exactly expensive. The demonstrators were yelling out, 'Imperialist, imperialist'. As white guys we felt a little threatened. We decided to get out of the area and onto the platform. When I got out onto the platform, I saw this sight which is still in my head.

The ACTING PRESIDENT (Mr Smith) — Order! At the risk of sounding uncompassionate to the member's contribution, I request that he come back to the bill.

Hon. J. M. McQUILTEN — I am coming back to the bill. It is about vagrancy.

The ACTING PRESIDENT (Mr Smith) — Order! Here in Victoria.

Hon. J. M. McQUILTEN — May I read it again? I have lost it. It is about a person who is homeless. We walked out onto the platform and there was a young woman who was probably 20 years old lying asleep on the concrete. For clothing she had a hessian bag with a hole cut out for the head and holes for the arms. In her arms was a completely naked young baby, probably three months old. Walking around her was another naked child who would have been probably 18 months or two years of age. They would not have survived another two or three months. They were going to die. We all knew that. They were vagrants, homeless, had no means of support.

Society must show more compassion for these sorts of people. What is needed is much more compassion for people who are homeless, who are without work. Maybe people do not see what is burnt into my memory from when I was there, but that is how bad it can get. When we are deliberating on laws and deliberating on how to approach these issues, we are lucky. We do not look at what I have seen and at how bad it was. What makes a society better, in my view, is that it shows compassion. I support the bill.

Motion agreed to.

Read second time.

Third reading

For **Hon. J. M. MADDEN** (Minister for Sport and Recreation) Hon. M. R. Thomson (Minister for Consumer Affairs) — By leave, I move:

That the bill be now read a third time.

I thank honourable members for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

RESIDENTIAL TENANCIES (FURTHER AMENDMENT) BILL

Second reading

Debate resumed from 6 September; motion of Ms BROAD (Minister for Housing).

Hon. W. A. LOVELL (North Eastern) — In rising to speak on the Residential Tenancies (Further Amendment) Bill I would like to state from the outset that the Liberal Party will be opposing this bill. The purpose of this bill is to amend the Residential Tenancies Act as it relates to residents of rooming houses and caravan parks, in particular to give tenancy rights to those who share rooming houses with other people. The Liberal Party does not oppose that part of the bill. In relation to caravan parks, the bill will shorten the waiting period for rights for caravan park tenants under the Residential Tenancies Act, and it is these provisions that we oppose and to which we will be addressing our amendments.

In relation to rooming houses, these provisions have been necessitated by a court case which put those sharing a room in a rooming house outside the protection of the Residential Tenancies Act, unlike residents who have exclusive occupancy, and the explanatory memorandum to the bill explains it in this way:

> The application of the provisions of the Residential Tenancies Act 1997 (RTA) to residents of shared rooms in rooming houses has been in some doubt. The Victorian Court of Appeal in the case of *Kirkland Fisher v Aboriginal Hostels* [1998] VSCA 130, although based on the provisions of the now-repealed Rooming Houses Act 1990, has been regarded as authority for the proposition that the RTA does not apply to residents of rooming houses unless they enjoy exclusive possession of a room.

The provisions for rooming houses bring tenants sharing a room under the act and prevent rooming house operators from changing conditions upon which a room is let, particularly in relation to the number of people who may share that room. These provisions are not controversial, although I will run through some of them now.

Residency rights will include both exclusive occupancy and a shared room right. The rooming house owner must give each proposed resident a notice before occupation commences. That notice must state whether it is a shared room right or an exclusive occupancy right. In relation to exclusive occupancy rights, two or more residents may have exclusive occupancy rights of a room. The example of this given in the bill is two domestic partners. Another person cannot be introduced while they have exclusive occupancy, and if an exclusive occupant agrees to a change in room capacity, they must become a shared occupant when that consent is given.

The new division 1A to be inserted in part 3 of the principal act provides for shared room rights where one or more residents have the right to occupy the same room under a residency agreement. Residents will be chosen by the rooming house owner. Notices will be issued to the tenant under new section 94C, which states that a resident will not be notified before another resident takes occupation. The room capacity notice and consent must be given if this is to change, and the rooming house owner will choose the occupants. The rent payable for a shared room will be reduced once another person is introduced, as applies to the rent when it was a shared occupancy arrangement.

Tenancy agreements can only be entered into if the resident is to have exclusive occupation. In regard to excessive rent, if the room capacity is altered and the rent is not sufficiently reduced, the occupant can complain to the director of housing. The rent must be reduced on the day consent is given to alter the room capacity, so if another person were to be moving into the room and the occupant had given that consent, the operator must lower the rent for the initial person in that room. There are also provisions for quiet enjoyment which say that the rooming house owner must take reasonable steps to ensure that residents do not interfere with the quiet enjoyment of another resident in a shared room situation.

The Liberal Party has only one issue with the rooming house section, and that is an issue that has been raised with the Liberal Party regarding clause 14. It refers to separately metered bills. Section 108 of the act provides that a resident can be charged for water, gas, electricity et cetera on the basis of a meter in the room, but clause 14 of this bill adds to that. It says:

> After section 108(2) of the Principal Act insert —
>
> "(3) This section does not apply to a resident of a shared room.".

