

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**21 March 2000**

**(extract from Book 3)**

Internet: [www.parliament.vic.gov.au](http://www.parliament.vic.gov.au)

By authority of the Victorian Government Printer



## **The Governor**

His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

## **The Lieutenant-Governor**

Professor ADRIENNE E. CLARKE, AO

## **The Ministry**

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

## Legislative Assembly Committees

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

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

## Joint Committees

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

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

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

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

**Law Reform Committee** — (*Council*): The Honourables D. McL. Davis, D. G. Hadden and P. A. Katsambanis. (*Assembly*): Mr Languiller, Mr McIntosh, Mr Stensholt and Mr Thompson.

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

**Printing Committee** — (*Council*): The Honourables the President, Andrea Coote, Kaye Darveniza and G. K. Rich-Phillips. (*Assembly*): Mr Speaker, Ms Gillett, Mr Nardella and Mr Richardson.

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

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

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

## Heads of Parliamentary Departments

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

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

*Hansard* — Chief Reporter: Ms C. J. Williams

*Library* — Librarian: Mr B. J. Davidson

*Parliamentary Services* — Secretary: Ms C. M. Haydon

**MEMBERS OF THE LEGISLATIVE ASSEMBLY**

**FIFTY-FOURTH PARLIAMENT — FIRST SESSION**

**Speaker:** The Hon. ALEX ANDRIANOPOULOS

**Deputy Speaker and Chairman of Committees:** The Hon. J. M. MADDIGAN

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

**Leader of the Parliamentary Labor Party and Premier:**

The Hon. S. P. BRACKS

**Deputy Leader of the Parliamentary Labor Party and Deputy Premier:**

The Hon. J. W. THWAITES

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

The Hon. D. V. NAPHTHINE

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

The Hon. LOUISE ASHER

**Leader of the Parliamentary National Party:**

Mr P. J. RYAN

**Deputy Leader of the Parliamentary National Party:**

Mr B. E. H. STEGGALL

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

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

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



# CONTENTS

---

**TUESDAY, 21 MARCH 2000**

DISTINGUISHED VISITOR .....	475
QUESTIONS WITHOUT NOTICE	
<i>Premier: union picket line</i> .....	475, 476
<i>Health: commonwealth funding</i> .....	475
<i>GST: hospitals</i> .....	476
<i>Forests: regional agreements</i> .....	477
<i>Knives: regulation</i> .....	479
<i>Ambulance services: metropolitan–rural</i> .....	479
<i>Former government: public documents</i> .....	480
<i>Workcover: premiums</i> .....	481
<i>Stawell Gift</i> .....	481
PAPERS .....	482
APPROPRIATION MESSAGES .....	483
AUDITOR-GENERAL'S OFFICE	
<i>Financial audit</i> .....	483
BUSINESS OF THE HOUSE	
<i>Orders of the day</i> .....	483
<i>Program</i> .....	484
MEMBERS STATEMENTS	
<i>Ballarat: royal visit</i> .....	484
<i>Frankston: council elections</i> .....	484
<i>Premier: union picket line</i> .....	485
<i>Sacred Heart Church, Oakleigh</i> .....	485
<i>Ethnic Communities Council of Victoria</i> .....	485
<i>Benalla: Liberal candidate</i> .....	486
<i>Marcellin College, Bulleen</i> .....	486
<i>Women's Information and Referral Exchange</i> .....	486
<i>Frankston: council elections</i> .....	487
<i>Katherine McGlashen</i> .....	487
PROSTITUTION CONTROL (PLANNING) BILL	
<i>Second reading</i> .....	487
FLORA AND FAUNA GUARANTEE (AMENDMENT) BILL	
<i>Second reading</i> .....	488
FIRST HOME OWNER GRANT BILL	
<i>Second reading</i> .....	489
<i>Committee</i> .....	514
<i>Remaining stages</i> .....	517
PERSONAL EXPLANATION.....	517
FINANCIAL MANAGEMENT (FINANCIAL RESPONSIBILITY) BILL	
<i>Second reading</i> .....	518
ADJOURNMENT	
<i>School buses: South Gippsland</i> .....	525
<i>Housing: Hughesdale units</i> .....	525
<i>Geelong: community television</i> .....	526
<i>Hume: council elections</i> .....	526
<i>Police: Rowville station</i> .....	527
<i>A. H. Plant</i> .....	527
<i>Rural Victoria: government tenders</i> .....	527
<i>Ambulance services: Romsey station</i> .....	528
<i>Eastern Freeway: light towers</i> .....	528
<i>GST: price increases</i> .....	529
<i>Electoral enrolment</i> .....	529
<i>Responses</i> .....	529



**Tuesday, 21 March 2000**

**The SPEAKER (Hon. Alex Andrianopoulos)** took the chair at 2.04 p.m. and read the prayer.

### DISTINGUISHED VISITOR

**The SPEAKER** — Order! The Chair wishes to recognise Mr Peter Nagle, MP, the Chairman of the Regulation Review Committee of the Legislative Assembly of the New South Wales Parliament. I make him welcome.

### QUESTIONS WITHOUT NOTICE

#### Premier: union picket line

**Dr NAPHTHINE (Leader of the Opposition)** — I refer the Premier to his decision last week not to cross a union picket line at the new museum, Museum Victoria. Is it now government policy for ministers never to cross picket lines because they believe the unions are always right?

**Mr BRACKS (Premier)** — The event I understand the Leader of the Opposition is referring to was the launch of the Melbourne Food and Wine Festival at the new museum last week. It was a parliamentary sitting day. I attended but I could not attend the breakfast because of my parliamentary duties, as distinct from the Leader of the Opposition who, last Wednesday night, left the Parliament and went to the Barbra Streisand concert.

*Honourable members interjecting.*

**The SPEAKER** — Order! Would the government benches come to order, particularly the honourable member for Mitcham!

**Mr BRACKS** — I take my parliamentary responsibilities seriously, unlike the Leader of the Opposition, who was more keen on meeting Mr Kroger at the Barbra Streisand concert than on being at Parliament and doing the duties he should be doing.

#### Health: commonwealth funding

**Mr LANGUILLER (Sunshine)** — I refer the Premier to the meeting last Friday of the Ministerial Council for Commonwealth–State Financial Relations — the meeting of federal and state treasurers — and to the federal Treasurer's failure to honour the Australian health care agreement. Will the Premier inform the house what action the government

will be taking to achieve Victoria's fair share of health funding?

**Mr BRACKS (Premier)** — This is an important matter for Victoria and for all states in Australia. As the honourable member for Sunshine indicated, last Friday I attended the first Ministerial Council for Commonwealth–State Financial Relations, which was held in Canberra, with the federal Treasurer, Mr Costello. The key issue for every state government, whether a Labor or coalition government, was health funding across Australia. There was a level of support, unanimity and anger about health funding in this country.

Effectively, the commonwealth agreed in 1998 to sign up to an Australian health care agreement. In that agreement, as always, there are disputes about the level of funding and about how to deal with growth and with inflation. Of course that is disputed, but the commonwealth agreed to an arbitrated settlement. It agreed to Mr Ian Castles, a former commonwealth statistician, arbitrating and deciding on a level of funding the commonwealth was supposed to have agreed to. That was part of the agreement.

The agreement was signed by the previous Victorian state government, all other state governments and the commonwealth on the basis that the arbitrated decision of Mr Castles would be adhered to. His decision was for growth funding based on the consumer price index (CPI) plus 0.5 per cent — about 3 per cent growth funding.

After he decided that, the commonwealth unilaterally tore it up, effectively welshed on the agreement — only one year into it — and instead gave its own decision, which was for a 1.5 per cent increase only. The Minister for Health knows, as do most other people who have an interest in the health portfolio, what that means for Victoria — \$220 million less in health funding over the next four years. That is outrageous. Across Australia at least \$700 million less will go into state health systems. We have all have been duded by the commonwealth.

All the state treasurers put the same case — it did not matter whether it was Richard Court, me or a treasurer from another state. We all said that the commonwealth should have stuck to its agreement. In fact, the New South Wales Treasurer, Mike Egan, is examining what legal action he can take — and we will examine it to see whether we can back onto it — to deal with the breaking of the agreement. The breaking of that agreement means \$220 million less for Victoria, and I will also take action.

I am about to write to the Prime Minister saying that the situation is totally unsatisfactory and that we need a Council of Australian Governments meeting, a meeting that includes all premiers, as soon as possible. We have not had such a meeting for two years and the Prime Minister will not have one now, but we need one to examine the health funding crisis and to make sure the states get their fair share. We must make sure there is an arbitrated decision that the commonwealth will agree to, sign up to and actually stick to. It is outrageous that Victoria has lost \$220 million because the commonwealth and Mr Costello have wretched on the agreement.

*Honourable members interjecting.*

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

**Premier: union picket line**

**Dr NAPHTHINE** (Leader of the Opposition) — I refer to the Premier's non-answer to the previous question and ask whether it is a fact that last week the Premier refused to cross a union picket line in support of a 36-hour week and a 24 per cent pay rise.

*Honourable members interjecting.*

**The SPEAKER** — Order! The government frontbench will come to order. The Leader of the Opposition is entitled to ask his question.

**Dr NAPHTHINE** — Thank you, Mr Speaker, I will start again. My question is to the Premier. Is it a fact that the Premier refused to cross a union picket line in support of a 36-hour week and a 24 per cent pay rise and that the event organisers were forced to relocate the opening of the event to a different venue and then, after the Premier left, moved back to the original site?

*Honourable members interjecting.*

**The SPEAKER** — Order! The Minister for Agriculture!

**Mr BRACKS** (Premier) — As I indicated previously, I fulfilled my parliamentary duties and did not go to the breakfast. I did, however, launch the festival.

*Honourable members interjecting.*

**The SPEAKER** — Order! The Leader of the National Party! The house will come to order, particularly the honourable member for Mordialloc.

**Mr BRACKS** — I am pleased that the opposition leader has raised the question of a 36-hour week. As honourable members know, we have had full-blooded support for a 36-hour week from the Leader of the Opposition, from the former Premier and from the former industry minister, the shadow minister for industry, science and technology, the Honourable Mark Birrell. They have all given their full-blooded support for a 36-hour week, and that has not helped in the discussions, dialogue and negotiations on the matter.

**Dr Naphtine** interjected.

**Mr BRACKS** — You just go out and support a 36-hour week, go on! You know how to do it.

*Honourable members interjecting.*

**The SPEAKER** — Order! There is far too much noise in the chamber. The honourable member for Tullamarine! I ask the house to come to order.

**Mr BRACKS** — Thank you, Mr Speaker. It has not helped at all in the negotiations between the contractors and the building unions that the opposition has been in there supporting a 36-hour week. What absolute hypocrisy!

There is negotiation going on about lowering the 36-hour week demand. I urge the Leader of the Opposition to stop his support for a 36-hour week and get behind a compromise outcome.

**GST: hospitals**

**Mr LANGDON** (Ivanhoe) — I refer the Minister for Health to the federal government's goods and services tax package and the fact that it restricts fringe benefits tax exemptions for public hospitals. What impact will that decision have on Victoria's medical professions if it is enforced by the federal government?

**Mr THWAITES** (Minister for Health) — Last Friday I attended the meeting of Australian health care ministers in Sydney where there were two main items on the agenda. One was the item the Premier has already referred to, the failure of the federal government to honour its obligations under the Medicare agreement. The other item was a matter that will be of concern to all honourable members, the legislation introduced into federal Parliament on 9 March that affects fringe benefits tax.

Up to now charities and public hospitals have been exempted from fringe benefits tax. However, under the new legislation, the exemption they have enjoyed will be massively reduced. Indeed, the legislation provides

for a \$17 000 grossed-up limit for public hospitals and a \$125 000 grossed-up limit for charities. That means that public hospitals or the individual concerned, depending on the particular contractual arrangements, will now have to pay that tax — it will be a cost payable by public hospitals — on anything more than about \$8755 in pre-tax benefits. That will have an extremely damaging effect on our public hospitals and on our charities.

Under the GST package the federal government is turning hospitals and charities into tax collectors and taxpayers. Never before has that been the situation.

At the Australian health ministers' conference the federal president of the Australian Medical Association, Dr David Brand, said the changes could lead to resignations and walkouts by doctors around Australia. For example, in country hospitals, where arrangements are often made to attract doctors, payments may be made for housing, transport, education or certain family expenses. It has been difficult to attract doctors and other health staff to some of those regional hospitals, and it will be even more difficult if the federal legislation proceeds. It will result in high transaction costs for public hospitals, and the proposal is that the \$17 000 will not be indexed for inflation, so over the following years the situation will become even worse.

It is interesting that when the issue was raised the federal Treasurer pointed to rorts of the old system taking place around Australia. Unfortunately in some cases he was able to point to Victoria. I do not believe the cases involved medical doctors, but certainly under the previous government some cases involved far more than 30 per cent of a salary being packaged. The federal Treasurer, Mr Costello, seems to have been particularly irritated by that, as he is by many things about his coalition colleagues in Victoria. He now seems to want to punish Victoria.

The other issue of great concern is the uncertainty surrounding the legislation, which is to be deemed to apply retrospectively from 1 April. Unfortunately by that time we will not know whether it will be passed in the federal Parliament, because apparently the Democrats and the federal Labor Party have said they will defer the issue in the Senate and the passage of the legislation until after an inquiry.

**Mr Rowe** — On a point of order, Mr Speaker, you have made numerous rulings about the need for ministerial answers to be succinct. I put it to you that the Minister for Health is being far from succinct. He is debating the question and has been talking for a number

of minutes. If he wishes to continue further he should make a ministerial statement.

**The SPEAKER** — Order! On the question of succinctness, the Minister for Health has been speaking for 4 minutes. He has been succinct, but I ask him not to debate the question but to answer it.

**Mr THWAITES** — All states, including states with coalition or conservative governments, are calling on the federal government to stop the continuing attack on public hospitals, which is consistent with the attack the federal government is making on Medicare. It is trying to destroy Medicare by stealth, by sucking the money from public hospitals, which it hopes will eventually force means testing on them.

I am writing to the federal health minister, particularly about the issue of uncertainty, asking that he defer the introduction of the fringe benefits tax legislation until 1 April 2001 — the next FBT year — so that hospitals and the medical profession can plan properly and so that we no longer see the federal government as making a continuing attack on Victorian public hospitals.

### **Forests: regional agreements**

**Mr RYAN** (Leader of the National Party) — I refer the Minister for State and Regional Development to the government's refusal to rule out job losses in the Victorian timber industry as a result of the proposed Gippsland and western regional forest agreements. With up to 700 jobs at stake, I ask the minister to inform the house how the government will keep the timber mills operating and maintain other industry employment in those areas.

**Mr BRUMBY** (Minister for State and Regional Development) — I am happy to respond to the question raised as the Minister for State and Regional Development, but I must point out that the primary responsibility for the regional forest assessment process in Victoria rests with the Department of Natural Resources and Environment and the minister responsible for natural resources and environment. I would have thought — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Doncaster shall cease interjecting.

**Mr BRUMBY** — I do not know how long the honourable member for Gippsland South has been in the job, but one would think he would understand that responsibility for regional forest agreements at the state level rests with the Minister for Environment and

Conservation and at the federal level with the Minister for Forestry and Conservation, Mr Wilson Tuckey. The government — —

*Honourable members interjecting.*

**Mr BRUMBY** — I'm shaky?

**The SPEAKER** — Order! I shall not call the honourable member for Bentleigh to order again. She shall cease interjecting forthwith. The Minister for State and Regional Development shall ignore interjections.

**Mr BRUMBY** — As I understand the process, consultative committees have been established. As a result of the processes that have been established something in the order of 1100 different proposals have been put forward to the committees established in western Victoria, the Otways and East Gippsland.

Those proposals are being considered at this time. I understand the commonwealth expects the states to sign off on the regional forest agreements (RFAs) by the end of March.

One of the issues with regard to what is happening in the timber industry is that the nature of the resource is changing. There is a substantial investment in plantations — mainly wood chipping plantations in parts of western Victoria — and other major investments in hardwood sawmill plantations, particularly around some of the — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable members for Malvern and Doncaster are behaving in a disorderly fashion. I ask them to cease.

**Mr BRUMBY** — There is a substantial investment in sawmill timber resources, particularly around some of the irrigated areas. If one looks at the medium and longer term projections, it is fair to say that one sees substantial net increases in employment opportunities across the industry in the years ahead.

**Mr Ryan** — On a point of order, Mr Speaker, the minister is clearly debating the issue. The question was in the context of 700 jobs related to the regional forest agreements in circumstances where this government refuses to guarantee those jobs. I seek a response to those matters.

**The SPEAKER** — Order! There is no point of order, and I remind the Leader of the National Party that he must not use a point of order to repeat his question. I was paying careful attention to what the

minister was saying before he was interrupted. He was, in fact, referring to increased job opportunities as a result of the industry agreements.

**Mr BRUMBY** — The shadow minister asked a serious question and he is getting a serious answer. It is a pity there is not more serious consideration of this matter on the other side of the house. The question must be asked whether the opposition supports the RFA process?

*Honourable members interjecting.*

**Mr BRUMBY** — You do. So you support 700 jobs!

**The SPEAKER** — Order!

*Honourable members interjecting.*

**The SPEAKER** — Order! I remind the Leader of the Opposition, the Minister for State and Regional Development and the Attorney-General that when the Chair is on his feet they must remain silent. Another breach and they will be asked to vacate the chamber under sessional order 10.

I remind the honourable the Minister for State and Regional Development that the debating processes in this house require him to address his remarks through the Chair, not across the table.

**An honourable member** interjected.

**The SPEAKER** — Order! That applies equally to the honourable member for Glen Waverley. The minister will conclude his answer.

**Mr BRUMBY** — It is nice to see that the government has complete bipartisan support on the regional forest agreement process. The government is working through that process and attempting to get investment in new industries such as the timber industry, tourism and other regional industries that will grow jobs in regional Victoria.

The Parliament must understand the contrast between this side of the house and the other side. We all remember the performance of the former Kennett government: total job growth for new, full-time jobs in regional Victoria under that discredited lot was just 2 per cent — just 2 out of every 100 jobs in Victoria were generated in regional Victoria.

**Dr Napthine** interjected.

**Mr BRUMBY** — You could not care less about regional Victoria. You never could, you never did and you never will.

**Knives: regulation**

**Mr LEIGHTON** (Preston) — I refer the Minister for Police and Emergency Services to the government's commitment to a safer society. What action is the minister taking to get dangerous knives off Victorian streets?

**Mr HAERMEYER** (Minister for Police and Emergency Services) — This morning I announced details of draft legislation that has been put out for public consultation in an attempt to control the presence of dangerous knives in the community. That is news that should be greeted with some relief by the Leader of the Opposition, because members of his backbench wandering around with concealed knives will be able to be asked serious questions.

The foreshadowed amendments to the Control of Weapons Act will extend the definition of 'regulated weapons' to all knives. A person carrying any sort of knife will have to have a legitimate and legal reason for carrying it. The proposed legislation recognises that danger to the community comes not simply from flick-knives and star-knives and some of the more dangerous weapons that come under the heading of prescribed weapons.

Common kitchen and hunting knives, which have legitimate purposes, can also be used for ill intent. If the category of regulated weapons covers all knives a person who is carrying a concealed knife at 2.00 a.m. outside a night club or a 7-Eleven store will have some serious explaining to do, as would a person carrying a concealed knife outside the Liberal Party room. A person on a hunting or fishing trip carrying a hunting knife would have a legitimate reason for carrying that knife.

The fine for regulated weapons will remain the same, at \$6000, although in the consultation phase the government is open to submissions about the level of the fines.

A stricter regime will also be put in place with prescribed weapons. It will become an offence for a retailer to sell a prescribed weapon to someone who does not have a special exemption under the act to purchase such a weapon. Such an offence will be taken seriously. An extension of the schedule that covers prescribed weapons will be included in the regulations because certain categories of flick-knives — such as those being thrown around the opposition party room at the moment — and daggers are currently not illegal weapons under the prescribed weapons category.

The government will also provide police with metal detectors to assist them in determining whether people are carrying such weapons. More police will be available to carry out these tasks because, as was reported in the *Herald Sun* this morning, under the Labor government more police have graduated from the police academy in the past five months than graduated over the previous five years under members opposite. I note that an opposition member was quoted in the *Australian* over the weekend as blaming the Bracks government for the shortage of police. How was the scarcity of police created? It was created by the people opposite.

*Honourable members interjecting.*

**The SPEAKER** — Order! I ask the minister to cease debating the question and come back to answering it.

**Mr HAERMEYER** — More police will be available to implement the new laws. The parade grounds at the academy, which were empty under the previous regime, are now full. Police graduation ceremonies will now need to be conducted somewhere with a bit more room than a phone booth.

**Ambulance services: metropolitan–rural**

**Mr DOYLE** (Malvern) — I refer the Minister for Health to Labor policy at the last election, which stated that Labor was committed to the establishment of a single, statewide ambulance service, and ask how the minister intends to merge the Metropolitan Ambulance Service with Rural Ambulance Victoria.

**Mr THWAITES** (Minister for Health) — I thank the shadow minister for his question.

*Honourable members interjecting.*

**Mr THWAITES** — I see he has brought his own class with him. In light of the last question, I add that the shadow minister is not one who carries the knife himself — he has others carry it for him.

The government has a policy of allowing both ambulance services to continue to exist. When seven ambulance services existed in Victoria the Labor Party did have a policy of merging them into one to provide a more efficient service and to save money that could then be put directly into services. However, as there are now two services, the government is prepared to allow them to continue. Opposition members seem to have a problem with the government adapting to the situation it was put into. There are many situations the government has been put into by the devastation

wrought on Victoria's health system by the previous government.

**Mr Doyle** — On a point of order, Mr Speaker, a point of clarity, given that Rural Ambulance Victoria came into being on 1 July last year and the election was in September last year, how can those two facts be reconciled in answer to the question?

**The SPEAKER** — Order! There is no point of order, and the honourable member for Malvern shall not use a point of order to make a point in debate. The Minister for Health, completing his answer.

**Mr THWAITES** — To explain further to the shadow minister, because he probably was not listening, during the election campaign I foreshadowed that because the previous government had merged the prior five or six rural services into one it was likely the Labor government would keep the two services.