Section 109A of the act deals with the situation where a meter cannot be used to allocate the cost of these expenses and states that a fee can be applied. What the rooming house operators want to know is whether, in a case where there is a meter in the room and the room becomes a shared room, they can charge a fee under

section 109A in order to recoup their costs, or does clause 14 prevent them from charging any fee.

I will now turn to the caravan park provisions of the bill, which are the provisions we have some issues with. The bill will reduce the waiting period for rights for tenants under the Residential Tenancies Act from 90 days to 60 days. This provision was introduced in 2002 as an amendment to the act, but was defeated after the Liberal Party, supported by the National Party, as it was known then, and the Independents in another place moved an amendment. At the time we opposed the provision because caravan park owners were strongly opposed to it, and I note they are still strongly opposed to it. They claim there has been no consultation with them about the reintroduction of this provision, that nothing has changed since 2002 and there is no reason for it to be reintroduced, so they strongly oppose it.

The government has claimed that this provision is in line with the recommendations of the Residential Tenancies Act working group in 2000; however, unanimous agreement could not be reached by the group on this issue. Caravan park owners strongly oppose the introduction of this provision, which would give residents rights under the Residential Tenancies Act after 60 days instead of the current 90 days. The provision will reduce the ability of caravan park owners to differentiate between residents and people requiring short-term accommodation, such as crisis accommodation and transitional housing, thus putting more pressure on the Office of Housing to provide crisis accommodation, which is in very short supply in Victoria.

Caravan park owners claim they will face a greater business risk if residents can claim these rights after 60 days and that they will be forced to demand bonds and conduct more stringent rental history checks before accepting crisis accommodation and transitional housing clients. There is some evidence that tenants will therefore be worse off under this provision, and that it will have the opposite effect to that intended. At present some operators turf people out of their residence at the end of each three-month period to avoid them getting tenancy rights; under this bill residents will now be asked to leave after only 59 days.

Caravan park operators are also concerned that the provision will affect their capacity to offer holiday bookings, because if they could take on a client and expect them to be short term but find they are there for 60 days, and then claim tenancy rights, the owners would be prevented from being able to plan what sites would be available for holiday bookings in peak periods. As I have said, the caravan park operators are opposed to these provisions, and the Liberal Party supports their claims

The government's 2002 report into the residency tenancies legislation working group says, on page 18:

> Caravan park owners raised concerns that removing the 90-day rule may discourage owners accepting people in need of emergency accommodation as temporary occupants who they would not otherwise risk as long-term residents. In addition owners are concerned that removing or reducing the 90-day period would have a detrimental impact on their ability to operate their business as a tourist park, as it would compromise their ability to protect the rights of tourists, would jeopardise future bookings and have far-reaching economic effects on their business … Many owners have submitted that the 90-day period provides flexibility to both parties, particularly in assessing whether the occupier is suited to the type of high-density living which is unique to the caravan park environment. The many caravan park owners and managers who made a submission to the working group overwhelmingly supported the retention of the 90-day rule.

On page 20 the report also says:

> Unanimous agreement could not be reached on this issue.

Certainly this amendment is not in line with that working group's recommendations.

The Victorian Caravan Parks Association has written a rather long letter to the Liberal Party. I would like to incorporate quite a bit of it into tonight's debate. It was sent to the member for Caulfield in the other place, Mrs Shardey, who did a wonderful job with the consultation on this bill. I congratulate her on her efforts to consult with the various stakeholders in this group. The letter says:

> I am writing to express my concern over clause 22 of the Residential Tenancies (Further Amendment) Bill before the lower house. The renewed attempt … to alter the Residential Tenancies Act 1997 with the bill is an alarming display of 'legislation by stealth'. There has been no consultation or correspondence with the Victorian Caravan Parks Association, a major stakeholder, since the outcomes of the working group that was established five years ago.
>
> Furthermore, it is misleading for Ms Pike to justify the amendments to the caravan parks provisions of the RTA —

Residential Tenancies Act —

> in the form of the Residential Tenancies (Further Amendment) Bill by asserting that it is in line with the recommendations of the residential tenancies legislation working group of August 2000 with regards to the definition of a resident in a caravan park. The report clearly states that 'unanimous agreement could not be reached' on this issue.
>
> The association has not been invited to consult with the government on this issue since the outcomes of the 2000 working group nor has any new evidence come to light that would indicate that the definition of a resident in the Residential Tenancies Act 1997 … should be altered in any

> way. Therefore, the association continues to support the current definition of a resident and opposes the proposal of the Minister for Health to reduce the period for a person to qualify as a resident under the RTA from 90 to 60 days.
>
> The position of the association has been, and continues to be, that this change will reduce the capacity of caravan park owners to clearly differentiate between residents and persons requiring shorter term, flexible accommodation, such as crisis accommodation, clients and transitional housing clients. Caravan park owners are aware that there is a shortage of crisis accommodation in Victoria, but should the definition of 'resident' be altered in the way suggested by Ms Pike, park owners would find that there would be a greater business risk involved in accepting crisis accommodation clients and transitional housing clients. There would also be a greater necessity for park owners to charge a bond and lodge this with the Residential Tenancies Bond Authority … as well as to implement more stringent rental history checks. This would mean that clients with a poor rental history and without sufficient funds to pay a bond in advance in addition to rent, such as many crisis accommodation clients, would be less likely to obtain accommodation in a caravan park. This in turn will put more stress on public housing and government funded crisis accommodation and will disadvantage the members of our society … in greatest need.

Once again we see the theme of the government bringing legislation into this place without any consultation with the key stakeholders. We also see legislation that is designed to protect vulnerable people actually putting those vulnerable people at risk.

> I have another letter from the Victorian Caravan Parks Association which is also written by the president, Mr Bob Farmer, but which is addressed to the Minister for Consumer Affairs, Ms Thomson.

Hon. J. H. Eren — Is that from the same person?

Hon. W. A. LOVELL — The same person has written two different letters, one to Helen Shardey in the other place and one to the Minister for Consumer Affairs, Ms Thomson. The letter says:

> Thank you for your letter dated 18 August 2005 regarding the Residential Tenancies (Further Amendment) Bill. Evidence of the state government's lack of understanding of the perspectives of key industry stakeholders and the implications of your proposed change to the qualifying period for an individual to become a resident is apparent in your letter to Victorian caravan parks.
>
> All caravan parks in Victoria are covered by the Residential Tenancies Act 1997. If a caravan park is registered as such with local council, it is subject to the Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 1999, made under sections 514, 515 and 516 of the Residential Tenancies Act 1997. Therefore, all occupants of caravan parks are covered by the RTA regardless of whether they have or have not obtained residency rights.
>
> The Victorian Caravan Parks Association (VCPA) surveyed its members in 2003 regarding occupancy types and discovered that 'tourist-only' caravan parks comprise a minority of 12 per cent of caravan parks in Victoria. The vast majority of caravan parks are 'hybrid' parks, providing accommodation for a varying mixture of tourists, residents and long term holiday site occupants ('annuals' who traditionally occupy a site for the summer, a period that could easily be in excess of 60 days). These hybrid parks make up 84 per cent of caravan parks in Victoria and will be affected by the proposed changes.
>
> You are entirely correct when you state that people can be 'obliged to leave' before residency right has been obtained. However, by reducing this time period from 90 to 60 days, the government will not achieve its stated objective of increasing security of tenure, but will feel the additional burden of increased numbers of transitional housing and crisis accommodation clients as there may be increased pressure on park owners to oblige persons to leave 30 days earlier.
>
> Communication from state government has been misleading and inconsistent regarding this bill. In her letter to Ken Davis, secretary of the metropolitan division of the VCPA, dated 17 October 2002, Bronwyn Pike, then Minister for Community Services and Housing, stated that the 'Residential Tenancies (Amendment) Bill 2002 achieves the right balance between the needs of tenants and landlords by improving security of tenure'. The government has had no further consultation with the VCPA since this 'right balance' was achieved in 2002, nor has any new evidence come to light that would indicate that any further legislation in this area is required. Furthermore, Bronwyn Pike cited the recommendations of the Residential Tenancies Legislation Working Group of August 2000 as justification for this bill, yet the report clearly states that 'unanimous agreement could not be reached' on this issue.
>
> Caravan park owners do not attend VCAT hearings as often as other providers of residential accommodation. Anthony Jacobs, registrar of the Residential Tenancies List of VCAT, informed delegates at the VCPA annual conference and trade display last week that out of the 66 000 applications to the Residential Tenancies List of VCAT last year, caravan park applications represented —

only —

> 193 (approximately 0.3 per cent). This does not indicate that there are any major problems with the existing legislation from the perspective of residents or caravan park owners.
>
> Clause 22 of the Residential Tenancies (Further Amendment) Bill does not benefit current residents of caravan parks and will be detrimental to prospective residents, caravan park owners and the community.

The author of the letter is the president of the Victorian Caravan Parks Association, so he has some knowledge of how caravan parks operate. I would say he has probably more expertise than anyone in the Bracks government about this issue.

Our lower house colleagues have been inundated with emails from caravan park owners living in their electorates, and I shall share with the house one of the letters that came from the Bright caravan park. It states:

Dear member of Parliament

I operate the Bright Accommodation Park and I am writing to express my concern regarding a serious problem with the Residential Tenancies (Further Amendment) Bill before the lower house.

Clause 22 of the bill proposes to reduce the qualifying period for a person to become a resident from 90 days to 60 days. This will have a significant impact on the ability of park owners to operate their businesses effectively.

This change will reduce the capacity of caravan park owners to clearly differentiate between residents and persons requiring shorter term, flexible accommodation and will needlessly complicate the reservation of sites for future tourist bookings.

Should the definition of 'resident' be altered in the way suggested by the Minister for Health, there would also be a greater necessity for park owners to charge a bond and lodge this with the Residential Tenancies Bond Authority (maximum bond is 28 days rent), as well as to implement more stringent rental history checks. This would mean that clients with a poor rental history and without sufficient funds to pay a bond in advance in addition to rent would be less likely to obtain accommodation in a caravan park. This in turn will put more stress on public housing and government-funded crisis accommodation and will disadvantage the members of our society who are in greatest need.

This change to a 60-day qualifying period will not advantage a genuine residential tenant, but will result in more applicants being refused the provision of accommodation in caravan parks.

Hon. J. H. Eren interjected.

Hon. W. A. LOVELL — That is from Tracey and Ludy Pawlik of the Bright Accommodation Park. Mr Eren should be aware that I could have read a thousand letters like that, because they all came from caravan park owners throughout Victoria. They were sent to every member of the lower house. Unfortunately the owners did not send them to upper house members, otherwise Mr Eren would have known about them. You should have made it your business to know about this.