I conclude by adding one point — the key policy of the government was to put more resources into country ambulances, and that is what it will do. That stands in stark contrast to the performance of the shadow minister who, as parliamentary secretary, saw a huge increase in expenditure on the Metropolitan Ambulance Service to pay for Intergraph and other bungles and a reduction in funding to country ambulance services. The government is committed to putting more money into country ambulance services and is already doing so.

### **Former government: public documents**

**Ms GILLETT** (Werribee) — I refer the Attorney-General to the actions the Bracks government has taken to restore open and accountable government, including strengthening the Freedom of Information Act.

*Honourable members interjecting.*

**The SPEAKER** — Order! The Chair is having difficulty hearing the honourable member for Werribee. The honourable member for Werribee, completing her question.

**Ms GILLETT** — I refer the Attorney-General to the Bracks government actions to restore open and accountable government, including strengthening the Freedom of Information Act, and I ask: will the Attorney-General inform the house of specific proposals to maximise the number of documents able to be publicly disclosed?

**Mr HULLS** (Attorney-General) — The government is committed to putting the O back into freedom of information (FOI) in the state. As a result, guidelines have been issued introducing a major cultural change to dealing with freedom of information. The guidelines make clear that departments and agencies are expected to interpret FOI legislation in a manner reflecting a willingness to disclose information as opposed to the manner in which it was expected to be done under the previous government.

A training program has been implemented for freedom of information officers. In February and March of this year it was conducted in eight centres including Melbourne, Ballarat, Bendigo and the like. The program makes clear that the emphasis should be on releasing as many documents as possible.

A further specific proposal to maximise the release of public documents in Victoria has come to my attention, but this is a scheme the government will not support.

The proposal has substantial implications for freedom of information legislation in the state. Ministers of the former government have suddenly become advocates for openness in public administration! I have been advised that a certain former minister has decided that secrecy has to come to an end and that his private office documents should be handed over lock, stock and barrel to the University of Melbourne. Recently I learnt of the new policy of the former coalition and immediately wanted to know the identity of the former minister who had finally dusted off his documents and made them available to a university. To my surprise it was the honourable member for Pakenham.

For a moment I felt a warm inner glow at the idea that the honourable member had adopted a new approach to the release of documents, but I had to ask myself why. I have been informed the former minister recently approached the University of Melbourne to ascertain whether the university was interested in obtaining the complete documentary record of his office for the seven-year period he was in government. If the documents were accepted by the university they would be regarded as a cultural artefact. Importantly, so far as the FOI legislation is concerned, the Australian Taxation Office provides taxation incentives to those who make cultural donations. In this case, such incentive would have amounted to a considerable tax advantage. It is believed that the honourable member for Pakenham intended to seek such taxation advantage. In other words, the honourable member wants to get involved in a cash converter document scheme.

It is important to know how the former minister found out about this trick. I am advised that the Keeper of Public Records, Mr Ross Gibbs, is informed that the former Treasurer, Alan Stockdale, donated to the State Library the electorate office records kept during his parliamentary career and received a taxation advantage as a result.

This mob governed the secret state and is now selling those secrets. It is the cash-for-documents scheme, masterminded by the former Treasurer and followed by the former Minister for Planning and Local Government. Now we know why Kennett government ministers were so reluctant to release documents while they were in government. There wasn't enough money in it for them!

**The SPEAKER** — Order! The minister should lower his tone. He invites interjections when he raises his voice to that level. He should also be succinct in his answer. He has already spoken for 6½ minutes and should now conclude his answer.

**Mr HULLS** — Honourable members on the other side may be out of government but they are still fleecing the public. Whether it is tax breaks for documents or taking paintings home, they cannot help themselves.

*Honourable members interjecting.*

**The SPEAKER** — Order! The minister is debating the question. He should return to the question and conclude his answer.

**Mr HULLS** — The government is keen on opening up freedom of information legislation to make documents available to the public. It does not tolerate the cash-for-documents scheme entered into by former ministers.

### Workcover: premiums

**Mr CLARK** (Box Hill) — Will the Minister for Workcover advise the house what advice the government has received on the impact of proposed increases in Workcover premiums on Victorian employment levels?

**Mr CAMERON** (Minister for Workcover) — I thank the honourable member for Box Hill for a good question. The government has received a report and will consider its position. The government went to the last election with specific commitments to the common-law rights of seriously injured workers, the provision of a better Workcover scheme and premiums

that are competitive with the national average. Those commitments will be honoured.

Honourable members on the other side have a range of views. The Leader of the National Party says he is sorry for what the coalition government did in 1997, the Leader of the Liberal Party says — —

**Mr Clark** — On a point of order, Mr Speaker, firstly, the minister is debating the question, and secondly, he is not relevant to the question about what advice he has received about the impact on Victoria's economy.

**The SPEAKER** — Order! I uphold the part of the point of order about the minister debating the question. He should return to the question.

**Mr CAMERON** — A collection of views exist on the topic which the government will consider. The victims themselves carry the largest burden of their serious injuries. The honourable member for Box Hill was the parliamentary secretary when the previous legislation was enacted. He was one of the masterminds of misery. The victims receive the raw end of the deal and the government will do something about it.

### Stawell Gift

**Mr HELPER** (Ripon) — I refer the Minister for Major Projects and Tourism to the government's commitment to support regional events of national standing. Will the minister outline its commitment to the Stawell Gift?

**Mr PANDAZOPOULOS** (Minister for Major Projects and Tourism) — The honourable member for Ripon is a strong advocate for tourism in the Grampians region, which covers both his electorate and those of other honourable members. So far as funding for major regional events across Victoria is concerned, the government is conscious that for too long the coalition parties treated rural and regional Victoria as being located somewhere on the outskirts of Melbourne. No interest existed beyond Melbourne.

In developing its policy the government undertook to support regional events to a greater extent. The government knew events in regional Victoria needed more support to become major events and events of national significance. The Stawell Gift is already an event of national significance but the former government gave it negligible support.

In its first five months in power the Bracks government has found an additional \$100 000 for events such as the Geelong Festival of Sail, the Ballarat Begonia Festival

and the Warrnambool children's festival. It is now preparing its budget and will continue to do more.

The government highlighted the Stawell Gift as an area for consideration by the government and has met with the organisers of the Australia Post Stawell Gift. I thank regional honourable members, including the honourable member for Wimmera who has been decent about discussing the issue with the government.

The government has considered what can be done to ensure the Stawell Gift grows and becomes a more successful event. In discussing the issue with Tourism Victoria and the event organisers it is apparent that significant barriers exist in improving the number of visitors to the gift. It takes place at Easter time and the Grampians region is booked out during that period. The government has worked with the organisers to structure an accommodation package taking in the wider region. Accommodation may be booked in towns such as Ararat or Horsham, which are both a comfortable 40-minute drive from Stawell. Rather than people spending only one day in Stawell, they may spend three or four extra nights and visit the region.

It is important to maximise attendances at regional events; if sufficient people attend an event then the event pays for itself. It also means branding localities. That is the sort of thing that has been done.

I am pleased to announce that the Bracks government is allocating \$40 000 of new money to the 2000 Australia Post Stawell Gift, \$20 000 of which will be provided by the Premier's department to assist the organisers to attract a wider range of athletes. Having more quality athletes competing during this Olympic year improves the marketing — there is more market interest in the event and a better opportunity to promote it.

Another \$20 000 — —

*Opposition members interjecting.*

**Mr PANDAZOPOULOS** — I know the opposition benches are not interested in good news because they are embarrassed they did not provide support for this.

Tourism Victoria is providing some \$20 000 to promote the event and the region in Adelaide, southern New South Wales and Melbourne. The government wants more people from Melbourne, New South Wales and South Australia to understand the benefits of the event and visit the region.

I look forward to attending the Stawell Gift this Easter period — —

*Opposition members interjecting.*

**The SPEAKER** — Order! The honourable members for Benalla and Murray Valley!

**Mr Hamilton** interjected.

**The SPEAKER** — Order! The Minister for Agriculture will cease interjecting as well.

**Mr PANDAZOPOULOS** — I can understand them being so rude, but I would like to finish up on this issue. I look forward to attending the Stawell Gift this Easter. The Bracks government does not pay it lip-service, as did the previous government. The government understands why opposition members do not want to listen to this — they have their own handicap in the Leader of the Opposition. The government supports the Stawell Gift.

## PAPERS

### Laid on table by Clerk:

Financial Management Act 1994 — Report from the Minister for Environment and Conservation that she had received the 1998–99 Annual Report of the South Western Regional Waste Management Group

Food Safety Council — Report for the period 1 October 1997 to 30 June 1999

Intellectual Disability Review Panel — Report for the year 1998–99

Planning and Environment Act 1987 — Notices of approval of amendments to the following Planning Schemes:

Bayside Planning Scheme — No C3

Campaspe Planning Scheme — No C4

Mornington Peninsula Planning Scheme — No C21

Port Phillip Planning Scheme — No C22

Stonnington Planning Scheme — No L99

Warrnambool Planning Scheme — No C2

Wyndham Planning Scheme — No C5

Statutory Rules under the following Acts:

Marine Act 1988 — SR No 13

Subordinate Legislation Act 1994 — SR No 12

Subordinate Legislation Act 1994 — Ministers' exemption certificates in relation to Statutory Rule Nos 12, 13.

**APPROPRIATION MESSAGES**

Messages read recommending appropriations for:

**Education Acts (Amendment) Bill**  
**Administration and Probate (Dust Diseases) Bill**

**AUDITOR-GENERAL'S OFFICE****Financial audit**

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

That pursuant to section 17 of the Audit Act 1994 —

- (a) Mr Douglas N. Bartley of KPMG be appointed to conduct the financial audit of the Victorian Auditor-General's Office for the 1999–2000 financial year in accordance with the conditions of appointment and remuneration contained in the report of the Public Accounts and Estimates Committee on the appointment of an independent auditor to conduct a financial audit of the Victorian Auditor-General's Office (parliamentary paper no. 14, session 1999–2000); and
- (b) the level of remuneration for this financial audit be \$15 000.

**Motion agreed to.**

**Ordered that message be sent to Council seeking concurrence with resolution.**

**BUSINESS OF THE HOUSE****Orders of the day**

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

That the order of the house making the resumption of debate on the second reading of the Hire-Purchase (Amendment) Bill an order of the day for Thursday, 30 March 2000 be read and rescinded, and that it be made an order of the day for Wednesday, 22 March 2000.

**Mr McArthur —** Mr Speaker, I would like to say something about the motion. Is now the appropriate time?

**Mr BATCHELOR —** Briefly and by way of explanation, Mr Speaker, the bill comes from and was passed by the Legislative Council. It provides for a continuation of protection, assistance and support for farmers and those with agricultural interests. The bill needs to be passed to allow that protection to be continued. The opposition has indicated its support and has given leave to allow the procedural motion to be

agreed to and the bill to be debated by the house this week.

**Mr McARTHUR (Monbulk) —** Mr Speaker, as the Leader of the House said, the opposition has not withheld leave. It will assist the government to bring the legislation before the house this week. Today the government has advanced substantial reasons for debating a bill in less than the normal 14-day adjournment period of a second-reading debate because the principal act has a sunset provision; the amending bill must be dealt with and passed by the house and come into operation by 1 April 2000.

The act provides substantial protection for farmers across rural Victoria who have hire-purchase agreements on their farm machinery. The opposition does not want any gap in the protection afforded by the act and will cooperate with the government through its motion on the business program, to be moved later, so the bill will pass and the protection for farmers continue.

However, I draw the attention of honourable members to what occurred in this house last Wednesday, when the Leader of the House had the ministers responsible for two bills — the Corporations (Victoria) (Amendment) Bill and the Renewable Energy Authority Victoria (Amendment) Bill — move that the second-reading debate on each be adjourned until today. In strongly arguing in support of the motions the Leader of the House said that the bills needed to be on the government's legislative program.

I and other opposition members opposed the motions and said the arrangement for a two-week adjournment of each debate should stand unless a substantial reason existed for a variation. The government advanced no reason for a variation to the rule or understanding except that it had the numbers. It wanted to pack the business program.

Today those two bills have disappeared from the government business program for this week; no longer are they a priority for this week, despite the government having strenuously argued last Wednesday that it needed the bills to be debated this week. The government called for a division to get its way.

Now the two bills will not be debated until 4 April. If my arithmetic is what it used to be, 4 April is considerably more than 14 days after 15 March. In effect the government is now agreeing with what the opposition said last Wednesday — that is, a two-week adjournment is appropriate for each bill.

When it argued last Wednesday for bills to be introduced quickly the government conveniently — or perhaps inconveniently! — overlooked the fact that it needed to have the Hire-Purchase (Amendment) Bill debated quickly in this place. There are good legislative and public-interest reasons for bringing the bill on within less than 14 days. Had the government requested that favour last week the opposition would have agreed, as it now agrees. The reason for agreeing is not just in the interests of the Leader of the House or the government but in the public interest.

The opposition will continue to consider government requests on their merits, but the government should realise its responsibility to manage and administer the government business program in an orderly manner. Despite its surprise the ALP is in government, and it is the party's job, so let it do the job properly. My message to the government is: stop messing around and asking the opposition at the 11th hour to bail you out of trouble.

**Motion agreed to.**

### Program

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

That, pursuant to sessional order 6(3), the orders of the day, government business, relating to the following bills be considered and completed by 9.45 p.m. on Wednesday, 22 March 2000:

First Home Owner Grant Bill

Financial Management (Financial Responsibility) Bill

Hire-Purchase (Amendment) Bill

**Motion agreed to.**

## MEMBERS STATEMENTS

### Ballarat: royal visit

**Mr PERTON** (Doncaster) — On behalf of the people of Ballarat and regional Victoria I ask the Premier to show leadership and deal with the infamous actions of the honourable member for Ballarat West. I am proud to tell the house — it is no secret — that I am a republican, as, I think, are most members of the house. However, if Her Majesty the Queen were to visit my electorate or the electorate of almost any government member most honourable members would do the right thing.

The honourable member for Ballarat West must think the people of Ballarat are stupid. She says she has to see a constituent on the day the Queen visits Ballarat. Can't she work on a Saturday or Sunday?

The honourable member had the time last week to advise me through the Ballarat *Courier* that I should book in for computer training. I return the favour and advise the honourable member that as a member of Emily's List she could take a few lessons from Emily Pope and remember etiquette. What does the Premier want? Does he want the headline in the English *Financial Times* or the *Guardian* to read 'Labor member too busy to see the Queen' or does he want a headline reading 'Ballarat a global city, Ballarat a tourism centre'?

The honourable member is interested only in grabbing headlines for herself rather than taking positive action for Ballarat and for job opportunities in regional Victoria.

### Frankston: council elections

**Mr VINEY** (Frankston East) — I advise the house of the successful election of four progressive councillors to Frankston City Council on Saturday. Those councillors were successful despite the attempt by a group of real estate agents to take control of the council and despite the intervention of the Honourable Cameron Boardman in another place. The routing of the candidates favoured by Mr Boardman continues a long litany of electoral failures by Mr Boardman.

**Mr Thompson** — On a point of order, Mr Speaker, the honourable member for Geelong North has been reading Labor's tax policy. I ask you to draw his attention to the practices of the house.

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

**Mr VINEY** — The intervention by Mr Boardman continues his history of intervention. He was prominent in the Frankston East supplementary election campaign. Honourable members learnt last week from the Attorney-General that he tried to save the hide of Mr Lean by voting in the seat of Carrum despite the fact that he did not live there, and now he has failed in the Frankston council elections. I understand he tried to turf out one of his Liberal colleagues from the council, Cr Parkin. The councillor is a decent bloke, but he has been ratted on by his Liberal mates. He achieved 53 per cent —

**Mrs Peulich** — On a point of order, Mr Speaker, the house knows it is unparliamentary to reflect on members of this or another chamber. The honourable member for Frankston East and other members continue to do so on this occasion and have done so on several other occasions. I ask you to draw this pattern to

his attention and to ensure honourable members understand the standing orders.

**The SPEAKER** — Order! It is true that members must not reflect on other members of either house of the Parliament. However, I was listening carefully to what the honourable member for Frankston East was saying. I do not believe on this occasion he was reflecting on another member.

**Mr VINEY** — I understand the Honourable Cameron Boardman wants to come to this house by dumping the current member for Frankston, Ms McCall. All I can say is that I have discussed the matter — —

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

### **Premier: union picket line**

**Dr NAPHTHINE** (Leader of the Opposition) — I refer to the Premier's actions at the opening of the Melbourne Food and Wine Festival. The Premier was invited to open that important festival for Melbourne and Victoria. Officials and guests were waiting inside Museum Victoria, the new museum, for the official opening of the event, but the Premier would not go inside the new museum because he would not cross the union picket line. The line was in support of an absolutely unsustainable 36-hour week and a 24 per cent pay rise. The Premier would not cross the picket line because he put his support for his union mates and their claim for a 36-hour week and a 24 per cent pay rise ahead of his responsibilities as Premier and leader of the state.

The Premier's actions are a disgrace. They show a distinct lack of leadership and demonstrate clearly that the unions are back in control of the state and the government. The union bosses are dictating to the weak Premier what is happening in Victoria. All Victorians should be embarrassed the Premier's lack of leadership and the fact that he would choose not to do his duty of opening an important food and wine festival that was the centre of attention in Melbourne, Victoria and across Australia.

The Premier has let the people down. He has let people know clearly that the unions are running Victoria while he is Premier.

### **Sacred Heart Church, Oakleigh**

**Ms BARKER** (Oakleigh) — Today I record a special milestone for the Catholic community of Oakleigh: the 75th anniversary of the Sacred Heart

Church in Warrigal Road. A commemorative mass was held on Sunday, 19 March, to mark this special event, with the principal celebrant being Archbishop Eric D'Arcy, the retired Archbishop of Tasmania, who was stationed at the Oakleigh parish following his ordination in 1950.

The Catholic community has a significant history in the Oakleigh area, commencing in the 1850s on the corner of Atkinson Street and Broadway — now known as Dandenong Road — with a wooden church which was later replaced by a brick one known as the church of St Alipius. The parish church was rebuilt on its present site in 1925, becoming the Sacred Heart Church.

However, the most important recognition of the Sacred Heart parish is its contribution to its community. It has continually evolved in its capacity to serve the local community, embracing generations of new arrivals to the Oakleigh area, commencing with a large Irish-Catholic community and today having a significant Italian and Polish community that attends weekly masses held at the church in Italian and Polish.

I pay tribute to those parishioners who worked hard to organise the anniversary, with over 400 people attending the commemorative mass. In particular I pay tribute to Frank McMahon, Peg O'Mara and Eileen and Bill Norman, along with the current parish priest, Father Ted Teal, who as a youngster was an altar boy at the Sacred Heart Church.

The mass was very special, with parishioners reading a potted history of the church from the years 1925 to 2000. The Sacred Heart Girls College assisted with the provision of the music, various pieces of artwork and the refreshments served in the hall after the mass. Sacred Heart Primary School students assisted with the carrying of banners at the beginning of the mass. The choir was in fine voice, with the Italian and Polish communities contributing a piece in their own languages.

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

### **Ethnic Communities Council of Victoria**

**Mrs SHARDEY** (Caulfield) — Today is Harmony Day, a day on which we celebrate our cultural diversity. In that light I raise the following issue. The previous coalition government pledged to boost core funding to the Ethnic Communities Council of Victoria (ECCV) to \$100 000 a year for three years. That was just one example of our commitment to encouraging Victorians from all backgrounds to contribute to and participate in our society.

In 1998–99 the council received \$60 000 in core funding. In addition it received other significant grants amounting to over \$100 000 to enable it to report on important issues such as the needs of the elderly in multicultural communities. The previous Labor government limited its support of the Ethnic Communities Council of Victoria to \$45 000 and housed it in the dilapidated Fitzroy courthouse.

Four months ago the Minister assisting the Premier on Multicultural Affairs committed to reviewing core funding to the ECCV, and implied that funding would be increased. To date no details have been received.

I call on the government to match the previous government's commitment and continue to support the valuable work being undertaken by the Ethnic Communities Council of Victoria. At the same time, with a relocation of the council imminent, I call on the government to ensure that the council is quickly and appropriately accommodated in a central location that is accessible to public transport.

### **Benalla: Liberal candidate**

**Mr BATCHELOR** (Minister for Transport) — The deliberate and calculated failure of the Liberal Party to preselect a candidate for the seat of Benalla prior to next weekend's state council meeting of the Liberal Party needs close and public examination. It is clear the Liberal Party is going to do the National Party in the eye and run a candidate in Benalla when the current member retires, but that is not the only backstabbing going on in the partnership ranks at the moment.

Office-bearers in the Liberal Party — the so-called Kennett group faction — are deliberately delaying the preselection of a candidate for the Benalla electorate until after next weekend's state council meeting because they want to impose their candidate on the Liberal Party without any scrutiny from branch delegates at this weekend's state council. They want to keep their rivals, the Kroger reform faction, locked out of the process and unable to challenge what the head office Exhibition Street junta is doing.

The branch delegates of the Liberal Party know that the current Exhibition Street leadership made a terrible botch of the last state election campaign because it was too weak to stand up to Jeff Kennett and refused to be accountable. Now it is trying to get away with it again. Victoria deserves better leadership from the opposition parties. The Liberal Party needs to support democratic processes and be open and accountable to its state council delegates.

### **Marcellin College, Bulleen**

**Mr KOTSIRAS** (Bulleen) — This year marks the 50th anniversary of Marcellin College, Bulleen. The college is located in my electorate and is owned and conducted by the Marist Brothers. The college motto is 'To strive for the highest', which is exactly what it is doing. The college provides its students with greater opportunities to develop their full potential.

At Marcellin College students are given the opportunity to develop in academic, cultural, sporting and spiritual areas. That ensures that once the students leave the school they are able to contribute positively to our society.

Marcellin College's former students include Mr Stephen Silvagni, a well-known Carlton player; Mr Terry Power, executive vice-president of BT Funds Management; and Mr Bob Johnston, a well-respected barrister. Mr Peter McKenna, whom everyone knows as one of the best footballers of all time, was a teacher at the school.

Marcellin College has a great history and a great future. I wish the college a happy 50th anniversary and look forward to its achieving another 50 years of academic excellence.