The ACTING PRESIDENT (Mr Smith) — Order! Ms Lovell will address the Chair.

Hon. J. H. Eren interjected.

The ACTING PRESIDENT (Mr Smith) — Order! Mr Eren!

Hon. W. A. LOVELL — In response to the contribution that the member for Benambra made in the other place he received an email from David McIvor, a park operator at the Eldorado Tourist Park in Geelong, Mr Eren may be interested in what Mr McIvor had to say:

Dear Tony, Thank you for your support. It is a relief that somebody is listening —

but Mr Eren is not —

I have been informed that a check at VCAT indicates less than 1 per cent of tenancy issues relate to caravan parks. Ninety five per cent of the less than 1 per cent related to rental in arrears and were decided in favour of the park operator. The 90 days was never an issue.

Consequently I cannot see any basis for the proposed change. There are so few complaints about our industry that the electronic records at VCAT do not register any adverse trends for caravan parks. I do not know what the agenda or reasoning is behind the proposed changes. Nor do I understand why the proponents of the changes do not sit down or meet with our industry body and representatives to explain why it is necessary to change.

VCAT are unable to give our industry electronic access or a portal because of the too few issues we have with VCAT! The funding would not be viable. However, they are working with us, as quick access to VCAT for caravan park operators is an issue particularly in regional Victoria.

I have a mixed park of tourists, workmen and residents.

Today, for example, I had a young couple with a small infant come from the country. They wanted to stay for two to three months until they saved for a bond and found work. This is a typical case. Most tend to find a house between the two to five month period. If the 60 days was passed it would mean if they have not found a house, I would have to ask them to vacate. Is this fair?

Mr Eren, is it fair that he would have to ask them to vacate?

The ACTING PRESIDENT (Mr Smith) — Order! Ms Lovell knows she cannot ask questions of members in the house. I ask her to address the Chair.

Hon. W. A. LOVELL — The email continues:

One hour later I had a man and his son come in due to a family break-up. They wanted two to four months until things got sorted out at home or they had sufficient funds to get a unit. This is typical of our customer base. Where would I send them on the 59th day?

I provide crisis accommodation for people waiting for housing. It is not uncommon for them to be here up to three months. Do I now ask these people on the 59th day to move out of the park and go back to living on the street, or in their car or other crisis accommodation for the 59th and 60th day and then invite them back two days later?

Recently I had persons stay in the park for a short term. After some time their anti-social behaviour and lack of respect and consideration towards residents' peace and quite enjoyment of the park became apparent, as did their drug problems. They were asked to leave immediately and give an appropriate time to do so.

They responded by screaming abuse, yelling they had rights and would take us to the tenancy union. They damaged

> property and I explained that they had signed short-term agreements in which they clearly understood and acknowledged their stay was short term and they were not residents. The abuse, threats and language continued towards us and other residents, occupants and tourists as did their refusal to leave. One couple had been in the park for a few days, another a few hours and another in excess of 60 days.

The ACTING PRESIDENT (Mr Smith) — Order! I have listened for quite some time to Ms Lovell reading numerous letters, emails and other forms of correspondence into *Hansard*. I remind her that standing orders say that reading of letters from constituents should not form part of a speech. A brief summary in a member's own words can adequately cover these, so I request the member to comply and get on with her speech in her own words, if that is possible.

Hon. W. A. LOVELL — I have one sentence to go, which is that:

> The residents and our family were harassed and intimidated.

This is something that is going on in the Geelong area and many other areas where people are trying to provide crisis accommodation.

I met with these caravan park owners the other day and they told me that the 90-day period is a good length of time for them to gauge the type of person who has come into their park before they gain resident status. They said that for the first 30 days everybody seems to behave themselves, in the next 30 days leading up to the 60-day period they let their guard down a little, but it is in that third month that they really tend to see the type of person living in the park — and that is when they gauge whether they want them to stay on as a long-term resident or whether they prefer them to vacate the park because they know their behaviour may be disruptive to the quiet enjoyment of other residents in the park.

As I said, the current 90-day period to qualify for tenancy rights is a perfect time according to the caravan park operators, and they do not believe it should be reduced to 60 days, and neither does the Liberal Party.

The current 90-day period to qualify for tenancy rights only applies to those who cannot afford to pay a bond. If you pay a bond, you are automatically granted tenancy rights. When we met with the caravan park owners they advised there would be no winners under this 60-day period because caravan park owners would then be forced to ask people to vacate at the 59-day limit, and they would not offer them residency of longer than 60 days.

By reducing the qualifying period to 60 days the government would not be achieving its aim, it would only be endangering the more vulnerable families who cannot afford to pay a bond. They would have to be evicted at the 59th day rather than allowing them to stay on for the full 90-day period. This would be detrimental to those more vulnerable residents. We will be moving amendments in the committee stage to disallow the reduction of time to 60 days.

Hon. D. K. DRUM (North Western) — Whilst The Nationals are quite convinced the intention of the Residential Tenancies (Further Amendment) Bill is to look after some of our most vulnerable members of society, we are not 100 per cent sure — we are not very sure at all — that it will achieve its aims. We will not be supporting the legislation. Although we understand that certain aspects of the boarding house part of the bill have been put in place to simplify billing arrangements and make them clearer, effectively one of the clauses will make the situation more complicated than it already is.