### **Women's Information and Referral Exchange**

**Mr LANGUILLER** (Sunshine) — I report on the Women's Information and Referral Exchange (WIRE) and its information centre, which was launched, appropriately, on International Women's Day on 8 March by the Minister for Women's Affairs. Like me, many government MPs attended on the day, which recognises half the world's population and honours their achievements and rights.

For more than 15 years WIRE has provided telephone information services to Victorian women seeking help and support in areas such as housing, legal rights, domestic violence, isolation and loneliness. The service is accessed for the cost of a local call.

WIRE has expanded from its original telephone services to encompass a unique walk-in information centre in Flinders Lane, a great central location. It is a friendly place for women to meet other women, get referrals and learn how to access information via the Internet. The centre has also established a statewide 1300 number. The government is providing additional funding to the Women's Information and Referral Exchange to enable it to meet the costs incurred by rural callers.

I commend the government and the organisation. The women's movement has come a long way, and it still has a long way to go. I am sure all honourable members will contribute together to the continuing process of achieving justice and equity in our society.

### Frankston: council elections

**Ms McCALL** (Frankston) — What a delight to be able to put the other side of the argument about Frankston council!

'Labor takes control' is, for my electorate, probably the most depressing headline it has read since the commissioners had to come in last time and fix a mess caused by a Labor-dominated council. On that occasion the City of Frankston nearly went bankrupt because it sold out to developers and to shonky deals. Had it not been for the commissioners, who were brought in by the former Kennett government, the City of Frankston would have no money in the bank at all.

I am looking forward to the new Frankston City Council with its largely Labor composition. It will be a simple task to argue with the councillors about the 52 empty shops, the high unemployment rate and the investment dollars disappearing from Frankston. When the new marina does not get built and all sorts of things don't happen —

*Honourable members interjecting.*

**The SPEAKER** — Order! I ask the honourable member for Frankston East to cease interjecting. He has had his opportunity in this member statement period.

**Ms McCALL** — I am interested that the candidates who were — regrettably — elected on Saturday are claiming there will be no rate increases in Frankston. I will be fascinated to see whether, when the numbers fall in the council chamber, they will keep pre-election promises to the same degree as the current state Labor government.

**The SPEAKER** — Order! The honourable member for Tullamarine has 30 seconds.

### Katherine McGlashen

**Ms BEATTIE** (Tullamarine) — I wish to congratulate Katherine McGlashen, a 17-year-old woman who has worked her way through Brownies, Guides and Adventurers to achieve the Queen's Scout award. She was watched proudly by her parents, Linley and Roger McGlashen, her sisters and 1st Sunbury leaders Colin Cherry and Jeffrey Amy, when the badges she earned were attached to her shirt.

The words used by scouts — 'trustworthy', 'loyal', 'helpful', 'friendly', 'cheerful', 'considerate', 'thrifty', 'courageous', 'respectful' and 'caring for the environment' — describe values to which we should all aspire.

**The SPEAKER** — Order! The time for members statements has expired.

## PROSTITUTION CONTROL (PLANNING) BILL

### *Second reading*

**Mr HAERMEYER** (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

The Prostitution Control (Planning) Bill will ensure a legislative framework that limits the impact of prostitution on the community and environment. In particular, the bill will close a loophole that permits brothels to increase their room numbers without consideration of important limitations on the placement and expansion of brothels.

This loophole came to light following the Supreme Court's interpretation of the effect of the Prostitution Control Act 1994 on the amendment of brothel permits. Part 4 of the Prostitution Control Act 1994 imposes limits on brothel size and location, including a six-room limit on the number of rooms in a brothel used for prostitution. The Supreme Court's decision has, however, made it clear that these limits do not apply to decisions to amend brothel permits granted before part 4 commenced on 14 June 1995.

The effect of the decision is that brothels operating under permits granted before 14 June 1995 could continue to expand without reference to the Prostitution Control Act 1994 and, potentially, well beyond the six-room limit. Brothel operators may presently be preparing to take advantage of the effect of the decision to increase in size. Such growth is clearly at odds with the desirable containment of prostitution.

Further, the government has received legal advice that the Prostitution Control Act 1994 does not constrain the amendment of permits granted after part 4 of the act came into force. This means that a brothel originally limited by its permit to six or fewer rooms could, by obtaining an amendment to its permit, actually expand well beyond the six-room limit. Again, this is clearly undesirable.

The bill ensures that any decision to amend a brothel permit is made with regard to the limits imposed on brothel size and placement by the Prostitution Control Act 1994.

Transitional provisions in the bill ensure that any applications presently before the Victorian Civil and Administrative Tribunal to amend brothel permits are decided in accordance with the limitations in the Prostitution Control Act 1994.

The bill is consistent with, and advances, the policy objectives of the Prostitution Control Act 1994, to reduce the impact of prostitution and brothels on the community and environment.

I commend the bill to the house.

**Debate adjourned on motion of Mr PERTON (Doncaster).**

**Debate adjourned until Tuesday, 4 April.**

## FLORA AND FAUNA GUARANTEE (AMENDMENT) BILL

### *Second reading*

**Ms GARBUTT (Minister for Environment and Conservation)** — I move:

That this bill be now read a second time.

The purpose of this bill is to amend the Flora and Fauna Guarantee Act 1988 to bring the act into line with the current parliamentary practice that primary legislation should not be amended by subordinate legislation.

Sections 5 and 10 of the Flora and Fauna Guarantee Act 1988 allow the schedules of that act to be amended by a Governor in Council order. They therefore provide for the act to be amended by subordinate legislation. The bill before the house will rectify this anomaly by replacing the process in the existing act with a new process which provides for statutory lists which can be made, amended and repealed by a Governor in Council order. Concerns about the listing process have contributed to the current hold-up in listing threatened flora and fauna. This bill will help to ensure that the listing of threatened flora and fauna and potentially threatening processes will occur smoothly in the future.

The Flora and Fauna Guarantee Act 1988 establishes a legal and administrative framework to promote the conservation of Victoria's native flora and fauna. It provides a range of procedures that can be used for the conservation, management or control of flora and fauna

and the management of potentially threatening processes.

A key part of the Flora and Fauna Guarantee Act 1988 is the establishment of three lists as schedules to the act. Schedule 1 includes taxa of flora and fauna that are not to be conserved. There is only one taxon listed in schedule 1 — human disease organisms. Schedule 2 contains a list of taxa or communities of flora and fauna that are threatened, while schedule 3 lists potentially threatening processes. Taxa, communities and processes can only be listed after the minister has considered a recommendation of the Scientific Advisory Committee and after the committee's preliminary recommendation, final recommendation and the minister's decision have been advertised. Public comments are invited at the preliminary recommendation stage.

Approximately 300 taxa and communities of flora and fauna have been assessed and listed in schedule 2 of the act as threatened taxa or communities of flora or fauna. There have also been 22 processes which have been listed in schedule 3 as potentially threatening processes.

Currently, the schedules to the Flora and Fauna Guarantee Act 1988 can be amended by an order made by the Governor in Council. Whilst this was clearly the intention of the legislation, it is now considered inappropriate for an act that has been enacted by Parliament to be amended in this way.

The bill includes a list of all taxa, communities and processes that have previously been through the recommendation process in the act and added to schedules 1, 2 and 3. This would mean that Parliament would ratify previous listings. Items that have been included in schedules 1, 2 and 3 of the act could then be included on the new lists without having to go through the recommendation process for a second time and, consequently, there would be no uncertainty about the contents of the new lists.

The bill provides for commencement to occur by proclamation. An order made by the Governor in Council, which lists all items contained in schedules 1, 2 and 3 of the bill, will therefore be able to be made on the same day that the bill commences. This will ensure that threatened flora and fauna will continue to be protected under the Flora and Fauna Guarantee Act 1988 throughout the transition from the current lists to the new lists.

I would like to assure the house that the bill will not diminish the status of items listed under the Flora and Fauna Guarantee Act 1988. The responsible minister

will only be able to amend the lists after considering the recommendations of the Scientific Advisory Committee. The recommendations of the Scientific Advisory Committee and the decisions of the responsible minister will continue to be advertised in statewide and regional newspapers and in the Victorian *Government Gazette*. An order made by the Governor in Council which makes, amends or repeals any tax, community or process will continue to be published in the Victorian *Government Gazette*.

The bill also amends the Flora and Fauna Guarantee Act 1988 to ensure that the new lists will be made freely available to the public at Department of Natural Resources and Environment offices in Melbourne and in regional centres. The lists will also be made available on the Department of Natural Resources and Environment's Internet site.

I commend the bill to the house.

**Debate adjourned on motion of Mr PERTON (Doncaster).**

**Debate adjourned until Tuesday, 4 April.**

## FIRST HOME OWNER GRANT BILL

**Government amendments circulated by Ms GARBUTT (Minister for Environment and Conservation) pursuant to sessional orders.**

### *Second reading*

**Debate resumed from 2 March; motion of Mr BRUMBY (Minister for Finance).**

**Ms ASHER (Brighton)** — The opposition supports the First Home Owner Grant Bill. I wish to make a couple of comments about the bill and the amendments before the house.

The bill implements the first home owner grant scheme, which is an important part of the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations, more colloquially known as the commonwealth–state taxation agreement. As part of their arrangement with the commonwealth, the states and territories agreed that the commonwealth would provide the funding for the grants and the states and territories would administer them.

This enabling legislation will eventually be adopted by all states and territories. I understand South Australia has drafted the template for this legislation, although local variations are possible.

In essence, the Commissioner of State Revenue will be the administrator of the first home owner grant. As indicated earlier, the grant is obviously a commonwealth payment. The bill allows for \$7000 to be given to first home buyers to purchase or build homes after 1 July 2000. The bill also contains provisions covering owner-builders. As one would expect, the bill outlines a number of key criteria for the distribution of the grant.

I shall touch briefly on some of the key criteria. If the application is made by two people, at least one applicant must be an Australian citizen or a permanent resident. Obviously, in the case of a single person applying for the grant, that person must be an Australian citizen or a permanent resident. A second key criteria is that the person applying for the grant or his or her spouse must not previously have had access to this particular grant. The principles upon which the legislation is based are enshrined in the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations. A third criteria specified in the bill is both sensible and obvious — that is, a person applying for the first home owner grant cannot have owned property, including residential investment properties.

Contracts must be signed either to purchase or to build after 1 July 2000, the introductory date for the new reformed tax system for Australia. Indeed, the bill contains clauses designed to ensure that people with opportunities to purchase or sign contracts prior to 1 July 2000 cannot obtain the first home owner grant. In other words, if a person had the opportunity to purchase a house or sign a contract to build a house prior to 1 July 2000 that person would be ineligible for a grant. A further condition is that an applicant must occupy the house within 12 months.

The Commissioner of State Revenue has very wide discretion, and there may well be some opportunities to exercise commonsense if people do not fit the hard and fast rules enunciated in the legislation before the house. The bill also contains a very welcome and important provision allowing a guardian to apply for a grant on behalf of a person with an intellectual disability.

I now turn to a particularly significant provision — that is, the actual payment of the grant. Many of us in this chamber who are old enough will remember the former first home buyers grant. Some of my younger colleagues will not remember that grant, but I hasten to add that I was not a beneficiary of it! The former grant was commonly referred to not as the first home buyers grant but as the home-furnishing grant because the structure of the scheme was such that the funding was

provided after the home had been built or purchased and more often than not the grant was used for home furnishings. As a result the grant came in for a lot of criticism.

I am pleased a more pragmatic approach has been adopted through this bill. Clause 17 allows for the commissioner to decide that a grant can be paid before the completion of a transaction if there are good reasons for doing so. That flexibility is a significant improvement on old schemes that looked at the issue of assisting people to buy their first homes.

Clause 19(2) is also an important reform in that area when compared with similar schemes that previously existed. The clause allows the first home owner grant to be paid to another person to whom the applicant or applicants may direct that the grant be paid. Clause 19(3) allows, very sensibly, for the Commissioner of State Revenue to apply that first home grant against stamp duty payable on either the conveyance or the mortgage. Those clauses should get around the old criticism of the former scheme, which was that the grant was not paid at an appropriate time. I wrote to the Housing Industry Association about the bill, and that was its no. 1 concern.

Mr John Gaffney, the director of the HIA in Victoria, expressed his concerns to me in a letter dated 8 March:

I can say that the only major concern the HIA has is that the \$7000 is included as an early payment in respect to the contract for construction of a new home. At the very least, the \$7000 must be included in the equation to establish the eligibility for approval with a home finance lending authority. If that is not the case, then the \$7000 would merely become a 'bonus' payment at the end of the construction project and be frittered away on a holiday or soft furnishings.

Although the opposition believes the bill addresses some of the concerns I have referred to, clause 17 is entirely dependent on the behaviour of the commissioner. Clause 17 gives the commissioner discretion to authorise a payment. The commissioner may authorise the payment of a first home owner grant before completion of the eligible transaction if he or she is satisfied there are good reasons for doing so and the interests of the state — financially, I presume — can be protected.

The opposition awaits the practice of the Commissioner of State Revenue on this important issue that is the major concern of the HIA. Obviously if the practices of the commissioner are not in accord with the result the HIA and others are seeking, the opposition expects the government to take up the issue with the commissioner.

The second issue concerns the early payment. As I said, if the applicant so requests, clause 19(3) allows the \$7000 to be paid against stamp duty on either the conveyance of the property or a mortgage relating to the property. Given that that is specifically mentioned in the bill, I reiterate the concerns of the opposition that were not answered by the minister during the debate on the previous bill relating to the goods and services tax (GST). The opposition is concerned that as a direct result of the signing of this intergovernmental agreement on commonwealth–state financial relations there may be windfall gains for the states from stamp duty — in other words, first home buyers, among others, will pay too much stamp duty as a consequence of the state government's not addressing the issue of circular taxation in the previous bill before the house.

I again point out that the New South Wales Labor Treasurer, Michael Egan, has publicly acknowledged the possibility that the states will acquire windfall gains via their stamp duty fees. He has already indicated that he is prepared to address the issue in the New South Wales Parliament if that happens. We have had no assurance from the government that the issue of windfall gains on stamp duty will be addressed in Victoria. The opposition seeks from the Minister for Police and Emergency Services and the Victorian Labor government the same assurance that the New South Wales Labor Treasurer has given on the issue of stamp duty and windfall gains.

The bill also sets up a review and appeal structure relating to first home owner grants. If the Commissioner of State Revenue refuses a grant he or she must give reasons for the refusal, as one would expect. Objections to the commissioner's ruling must be in writing and the commissioner must respond in writing. The bill provides for appeal to the Victorian Civil and Administrative Tribunal, as well as for repayment and penalties should people who do not have the appropriate bona fides receive grants.

The bill also provides for the protection of confidential information on applicants. The most contentious issues in the bill, as is always the case with these sorts of bills, relate to investigations where the commissioner has a reasonable degree of concern about whether applications have been granted under the terms and conditions of the bill. The concern is obviously whether people are suitably qualified and whether they live in the home as their principal place of residence within the stipulated 12 months.

I shall comment on a number of the investigations, as has the Scrutiny of Acts and Regulations Committee (SARC). The first issue I raise is delegation. The

Scrutiny of Acts and Regulations Committee commented on clause 37, which allows the commissioner to delegate any function or power to any person employed or engaged in the administration or enforcement of the act. It is a very wide power of delegation, but I note that the committee was not particularly concerned with it. For the record, I believe it is a particularly wide power. However, the committee drew specific attention to the very wide delegation powers contained in clause 40, which relates to cross-border investigations. It commented as follows:

The committee is concerned that clause 40(2) may be a provision which insufficiently subjects the exercise of legislative power to parliamentary scrutiny under section 4D(a)(v) of the Parliamentary Committees Act 1968 ...

The report of the Scrutiny of Acts and Regulations Committee, *Alert Digest* No. 3 of 2000, states:

The committee is concerned that whilst it may scrutinise the delegation provision in clause 37 of the bill and be satisfied that it is appropriate and necessary to give effect to the purposes of the act, it cannot scrutinise what effectively amounts to a subdelegation of investigation powers in clause 40(2).

The report continues:

... the committee suggests the provision be clarified to ensure that any person nominated by the counterpart authority is a person authorised to undertake investigations under the counterpart act, and that such persons be members of a defined or limited category, such as employees of the relevant state or territory equivalent of the Victorian State Revenue Office.

Opposition members share the concerns raised by the Scrutiny of Acts and Regulations Committee, one of which is the subject of an amendment to which I will shortly refer.

The second issue relates to the powers of entry and inspection of authorised officers. The bill proposes that authorised officers be the people authorised under the Taxation Administration Act and appropriate identification requirements are imposed on those officers, just as appropriate powers to apply to a magistrate for search warrants are part of the bill.

The bill also contains a clause that has most of the lawyers on my side of politics excited, and that is clause 46, which relates to self-incrimination.

These clauses are now standard features of many bills where self-incrimination is narrowed down. I draw the attention of members of the house to clause 46(2), which provides that if people object to answering any questions that may be put to them by the investigative

officers authorised under the Taxation Administration Act:

... the answer, information, document or thing is not admissible against the person in any criminal proceedings other than —

(a) proceedings for an offence against this Act;

or

(b) proceedings for an offence in the nature of perjury.

I am amazed that the Attorney-General allowed the clause through cabinet because I recall significant discussions in another era regarding self-incrimination clauses. Again I note that the Scrutiny of Acts and Regulations Committee can live with the clause and has commented to that effect, although the committee raised questions with the Minister for Finance regarding the matter.

I thank the Minister for Finance for providing in advance a copy of the amendments and for the briefing provided yesterday afternoon by his staff. I appreciate it, and clearly it helps the house deal with the amendments more expeditiously.

I assume the purpose of amendment 1 is to correct an error in the bill. Could I be advised if my assumption is incorrect? There appears to be an inconsistency in clause 13 that is rectified by the amendment.

Amendment 2 addresses the concern of the SARC to amend clause 40 to narrow the delegation powers from 'a person nominated by that authority' to 'an appropriately qualified officer or employee of that authority nominated by it'. The opposition supports the amendment, which narrows a broad delegation power. I note that both the minister and I were members of the SARC in the early 1990s — many years ago — and are conscious of the issues.

Amendment 3 seeks the omission of clause 47 and the insertion of a new clause. This has also been commented on by the SARC in its *Alert Digest* No. 3. The committee was concerned about the clause, and again, the opposition supports the amendment. The committee commented that:

... the provision creates a strict liability offence requiring the applicant to prove that the statement was neither wilful nor negligent.

...

The committee is concerned at the position that some vulnerable applicants may find themselves in, in circumstances where they are advised by third persons (promoters) to claim the benefit as an inducement or part of an inducement to enter into a relevant transaction covered by the bill. It would be of concern to the committee if the

fraudulent or negligent advice of professionals/promoters once accepted by an applicant may for example constitute negligence on the part of the applicant within the meaning of clause 47(2) and 47(3) of the bill.

The Scrutiny of Acts and Regulations Committee wrote to the minister about its concerns and the end result is the amendment. It mirrors similar provisions in the Taxation Administration Act. They reflect the sentiment of sections 57 and 58 of the act, and there seems to be a good case for establishing consistency between the Taxation Administration Act and the First Home Owner Grant Bill, particularly since the authorised officers are authorised under the Taxation Administration Act.

Rather than rely on clause 47, which relates to dishonesty and which says that a person must not dishonestly make a false or misleading statement, the proposed new clause says that a person must not make a false or misleading statement in or in connection with an application for a first home owner grant. On the recommendation of the Scrutiny of Acts and Regulations Committee, the opposition agrees with the amendment. However, the amendment further provides that a person is not guilty of an offence under the act if the court hearing the charge — that is, the Victorian Civil and Administrative Tribunal — is satisfied that the person did not know that the statement was false or misleading.

Subclause (3) of the proposed new clause also prescribes a penalty for applicants who deliberately omit certain information. The opposition agrees with the amendment because it reasonably reflects the sentiment of sections 57 and 58 of the Taxation Administration Act. However, I request that the Minister for Police and Emergency Services clarify my concern that subclauses (1) and (2) omit the references in the Taxation Administration Act to material that is false or misleading ‘in a material particular’.

**Mr Wells** interjected.

**The ACTING SPEAKER (Mr Lupton)** — Order! Will the honourable member for Wantirna vacate the chamber while he is speaking to the gallery.

**Ms ASHER** — Section 57(2) of the Taxation Administration Act refers to a person not being guilty of an offence if he or she did not know that the statement or information was false or misleading — again, ‘in a material particular’.

The expression ‘in a material particular’ has been deleted from subclauses (1) and (2). However, that expression has been retained in subclause (3). Given

that the minister’s specific intention is to reflect the provisions in sections 57 and 58 of the Taxation Administration Act — and he made that point in his letter to the Scrutiny of Acts and Regulations Committee — I seek clarification from the Minister for Police and Emergency Services, because there may be some legal reason.

As I said, the opposition supports the amendments. It is pleased that the government has adopted the constructive suggestions made by an all-party committee, which will improve the legislation.

I turn now to the First Home Owner Grant Bill itself. Australia has a strong culture of home ownership. I will not comment on the present buoyant property market as I am sure other speakers will cover those issues. However, the commonwealth has done the right thing by giving first home owners a grant of \$7000 as an offset against the goods and services tax and asking the state governments to administer the grants.

The Victorian government estimates that under the scheme \$193 million will be distributed to first home buyers in the first year. I also note that the government has not fallen into the same trap as the Tasmanian government fell into. In his second-reading speech the Minister for Finance referred to ‘significant benefits to first home buyers’. That is in contrast to the comments made by the Tasmanian Labor Treasurer, Mr David Crean, who said that the biggest beneficiary would be Tasmania and that the \$7000 represented an instant deposit.

His favourable views got him into trouble, because they stand in complete and utter contrast to comments made by his brother Simon Crean, the federal shadow Treasurer. No member of the Victorian Parliament would claim that \$7000 would represent an instant deposit in the current median price climate, even in the more affordable suburbs.

I refer to the timing of the bill and in particular to the letter from the Housing Industry Association, from which I have already quoted. The letter was sent to me by John Gaffney, the director of the Victorian region of the HIA. Mr Gaffney says that a meeting of all the major players, including builders and financiers, was to be held at the HIA today. I seek an assurance from the minister that if something material about the mechanics of the scheme’s operation emerges from that meeting he will consider it. The fact that the HIA’s concerns have resulted in a more flexible payment arrangement than has been the case with previous schemes is positive and desirable.

As I said, the opposition supports both the bill and the amendments. However, I seek clarification about the windfall gains on stamp duty and the technical matters concerning the amendment. The opposition is pleased that the government has taken note of the valid concerns of the all-party Scrutiny of Acts and Regulations Committee.

**Mr LENDERS** (Dandenong North) — The government welcomes the opposition's support of the legislation and of the proposed amendments.

The issue of home ownership is dear to the hearts of many honourable members and is recognised as a particularly Australian characteristic. Traditionally home ownership has been affordable in this country and is something most Australians aspire to.

The honourable member for Brighton yet again demonstrated a fascination with things outside Victoria's boundaries in her contribution on issues that relate to the goods and services tax (GST). Although her analysis of the dialogue between the Crean brothers is interesting, I urge her to look beyond the borders of metropolitan Melbourne when considering house prices in Victoria. I am cheeky enough to suggest that it was that lack of focus for matters beyond the borders of metropolitan Melbourne that got the previous government into trouble.

I noticed the honourable member for Benambra in the chamber earlier. I am sure \$7000 would be a reasonable deposit on a home for many of his constituents. That fact illustrates the gap that exists between house prices and a whole lot of other things in Victoria because of significant regional variations. Opposition members ignore to their peril that Victoria has such regional variations, because if they do they will continue to be in the predicament in which they found themselves on 18 September.

I return to the comments of the honourable member for Brighton. The government welcomes the opposition's support of the bill. However, it should not be worthy of note that the recommendations of the Scrutiny of Acts and Regulations Committee should be taken into consideration by the government. The government is often unfairly and mercilessly mocked at question time and on other occasions by the opposition parties because it consults. Every time the government announces the formation of a task force, committee or a some other consultative forum it is belittled by members opposite, who say, 'There they go again, they're talking to people'. In their view the consultation shows weakness and is not a sign of strength in government.

The bill is another instance where consultation is a sign of strength, not weakness. If Parliament sets up a body such as the Scrutiny of Acts and Regulations Committee and asks it as part of its business to scrutinise acts and regulations, when that committee returns with a report or recommendation it is the government's responsibility to consider and respond to that report on its merits. The correspondence the honourable member for Brighton referred to between the Minister for Finance and the chair of that committee is an indication of a strong government that makes a virtue of consultation, and therefore makes itself stronger and its legislation better. Consultation is the way to go to make Victoria a better state.

There is also a need to look at the purpose of the act to see where it fits in the regime. As a member of the Labor Party I realise the legislation is the result of an intergovernmental agreement signed by the previous government. The Bracks government had little choice but to introduce it, but it welcomes the provision of a \$7000 grant to first home buyers. Later in my contribution I will refer to why it needs to be put into place, but from the Labor perspective there is always something a bit uncomfortable about flat grants that do not reflect need. Labor has always supported means testing of first home buyer concession schemes so that government resources are used to uphold the great Australian value of home ownership and give everybody an opportunity to own a home, instead of being used for a subsidy that does not take into account need, which varies considerably in different parts of the state.

The scheme provided for in the bill comes on top of the existing Victorian means-tested first home buyers concession scheme. That is fairly critical in an electorate like mine where house prices are close to the state median. Such schemes are of particular interest to my constituents.

Under the proposed scheme where the value of a property is less than \$140 000 the grant will offset the costs incurred by the application of the GST and be a bonus for the home buyer, but the GST will be a burden if the cost is higher than \$140 000. The existing Victorian scheme, which favours low-income earners and the purchase of low-cost homes, applies to most electorates outside metropolitan Melbourne and to certain parts of the metropolitan area. Under the current scheme first home buyers receive a 100 per cent stamp duty concession from the state government for first homes valued at less than \$115 000 and a tapering concession for homes valued at between \$115 000 and \$165 000. The existing means-tested scheme probably

covers most of the first home buyers in my electorate and those in areas a long way from Melbourne.

The \$7000 blanket scheme to be implemented by the bill is above and beyond the scheme already in place and will help to offset the impact of the GST. Why was the GST needed in the first place? The house has heard arguments about it. As the burden of the GST hits the community in the months ahead the government and the state's constituents will not forget who introduced it. In my electorate small businesses and microbusinesses will lodge their pay-as-you-go returns for the first quarter of the next financial year and will become particularly grumpy at the Prime Minister and the federal Treasurer, the Liberal Party and the Democrats for allowing the iniquitous GST to impact on them.

With bipartisan support the Victorian government is implementing a partial remedy to offset the effects of the GST. Had the tax not been imposed on the building industry the bill would not have been necessary.

It has been estimated that the scheme's payment on a house worth up to \$140 000 will offset the GST, but it must be dealt with on a case-by-case basis. Most people in my electorate will face the burden of any decline in the home building and renovation businesses. That will affect the economy of my region, because the City of Casey, for example, is in a growth corridor that attracts 4500 new residents yearly. The building industry is a critical area of growth for Victorian constituents.

I turn to the clauses referred to by the honourable member for Brighton. The opposition is concerned about the concept of circular taxation and suggests there will be a windfall gain on stamp duty. Most aspects of the bill were thoroughly covered in debate last week and in previous sitting weeks on similar pieces of legislation that offset the pain to be inflicted by the GST. I imagine that from now until the end of the year the house will need to deal with endless bills about the goods and services tax. Like all state governments, the Victorian government is trying to deal with the GST to the best of its abilities. It does not favour circular taxation and tries to make its effects as revenue neutral as possible.

Last week the honourable member for Brighton conceded, correctly as somebody who aspires to be Treasurer of this great state, that a state government must protect its revenue base and administer its taxation system equitably. The Department of Treasury and Finance and the State Revenue Office will need to deal continually with circular taxation issues because the convoluted and complex GST taxation system inflicted

on Australia will continue to have unforeseen effects as it is applied, level by level and area by area, in Victoria. The government is looking carefully at the issue of circular taxation.

I am delighted with clause 18, which specifically places the maximum grant under the scheme at either \$7000 or the full purchase price of the real estate if it is priced at less than \$7000. Although the honourable member for Brighton laughs about real estate prices in Melbourne, I can recall many years ago — longer than I would like to remember — under the then first home buyers scheme a solicitor colleague of mine in Horsham dealt with a genuine conveyancing issue in Goroke where the entire settlement price for a piece of land and house was less than \$7000. At that time Goroke was obviously not as fashionable as some inner suburbs of Melbourne are now.

We need to be cautious because small pockets of land in locations where market values do not apply could be valued at under or near the maximum grant set in the bill. We need also to be careful that such transactions are genuine and that land is not passed from one member of a family to another at an artificially low value so as to reap the benefit of the maximum grant.

The honourable member for Brighton referred to the excitable lawyers on this side of the house. If one conducted a survey of members of this house — the Labor Party is often accused of being a party of teachers and lawyers — one would find the government benches are devoid of lawyers and teachers. On my count the government has four or five lawyers in its ranks, depending on their level of qualification. There are fewer excitable lawyers on this side than opposite.

The honourable member for Brighton is correct about clause 47. We want to make the benefit of the scheme acceptable to home buyers. The government values home ownership as an important Australian aspiration and wants to make the money accessible. The scheme need not be too draconian. It is a matter of, on the one hand, balancing the level of administration of the benefit and, on the other hand, protecting state revenue. We do not want funds to be handed out willy-nilly, without any checks and balances. As with any dispensation of government largesse, that issue should be carefully examined. In this case tests have been put into clause 47 to make the scheme accessible without being too onerous.

I cannot let the occasion pass without commenting on clause 19. I hope the honourable member for Doncaster is listening to my contribution because he appears to be particularly concerned with all things dealing with

electronic commerce or computers. The government's initiative will allow the transfer of funds electronically to the bank accounts of people suited by that method rather than going through other avenues. The honourable member for Doncaster should be gracious and concede the government has introduced the measure without his churlish niggling.

As the honourable member for Brighton said, the early payment aspect of the scheme is user friendly and is at the discretion of the State Revenue Office. It enables funds under a reasonable test to be delivered to people who need them earlier rather than necessarily at the end of the process. Her point is valid. She says she will carefully watch whether the provision is administered equitably or is regarded as a draconian way of stopping funds going to people. Such matters need to be checked. I am confident the payment system will be flexible.

The bill results from the intergovernmental agreement entered into by the previous government with the Howard government. The Bracks government has no choice but to implement the legislation. The government wants the \$7000 non-means-tested grant to go to as many Victorians as possible because it supports home ownership as an important value. The government wants the scheme to be in place as quickly as possible.

The government is always concerned about how a scheme such as this can be equitably administered. As the honourable member for Brighton said, it is probably a far greater bonus for people living in Tasmania than it will be to Victorians and a less generous bonus to people living in Sydney because the scheme relates to the housing market. Some of my parliamentary colleagues with electorates that have more expensive property markets than does my electorate of Dandenong North will find the scheme less advantageous to their constituents. I note the honourable member for Gippsland East is quietly smiling because the scheme will be of benefit in his electorate, while the honourable member for Hawthorn is probably disappointed with the scheme because most of his constituents will have little use for it. Other honourable members will touch on the tests to be applied and how onerous they may be for people.

The bill was drafted by the South Australian parliamentary draftsman; presumably the South Australian government is particular, as is its privilege, about who writes its legislation. It is a South Australian model, with some minor variations to cater for issues specific to the Victorian jurisdiction. Clearly some of those variations will be touched on by other speakers —

for example, matters such as equity, access to the scheme, the establishment of definitions of partnerships and couples, and other such issues. It is important that a form of state control be kept for matters that are important to Victorians.

I will conclude by again detailing why the remedial legislation is necessary, which takes me back fairly and squarely to the issue of the goods and services tax and how it will be the responsibility of Victoria and all other jurisdictions to continually introduce remedial legislation to fix up the mess the country has been left in by the commonwealth's wild tax adventure.

The long and complicated bill has been introduced to deal with something that is quite simple. It follows on from the bills the house has discussed — it will continue to discuss bills of that nature — that try to adjust the state of Victoria to the burden that has been put on it by the goods and services tax legislation.

The GST is not a simple or uniform tax. For all the equity problems the state would have with a tax that was not progressive, at least it would have been a simple tax. The tax law has been amended repeatedly, to the point where honourable members are concerned about its effects — for example, the honourable member for Brighton is concerned about circular tax aspects. I am far more concerned about what the GST is doing to increase the paperwork for small-business and microbusiness constituents in my electorate.

The building industry is in a state of turmoil and flux, with some people accelerating work on items to get in before the GST takes effect and others slowing down contracts so they can benefit in that way. Instead of making decisions to suit their own lives, people are trying to juggle anticipated changes to the tax system without being disadvantaged. That is not good for business confidence or for the confidence of people in my electorate or the growth corridor that adjoins it.

People are trying to deal with legislation imposed on them by the commonwealth as part of the Prime Minister's wild ideological adventure rather than having good legislation to assist them in governing their lives. Not just Dandenong North and the south-eastern suburbs of Melbourne but the whole state need growth. The state needs certainty and good government to enable it to grow. Wild tax adventures just make it more difficult for everybody. I commend the bill to the house.

**Mr WELLS** (Wantirna) — It gives me a great deal of pleasure to speak on the First Home Owner Grant Bill and to reiterate the opposition's support of the

legislation. It appears I have a full-time job following the honourable member for Dandenong North. I note once again his displeasure about the goods and services tax. I wonder whether in 12 months or two years, when the state starts reaping the benefits of GST revenue flow to the states, the house could have another interesting debate, the GST being a broad-based growth tax.

The construction and sale of new homes and repairs and renovations to existing homes will be subject to the goods and services tax. Although not subject to GST, existing family home prices are expected to rise because of the marketability of those houses in the future.

I note with interest the commonwealth Treasury forecast, in examining the GST, that the hidden tax burden of approximately 5.3 per cent in the cost of constructing a new home will be removed. If nothing were done for new home buyers, the cost increase of a new home would be around 4.7 per cent. Obviously that is not the same increase for new homes and constructions that many people would have perceived, as most people anticipated an increase of 10 per cent. The forecast is that such costs will rise by 4.7 per cent. Although existing home owners do not benefit immediately by way of an increase in the value of their homes, that will come about in future when the value of a home is realised on sale.

In return for the full receipt of the GST, the states have agreed to implement a uniform first home owner grant scheme to offset the impact of the GST on home purchasers, particularly in the case of those purchasing new homes. A state-administered first home owner grant scheme will apply to contracts signed after 1 July 2000. That has been agreed on by all states and territories as part of the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations, which was signed in June last year. The framework of the principles was set out in that agreement. Although each state will implement its own separate legislation there will be common eligibility criteria, which have already been outlined and will be uniform across the state.

The grant of \$7000 is designed to maintain home affordability at existing levels, particularly for low-income purchasers. The grant of a flat \$7000 will go a long way towards enabling people to purchase houses in less affluent areas and in some isolated rural areas.

The scheme will be administered by the State Revenue Office. Clause 38 provides that financial institutions

will assist in administering the scheme by incorporating grant eligibility measures into their mortgage application processes, thereby streamlining the grant application process for customers.

I have one concern regarding people applying for a mortgage, and will give an example. People purchasing a house at \$120 000 might put down a \$20 000 deposit. That would not be unusual. Currently the couple purchasing that house would want a loan of \$100 000. The problem is that the bank would realise that \$7000 of that money would come out of the first home owner grant scheme, and therefore would lend only \$93 000.

For a builder any delay in the payment of that grant will negatively impact on the cash flow. If a builder has on average 10 homes under construction at any one time at \$7000 each, he would be financing an additional \$70 000. So there would be an interest cost to the builder if there were any substantial delay in the payment of that grant. I do not think any builder would agree to a contract under which the builder could face a delay in receiving that \$7000. It is important that the State Revenue Office have flexibility to ensure that when a house purchase is settled, the money is available to the developer posthaste.

Obviously, when people are building a house they must make progressive payments to the builder. Once a certificate of occupancy has been issued before handover, the final payment is due. When the certificate of occupancy has been handed over the builder expect to receive all outstanding moneys — firstly, the amount withheld by the bank to ensure security for its mortgage, and secondly, the \$7000 grant. It is important that the State Revenue Office payment coincide with the final due date for payment of outstanding moneys and that there is agreement between the owner, the financial institution and the builder that the bank will finance 100 per cent of the construction value and that the grant paid will be offset on the final date.

It is envisaged that payments will be able to be made into a mortgage account by direct cheque or electronic transfer to the purchaser or a third party and that the grant can be used to offset any stamp duty payable on property transfers or mortgage registrations.

Clauses 8 to 12 set out who can apply for the grants. Applicant must be natural persons — that is, not a company or a trust. Applicants must be Australian citizens. If there is a joint application, at least one of the citizens must be a permanent resident. Applicants must not have received a grant previously under a first home buyer scheme and must not have held an interest in a residential property, including an investment property,

prior to 1 July 2000. That sometimes trips people up, but the legislation is consistent with other legislation regarding first home owner grants.

The Commissioner of State Revenue can make a payment before completion if there is good reason for doing so, and the state is protected by repayment of the grant if the transaction is not completed. I hope for two reasons that the State Revenue Office does that. The first is flexibility, which means the builder or developer will not be severely financially disadvantaged, and the second is consistent guidelines, because early payments will not be given out willy-nilly without protection for the state.

The bill gives the State Revenue Office the ability to reclaim a grant if the transaction is not successful. Clauses 47 to 54 make various provisions, including provision for penalties for fraudulent and dishonest claims and powers to enable the commissioner to request repayment of grants and to obtain evidence for legal proceedings. Clause 55 amends the Victorian Civil and Administrative Tribunal Act to extend its powers to cover this legislation.

The first home owner grant scheme is an important initiative for the housing industry, which considers it vital to maintaining home affordability, underpinning new home sales and stabilising the construction industry in the period after 1 July 2000. In the 18-month period leading up to the introduction of the goods and services tax housing starts across Australia, and particularly in Victoria, have reached historically high levels because there is a perception that people want to get in early before the 4.7 per cent increase in housing prices flowing from the tax applies.

In addition, some enormously successful fiscal policies of the federal coalition government are maintaining low interest rates. Taking those two effects into account, the housing industry expects a decline of between 10 and 30 per cent in home starts in the year following the introduction of the GST, but the exact effect of the pull forward of demand and the subsequent decline in building activity in the second half of 2000 is difficult to ascertain or forecast.

The value of new residential building work in Australia during the September 1999 quarter was \$4.4193 billion — a significant amount of economic activity that generated many jobs. The Australian Bureau of Statistics labour force survey conducted in November 1998 found that 640 200 people were employed in the construction industry across Australia. I wonder how many of them are at work today, given the lack of leadership shown by the Labor government

during the lockout and the 36-hour dispute. Putting that question aside, however, no doubt there are some construction sites working.

The Master Builders Association, in a press release dated 16 September 1999, states that the rate of private sector dwelling starts continues to trend upwards at an accelerated pace. It increased by 6.5 per cent to 11 064 dwellings in the September quarter of 1999, representing a 17.6 per cent increase for the preceding 12 months. Those figures confirm that the new house building market will remain strong into next year.

The GST is having a definite pull-forward effect on demand, and the rate of activity is putting some strain on supply. Builders are working at a frantic pace to complete as many projects as possible before the introduction of the GST on 1 July. While there is some strain on supply and a need to get buildings up and ready before the GST affects them, however, the \$7000 first home buyers grant will ease some of that financial effect.

**Mr Lenders** — Not in your electorate.

**Mr WELLS** — The honourable member for Dandenong North interjects once again and mentions Wantirna. Wantirna has the highest home ownership rate in the state. That includes people paying off their houses and owning their houses, so Wantirna is very well placed when it comes to owning houses.

I wish the bill a speedy passage. It is good to see that the legislation has bipartisan support. The opposition supports the legislation. Many home buyers across the state, and particularly in Wantirna, will benefit from the legislation from 1 July onwards.

**Mr STENSHOLT** (Burwood) — I support the First Home Owner Grant Bill, including the circulated amendments. This is another bill that could be called goods and services tax legislation. The house seems to be making a habit of dealing with such bills since the intergovernmental agreement on commonwealth–state financial relations associated with the introduction of the GST was signed by the previous government.

The bill provides for a \$7000 non-means-tested grant to offset the impact of the goods and services tax. Despite what the honourable member for Wantirna may believe, we all know the GST will have a massive impact on the building industry. He has said that the GST is already having a massive impact on the building industry in Victoria and Australia by what he calls the pull forward of demand. It is having a massive impact on all home buyers, including first home buyers.

The GST is the tax that no-one wants to have. As the honourable member for Dandenong North has pointed out, it is the tax that small business does not wish to have. The small business people in my electorate of Burwood do not wish to have the GST. This tax is the reason the Liberal Party is on the nose, and the furry finances regarding the GST are why the federal member in my area — namely, the Teddy Bear Treasurer — is also on the nose.

According to Ron Silberberg, instead of the building industry paying out \$190 million in estimated revenue for wholesale tax on new residential buildings as it is doing now, it will be paying out \$1.9 billion. In other words, there will be a tenfold increase in taxation on the residential building sector. Ten times the tax! The furry finances of the federal Treasurer clearly do not add up.

The main change will be a move from wholesale tax on some supplies to a GST on all supplies and services. Not much food goes into the building of new houses! It means new home prices will increase by between 5 and 8 per cent. It also means there will be a flow-on effect. The GST will result not only in pull-forward business, but in flow-on effects on existing house prices. In electorates such as Burwood not only does some building and replacement of stock take place but people also buy existing homes. Certainly some of the homes in Burwood are expensive and house prices have increased dramatically in the past three or four years, but in some parts of my electorate houses are not so expensive. However, with the introduction of the GST, it will cost someone who wishes to replace an older house by building a new one an additional 5 to 8 per cent.

People are not sure what the effect of the GST on new residential housing will be. The honourable member for Wantirna said wholesale taxes amounting to 5.3 per cent will be removed and the federal Treasury estimates the effect will be a net increase of 4.7 per cent. As I said, it will be more substantial than that. Wholesale taxes are at present imposed on some materials used in the construction and finishing of homes, such as carpets, bathroom fittings, mirrors, taps and tiles, heaters, airconditioners and other items, while other materials such as timber, bricks, concrete, roofing and paint have been tax free. They are only some examples of materials that until now have been tax free.

In future all elements of construction and building, including renovations and repair and maintenance, will be subject to a GST. That means all the items I have listed that are now tax free, such as timber, concrete, cement, roofing tiles, paint and nails, will be subject to the GST. The services required to supply those

construction materials will also be subject to the 10 per cent GST.

The federal government estimates that as a result of the increases and decreases the net cost of new homes will increase by 4.7 per cent. The industry association estimates that the cost of an average house-and-land package will increase by approximately \$16 000, or 8 per cent.

**An honourable member** interjected.

**Mr STENSHOLT** — Not 80 per cent, but 8 per cent.

That will have an enormous impact. Given that the rubbery and furry figures of the federal Treasurer have been found wanting before, we know the GST will have a much greater impact than the federal Treasury estimates. It will have a strong impact on people buying new homes, particularly after 1 July 2000. According to the Housing Industry Association the average impact on the cost of new homes will be an increase of 8 per cent, depending on the individual circumstances. There will of course be a pull factor on existing homes, which in electorates such as mine will be substantial — that is, the price of existing houses will increase in line with the expected increase in the price of new homes.

As other speakers have pointed out, there has already been a significant impact on the cost of building before the introduction of the GST. The honourable member for Wantirna was mild in his exposition of the situation. There has been an almost frenetic burst of activity in the building sector to try to beat the GST. It could almost be described as a false boom in house building, maintenance and repairs. In some quarters it is estimated that the false boom will burst and there will be a decline in building activity by as much as 20 per cent after 1 July. We have yet to see that.

Certainly there is now an extraordinary demand, which has had an impact on the availability of labour in the building market, and scarcity has possibly led to a temporary increase in costs.

Some pundits are advising people to put off buying houses until after the introduction of the GST on 1 July 2000 because it might be less expensive or not much more expensive than it is now.