The caravan park aspect of the bill has certainly raised the ire of several caravan park owners and of the peak body, the Victorian Caravan Parks Association. We believe there needs to be a genuine sense of balance in the time it takes before casual tenants at caravan parks throughout Victoria can be regarded as permanent residents and given full residential status. The previous speaker mentioned that some more vulnerable people are being asked to vacate caravan parks just prior to the 90-day limit so they will not be able to take up permanent residency and be granted the associated rights. It is certainly a worry to think that type of behaviour is commonplace throughout the industry. If it is commonplace, we need to attack it and not simply pass legislation like this, which will make it even harder to do that and create a situation where we exacerbate the problems of people who need this type of accommodation to be available. The current arrangements seem to cater for these people quite well. It has been explained to The Nationals that because a certain amount of flexibility is allowed under the current regulations where a 90-day tenancy period is required before permanent residency can be granted, caravan parks always have a few vans vacant for emergency accommodation that is called for every now and again by some organisations and agencies that operate in our cities and town. There is a fear that further reducing the period before the granting of residency rights down to 60 days will take away the incentive for some of these people to move on and find more permanent accommodation in the community outside caravan parks.

Be that as it may, there is a key issue in the state of Victoria related to the fact that 35 per cent of our homeless people are in the 12 to 25-year-old age bracket. Whilst that only accounts for some 17 per cent of our population there is still a very strong representation in that particular age group. We are talking about 7000 young Victorians every year ending up being classified as homeless, and we need to understand that this is a far-reaching problem. These people are normally accommodated in the houses of friends or relatives, in boarding houses or in caravan parks, and this bill affects a lot of the establishments that are used by these 7000 young people, as well as a whole range of other people who find themselves in similar situations. It relates directly to their needs.

It has also been put to The Nationals that although the government quite often states that it is very big on consultation, as a previous speaker just mentioned, that has not been the case in respect of the Victorian Caravan Parks Association. The association has written to The Nationals at length explaining that there is no way known the minister can tell Victorians it has consulted with the peak body in this instance. The association is quite upset, and it calls this legislation by stealth. The legislation had a chance of going through during the term of the previous government but was stopped, and it is now being introduced again without any consultation with the relevant peak body. The association clearly states that it has not been in consultation with the government on this issue. In fact the government has not been in touch with the association since the residential tenancies working party report was put forward in October 2001.

The peak body's view on this legislation is that it is not going to help our vulnerable people as the government claims it will. It will make little or no difference, and it may have a detrimental affect on the availability of this type of accommodation for people who need it in an emergency.

One of the park operators, Cheryl Hicks of Yarrabee Caravan Park in Echuca, said:

> Should the definition of 'resident' be altered in the way suggested by the Minister for Health there would also be a greater necessity for park owners to charge a bond and lodge this with the Residential Tenancies Bond Authority (maximum bond is 28 days rent) as well as to implement more stringent rental history checks. This would mean that clients with a poor rental history and without sufficient funds to pay a bond in advance in addition to rent would be less likely to obtain accommodation in a caravan park. This in turn will put more stress on public housing and government-funded crisis accommodation and will disadvantage the members of our society who are in greatest need.

Along with a whole heap of form letters which the previous speaker was happy to read out, that letter certainly demonstrates an area that needs greater balance than this bill is putting forward. The Nationals have received letters that go the other way, saying that we need to scrap any qualifying period and that residents should have full residential rights as of day one. We have looked at this on merit and tried to work out where we believe the balance should be. At this stage we believe the balance should stay where it is — that is, with a 90-day qualifying period.

We have looked carefully at the issues of boarding rooms and have been in touch with the Mitchell Community Housing Service in Bendigo. It has a range of accommodation for people with intellectual disabilities who operate in an independent-style living situation. A lot of pensioners take up accommodation within its boarding houses. The service has four different types of residences within the city of Greater Bendigo.

The housing service is predominantly concerned with clause 14, which will ban boarding house operators from charging independent users of a room when they in fact share that boarding house room. That is certainly going to cause boarding house operators a fair amount of grief when you consider that many of them operate at an absolute minimum profit and simply do what they have to do to make ends meet. I will be moving an amendment seeking to delete clause 14, which effectively will mean that boarding house operators will be able to charge people who are sharing a boarding house room a separate amount for their services.

I have been reading the *Hansard* report of the debate in the other place and note that it was put that in the instance of a shared room the proprietors and managers of the boarding house will be able to charge additional rental for those rooms to cater for the additional utilities used in those rooms. However, a greater understanding of the industry would make members of the government understand that you simply cannot add the cost of the utilities to the rental charges because many of these people are on public welfare. Their boarding fees are a set percentage of their income and no more than 25 per cent of their pension can be used for accommodation. Therefore it is impossible for boarding houses that want to put two, three and four people in the one room to charge an additional fee. They have a set fee that the occupants are able to pay, and they are not allowed to charge any more. Their rates are effectively capped, and that is why it is important that we take this clause out of the bill. That will allow the boarding houses to charge that little bit more as an individual — —

Business interrupted pursuant to sessional orders.

PIPELINES BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. T. C. THEOPHANOUS (Minister for Energy Industries) on motion of Hon. M. R. Thomson.

RADIATION BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Mr GAVIN JENNINGS (Minister for Aged Care).

ADJOURNMENT

The DEPUTY PRESIDENT — Order! The question is:

That the house do now adjourn.