The bill provides some relief, particularly for first home owners, after 1 July 2000. Before I discuss that in more detail I shall mention that the honourable member for Wantirna was a great advocate of the GST when he spoke earlier. He said that in a year or two we will all be ever so grateful for the GST because it will provide

so much money for Victoria. He must not have been listening last week when the Premier pointed out that it will probably take until about 2007 before Victoria receives a return on the GST.

He was probably not listening during question time when the Premier spoke about the impact on health costs. He probably did not read the newspapers last Friday or Saturday when the *Herald Sun* listed figures indicating a negative return to Victoria from this tax up until 2007. It is not just a matter of this year, in twelve months or in two years; we will have to wait until 2007. That is a long time. We will have to wade through the mess of the Teddy Bear Treasurer's furry figures until 2007 before we know the impact of the GST.

As mentioned by the honourable member for Dandenong North, small business people — that is, suppliers, subcontractors, tilers, brickies, carpenters and so on — will be scratching their heads around September and October trying to fill out the forms dealing with the pay-as-you-go aspect of the GST. No doubt they will say to first home buyers, 'How about the next payment!'. That will be very much an issue. Of course, the next payment will have an extra 10 per cent added for the GST. That is what they will have to deal with.

Members on both sides of the house have welcomed the fact that the bill provides some relief for first home buyers after 1 July 2000. It aims to legislate for the provisions of the intergovernmental agreement — namely, the establishment of a scheme to provide a non-means-tested grant of up to \$7000. Even though most of us think that amount is very small, there have been occasions in the past, and there may be again in future, where people transfer properties at very low prices. The bill means those people will not obtain much advantage from the scheme. How much the grant will help first home buyers will depend on whose figures one believes about the impact of the GST on new houses.

If one believes the government's figures the grant will cover the GST costs of packages up to \$150 000, which comprise 4.7 per cent of packages. If one believes the Housing Industry Association figures it is more likely that it will cover only the costs of packages costing less than \$90 000.

The new scheme will be administered under the intergovernmental agreement by the State Revenue Office, with an expected cost in the first year of \$193 million and an estimated 27 500 applicants. The bill sets out a wide range of administrative measures covering the implementation of the scheme, who is

eligible, when the grant should be paid, under what circumstances it should be paid and the processes involved for the recovery of funds.

It provides for the coming into force of the scheme on 1 July 2000. That is the entry date, and it covers the range of tests and penalties to ensure that only people who are properly eligible can receive the grant.

One of the key issues is to stipulate who can benefit. The bill provides that the applicant has to be a natural person, not a company or trust, who is an Australian citizen or permanent resident, and the applicant or spouse must not have had a previous home, including an investment home or flat, and must not have had a shared interest in a home.

The provision is quite restrictive given the existing relationship arrangements in Australia, but it was necessary to make a decision on applicability. The applicant must not have received a similar grant in any state or territory in Australia and must occupy the home as the principal residence within one year of purchase or final construction.

The bill also deals with when the benefit can be paid. Under clause 19 it will generally be paid on settlement, but it is at the discretion of the commissioner. Other speakers have already referred to the possibility in some circumstances, on the decision of the commissioner, of making earlier payment. That could be of more importance to people building a house with staged payments than people buying an existing home, where they could reasonably expect to receive the \$7000 once settlement goes through. The guidelines that will be used by the commissioner will be seen when the legislation is implemented, but that flexibility could prove to be important in some cases, especially as the impact of the GST will kick in not just at the end of construction but right through the construction period.

Come October there will be many suppliers and builders who will be trying to fill out the new pay-as-you-go tax forms and who will want to ensure that they get full payment and do not necessarily have to carry large payments on their books.

I note, as the honourable member for Dandenong North has previously noted, that this scheme is in addition to the current Victorian first home buyer concession scheme, which provides for a means-tested stamp duty concession of 100 per cent for first homes valued at less than \$115 000 with a tapering concession for homes valued at between \$115 000 and \$165 000. One would expect that the combination of the schemes would prove most valuable to the majority of people

constructing new homes in covering the costs of their total land and house packages.

People who buy more expensive packages and fall outside the means test will receive only an amount up to \$7000. The grant is not means tested and is available to all Victorians, because all Victorians will suffer under the impact of the GST. It will apply to both new homes and existing homes bought by first home buyers, many of whom will be in Burwood. There has been a reasonable influx of young married couples into the area, and a generational change is occurring in suburbs like Burwood.

I am pleased the bill provides for a flexible payment system. Applicants may request that all or part of the grant be offset against stamp duty associated with their purchase. A new mechanism will be used in conjunction with financial institutions to assist in administering the grant. I understand the State Revenue Office will provide software to the financial institutions to ensure that they get convenient customer service access.

I commend the bill to the house and support the amendments. However, I do not welcome the occasion of the scheme — namely, the negative impact of the introduction of the GST.

**Mr SPRY** (Bellarine) — I support the bill and the amendments, including the new clause dealing with false and misleading information on grant applications. I will make general observations rather than referring to specific details of the bill.

Firstly I comment on the expected contributions of the honourable members for Burwood and Dandenong North and their anticipated comments about the goods and services tax. They continue to bang on about the subject and fail to understand the introduction of the GST is fundamental to addressing the vital issues of equitable distribution to the states of commonwealth-gathered taxation and other revenues. They fail to understand the GST has the potential and is expected to get rid of the essentially undignified spectacle of state premiers trudging every year up to Canberra to beg and put their case. You guys from the government want to continue that ridiculous spectacle and go on in the way you have been going on about the introduction of the GST.

The honourable members for Dandenong North and Burwood conveniently forget that it was the Hawke–Keating federal governments that actively canvassed the concept of a goods and services tax, but to use John Howard's expression, they demonstrated a

distinct lack of ticker by backing off from introducing a GST. I am sick to death of government members constantly banging on about the shortcomings of the GST, with the fear and gloom they expect to be visited on Victoria in due course. As the honourable member for Wantirna said, they will learn in due course that the GST provides a far more equitable distribution than the undignified system of the past.

**Mr Mildenhall** interjected.

**Mr SPRY** — The old honourable member for Footscray continues to interject across the chamber with inane comments that mean nothing to anybody.

The honourable member for Brighton referred to the fact that the bill replicates the effect of the first home owner scheme introduced in 1983. It was foreshadowed in 1982, if my memory serves me correctly — and I can assure the house that my memory from those years is quite sound.

The bill replicates the effect of the first home owners scheme foreshadowed in 1982 by the Fraser government but actually introduced in 1983 by the later Labor government.

It also replicates the effects of some of the first home owner assistance schemes introduced before 1983: the home savings grant introduced in 1964 and the home deposit assistance scheme introduced in 1982. The two schemes provided cash grants matched to savings. They were inequitable in that they favoured people who had the greatest saving capacity.

The bill introduces a scheme designed for a different purpose. The earlier schemes were designed to assist first home owners and stimulate the domestic economy. The new scheme is designed to negate an anticipated decline in building activity — already mentioned by several speakers — as a consequence of the introduction of the goods and services tax. The signs of the decline are apparent in home loan figures from the Australian Bureau of Statistics.

The schemes of the 1960s, 1970s and 1980s referred to earlier, particularly the first home owners scheme offering a \$7000 maximum, had the desired effect. In the early 1980s \$7000 was a considerable amount of money. Today an amount between \$20 000 and \$25 000 would be the equivalent. The earlier scheme had a dramatic impact on the incidence of home building activity.

In the early 1980s I was making a quiet living in my capacity as a real estate agent on the Bellarine Peninsula — the honourable member for Morwell loves

the real estate bit and I don't blame him; it was a marvellous era. I saw the effect the scheme had on a small community.

Clifton Springs was a unique country club estate developed in the early 1960s by a firm called Wilmore and Randall. It did not become a fully-fledged country club estate for the more affluent, and foundered. The result was a marvellous real estate development of small blocks, made roads, kerbing and channelling and all the services expected of a sophisticated development, but prices had languished and in some cases were hovering around the lower \$2000, \$3000 and \$5000 mark. As I recall, in those days a waterfront block would have fetched about \$12 000. Those figures make you green with envy! Today, if you can get hold of them, the same sorts of blocks are selling for amounts in the vicinity of \$70 000, \$80 000 and \$100 000.

The first home owners scheme brought a huge influx of buyers to the Clifton Springs area and the manifestation of the scheme could be seen taking place there. Enormous benefits were delivered to young people with young families who wanted to share in the great Australian dream of owning their own homes. The scheme gave them that opportunity.

At the time federal and state members of Parliament observed that the domestic building industry was one of the main drivers of the domestic economy. Nothing has changed. Through the 1990s the Australian economy has enjoyed unprecedented growth and prosperity in almost every sector, including the building industry, in Victoria.

In the early 1990s Victoria was in danger of marginalisation because of the undeniably inept performance of the previous Labor government. However, the electorate saw the inherent dangers and turned to the good management of a coalition administration, thus enjoying a unique surge of prosperity.

**Mr Hamilton** interjected.

**Mr SPRY** — Every person in business and industry gained benefits from that prosperity. The real estate industry also benefited tremendously, and I hope it continues to benefit under a Labor administration.

Prosperity in the building industry in the 1990s was even more marked after the first home owners scheme wound down, and Australian Bureau of Statistics (ABS) Australia-wide figures reveal that prosperity. Loans issued in the domestic building industry in 1990–91 totalled \$21 759 million. The figures for

1998–99 are almost three times that amount, being \$61 474 million, and that indicates the unprecedented surge in building activity over the decade.

Another set of ABS figures shows that in the City of Greater Geelong the total number of dwellings in 1996 of 74 795 had increased considerably to an estimated 78 759 in 1999. The total figures for the region, including the City of Greater Geelong, Surf Coast Shire, Golden Plains Shire and the Borough of Queenscliffe, increased from 93 562 to some 99 000.

As earlier speakers said, the legislation is consistent across all Australian jurisdictions in accordance with the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations. As such, it is part of the goods and services tax compensation package. Its design ensures, firstly, that first home buyers are not unduly disadvantaged in the achievement of the great Australian dream of home ownership and secondly, but equally importantly, that the anticipated decline in building activity does not become a reality.

I am concerned only about the lack of a sunset clause. I hope sufficient consideration was given to intergenerational equity and the timing of the scheme's winding down. Although it may not be significant to those people who will take advantage of the scheme in the next couple of years, it may affect younger people now completing their final years of secondary education. In contrast to what the second-reading speech implies, I hope the federal government allocation of \$193 million for distribution by the state government will see a gradual winding down rather than people being confronted by a brick wall.

The opposition recognises the highly visible value of the legislation in achieving its objectives. I commend the bill to the house.

**Mr MILDENHALL** (Footscray) — I am pleased to join the unanimous support for the legislation that will assist first home owners to cope with the impact of this rotten new tax.

I will say a couple of words about the goods and services tax (GST) because recently government members, particularly ministers, have been outlining some of its more unfortunate effects and the sleights of hand that have been inflicted by the federal Treasurer and his cabinet. The \$100 million in embedded savings on administrations that were previously exempt from wholesale sales tax is a classic. I would be interested to hear an explanation of the logic of that.

The revelations today and on the weekend about the welching on federal–state health agreements come as no surprise. Given that the positive cash flow necessary to remove payroll tax will not be generated until 2007–08, I am sure Treasury officials are bracing themselves for more shocks and manoeuvres from the federal government in the interim.

The bill is particularly interesting when one considers the impact it will have on those at whom it is targeted. People in Braybrook are smiling, particularly first home owners. In 1994 when the then housing minister, the Honourable Barry Pullen, and I began to compile a master plan for the redevelopment of the Braybrook–Maidstone public housing development, Victorians were able to buy housing ministry three-bedroom concrete dwellings on large blocks for some \$50 000. It was more expensive if the dwelling had been demolished —

**Mr Lenders** — You could get them for \$25 000 in Moe.

**Mr MILDENHALL** — Yes, for \$25 000 in Moe. Obviously, the impact of a \$7000 grant plus the first home buyers stamp duty concession will have a major impact in that sort of area. It is pleasing to see the generous support of opposition members who represent the leafier sides of town where the bill will have a lesser impact.

There is a net benefit from the combination of the government's stamp duty exemption and the first home buyers grant for properties up to a value of \$140 000. Home buyers will be faced with a net deficit situation if the value of a property exceeds that amount. Given average residential prices, my humble guess suggests that prices of most dwellings will be above \$140 000. Given the eligibility criteria for the grant and the stamp duty exemption, the majority of Victorians will be disadvantaged by the introduction of a GST.

The federal government predicts a 4.7 per cent net increase on the cost of new houses. Such an increase will exacerbate the impact of recent market trends. A 4.7 per cent one-off slug is an unnecessary and harsh impact upon the community when one considers that the affordability of housing has been a major policy objective of governments of all persuasions.

It was interesting to hear the figures cited by the honourable member for Burwood that the overall tax take on domestic buildings will be 10 times the present level when the GST is introduced. I would be interested to estimate what proportion of that will come from the anticipated 27 500 recipients of the grant. Despite the

fact that there is no means test, the impact of the measure is limited. If, as the honourable member for Burwood mentioned, the average increase in the cost is of the order of \$16 000, as estimated by the Housing Industry Association (HIA), a \$7000 grant will not neutralise that.

There are other interesting aspects to the legislation. Because its introduction has been anticipated for so long, the State Revenue Office has managed to put on its web site a detailed package for interested potential consumers and purchasers to look at. Negotiations have taken place with financial institutions to arrange not only for the now controversial delegations that have been mentioned but also for partnerships where financial institutions will work with the SRO to ensure access to the grant is as widespread as possible.

I make specific mention of some of the issues raised by the Deputy Leader of the Opposition and other opposition members. Clause 17 deals with the potential earlier payments by the commissioner and relates to comments made by the HIA. As the honourable member for Brighton said, the clause outlines the principles that protect the state's interests and is one of those trust-me clauses, although one wonders what a person would have to do to miss out. The honourable member for Wantirna said he wanted flexibility and consistency in the provision. I am unsure whether he would like a rigid consistency or a flexible and fluid application of the rules by the commissioner. One would like to see a balance, but to identify both poles of the argument and say, 'We want ample degrees of both' could be a tall order.

The honourable member for Brighton also claimed the government would receive a stamp duty windfall. I should have thought that as a result of national taxation discussions last week it would be clear to the honourable member that the government is looking at a neutral impact on state revenue. The impact she talks about will be negligible. Any possible additional revenue to the state would be of insignificant proportion.

Clause 13 will be amended by the first of the government's circulated amendments. A typographical error between the drafting of the bill and its introduction here has led to the need for the amendment. The amendment to clause 40, which deals with delegations, attracted the interest of the Scrutiny of Acts and Regulations Committee. Other honourable members have adequately addressed the need for the amendment, particularly on the delegation qualification with the relevant phrase 'appropriately qualified' being added to the clause by the amendment. Qualifications

have been placed on the provision to implement the wishes of the committee to protect the public.

Clause 46 is the self-incrimination provision in which the Scrutiny of Acts and Regulations Committee was interested. There is a limit to the admissibility of material to proceedings for offences against the first home owner grant scheme or for perjury proceedings. The clause is modelled on the template legislation and the Taxation Administration Act. It is standard and does not warrant major concern on any reasonable analysis of the bill.

The amendments propose to omit existing clause 47 and replace it with a new clause that deals with false and misleading information. The honourable member for Brighton went to some lengths to identify and express concerns about the different wording in clause 47 as it appears in the bill and the proposed new clause 47 to be inserted by the government amendment. Her concern was about new clause 47AA(2) which refers to a statement that is false or misleading while subclause (3) deals with a statement that may have been false or misleading in a material particular.

I am advised that, in essence, there is no difference between the intent of the wording of both clauses. One has copied a comparable provision from the Taxation Administration Act so that subclause (3) refers to a material particular and subclause (2) merely refers to a simple principle in which a person did not know that a statement was false or misleading. There is no conspiracy or significant difference. The opposition should not be concerned.

The legislation has been introduced as a result of an intergovernmental agreement. Obviously the commonwealth intended it as a political face-saver. I am grateful that its unintended beneficiaries will be some of the poorer members of my community. I reiterate that for most Victorian purchasers of new or existing dwellings the legislation creates a smokescreen at the margins that will provide no real benefit. The smokescreen belies the fact that the GST will have a major impact on the Victorian housing market: the honourable member for Burwood estimates a price increase of \$16 000 and the federal Treasury has estimated a net increase of at least 4.7 per cent. They are the hard facts about what will be a major negative impact of the GST.

The bill is welcome particularly because it will assist constituents in electorates such as mine. The overall image and presentation of the bill is a fairly convenient and cynical smokescreen for a beleaguered federal government.

**Mr ROWE** (Cranbourne) — I am pleased to be able to contribute to debate on the First Home Owner Grant Bill. I represent one of the fastest-growing electorates in Victoria. The City of Casey, and particularly the electorates of Cranbourne, Berwick and Dandenong, have the fastest rate of new home building and new home occupation. The federal government provision of funds guarantees compensation for those who purchase homes in my electorate after 1 July next. Every day of the week more than five families per day move into the electorate of Cranbourne.

In providing first home owner compensation the federal government is making full allowance for the impact of the goods and services tax on the price of a new home. The wholesale sales tax was a hidden tax burden and, shall we say, the Labor Party's favourite taxation vehicle — the tax Labor would increase without any reference to Parliament; the tax it would increase purely by regulation by the Treasurer of the day. The introduction of the GST certainly will help alleviate the burden of the wholesale sales tax on business and the community in general.

The removal of the wholesale sales tax reduces by some 5.3 per cent the total price of a house. The imposition of the GST will in effect increase the cost of a house by 4.7 per cent. The provision of a \$7000 grant allows first home buyers, including young people, to continue to enter the housing market. That action will ensure that the rapid growth of the housing industry within Victoria, which was commenced under the regime of the previous coalition government, will continue unabated.

While I was discussing this matter and other matters with people from the Henley Properties Group yesterday I was told that houses are still selling at a record high level throughout Victoria, whereas New South Wales, Queensland and South Australian markets have taken a downturn. The impetus for new home starts has been running full tilt since at least 1996. Before that there was exponential growth in the commencement rate of new housing projects within Victoria.

The previous government, under the leadership of Premier Kennett and Treasurer Stockdale, can take a great deal of credit for having achieved that sort of growth within an economy that was destitute, the joke of the nation and the butt of jokes around the world.

In providing the grant the federal government is fully compensating the purchasers of new homes. It is amazing that the current Labor government likes to take credit for everything that is not its own. The

second-reading speech states, 'The Victorian government expects to provide ...'. It is not the Victorian government but the federal Liberal government that is providing the compensation package by which new home buyers in Victoria will be compensated.

Labor also claims, falsely, that its police officers are rolling out of the academy. Those officers have undertaken 27 weeks of training, while the government has been in office for only six months, so the police coming out today were there well before the Labor government even looked like taking power. Labor has claimed credit for new school openings, road construction and investment in rail infrastructure, as it has claimed the successful privatisation of rail and other government utilities — not having itself made one decision or budgetary commitment to the state; not having had to account for one dollar itself. Labor just lives off the back of the success of the previous Liberal government, led by Jeff Kennett and Alan Stockdale.

Once again it is a pleasure to praise the federal government for providing the means of funding necessary to subsidise first home buyers in anticipation of the introduction of a GST system. The system would have been much better had it not been for the Democrats and the Labor Party. The commonwealth government has provided a system that will go a long way towards removing the tax burden felt by Australian workers and businesses, removing the wholesale sales tax, some stamp duties and the like.

Having made that short contribution, I will allow someone from the government to respond. I am sure opposition members will want to take up the remaining speaking time allotted for debate on the bill. Together with previous opposition speakers, I commend the bill to the house.

**Mr ROBINSON** (Mitcham) — I am pleased to make a brief contribution to debate this afternoon on the First Home Owner Grant Bill. I preface my remarks by commenting on something the honourable member for Dandenong North referred to in his contribution — that is, the interesting and significant concept of a circular taxation theory. Some members of the house, regrettably not nearly enough, through our affection for thoroughbred racing and the occasional punt, are more familiar with the concept of an elliptical taxation theory, as the name suggests, in the nature of an ellipse — you give, give, give for a protracted time before receiving a minor return at the end. Government members do not discount the circular taxation argument advanced by the honourable member for Dandenong

North, but some of us do not regard that as nearly as pressing an issue as the issues confronted in other areas.

The principal effect of the bill is to offset the chief effect of the goods and services tax, which is on home prices. To that extent the legislation is welcome. It will enjoy the unanimous support of the house. However, because of the strict wording of the legislation, it will not be able to deal with the impact of the GST on the associated costs of purchasing and principally running a house. That is one of the difficulties of the GST.

Over the past two years in particular the federal government has made substantial efforts to estimate the impact of the new taxation arrangements on households as well as on individuals, but no-one can give an absolutely accurate prediction of what the precise impact will be, least of all the departments full of economists in Canberra. It is not just the precise impact of the GST that is an unknown in this instance; there is considerable difficulty in trying to predict a range of human behaviour — trying to predict the decisions that will be taken by a large number of people involved in commercial transactions.

As an example the house might consider a complaint I received recently from a resident in the Mitcham electorate. The person recently purchased some soy milk at one of the larger supermarkets and was disturbed to see that the price had gone up by 30 cents, a price increase of about 15 per cent. On making inquiries the person was told it was all due to the dairy industry deregulation, an interesting and novel explanation given that soy milk is not a dairy product but a dairy substitute. For large supermarket chains to claim that industry deregulation explains a price increase on a product not associated with that industry defies credibility.

For the purpose of this debate my example highlights the way people in business will sometimes put forward specious arguments to justify price increases that would not be considered by economists to be the outcome of rational business behaviour. Such examples do, however, arise.

The bill will be of substantial benefit to many Victorians, especially those who reside in electorates commonly considered as growth corridors. Not long ago I received information, either in this place or from parliamentary officers, about electoral enrolments. We are fortunate that in Victoria the electoral boundaries are redrawn by the Electoral Boundaries Commission at regular intervals using a more or less automatic mechanism. Electorates in the south-eastern corridor of Melbourne have between 46 000 and 47 000 voters at

present, whereas in some other areas of Victoria enrolments are as low as 28 000. Clearly, therefore, there is far more domestic building activity going on in certain parts of the state than in others. It is likely that of the many thousands of people who will take advantage of the first home buyer grant scheme a disproportionate number will be voters in growth corridors.

That is not to say, however, that the bill will not be of benefit to people in, for example, the Mitcham electorate. There is a certain level of redevelopment going on in Mitcham as well as some in-fill development associated with the sale and redevelopment of school sites in recent years, but that activity has now largely passed its peak.

The principal purpose of the bill is to assist home ownership. All honourable members will agree that that is a great Australian ideal. We may no longer all aspire to living on a quarter-acre block or to owning a three-bedroom brick veneer, but we as a state and as a nation still collectively retain a great affinity with the ideal of home ownership. Australia has one of the highest home ownership rates of any Western nation. People in the big cities of countries such as the United States of America fail to comprehend that adequately. Cities like New York have a culture of renting one's principal residence for one's entire life. We can all be proud of our home ownership rates, and I am sure all honourable members want to see them perpetuated.

A great benefit of our desire for home ownership is the economic stimulus that comes from domestic building, one of the greatest economic stimuli a government can activate.

All honourable members should recall the federal government's first home ownership scheme of the early 1980s, an initiative of the Hawke government. It offered assistance of up to about \$5000, as I recall, for people purchasing their first home. The scheme was so successful that the building industry recovered at an extraordinary rate between the 1983 election of the Hawke government and late 1984. By then the Australian economy was recovering at a substantial rate, due in no small measure to the boom in building associated with the Hawke government's first home ownership scheme.

As an electorate officer for Kelvin Thomson, a former member of this house who represented Pascoe Vale for about eight years, I became familiar with one example of the economics of domestic dwelling construction as a stimulus to economic growth. The Pascoe Vale electorate includes Essendon Airport, which had been

allowed to run down to the point where its infrastructure was sadly underfunded. Recent efforts by the federal government to find a purchaser for that airport have failed because it is clearly inefficient and unprofitable. Members on this side of the house have, since well before we were elected to government, wanted to see that site redeveloped for a more appropriate purpose.

As an electorate officer I participated in an assessment of the economic stimulus that would come from a redevelopment of the airport site for the appropriate number of houses the site would accommodate.

With the assistance of the Housing Industry Association, the government concluded that approximately 6000 jobs would be created. There is nothing wrong with the mechanics of that assessment insofar as the potential for job creation is concerned, and presumably if that site were now redeveloped largely for private housing the same economic stimulus would be achieved. We all hope the right decisions will eventually be made on Essendon Airport. It would be a great thing if the bill delivered some benefit to those people who may in the future choose to purchase houses on the redeveloped Essendon Airport site.

The bill provides for a higher degree of scrutiny, assessment and investigation than is perhaps the norm. That is the deliberate intention of the people responsible for drafting the bill because there is a serious need to discourage Victorians or other people who may come to Victoria from interstate from abusing the scheme. Given that \$7000 is being offered, it is possible that some people may try to take unfair advantage of the scheme.

Clauses 37 to 47 detail the powers available to investigate claims or applications for support made under the bill. Those powers include cross-border investigations under clause 40, powers of entry and inspection under clause 42 and search warrants under clause 43. Those powers appear to be onerous given the support being offered, but people involved in the administration of similar schemes have learnt from experience that there is the possibility of abuse. I am sure Parliament would not want this well-intentioned bill to be undermined by a minority who may seek to take unfair advantage of it.

Clause 47 provides for severe penalties. It should be made clear that people seeking to abuse the support on offer may be confronted with not only having to return the \$7000 and, if appropriate, interest on that amount for up to five years after the grant is made, but also being subject to a fine of up to \$6000. A person could

pay almost double the amount claimed. Even by the standards of the Australian Taxation Office that represents a fairly hefty penalty. The government hopes it acts as a strong deterrent to anyone who may seek to take unfair advantage of the legislation.

A question arises about the resources of the Commissioner of State Revenue to instigate and carry out investigations. The government trusts the commissioner will have sufficient resources. In ideal circumstances the bill would be subject to more detailed preparation, but under the intergovernmental agreement it is necessary for it to come into effect on 1 July. I am concerned that if the scheme proves to be enormously popular — and there is no reason for it not to be — the Commissioner of State Revenue may be inundated with requests for investigations and assessments. It is possible for commissioners in different jurisdictions to be requested to assist with investigations that have originated in other jurisdictions, but that process will require the allocation of additional resources.

Concerns have been raised about the \$7000 flat rate of assistance, which is in contrast to the sliding scale of assistance under the first home buyers scheme the federal government attempted to introduce in the mid-1980s, to which I referred earlier. As the honourable member for Footscray correctly pointed out, it is likely that the scheme as it is currently configured will most assist home buyers in those areas where home prices are lower than or around the average. That will help more people who are represented by this side of the house, and the government welcomes that. When the stamp duty concession is added, housing construction will be boosted in real terms, which will benefit many Victorians, particularly those in regional areas. That is also greatly welcomed.

I conclude by referring to the work of the Scrutiny of Acts and Regulations Committee of which I am a member. That committee has been chaired in fine style by the honourable member for Werribee who, as a previous member of the committee, is extraordinarily diligent in ensuring that proposed legislation is thoroughly assessed. The amendments flow from recommendations made by the committee. That is to be welcomed and is an example of how a parliamentary committee can serve this place in the best possible way. Congratulations are due in this instance to the staff of the committee who do most of the work. Members such as me come along once or twice a week to effectively look at what they have done and sign off on it. Well done to them!

The bill deserves support, not because members on this side of the house support the GST but because it will assist in dealing with the principal effects of the GST. Having said that, I suspect that on a substantial number of occasions in future this place will be required to examine and pass judgment in some way on many minor issues associated with the GST.

**Mr HARDMAN** (Seymour) — It is a pleasure to speak on the First Home Owner Grant Bill. The grant will provide \$7000 for each first home buyer from 1 July this year to counteract the adverse effects of the goods and services tax on home purchases in Victoria.

The legislation will obviously be a great thing for the Seymour electorate and country Victoria generally. Home ownership is a part of what is known as the Great Australian Dream. For many of us, home ownership provides security for the future, for our retirement, for our savings. Nowadays people are more aware of and interested in how our homes can be used for the creation of wealth. We can borrow against our homes and also find cheaper interest rates when borrowing money to buy cars or other important items around the house. We can also use them as security in tougher times when perhaps we do not have incomes. Home ownership is obviously important to us all.

We must make it possible for many more people to own their own homes. The \$7000 grant will help to make that possible, especially in rural and lower income areas. The GST slug could be a great detriment to home affordability, especially for home buyers who do not benefit from the increase in the price they get for the homes they sell. The GST will be a real burden for first home buyers.

Given that builders are taking advantage of pre-GST demands, the legislation may have an important and intended stimulus effect on the building industry after the GST is introduced on 1 July this year. The demand for new homes to be built has increased dramatically. Obviously that is part of the scare campaign by builders to take advantage of people who are worried about what will happen to the price of homes after the introduction of the GST. The legislation may also assist people to sit back and wait for the GST, knowing they will get a \$7000 grant to help them to purchase homes. That is a very good thing as it will stop the overheating of the building market and ensure its continuation into the future.

The principles on which the scheme is based were set out in the intergovernmental agreement which the Bracks government is committed to honouring.

The grant scheme will be administered by the State Revenue Office, which proposes to enter into agreements with financial institutions to assist with the administration. The substantial sum of \$193 million will be paid to first home owners by the Victorian government during the next financial year. That sum will be a boost to Victoria's economy because a great deal of money will be taken out of the economy in the form of the goods and services tax.

It is a positive that the means-tested stamp duty exemption scheme for pensioners and low-income earners with dependants will continue. Many homes in the Seymour electorate have a low-income profile, and the combination of the stamp duty exemption and the \$7000 grant will be a great benefit for people who buy homes valued at less than \$135 000, a sum far greater than the cost of the average home in Seymour. In my electorate one can buy a house for approximately \$45 000, and other towns such as Yea are in a similar situation. Friends of mine have a house in Flowerdale they are struggling to sell for \$30 000.

The initiative may also stimulate that section of the market particularly, because the inflationary effect of the GST on lower-priced homes will not be as high and more people will buy properties as they realise they can receive \$7000 to buy, for example, a \$45 000 home, of which it is a big percentage. All the lifestyle benefits of living in country areas can be taken advantage of as well.

The situation is hypothetical, however, because the cost of building products such as nails, timber, and bathroom and laundry fittings will increase with the introduction of the GST. There will be additional costs with subcontractors, and when the plumber comes to install the bathroom fittings, the plasterer comes to plaster the walls and the tiler comes to tile the floors, there will be a 10 per cent GST to be paid, provided the tradesman has a registered business number. It might be 48.5 per cent held back, so let us hope everybody gets the GST registration. There is great confusion about that because you need two different types of registration to cover yourself for the GST.

The \$7000 grant may not have a great impact in certain areas. The \$7000 may have less effect for people building their own homes in country areas because the cost of the services of the contractors or subcontractors and the price of the goods are the same as they are in the city, if not a bit more because of freight charges. If you build a \$150 000 home on a \$30 000 block of land in the country, it will probably still be worth \$150 000 some time later, whereas the value of a property in

Melbourne will gradually increase. The GST could have an effect.

I am concerned that the GST will be a burden on home ownership. The bill, which allows for a non-means-tested \$7000, will I hope buffer that effect on low-income earners. People will be affected by an expected average increase of \$16 000 in house-and-land packages caused by the GST, and the impact on that important part of the economy will be significant.

One of the real positives is that the blanket scheme is over and above what is already in place. The eligibility criteria in clauses 8 to 12 are sensible, and I note they take into account the possibility of extenuating individual circumstances. People may not be able to move into a home within the 12-month period stipulated perhaps because they have to go to hospital or for some similar reason. The bill covers those important issues in a sensible and compassionate way.

The thought that has been put into the eligibility criteria will help ensure that the legislation is workable and fewer changes than were necessary with previous legislation will be required. The issues of decency, fairness, access and equity, which are the hallmarks of the Bracks government, are also covered in other clauses. The circulated amendments, especially the new clause, which deals with false and misleading information, show that the government is listening and able to recognise that even members opposite can improve legislation and have good ideas. That will help with the operation of the legislation in future years.

Clause 19 is worth while because it allows the grant to be used to offset all or part of the stamp duty associated with the purchase of the property. The bill goes on to allow for an administration agreement between the commissioner and the financial institutions to work out the detail of how financial institutions must comply with the implementation.

Another important aspect of the bill is the privacy provisions in clause 50. Information provided to gain a grant must remain private. A similar provision was included in the City Link bill. It is an important matter because people who apply for grants do not want other people to know their circumstances.

The scheme is directed to the needs of low-income people in that the grant cuts off once the value of the property gets beyond \$165 000, which means the grant is not worth while in countering the effect of the GST. I hope those people get lots of tax breaks! They earn lots

of money anyway, so maybe they have previously been looked after.

I commend the bill to the house. I hope the \$7000 grant will assist low-income Victorians to fulfil the great Australian dream of home ownership.

**Mr WYNNE** (Richmond) — I support the bill, and in doing so I acknowledge the contributions made by my colleagues, in particular the honourable member for Dandenong North, who in his usual comprehensive fashion has provided an excellent overview of the legislation.

Government members have raised serious concerns about the implementation of the goods and services tax (GST). It is a flat tax that creates a significant impost, in particular on people who are already battling to make ends meet. Over time the compensation package put in place by the federal government will be seen to be less than satisfactory, particularly for medium and low-income earners.

The electoral district of Richmond houses a significant number of low-income earners in its public housing estates. The reformist minister, the Minister for Housing, is here today. She is aware of the concerns of public housing tenants about the goods and services tax, not only in the seat of Richmond but generally.

The government is well aware that the GST will not impact on rents — an important consideration. Nonetheless it will impact on the cost of living, particularly on the basic necessities of life and food. In that respect the compensation package offered by the federal government will steadily erode the capacity of low-income earners to survive with the level of dignity the government believes is important.

The bill addresses to some extent the impact of the GST on housing. I have some insights into the effects of the GST on the building industry. My cousin is a builder, living in the electorate of the Attorney-General. His colleagues — builders, plumbers and other tradesmen — have never been in such demand. The building industry is flat out dealing with clients seeking to get work completed before the imposition of the GST on 1 July. It is having a significant impact on the building industry and may create serious concerns after 1 July when the existing demand may taper off. There is potential for a significant impact on the building industry.

The building industry is fundamental to the economic health of the state. A strong and vibrant building industry is driven by consumer demand and by federal government economic policy, particularly interest rates,

which have been at historic lows: over recent years it has been possible to lock in interest rates of 6 per cent for five years, so the affordability of home ownership has been significantly improved.

The impact of the bill will not be felt in an electorate such as Richmond. The average and median house prices in a seat like Richmond are significantly high. The median house price in Richmond is well above \$200 000 and the projections for 1997, 1998 and 1999 show it is rising to some \$240 000 or \$250 000. That is a significant amount of money, and the scheme will not benefit many people in that area.

As the honourable member for Dandenong North said, the scheme will be important in the growth corridors. I highlight the role played over many years by the former housing ministry as a major constructor of affordable public and community housing. I also highlight the commitment from the Minister for Housing of a further \$94.5 million during the government's present term for the construction of more affordable public housing. That funding is an important boost at a time when one must question the reaction of the post-1 July home-building market when the goods and services tax is implemented.

The former Urban Land Authority, now the semi-corporatised Urban Land Corporation, has played an important role during the terms of successive governments. It was a significant housing developer on the urban fringe and in the past seven or eight years has made significant forays into the inner city.

One of its most important but often misunderstood roles is its dampening effect on speculation and land prices. As a major player it sets the benchmarks on major estates. It is a market leader on the urban fringe, particularly in the south-eastern, northern and western suburbs of Melbourne. A publicly funded organisation that can intervene in the marketplace is important in order to try to contain the potential price speculation that inevitably occurs when the development community runs unchecked. The situation becomes market driven when a market leader such as the Urban Land Corporation intervenes. It sets the price that dictates the response of the private market.

Those two elements will potentially play an increased role over the next couple of years in the delivery of affordable public and community housing. I look forward to the work of the Minister for Housing in concert with organisations such as the Urban Land Corporation.

Honourable members are aware that the bill arises out of the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations under which the states and territories agreed to assist first home buyers through the funding and administration of a new, uniform first home owners grant to offset the impact of the GST on home purchases.

Each state and territory will implement separate but consistent legislation to give effect to the scheme. Eligibility for the grant has been jointly developed by all jurisdictions in line with the principles contained in the intergovernmental agreement.

In Victoria the scheme will be administered by the State Revenue Office, which also administers a means-tested stamp duty benefits exemption scheme for pensioners and low-income earners with dependants.

I recall my first venture into home ownership in the early 1980s when I received the benefits of a first home owner's scheme. There was no stamp duty exemption, but the scheme provided an important boost of some \$2500 or \$3000. For many people the modest amount of support provided under the current bill, together with the stamp duty exemption, will lift them over the edge to help them deal with many of the oncosts. First home owners often do not consider additional costs such as conveyancing fees when considering their budgets. To that extent, the bill is an important initiative that should be supported by all honourable members.

As the honourable member for Dandenong North said, the potential benefits will not be significant for people buying homes above the \$140 000 threshold, but will be valuable to many Victorians who are attempting to buy their first homes. Home ownership is the great Australian dream because it is believed to provide a sense of security that one can get only when one owns a property. The Bracks government's commitment to implementing this scheme is a welcome initiative.

To qualify for the grant an applicant must have title to and have a relevant interest in the land on which the dwelling is situated. There are a number of clauses in the bill to ensure there is no possibility of double dipping. If in the past an applicant has received a benefit under a government support scheme he or she will not be able to access the scheme. The provisions in the bill are entirely reasonable propositions.

The scheme also provides the opportunity for applicants to get the grant up front to assist in the acquisition of the property. That flexibility is important because providing applicants with up-front money gives them the security of being able to settle on a property with

assurances for the future. The bill will provide people with some meaningful compensation for the effects of the GST, which is opposed fundamentally on this side of the house.

I applaud the bill and wish it a speedy passage.

**Sitting suspended 6.26 p.m. until 8.03 p.m.**

**Mr NARDELLA** (Melton) — I support the First Home Owner Grant Bill, and I am pleased that the Liberal Party also supports it. The last time the house debated legislation dealing with the goods and services tax the Liberal Party said it would not oppose it. Now it has learnt to support the GST because it actually believes in it. Its belief in a GST is part of its philosophy. The bill is everything that the Liberal Party stands for: it will stand or fall on the GST at the next federal election.

The bill puts in place what the Liberal Party agreed to when in office in Victoria. The GST is a key policy of the Liberal Party and relates to what the Honourable Robert Menzies, former Prime Minister, saw as a key plank in his party's policy — that is, full home ownership for Australians.

The Liberal Party has foisted the bill upon the house. The evangelists and supporters of the GST on the opposite benches are the people who rest in the same bed as the Democrats. They have the federal Treasurer, Peter Costello, and the Prime Minister in their A team and they believe in a GST.

However, only one side of the partnership on the opposition benches has debated the issue. The Liberal Party believes in a GST, but the house has heard nothing from the National Party. Its members have not pledged their loyalty to Peter Costello and the Prime Minister, and have not made known their views on the bill. But they follow the lead of their senior partner, the Liberal Party, in supporting the bill. The house should be concerned about how the partnership between the National Party and the Liberal Party is fraying at the edges.

**Mr Lenders** interjected.

**Mr NARDELLA** — Yes, it will affect small business. The explanatory memorandum of the bill states:

The grant is designed to encourage and assist home ownership and to offset the effect of the goods and services tax (GST) on first home buyers.

Does it do that? I understand the bill is part of the remnants of the Kennett government's agreement to

have the GST introduced by the federal government. No, it does not offset the impact the GST will have on first home buyers. The bill will affect my constituents in Melton because the GST is all-encompassing. It will affect, for example, conveyancing costs, fees and council services that, at settlement date, are passed on to the buyers of properties.

The GST will be a job killer. It will destroy small businesses. I remind opposition members of a major problem that will surface as a result of the GST. Many small self-employed subcontractors will have to lodge activity reports every three months.

**Mr McIntosh** — So?

**Mr NARDELLA** — The honourable member says, ‘So?’.

**The ACTING SPEAKER (Mr Seitz)** — Order! The honourable member will ignore interjections.

**Mr NARDELLA** — Many small businesses wait months to be paid.

**Mr McIntosh** — Rubbish!

**Mr NARDELLA** — It is not rubbish, because I receive complaints in my office from self-employed subcontractors who have to wait sometimes months for their money to come from contractors. They will have to pay the GST before they receive contract payments; many will find it difficult to pay the tax.

I shall now comment on the effect of the GST on home buyers. My parliamentary intern, Jessie Belcher, came in a moment ago. We talked about the bill and the effect it will have not only on the new home market but on the consciousness of home buyers in Victoria. I explained my point in this way.

The median price of a new house is about \$245 000. Let us take as an example a new house in today’s market worth, in round figures, \$200 000. The GST on that house would be \$20 000. That amount would have to be found by someone buying a new house. Under the legislation a new home buyer will be able to get an offset of \$7000 on the cost of the house, so the house bought for \$200 000 suddenly costs \$213 000.

A new home buyer purchasing an existing house for \$200 000 will also get a \$7000 rebate, so that house will cost \$193 000 after the grant is taken into account.

**An honourable member** interjected.

**Mr NARDELLA** — I am pretty good, and I went to a public school all my school life, too. A new house and

an existing house each purchased for \$200 000 will each attract the \$7000 rebate, but the ultimate cost of the new house will be \$213 000. I cannot make it any easier for honourable members on the other side of the house to understand. Unfortunately they did not go to public schools, so it is harder for them to understand the figures.

That will skew the market. People will buy an established house instead of a new house. Instead of ultimately paying \$213 000 for a new house they can buy an existing house for \$193 000. Many people will lose their jobs. As a result of the GST for the next 12 to 18 months building activity, certainly within the estates in my electorate — in Caroline Springs, Burnside, Hillside, Delahey, Sydenham, Melton, Kurunjang and Darlingford — will plummet because people will have to find an extra 10 per cent for the GST.

It has been estimated the cost increase will be 6 per cent to 8 per cent once the wholesale sales tax is removed. Rubbish! Mark my words — new house prices will go up by the full 10 per cent. Even in the Otway Ranges they will go up by the full 10 per cent. A skewing of the market will result because people will buy existing houses instead of building new ones.

Let us consider the figures before the house. Currently wholesale sales tax is worth \$190 million. Magically that tax will disappear, but it will be replaced with the GST, worth \$1.9 billion — \$1.9 billion to replace \$190 million!

The average increase in the cost of a home will be around \$16 000. I put this to the house. It is difficult enough, especially as a first home buyer, to get together the deposit for a new house. People live at home with mum and dad. They scrimp and save to get together a deposit of at least 5 per cent, trying for 10 per cent or 15 per cent. The former Kennett government is forcing on my constituents in the seat of Melton an additional impost of an average of \$16 000 on top of the deposit. Those constituents not only have to save up for the deposit; they now have to save up the additional money to pay the GST on a new home.

It should be understood that many new homes are actually upgrades from existing homes. Sometimes people’s families have grown up and moved away. Sometimes families have outgrown an existing house and are moving into a larger one. Many of my constituents upgrade their homes, perhaps moving to Caroline Springs or Melton. Those people will think twice about building a house because they will have to find on average \$16 000 on top of their deposit and the other expenses that arise when buying a house.

I want to talk about some issues raised by opposition members. One honourable member put to the house that the GST will mean no more Premiers conferences and therefore no more bickering at the conferences as seen in the past few years. I make two predictions. Firstly, there will continue to be Premiers conferences; and, secondly, there will continue to be bickering regardless of the GST. The GST will certainly come home to roost for the opposition. The median price of a home in Victoria is \$245 000. Even based on a limit of 8 per cent for the GST, the wholesale sales tax having been removed, the GST will be about \$19 600. Based on the whole 10 per cent, the GST on \$240 000 will be \$24 000. People will have to find that extra money if they want to build a new home for themselves. People will certainly be disadvantaged.