Seymour District Memorial Hospital: obstetric services

Hon. D. McL. DAVIS (East Yarra) — My adjournment matter tonight is for the attention of the Minister for Health in the other place. It relates to country hospitals, in particular the Seymour hospital. Many in the chamber will be aware of the difficulties confronted by the Seymour hospital over the last two years. We only need to cast our minds back to 2003, when it came to public attention that the government had a plan, called the Hume hospital services plan — —

Honourable members interjecting.

Hon. D. McL. DAVIS — It was a secret plan, no doubt, that sought to close a series of obstetric and surgery services in smaller country hospitals. Those hospitals were the Alexandra District Hospital, Cobram District Hospital, Kilmore and District Hospital, Mansfield District Hospital, Nathalia District Hospital, Numurkah district hospital, Seymour District Memorial Hospital, Tallangatta Health Service, Yarrawonga District Health Service, and the Yea and District Memorial Hospital. All those services were slated for closure in a wind back from being real hospitals to being services that delivered no surgery and no obstetrics.

I am most concerned about the Seymour hospital. Throughout central Victoria rumours now abound about the future of that hospital. The Bracks government has hardly lifted a finger. I single out a member of this place, Mr Mitchell, and the member for Seymour in another place. They have hardly lifted a finger to defend this hospital from the attacks by bureaucrats and the government's failure to implement proper policies that would protect services there.

It is true that there has been a complex situation at the hospital where the visiting medical officers (VMOs) have been in dispute with the management, the board and others, but what is extraordinary is the failure of local members to intervene and the failure of the Minister for Health to intervene properly to protect services at the hospitals — at Seymour hospital in particular.

Mr Gavin Jennings interjected.

Hon. D. McL. DAVIS — I say to Mr Jennings that I want them to advocate for the community and see that there are proper services. If he does not see that as a proper role for members of Parliament, I am very surprised and concerned.

At Seymour there is a fear that many beds at the hospital will be left empty. I am deeply concerned that the government will use this opportunity to intervene and further wind back services at the Seymour hospital. It has been unsuccessful in retaining the VMOs. It has appointed a negotiator or a facilitator, and I welcome that step, but that is two years too late. I ask the minister to intervene quickly so as to protect services at the hospital, including giving a guarantee of the continuation of surgery — —

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

Children: Pakenham estate services

Hon. J. G. HILTON (Western Port) — I raise a matter this evening for the attention of the Minister for Children in the other place, the Honourable Sherryl Garbutt. I and my colleague the member for Gembrook in the other place are very much aware of the great need in the Pakenham growth corridor for more accessible services for young children and families. It is an area of significant population growth but is still considerably underserviced. Many of the families in the area experience significant isolation.

I am proud to be part of a government that is doing a great deal for Victoria's children. I am also proud to be part of a government that recognises children are the future and that by investing in children, we are investing in the future of Victoria. That is why I was very pleased to see the local community at the new development at Lakeside estate coming together and working very closely with the Cardinia Shire Council to put together a proposal for a new children's centre and kindergarten.

Their idea is to build a new facility that will bring together on the one site a range of services for local children and families — kindergarten, child care, maternal and child health, plus multipurpose rooms that can be used by parents, families and the community. I believe this is a great idea and it fits perfectly well with the Bracks government's children first capital funding program. I understand that Cardinia shire has put in a submission for these funds, which is now in its third funding round.

Of course it is very easy for people to feel isolated when they are underserviced and to lose all sense of community, to become complacent and apathetic, but the Lakeside community has not done that. Indeed it has worked to come up with real solutions with real tangible, workable ideas that will not only provide needed services but will also help strengthen and solidify the community. I know that this is very much what the Minister for Children wants to see through the development of new children's centres throughout Victoria. I also know that she wants to see services that bring children, families and communities together so that Victoria really does become a great place to be, and a great place to raise a family.

So the Lakeside estate proposal for children's funding seems to fit that vision very well. Most importantly it is something that would be of great benefit to the community. I ask the minister to look closely at the submission that she has received and urge her to consider it favourably. The Lakeside community is very much behind it. It has worked hard to put together a proposal that if funded will really go a long way to addressing a very real need in the local community.

Drag-racing: venue

Hon. RICHARD DALLA-RIVA (East Yarra) — I wish to pose a query for the Minister for Sport and Recreation. As members in this house and other people are aware, I am a supporter of professional drag-racing and have been for the past 30 years. I have been attending group 1 drag-racing not only in Melbourne but also in the USA. This is a professional, multimillion dollar sport.

For the record, the first time drag-racing enthusiasts from around Australia met officially was at Riverside in Melbourne near where the West Gate Bridge now stands. In fact the event in 1965 was the first Australian Nationals. In 1991, after being held around the country on an annual basis, Australia's most prestigious drag-racing event made its permanent home in Melbourne and arguably was one of Victoria's largest sports events, until the advent of the Australian grand prix. From the outset Melbourne took the sport to new heights. From the 1990s it regularly attracted more than 45 000 spectators and over 400 entries from around the country and from overseas on occasions. I recall attending many of those events.