I am concerned about the effect the GST will have on jobs, particularly in the building industry. The \$7000 grant will be welcomed by many constituents in my electorate, but government members are absolutely opposed to the GST. That is why the government is supporting the bill tonight.

**Ms GILLETT** (Werribee) — I am pleased to be able to contribute to debate on the First Home Owner Grant Bill. It is important that honourable members understand that the honourable member for Melton and I together represent 86 000 voters. The honourable member for Melton has 44 000 or so enrolled voters in his constituency, most of whom he knows, and I have 42 000 enrolled voters in my constituency.

It is important for the house to understand that the honourable member for Melton and the honourable member for Werribee — that is, myself — represent one of the most significant growth corridors of Victoria. Therefore the bill is absolutely fundamental to the constituents we represent. The honourable member for Melton and the honourable member for Werribee understand that first hand. We feel fright and horror every day as we anticipate the implementation of the GST in Werribee. Over 80 per cent of the male breadwinners who live in Werribee belong to the blue-collar tradesman category. The vast majority of them are employed in the building industry as tradesmen.

To find out that the goods and services tax — that absurd tax — is going to do more damage than it was ever going to do good, all you have to do is talk to the people you go shopping with every Saturday and listen to your constituents when they walk in the door. The federal government need only listen to the normal people who work, live and operate in places like Melton and Werribee from day to day to know that the

GST will have a dreadful effect. For a significant proportion of the families in Werribee, reliant as they are on tradesmen husbands and dads operating in the building industry, there will be a full 10 per cent increase in the cost of building a home.

Growth is going to slow down.

**Mr Mulder** — You caused it.

**Ms GILLETT** — How is life in the Otways? Perhaps the honourable member should go back — —

**The ACTING SPEAKER (Mr Seitz)** — Order! The honourable member for Werribee, without assistance.

**Ms GILLETT** — He should go back and take care of the Otways.

It is not too difficult to work out that once the work slows down and the income begins to dry up, because of the GST and for no other reason, families will be severely affected. At the same time the banks, ever avaricious and greedy for profit, will be doing what they have been doing for the past few months. Interest rates will rise.

The GST and interest rate rises together are a recipe for social chaos in seats like Werribee and Melton. People will have even further reduced expendable incomes. I would like the opportunity to take honourable members from the opposition side of the house to Werribee for one day so they could hear from Werribee people what they have noticed since December: grocery bills rising slowly but persistently. Anyone doing the normal, everyday things like buying groceries knows that prices are going up now and will go up even further under the GST. Those price rises, combined with the dreadful impact soon to be wrought on the building industry which the bill seeks in part to address, could have the most diabolical repercussions in the growth corridor of Melton and Werribee.

The creation of this bill and its passage through the house are special in an important way. Not only do the provisions in the bill highlight the hideous ramifications of the GST; the legislative process followed demonstrates the real difference between the Bracks Labor government and the former Kennett government. I served on the Scrutiny of Acts and Regulations Committee during the previous government and I am privileged to serve again on that committee, this time as chair. The SARC is pleased and proud to have observed something that never happened under the former Kennett government: a bill, while still before the Parliament, being scrutinised by the committee, and its

criticisms, observations and commentaries being responded to by the relevant minister, leading to the making of appropriate amendments relating to the rights and freedoms of people. That is a first, and it demonstrates a most important distinction between this government and the previous government.

Bills like the First Home Owner Grant Bill are understood by scrutiny of legislation committees throughout Australia to be national scheme legislation — that is, the bill is mirror legislation. We are fortunate that this Parliament is able to make amendments that do not substantially alter the legislation. The minister and the Premier are to be congratulated on demonstrating the real difference between the character of this government and that of the previous government.

The committee received with great pleasure the correspondence provided by the minister and looks forward to a continuing understanding of the role of scrutiny committees by this government, an understanding that could never have been expected from the former Kennett government and would not have been delivered even if it were expected.

After this debate the bill will go to the committee stage. There this fine government will seek approval for the amendments and will formally take the advice of the Scrutiny of Acts and Regulations Committee. I applaud the government for being able to observe that appropriate changes need to be made and for being able to make those changes through the committee process rather than by amending legislation. That is how it should happen.

**Mr BRUMBY** (Minister for Finance) — In summing up the debate on the First Home Owner Grant Bill I reiterate to the house that the legislation is part of an intergovernmental agreement between the commonwealth and all states that was signed off on behalf of Victoria by the former Kennett government.

One aspect of that agreement is that all the states will introduce first home owners grants bills. A worthwhile debate has taken place across the house this afternoon. The shadow Treasurer indicated her bipartisan support for the bill and thanked the government and me for giving her a full briefing and consulting with her on the amendments.

In relation to the amendments that I will formally move during the committee stage, it is worth noting that they arise essentially as a result of the recommendations of the Scrutiny of Acts and Regulations Committee, although there is one other minor correction. I thank the

Scrutiny of Acts and Regulations Committee. The committee members met on 9 March and wrote to me on 16 March. I received the letter on 17 or 18 March. The government was able to consider and incorporate two recommendations into the amendments before the house. It is a reflection of the Bracks government's openness, transparency and commitment to accountable government that, despite the tight time frame, it was able to examine the proposals on their merit and include two of them in the bill.

Before referring to a couple of issues raised by the honourable member for Brighton I wish to thank some of the other speakers on the bill, particularly the Parliamentary Secretary for Treasury and Finance, the honourable member for Dandenong North, who made a thoughtful, temperate and intelligent contribution to the debate. The contribution of the honourable member for Wantirna was essentially a defence of the goods and services tax. The honourable member for Burwood made another thoughtful and temperate contribution to the debate. The contribution of the honourable member for Bellarine was essentially just another defence of the GST — and he threw in real estate agents for good measure.

The honourable member for Footscray, parliamentary secretary to the Premier, made another thoughtful, well-researched and temperate contribution. The honourable member for Cranbourne also contributed to the debate; and the honourable member for Mitcham, the Parliamentary Secretary for State and Regional Development, also made a valuable contribution. The honourable member for Melton was in fine voice. I was lucky enough to hear the last 10 minutes of the excellent contribution of the honourable member for Werribee. I also thank the honourable members for Seymour and Richmond for their thoughtful and temperate contributions to the debate.

The shadow Treasurer raised a number of issues, including the circularity of taxation and the levying of stamp duty on the GST-inclusive price. As I said last week in my second-reading speech on the National Taxation Reform (Consequential Provisions) Bill, the government looked carefully at whether stamp duty should apply to GST-inclusive or GST-exclusive prices. The government estimates that if stamp duty is applied to the GST-exclusive price it will cost state revenue in excess of \$100 million per annum. The government, therefore, made a judgment that to properly protect the revenue of the state and to ensure revenue neutrality as much as possible, stamp duty should be levied on the GST-inclusive price.

The government is providing some leadership on the issue and believes that pattern will be followed by the other states. As I said in my second-reading speech, that means the impact will be different across the different tax bases. However, from the point of view of the government there is no way of negating that differential impact. The essential question for the government is whether stamp duty should be levied on the GST-exclusive or the GST-inclusive price.

**Mr Leigh** interjected.

**Mr BRUMBY** — The honourable member for Mordialloc interjects as if to support the imposition of stamp duty on the GST-exclusive price. That is not what I understand to be the opposition's policy on the issue or the position of the shadow Treasurer. However, if that is the position of the opposition I ask that it be spelt out, because the cost of that position on the GST-exclusive price to Victorian revenue would be in excess of \$100 million per annum — a figure that the shadow Treasurer readily acknowledges. If there is a difference of view between the opposition frontbenchers, the honourable member for Mordialloc and the shadow Treasurer, I suggest they sort it out, because if they do not have a clear policy on the issue they will be the laughing-stock of the business community.

I have tried to fairly interpret the position put by the shadow Treasurer, which I understand to be one of bipartisan support, including on the issue of stamp duty being raised on the GST-inclusive price. I simply reiterate that if it is the opposition's view that that should be on the GST-exclusive price, the cost to Victorian revenue would be in excess of \$100 million per year. Obviously that cost can be put in terms of teachers, nurses and budget surpluses. The responsible decision taken by the government is that stamp duty should be levied on the GST-inclusive price.

Having supported that position, the honourable member for Brighton raised the question of whether, if there is any windfall from that, the government will examine the general incidence of taxation on stamp duty taxation arrangements. Obviously the government's taxation arrangements are always under review and, having been a minister in the former government, the honourable member for Brighton would understand that those things are always examined in the context of budget deliberations. The figures I have and Treasury has show that the net impact from basing the levy on the GST-inclusive price will be revenue neutral to the government and, therefore, it is the responsible position for the government to take.

I also point out that under the intergovernmental agreement between the former Kennett government and the federal government the best part of eight years will pass before Victoria will actually break even under the GST arrangements. Despite the fact that the intergovernmental agreement has been signed, the level of revenue certainty and security to the Victorian government is not nearly as high or as certain as the government would like it to be. I shall give an example. Earlier this year the federal Parliamentary Secretary to the Minister for Finance and Administration, the Honourable Peter Slipper, let slip — I can only assume that he let it slip — when speaking during a debate in the House of Representatives that specific-purpose payments to the states were not guaranteed. He went on to say that health and education specific-purpose payments may well be cut in the future.

That directly contradicts what this government understands to be the spirit if not the letter of the agreement signed by the former government and the commonwealth. If the parliamentary secretary for finance, who effectively has ministerial status in the federal government because parliamentary secretaries are sworn into their positions, is representing the official policy of the federal government, that means the federal government is reserving the right to cut specific-purpose payments over the next eight years while Victoria loses money as a result of the GST arrangements.

Again I ask the shadow Treasurer whether that policy position is supported by the opposition, because it is a totally indefensible and untenable position. Governments have signed the intergovernmental agreement with the commonwealth on the basis of revenue certainty for the states and, as I said, it will be eight years before Victoria will gain revenue from the GST arrangements.

The honourable member for Brighton asked whether I will give some guarantee on stamp duty and possible windfalls. My response is that the first obligation of the state government is to properly protect the state's revenue and budget position. In light of the comments of the federal parliamentary secretary for finance, there is far less certainty about those payments than the government would want.

The first priority is to protect the revenue and budget positions of the states consistent with the intergovernmental agreement, known as the IGA. The Bracks government did not sign the IGA and it did not support the GST, but it is now the government of Victoria. It has inherited this contract signed up to by the former Kennett government and the federal

government, and it will do its best to honour the spirit and the letter of the contractual arrangements. Neither the Premier nor I am in a position to give any guarantees about certain revenue flows because there is still considerable uncertainty from the federal government's point of view, in particular about what I believe is a totally outrageous and unacceptable proposition from the parliamentary secretary for finance in the commonwealth Parliament that the federal government, having signed up to the IGA, might renege on it in the years ahead and consider cutting specific purpose payments to the states for core functions such as health and education.

Finally, I remind the shadow Treasurer that under the IGA the government is required to find \$100 million of embedded tax savings each year. That sum must be extracted from the price of government services and paid back to the federal government — in other words, that amount is not passed on to consumers. The price of government services will rise in most cases by 10 per cent because of the IGA signed up to by the former Kennett government, which requires Victoria to extract \$100 million of embedded tax savings.

**Ms Asher** interjected.

**Mr BRUMBY** — The shadow Treasurer says, 'That is our call'. I can only guess from that comment that she is assuming that the government will not claw back those savings, so that the budget position in Victoria blows out. That is what the shadow Treasurer is saying — the budget position will blow out, despite the fact she was part of the former government which signed up to the IGA that requires Victoria to extract \$100 million in embedded tax savings.

The debate on the bill has been good. I appreciate the spirit of the contributions made by honourable members, particularly on this side of the house. I appreciate the bipartisan support of the honourable member for Brighton, and I will move the circulated amendments in the committee stage.

**Motion agreed to.**

**Read second time.**

**Committed.**

*Committee*

**Clauses 1 to 12 agreed to.**

**Clause 13**

**Mr BRUMBY** (Minister for Finance) — I move:

1. Clause 13, page 11, line 8, omit "for the purchase of a home".

This amendment rectifies a technical error. It is of no substance, and I move it formally.

**Amendment agreed to; amended clause agreed to; clauses 14 to 39 agreed to.**

**Clause 40**

**Mr BRUMBY** (Minister for Finance) — I move:

2. Clause 40, lines 10 and 11, omit "a person nominated by that authority" and insert "an appropriately qualified officer or employee of that authority nominated by it".

As reported in its *Alert Digest* No. 3 of 2000 published on 14 March, the Scrutiny of Acts and Regulations Committee was concerned about three administrative provisions of the bill. The chair of the committee wrote to the Treasurer on 15 March, and I replied on his behalf on 20 March.

The first home owner scheme requires nationally uniform legislation under the intergovernmental agreement on the reform of commonwealth–state financial relations as agreed to by the commonwealth and all state and territory governments, including the former Kennett government. The core principles set out in the IGA form the basis of a national template bill drafted on behalf of all jurisdictions by the parliamentary counsel for South Australia. The three clauses in the Victorian bill of concern to the committee have their genesis in the national template but are non-core provisions that allow for the possibility of local variations.

As I indicated earlier, I have considered the committee's comments together with advice from the State Revenue Office following consultation by it with the Office of the Chief Parliamentary Counsel. In light of those views I propose the amendment to clause 40. Clause 40 authorises investigations in Victoria by counterpart authorities to the SRO which administer corresponding laws. The government accepts that only appropriately qualified officers or employees of those authorities should be nominated under the act as delegates of the Victorian commissioner in order to carry out investigations in Victoria for the purposes of the corresponding laws. Accordingly the reference to 'nominated persons' is appropriately qualified by the amendment.

**Ms ASHER** (Brighton) — The opposition supports the amendment. It arose from the Scrutiny of Acts and

Regulations Committee report on the bill. That bipartisan committee has a strong record of influencing governments, both this government in the embryonic stage and the previous government, with alterations to bills before the house.

The Scrutiny of Acts and Regulations Committee was concerned about inappropriately wide delegation powers and what it described as ‘insufficiently defined’ administrative powers. The opposition is more than happy to support a tightening up of the clause.

I note that the government has made clear in its drafting of the bill that authorised officers will be those officers in Victoria authorised under the Taxation Administration Act 1997. This is a commensurate tightening of powers for interstate officers, and the opposition supports the amendment.

**Amendment agreed to; amended clause agreed to; clauses 41 to 46 agreed to.**

#### Clause 47

**Mr BRUMBY** (Minister for Finance) — I move:

3. Clause 47, omit this clause.

The amendment has been circulated. It omits clause 47 and replaces it with a new clause 48, which is circulated in the amendment. Clause 47 creates offences for making false and misleading statements about applications for first home owner grants. The government now accepts, on the basis of the submissions made to it by the Scrutiny of Acts and Regulations Committee, that in Victoria only false and misleading statements made knowingly and not merely by neglect should attract a penalty.

Accordingly the amendment I propose will omit existing clause 47 and substitute a mirror of existing sections 57 and 58 of the Taxation Administration Act of 1997 dealing with false or misleading information given knowingly as well as with deliberate omissions from statements connected with the applications. Maximum penalties provided in the existing act will not be altered.

**Clause negated.**

**Clauses 48 to 55 agreed to.**

#### New clause

**Mr BRUMBY** (Minister for Finance) — I move:

4. Insert the following new clause before clause 48 —

*“AA. False and misleading information*

- (1) A person must not make a false or misleading statement in or in connection with an application for a first home owner grant.

Penalty: 60 penalty units.

- (2) A person is not guilty of an offence against sub-section (1) if the court hearing the charge is satisfied that the person did not know that the statement was false or misleading.

- (3) A person must not omit from a statement made in or in connection with an application for a first home owner grant any matter or thing without which the statement is, to the person’s knowledge, false or misleading in a material particular.

Penalty: 60 penalty units.”.

I have outlined the reasons for deleting clause 47 and before clause 48 inserting a new clause dealing with false and misleading information. I have described it to the committee and indicated it was the result of a submission from the SARC. The proposal is consistent with sections 57 and 58 of the Taxation Administration Act 1997 dealing with false or misleading information, and I commend the new clause to the house.

**Ms ASHER** (Brighton) — The opposition is pleased to support the amendment put forward by the Scrutiny of Acts and Regulations Committee. I note the concerns of the committee — for example, where there has been an inducement or where the action of a professional person or someone involved in a transaction has led an innocent person to make a false or misleading statement. The strong view of the SARC was that that person should not be penalised for something done in innocence. The counterpart view was also strongly held: that anything deliberately omitted or withheld deserved some legal attention.

On behalf of the opposition I am pleased to support the amendment. I referred to the fact that both the Minister for Finance and I served on the SARC in the early 1990s, and it is a positive step that these amendments are taken up.

However, I seek further clarification from the Minister for Finance on one issue. I flagged this in my contribution to the second-reading debate. It is a technical legal matter but I seek an assurance from the minister. The minister indicated the provisions put forward mirror sections 57 and 58 of the Taxation Administration Act 1997. They certainly reflect the intent of those two sections. However, I ask the Minister for Finance to clarify why in subclauses (1) and (2) of amendment 4 standing in his name certain terminology that is used in the Taxation Administration Act has been omitted.

The amendment states that a person must not make a false or misleading statement or give information to a tax officer that is false or misleading. However, section 57(1) of the Taxation Administration Act states that:

A person must not —

- (a) make a statement, orally or in writing, to a tax officer; or
- (b) give information, orally or in writing, to a tax officer —

that is false or misleading in a material particular.

The principal act adds the words ‘in a material particular’.

I was happy to flag it in the second-reading debate. It is a legal technicality but I am curious about why the words ‘in a material particular’ are omitted from subclauses (1) and (2) of the amendment but retained in subclause (3). I ask the Minister for Finance why the government has mirrored — to use his terminology — the expression in subclause (3) but not in subclauses (1) and (2).

**Mr MILDENHALL** (Footscray) — Had the honourable member for Brighton been present during my contribution she would know that I went into the subject of her question in some detail. The material is not in front of me but I am advised that the expression ‘in a material particular’ is tantamount to saying ‘in a manner of substance’ or ‘with reasonable substance’. It is a direct lift from the Taxation Administration Act and has been placed in the bill as a result of processing and concerns expressed.

Subclause (2) refers to a false and misleading statement. I am advised that no significant difference exists in the interpretation of subclauses (2) and (3). As I said, subclause (3) was lifted directly from the taxation legislation whereas subclause (2) was prepared by the parliamentary draftsman who went straight to the point. The main point was whether the person did or did not know the statement was false or misleading.

The advice provided to the drafting officers is that it is not an issue of substance or concern and will not affect the two subclauses; nor will it present any significant difficulties in reading the legislation.

**Ms ASHER** (Brighton) — I have already said that the opposition supports the amendment and that the issue is not of enormous substance. However, the explanation given to me is so convoluted that I am forced to my feet. I referred to the issue in the second-reading debate, and with all due respect to the honourable member for Footscray I seek an explanation

from the minister. In his summing up, the Minister for Finance said that the situation of parliamentary secretaries in the Victorian Parliament is not one as august as exists in the federal Parliament. I seek an assurance from him on this small issue. I raised it because of inconsistency in the government’s drafting of the amendment.

The parliamentary secretary seems not to have understood the fundamental issue, which is that the Minister for Finance said that the provisions mirrored sections 57 and 58 of the Taxation Administration Act. Although those sections were mirrored in subclause (3) by the use of the expression ‘in a material particular’, they are not mirrored in subclauses (1) and (2).

I should have been happy to leave the issue had there been consistency between the three subclauses. However, in one instance the precise terminology ‘in a material particular’ has been maintained but in two instances it was deleted. For the Parliament, people interested in the issue and members of the Scrutiny of Acts and Regulations Committee, who the minister advised in writing that the amendment would mirror the Taxation Administration Act — and bearing in mind the opposition supports the amendment in principle — I seek an explanation from the Minister for Finance why the expression ‘in a material particular’ was retained in subclause (3) but not in subclauses (1) and (2).

**Mr BRUMBY** (Minister for Finance) — I thought the honourable member for Footscray gave a succinct analysis for the benefit of the shadow Treasurer. One needs to consider the fundamental intent of the amendment. The issue is whether an error in a claim is made knowingly or unknowingly. The amendment moved in my name, and which is supported by the opposition, corrects that anomaly and makes it clear that the error must be made knowingly. If one analyses the new clause that is proposed to be inserted before clause 48 one sees it has two sections.

Subclause (1) states, in part:

A person must not make a false or misleading statement ...

If a person does so he or she will be guilty of an offence. Proposed subclause (2) explains that if the person did not know that the statement was false or misleading there is no offence.

Subclause (3) deals with matters that are omitted from the application. It states, in part:

A person must not omit from a statement ...

That subclause deals with omission, whereas the previous two subclauses deal with inclusion. In relation

to omission, which is a separate issue, if a person knowingly omits material from the application and it is a material omission — I thank the shadow Treasurer for raising this issue — that person is guilty of an offence for which a penalty of 60 penalty units is provided. I should have thought that would adequately clarify the matter for the shadow Treasurer and other opposition members, but if it will assist them I will seek further advice and advise the shadow Treasurer as to the difference between subclauses (1) and (2) and subclause (3) in respect of the expression ‘in a material particular’. I note that the shadow Treasurer says that that proposal will suffice.

I will provide that information. However, I believe the explanations already provided tonight by me and the honourable member for Footscray were succinct, to the point and fully clarified the matter.

**New clause agreed to.**

**Reported to house with amendments.**

*Remaining stages*

**Passed remaining stages.**

## PERSONAL EXPLANATION

**Mr MACLELLAN** (Pakenham) — I desire to make a personal explanation, and regret having to trouble the house with it.

During question time today, in answer to a question regarding freedom of information (FOI), the Attorney-General seemed to imply or suggest that I had been attempting or had succeeded, I am not sure which, in taking FOI material and donating it or making it available to the Melbourne University archive. I have not donated any material to the Melbourne University archive since 1984.

Naturally, with a busy parliamentary life, I still have a considerable number of working files relating to my parliamentary activities. The correspondence that was sent from my ministerial office was sent to those to whom it was addressed — namely, members of Parliament and members of the public. Copies of that correspondence were filed in the department on departmental files and are available under FOI, as they should be.