The Melbourne event was a catalyst for the development of our national championship events, which included the Winternationals, the Australian Nationals, the Summernationals and the East Coast Nationals. However, in 2000 the Calder Park dragway closed for group 1 drag-racing. In 2002 the New South Wales government commenced work on a dedicated drag-racing venue. Western Sydney International Dragway opened in early 2004, delivering a world-class venue to the city along with two major Australian National Drag Racing Association championship events. This is now the significant drag-racing event in Australia. In Perth the Kwinana Motorplex opened in December 2000. This was fully funded by the Western Australian government. A complex dedicated to drag-racing and speedway, Willowbank Raceway, was built near Ipswich in Queensland, and that now is an area of significant drag-racing.

Drag-racing brings significant dollars to the economy. It has grown substantially around Australia. Sadly Melbourne and Victoria, despite having the first drag-racing facilities and venues in Australia, are now lagging behind. In Perth, Sydney and Melbourne we have weekly off-street events, yet these are not at a professional level. I ask the minister to take action to examine the extent to which Victorians can have a return to glory as the drag-racing capital of Australia with a purpose-built drag-racing venue.

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

Libraries: rural and regional

Hon. KAYE DARVENIZA (Melbourne West) — I wish to raise a matter for the attention of the Minister for Local Government, Ms Broad. The matter I raise

concerns the availability of high-tech systems in our regional and rural libraries. Modern libraries need modern computer-based information management systems to make their day-to-day operations function smoothly and efficiently. Of course systems that use the latest technology and software have substantial benefits for all those who use our libraries. In regional and rural areas in particular the local library can play a very important role in acting as a modern information hub providing a range of resources to the local community. Living in the city we can often forget just how important these resources are and how important information is, particularly high-tech information. More particularly we forget how important it is to have high-tech information which is well maintained and upgraded and which provides for the purchasing of new books and digital material such as CDs and DVDs as well as talking books. That is vital for rural and regional communities, and it is vital that those communities have easy access to this information and these resources.

The specific query I have for the minister is: what action is she or her department taking to ensure that part of the $35 million that was announced in the recent budget as being allocated to libraries is used to invest in providing rural and regional libraries with these very important high-tech systems? This is in recognition of the role that libraries play in local communities as valuable resources for people of all ages who can use libraries and who do use them as meeting places, as learning places and as places where they can gather recent and up-to-date information, which allows everybody in the community to learn and grow.

Rail: seniors parking

Hon. ANDREW BRIDESON (Waverley) — I raise an issue tonight for the attention of the Minister for Transport in another place. I am sure it is an issue that the Minister for Aged Care would also be very interested in. It concerns car parking for elderly daytrippers who travel by train from Glen Waverley, Syndal and Mount Waverley train stations to Melbourne. I have had a couple of complaints in the last week or so from constituents who are aged pensioners or retirees and who travel to Melbourne on odd occasions to do their shopping. They have complained that there is a lack of close car parks available to them, which means that once they have parked their cars they have to walk some distance to the train station, and upon returning to the train station they have some distance to walk back to their vehicles.

On one occasion one couple exceeded the 4-hour parking limit by only 10 minutes or so because they had this extra distance to walk and they copped a parking infringement. On another occasion they could not find a car park. They travelled from Glen Waverley down through three or four stations and still could not get a car park. Because they were about a third of the way into the city they decided to drive. Upon returning home the next day they contacted Connex, which runs the trains along that line, and the City of Monash. They were told by both organisations that they should keep driving to the next station until they get a car park. It is a totally unsatisfactory situation.

I ask the minister, perhaps in conjunction with both Connex and the City of Monash, to explore ways of providing 5 to 6-hour parking bays close to the entrances of railway stations so that elderly people can be encouraged to use the trains. There would also be a benefit to the public with the decrease in traffic and associated pollution problems. I think this is an issue that probably applies to all railway stations across the network and not just to the railway stations that I have mentioned. I seek an urgent response and action from the Minister for Transport.

Primary Industries: weed control officers

Hon. W. R. BAXTER (North Eastern) — I raise a matter for the attention of the Minister for Agriculture in another place. It goes to the issue of staffing in the Department of Primary Industries, particularly in the environmental area and weed control officers.

On Sunday week I attended at Milawa a function organised by a couple of Landcare groups at which the mayor of the City of Wangaratta, Cr Roberto Pano, was launching a new noxious weeds brochure put together by the council through its environmental officer, a very alert young lady by the name of Karen Jones, who is clearly getting the issue of noxious weeds into the public mind of the ratepayers of that municipality.

A great deal of concern was expressed to me on that afternoon by Landcare volunteers who feel that all the good work they have been doing for so long with the support of this and the previous government is now to some extent being undermined. Their enthusiasm is being sapped by recent announcements being made by the minister and his department that a number of weed control officer positions are to be dispensed with, particularly in the north-east of Victoria but I understand right throughout the state. Bearing in mind that the government regularly trumpets its environmental objectives and credentials, this seems to fly in the face of that.

I again ask the minister to review this proposal with the intention of keeping on these officers so that we can get the best bang for our buck. Whilst we have weed control officers employed by the department, I think we get a good deal of leverage from the encouragement that gives to volunteers to also play their part.

Tourism: Taiwan air link

Hon. R. H. BOWDEN (South Eastern) — Tonight I had the pleasure of attending a function in the city to welcome a large contingent of Taiwanese travel agents to Victoria, and also to participate in some speeches — —

The DEPUTY PRESIDENT — Order! Which minister is this directed to?

Hon. R. H. BOWDEN — I seek the assistance of the Minister for Tourism in another place.

Tonight's function was attended by approximately 80 tourism professionals with a focus on Taiwan. A great deal of enthusiasm was expressed for expanding two-way tourism between Taiwan and Victoria. Currently 17 travel agents of a senior classification from Taiwan are visiting Melbourne. They include seven indigenous Taiwanese representatives who are here to show the benefits of some of the beautiful aspects of cultural life in Taiwan.

It is interesting to note that Taiwan is an important trading partner for Victoria and, of course, Australia. In my electorate each year we receive many thousands of Taiwanese tourists because the Great Ocean Road and the penguin parade at Phillip Island are well-known and much-appreciated tourism destinations for visitors from Taiwan. What may not be known about developing tourism both ways is that late last year Australia signed an exchange agreement under which younger Australians between 18 and 30 can have working holidays in Taiwan on special visas. They can work up to one year in industry or whatever their classification may be. Those visas are enthusiastically promoted by both sides.

I suggest that the Minister for Tourism focus on developing the two-way tourism trade with Taiwan. Some years ago, in the early 1990s, we had an air link between Melbourne and Taiwan through EVA Airlines, which I flew with several times from Melbourne to Sydney to Taipei and back. I ask: will the minister emphasise the benefits of developing two-way tourism between Victoria and Taiwan, especially trying to restore a direct air link to and from Melbourne as a priority negotiation?

Melbourne University: Longerenong campus

Hon. DAVID KOCH (Western) — My matter is for the Minister for Education and Training in the other place and concerns the announcement last week of WorkCo Link's successful bid to take over courses conducted by the University of Melbourne at Longerenong College. The winning tender by WorkCo Link as the preferred provider to deliver vocational education and training programs in the Wimmera from 2006 at last provides some confidence to the community after an extended period of uncertainty about the future of agriculture-based programs undertaken at Longerenong.

The students and staff at Longerenong College have been through a very challenging year of uncertainty since the University of Melbourne decided to dump the provision of agriculture-related programs in the Wimmera. The Longerenong campus has delivered excellence in agriculture and related education and training since 1889 and the community, including staff, parents and students, expect and want the campus to continue to be used to offer agriculture-based programs well into the future. Anything less would be totally unacceptable.

Longerenong is an integral part of the Horsham and Wimmera communities and has provided top-quality education opportunities for many of our past and future agricultural leaders. In its expression of interest WorkCo Link included details of the full utilisation of all facilities at the Longerenong campus as part of a complete training package. Despite media reports from the minister, WorkCo Link does not have existing teaching and training facilities to run the programs currently delivered at Longerenong. If WorkCo Link cannot utilise the Longerenong facilities, it will be compromised in providing education and training programs sought by students. Speculation by the minister regarding the transfer of ownership of the Longerenong facility to the Horsham Rural City Council is also unhelpful, as I am reliably informed that no discussions on this matter have taken place with the council. While the University of Melbourne might be happy to just hand over the facility, it is duty bound to undertake maintenance, refurbish the buildings that have fallen into disrepair and restore assets stripped under its stewardship. Due diligence demands that the university restore the physical assets to at least the state they were in when it gained possession of Longerenong in 1992.

Now that WorkCo Link has been successful in its bid in providing some certainty, the community needs assurance that Longerenong College can now

concentrate on continuing to provide quality education and training programs to advance the future of this important industry. My request is: will the minister confirm that WorkCo Link will be delivering its agricultural courses and related programs from an updated Longerenong site?

Responses

Mr GAVIN JENNINGS (Minister for Aged Care) — Mr David Davis raised a matter for the attention of the Minister for Health in the other place relating to the ongoing provision of service and quality care to residents of Seymour from the Seymour hospital.

Mr Hilton raised a matter for the attention of the Minister for Children in the other place, encouraging her and her department to consider favourably Children First funding being applied for by the Lakeside community within the Cardinia shire.

Mr Dalla-Riva is making a run to be the opposition spokesperson on drag-racing-related matters, and in a very impassioned contribution encouraged the Minister for Sport and Recreation to get with the program, stop dragging the chain and actually support with fulsome vigour the drag-racing potential of the state of Victoria.

Ms Darveniza raised a matter for the attention of the Minister for Local Government, seeking her support in ensuring that all libraries throughout Victoria include modern technology and facilities to enhance the learning opportunities for all Victorian citizens.

Mr Brideson raised a matter for the attention of the Minister for Transport in the other place. I share his concern about the wellbeing of public transport commuters, particularly in this context older members of the community, who may wish to park their cars in a timely fashion at nearby railway stations and then use public transport facilities rather than go further and further down the line before they have a parking opportunity. He encouraged the Minister for Transport to join us as fellow travellers in that regard.

Mr Baxter raised a matter for the Minister for Agriculture in the other place. He encourages the minister to ensure that there are more noxious weeds officers. One might say that there can never be enough noxious weeds officers operating out of the Department of Primary Industries.

Mr Bowden raised a matter for the Minister for Tourism in the other place, encouraging him to support the two-way trade potential between Victoria and Taiwan and encourage airport links between the two places.

Mr Koch raised a matter for the Minister for Education and Training in the other place, imploring her to support an upgrade of facilities at Longerenong College to ensure that the WorkCo Link provider can provide new educational services in top facilities at the college.

The DEPUTY PRESIDENT — Order! The house stands adjourned.

House adjourned 10.28 p.m.