I arranged to have additional copies of all correspondence that I signed, which practice I recommend to any minister, so that I would have a working copy for myself. The question now seems to

arise as to whether that extra copy is a public document or not. It will be an interesting question for this Parliament to determine. The uniqueness of the documents lies only in the fact that they are filed carefully by me or by my staff so as to have a date record of all outward correspondence.

Last Friday I received a call from the Secretary to the Department of Premier and Cabinet. He indicated to me that what I proposed to do would be all right — in other words, he saw no impediment to what I was proposing to do.

Apparently the matter was raised with him by the director of the Public Record Office Victoria (PROV). At any rate, the call by the Secretary to the Department of Premier and Cabinet was made to my electorate office. I was alerted to his interest in speaking to me and I rang him from my home on Friday afternoon.

I probably would be suspect had I shredded the material, and I probably would be commended if I recycled the material through putting it in a recycle bin. I am concerned about the information that we as parliamentarians might make available for scholars rather than silverfish. It seems that a claim that a copy of a copy — I do not know how ad finitum that goes — is too large a claim for the PROV director to make. I do not know whether he says the original letter that somebody receives from any one of us is a public document and therefore liable to be returned to the public records. I do not know how many copies have to be regarded as public copies in the public record. I certainly believe that a full set of copies should be filed in the department and be available under FOI; and they are so available.

The sorts of documents I refer to are the yellows; I have some with me in the house. These are 74 copies of letters written to mayors congratulating them on being appointed mayors of their municipalities. Is that the sort of document the Attorney-General had in mind in his answer today? If scholars happen to be interested in that sort of thing I should find it remarkable; perhaps they will be interested and perhaps they will not, but there seems little harm in such material being available to scholars. There seems to be great harm if it is simply recycled or shredded because that becomes the rule or the practice.

I repeat that the only uniqueness about the documents that I hold as my working documents, and there are many of them, seems to be the care and attention that has been devoted to the way in which they are recorded in daily signing and signature. That seems to be their only special characteristic. I regret having to interrupt

business and to trouble the house, but I simply say I have not disposed of any government records nor any of my records since, I believe, 1984 — and then in respect of documents predated 1982.

I have a substantial collection of documents. From time to time their storage becomes a problem and I did speak to a Melbourne University archivist to see if the university would like more. Since then, apart from the one telephone call from the PROV and another later telephone call from the Secretary to the Department of Premier and Cabinet, the matter remained, it seemed, in negotiation until the Attorney-General's use of parliamentary procedure to make the implications he made during question time. I am sure other government members did not know what he intended to do and I regret that he did what he did, seemingly misapprehending the situation.

## FINANCIAL MANAGEMENT (FINANCIAL RESPONSIBILITY) BILL

### *Second reading*

**Debate resumed from 2 March; motion of Mr BRACKS (Treasurer).**

**Ms ASHER (Brighton)** — The Financial Management (Financial Responsibility) Bill is interesting and was introduced by an even more interesting second-reading speech. The opposition does not oppose the bill, but I regard it as one of the great ironies of modern political times in Victoria that I should be standing here in Parliament speaking on a bill about financial responsibilities and financial management after it was introduced by the Treasurer — that is, the former adviser to premiers John Cain and Joan Kirner.

I shall go to the details of the bill. It amends a number of sections of and inserts proposed new part 5 into the Financial Management Act. At present part 5 of that act requires an annual financial statement for the year ended to be tabled on the first sitting day after 20 October. In its substitution of part 5 of the act the bill requires the government to produce a number of documents additional to those now required to be tabled under the existing legislative arrangements.

The bill requires the government to produce two financial and policy objectives and strategy statements in each financial year. The first is to be tabled with the budget and the second is to be tabled with the budget update. The bill also provides for the statements to outline the government's long-term financial objectives for the relevant year and for the following three years.

The requirement will also be on the government to explain how the government's priorities relate to sound financial management. The bill requires the government to draw attention to any temporary financial policy or actions and requires it to restate reasons for any temporary fiscal actions. The bill also requires the government to produce an estimated financial statement in conjunction with the budget. The statement is to be in accordance with accepted accounting principles.

The bill further amends the Financial Management Act to require the government to table a number of additional documents that were previously not required to be tabled in the house but which, by practice and convention, were previously compiled in most instances.

**Mr Lenders** — And not tabled.

**Ms ASHER** — I just said that. They were: an audited financial report for the financial year to be tabled in October; a mid-year report for the period ended 31 December to be tabled in March; quarterly reports dated 31 March and 30 September to be tabled in May and November; and a budget update to be tabled in January of the relevant financial year, along with the relevant policy objectives and strategy statement.

The precise dates of tabling are outlined in proposed new section 27D. I note with interest that the government is prepared to have a whole series of additional documents that were previously compiled but not tabled now tabled in Parliament according to the strict tabling deadlines outlined in the bill.

I also note with interest that in the six months since it came to office the government has been required under the Financial Management Act to table only one document, but it failed to do so by the required date. The opposition will monitor the situation. In October 1999 I referred to the fact that the only requirement of the Financial Management Act for the brand-new government was to table one document, but it could not even do that on time.

I note the height of the high jump bar — that is, the quarterly report — and the requirement for documents to be tabled in this and the other place. The opposition will hold the government to account. If the government could not table even the one required document in six months, how will it meet the deadline to table the documents proposed to be tabled, according to the bill, in the interests of public information?

I now turn to the issue of tabling. The bill provides for the first time for documents to be tabled out of session. It provides for documents to be given to the Clerks of both houses to be distributed to members. I am not churlish. I am prepared to indicate to the government that it is a positive step forward for documents to be made available that previously would have had to wait to be tabled in the Parliament.

I note also that under the bill the documents are to be given to the Clerks, but there is no discipline on the Clerks to distribute the documents, with due respect to the efficiency of the Clerks. However, I note the track record of the Clerks in distributing documents such as the BLF Custodian documents required to be distributed. I note the alacrity with which they are distributed to members; nevertheless I wish to draw to the attention of the committee that, while the government is embarking on a new regime of tabling documents out of session, there is no provision for the immediate transfer of documents to members. To take an excessive case, the documents need not be distributed for a year. There is no provision for the documents to actually reach members.

I draw the attention of members in particular to the budget update for a financial year and the financial policy objectives and strategies statement required to be tabled by 15 January. The Parliament is notoriously quiet during the Christmas period, and there needs to be some attempt to look at tabling in that regard. I commend the government on its new policy on tabling reports out of session and for taking note of the report of the Public Accounts and Estimates Committee, *Annual Reporting in the Victorian Public Sector*.

**Mr Hulls** — Damn good committee.

**Ms ASHER** — Damn good committee. Is that parliamentary language? The Attorney-General is leading me astray. It is a very good committee. I note the committee's report. I note at the time — —

**Mr Hulls** — Who was on that committee?

**Ms ASHER** — I will tell you that in a moment. The Attorney-General will note that at page 64 of its report the committee recommended that:

The Financial Management Act 1994 be amended to provide that when the Parliament is not sitting and an annual report is due for tabling, the minister can forward copies to the Clerks of the two houses of Parliament for tabling on the next sitting day.

The committee then recommended that:

Once acknowledgment of the receipt of the report has been made, the report should then be made public.

It is that recommendation that the government has implemented in the bill — I reiterate my earlier comment that I commend the government on that. I note that at the time the chairman of the Public Accounts and Estimates Committee was the Honourable Bill Forwood in another place, now the Deputy Leader of the Opposition in the Legislative Council. The inquiry on the annual reporting issue was chaired by the Honourable Neil Lucas, now chairman of the Economic Development Committee in the other place. I commend the government for taking up the ideas — —

**Mr Hulls** interjected.

**Ms ASHER** — The Attorney-General is asking me who else was on the committee. I know he wants me to say that the current Premier was on that committee. Is that what the honourable member was prompting me to say?

**The ACTING SPEAKER (Ms Davies)** — Order! I ask the Deputy Leader of the Opposition to address her remarks through the Chair.

**Mr Mulder** interjected.

**The ACTING SPEAKER (Ms Davies)** — Order! I ask the honourable member for Polwarth to mind his manners. He is disorderly, speaking out of his place and speaking out of turn.

**Ms ASHER** — As I said, I commend the government for implementing the recommendation of the Public Accounts and Estimates Committee, chaired at the time by the Honourable Bill Forwood. The subcommittee was chaired by the Honourable Neil Lucas. The steps embodied in the bill are good steps towards better reporting, parliamentary accountability and better access to information for members, which is after all one of the hallmarks of the government. I quote from the introduction of the then chairman, the Honourable Bill Forwood, who states at page xiii:

The committee strongly endorses the view that no agency — large or small, commercial or budget dependent — should be exempt from meeting appropriate requirements set out in the directions of the Minister for Finance relating to annual reporting.

I do not wish to be churlish. The government has taken an excellent step forward in implementing the recommendations of the coalition-chaired Public Accounts and Estimates Committee.

On the issue of the timing of the tabling of reports, I have written to the Speaker and the President suggesting that, rather than amending the legislation and imposing a discipline on the Clerks to embark on mail-outs and to have papers available in the papers office or a legislative requirement to email, they look at the possibility of sending an email on the day the reports are received by the Clerks, given that the Parliament has the new Parlynet system.

I am particularly grateful for the speedy response, jointly signed by the Speaker and the President and addressed to me, dated 21 March 2000. I wish to inform the house of the views of the Speaker and the President by way of that letter addressed to me.

**Mr Hulls** — Table it.

**Ms ASHER** — I am more than happy to table it. The Speaker and the President stated the following in the letter:

The practice to date has been for agencies to supply the Clerks with a hard copy of a document, under cover of a signed letter, to enable the document to be tabled in Parliament. This arrangement must continue.

I have no dispute with hard copies being tabled. That is clearly envisaged in the report of the Public Accounts and Estimates Committee. The letter from the Speaker and the President continues:

However, should DTF be prepared to simultaneously issue to the Clerks an electronic copy, duly certified by a designated officer of DTF as a true and accurate copy of the document, we would then be prepared to examine the feasibility of emailing the document to all members.

I call on the Attorney-General, who is at the table, to indicate whether he would be prepared for the Department of Treasury and Finance, in facilitating the quick communication of information to members through the system, to duly certify a copy so members, instead of receiving copies in the mail, could receive copies immediately.

I thank the President and the Speaker not only for their speedy response but also for indicating that they will seek discussions with the Department of Treasury and Finance regarding receiving electronic copies of the documents. The opposition is conscious of the fact that this is a brand-new system. It is keen to make it work. The opposition commends the President and the Speaker on their attention to that detail.

*Honourable members interjecting.*

**The ACTING SPEAKER (Ms Davies)** — Order! I ask members on the opposition benches to lower their voices a little. I am having trouble hearing the speaker.

**Ms ASHER** — I can talk more loudly at any time.

The bill does something extraordinary. It defines for the Labor government principles of sound financial management. Under a Labor government, headed by a former adviser to Cain and Kirner, the principles of sound financial management are defined in a bill!

Can honourable members imagine the conversation? The Premier calls in his chief of staff, Tim Pallas, and says, 'Tim, I've promised the electorate to be really responsible in my financial management. What do I do?'. Tim says, 'I don't know. None of us in the Labor Party knows'. So Premier Bracks then calls in Bill Scales, the head of the Department of Premier and Cabinet, and says to his most trusted adviser, 'I have promised the people I will be financially responsible but I don't know what it is. Can you please define it for me?'. The Premier says to Bill Scales, 'Please define the principles of sound financial management for me so I can put it in my bill because I have promised I will do it'.

The end result is that Bill Scales came up with a number of principles of sound financial management — I think he just wanted to keep this Labor government in check! I refer honourable members to page 5, article 23D, which sets out Labor's principles of sound financial management:

The principles of sound financial management are that the government must manage financial risks faced by the state prudently, pursue spending and taxing policies that are consistent with a reasonable degree of stability and predictability in the level of the tax burden, maintain the integrity of the Victorian tax system, ensure that its policy decisions have regard to their financial effects on future generations, and provide full, accurate and timely disclosure of financial information related to the activities of the government and its agencies ...

The bill then explains that the financial risks referred to in the earlier section are risks that arise from the level of the state's general government sector debt. There is no comment about reduction, simply a reference to the level of debt.

The list of principles goes on:

... commercial risks arising from the ownership of public non-financial corporations, risks arising from changes in the structure of the Victorian tax base and risks arising from the management of assets and liabilities of the state.

That is Labor's definition of sound financial management!

**Mr Mildenhall** interjected.

**Ms ASHER** — I am glad the honourable member for Footscray says it is the same as for the federal government. I was just about to get onto that point. Opposition members have no qualms about the definitions. It is, however, extraordinary to see that a Labor government is grappling with the issue of financial responsibility. Even more interesting, as the honourable member for Footscray has pointed out, is the point that the definitions are not new; and more significant again is the matter of what is missing from the list of definitions when the bill is compared with other legislation.

The second-reading speech is an extraordinary statement, and I intend to comment on it from time to time. The government makes the extraordinary claim at page 2 of the speech that the bill is the first legislation of its type in Australia and contains world-first provisions. On the other hand, the honourable member for Footscray has pointed out that it is based on commonwealth legislation — that is, that the legislation is not a first at all. The bill is based on commonwealth legislation announced by John Howard and on earlier New Zealand legislation.

As I said, the opposition has no qualms about the definition of financial management. Indeed, honourable members on this side of politics welcome Labor's attempts to be financially responsible. If Labor had been financially responsible in former times the Kennett government would not have inherited the problems it encountered in 1992. The opposition welcomes Labor's embracing of financial responsibility. I cannot, however, credit the statement in the second-reading speech that the bill is world-first legislation and an Australian first, because it is not; it is modelled on commonwealth and New Zealand legislation.

**Mr Hulls** interjected.

**Ms ASHER** — For the minister's edification I refer him to the report by the National Commission of Audit of June 1996 and, in particular, to the speech made in June 1995 by the then Leader of the Opposition, John Howard, committing the coalition to a charter of budget honesty. That charter addressed the issues of reporting and fiscal policy objectives.

Despite the Labor government's claim that the bill is earth-shattering and a world-first, the bill is clearly based on the June 1995 findings of the National Commission of Audit.

The membership of the National Commission of Audit included Bob Officer, deputy director and AMP Chair of Finance at the Melbourne Business School; Elizabeth Alexander, a partner at what was then called Price Waterhouse; John Fraser, executive chairman and CEO of SBC Brinson Ltd; Maurice Newman, chairman of Bain and Company Ltd; and Geoff Carmody, executive officer of the committee and formerly director of Access Economics, a firm for which the Labor Party has a great deal of respect.

The National Commission of Audit made a number of recommendations — I refer the house to chapter 11 of the report — including:

Legislation should be introduced to require the government of the day to set and to report against a clear fiscal strategy, which would include setting targets and benchmarks.

The proposed legislation should make clear that governments are responsible for setting fiscal strategy, including appropriate targets and benchmarks ...

The report of that fundamental committee, the genesis of this legislation, further recommends that:

The legislation should require comprehensive reports on the economic and fiscal outlook prepared by Treasury and the Department of Finance to be published at budget time, at the time of the mid-year review and immediately prior to elections. The nature of this responsibility should be specified in the employment contracts of the relevant secretaries.

The proposed fiscal reporting legislation should require discretionary policies that are intended to smooth the economic cycle to be identified as such and to be accompanied by a statement explaining the process for their reversal.

The final recommendation — as you will be pleased to hear, Madam Acting Speaker — is that:

The legislation should require reporting against generic fiscal indicators and also that tax expenditures be treated as much as possible like program expenditures.

All those recommendations were presented by the National Commission of Audit when it reported to the commonwealth government in June 1996. Indeed, as a fundamental rationale for having a fiscal reporting act, the National Commission of Audit made the following comments:

The commission proposes that any such legislation incorporate comprehensive fiscal reporting standards along the lines of those spelt out in the New Zealand Fiscal Responsibility Act 1994, but be modified to suit Australian conditions.

And this is the clincher for honourable members opposite:

Such a reform would also go a long way towards restoring public confidence in commonwealth government budgetary practices.

That is a direct comment on the practices of the Keating and Hawke Labor governments. One of the principal promises of John Howard's election campaign was that a charter of budget honesty would be introduced. The commonwealth government has done that.

The Victorian bill is based on the Fiscal Responsibility Act of New Zealand. In the second-reading speech the government claimed the bill is a world first, but it is not. That claim by the government is absolutely false; the bill is based on the commonwealth legislation and the Fiscal Responsibility Act of New Zealand.

Given that the bill is based so firmly on the commonwealth Charter of Budget Honesty Act and the Fiscal Responsibility Act of New Zealand, it is interesting to note the provisions of those acts that are missing from the bill. One would expect that the Premier and Treasurer would have gone through the two pieces of legislation on which the bill is based and retained the provisions he believes are useful and discarded those provisions he did not wish to include.

Two particularly interesting aspects of Labor's rhetoric during the election campaign are missing from the bill. The first is the commitment to debt reduction, and the second is the commitment to maintaining a surplus. I will deal firstly with the issue of debt reduction by referring to the commonwealth Charter of Budget Honesty Act. The bill before the house is almost a direct take of the commonwealth act introduced by John Howard.

**An Opposition Member** — No fresh ideas.

**Ms ASHER** — There is one fresh idea — they have dumped something.

Most of the things the commonwealth act requires the federal government to do are also enshrined in the bill. However, the federal government's commitment to manage debt at a prudent level is missing from the bill. A form of plagiarism has occurred — there has been a direct take of the principles of sound fiscal management contained in the commonwealth legislation. However, I note that the Victorian government has made a deliberate decision to drop section 5(1)(a) in part III of the commonwealth act, which refers to maintaining general government debt at prudent levels. That is a significant omission.

All the other provisions are included in the bill, but although the bill is almost a direct take of the

commonwealth act the provision that deals with the commitment to maintain general government debt at prudent levels is omitted. The government has no interest in maintaining debt at a prudent level. If one looks at the bill — I advise the Attorney-General to do that — one sees there is a —

**Mr Hulls** interjected.

**The ACTING SPEAKER (Ms Davies)** — Order! The Attorney-General will have an opportunity to speak later.

**Ms ASHER** — The Attorney-General cannot help himself.

In proposed new section 23D(2) financial risks are defined as those risks arising from the level of the state's general government sector debt, but there is no commitment to maintaining debt at a prudent level, which is clearly enshrined in the commonwealth legislation. Given that the honourable member for Footscray, who is the parliamentary secretary to the Premier, made the comment that the government's bill is based on the commonwealth bill, I ask him why the commitment to prudent debt management has been omitted from the Victorian government's bill.

**An honourable member** interjected.

**Ms ASHER** — The honourable member for Hawthorn has come up with the answer — the omission is a world first.

I will now turn to the Fiscal Responsibility Act of New Zealand on which this bill is based. There is an extraordinary omission from the New Zealand act in the bill before the house. In part 4 of its act, under the general heading 'Principles of responsible fiscal management', which is similar to the heading in this bill, the New Zealand government has enshrined a commitment to a surplus. Despite the Victorian government giving election commitment after election commitment to maintaining a surplus, that provision is omitted from the bill.

Another example of an omission from the bill is section 4 of the Fiscal Responsibility Act of New Zealand, which states:

The principles of responsible fiscal management are:

- (a) Reducing total Crown debt to prudent levels so as to provide a buffer against factors that may impact adversely on the level of total Crown debt in the future, by ensuring that, until such levels have been achieved, the total operating expenses of the Crown in each financial year are less than its total operating revenues in the same financial year ...

The New Zealand act also states:

Once prudent levels of ... debt have been achieved, maintaining these levels by ensuring that, on average, over a reasonable period of time, the total operating expenses of the Crown do not exceed its total operating revenues ...

I have heard so much from the Labor Party about what a responsible manager it is. Prior to the last election it put out a policy regarding responsible fiscal management. The government has drawn on the commonwealth Charter of Budget Honesty Act, introduced by Prime Minister John Howard, and the New Zealand Fiscal Responsibility Act.

There are two gaping holes in the government's fiscal management and there are also two gaping holes in the Fiscal Management (Financial Responsibility) Bill. The first is that there is absolutely no commitment to prudent debt levels; the second — a major breach of faith with the Victorian constituency — is that there is no commitment in the bill to maintaining a surplus even though the bill is based on those two pieces of legislation to which I referred.

I turn now to the pre-election budget. The bill requires the Secretary to the Department of Treasury and Finance to issue a pre-election budget update within 10 days of the issue of writs for an election. That is a positive step forward, based as it is on the commonwealth Charter of Budget Honesty Act. I seek an assurance from the Attorney-General on this very important issue that caretaker conventions will be adhered to so that money will not be expended before the pre-election budget is brought down.

I also wish to refer to the commonwealth Charter of Budget Honesty Act, because the explanatory notes to this bill indicate that the pre-election budget is based on that act. If one compares the commonwealth Charter of Budget Honesty Act with this bill one notes that the provisions are vastly different. The bill is not based on the Charter of Budget Honesty Act at all.

I draw the attention of the house to clause 25 of schedule 1 of the commonwealth Charter of Budget Honesty Act. The Victorian bill places an obligation on the Secretary to the Department of Treasury and Finance simply to provide a statement, whereas the commonwealth legislation provides that the pre-election economic and fiscal outlook contains signed statements. The commonwealth act requires ministers to sign statements indicating whether they have any information of which the secretaries may not be aware. Similarly the secretaries to the Treasury and finance departments are required to sign off on the pre-election budgets.

It is an absolute joke for the Labor Party to claim that the provision in the Victorian bill is based on the commonwealth legislation. As I said, the bill simply requires the minister to produce a statement whereas the commonwealth legislation requires the statements to be signed off by the ministers confirming that they have conveyed the relevant information to both secretaries. The commonwealth Charter of Budget Honesty Act, as initiated by John Howard, is much further ahead than this bill.

I turn now to the amendments to the Audit Act. I make particular reference to it because members of the opposition have heard a lot about the role of the Auditor-General in the budget. 'And rightly so!', interjects the honourable member for Mitcham.

I now turn to the amendments the Labor government is introducing in the bill.

*Honourable members interjecting.*

**Ms ASHER** — I hear from the other side that this is a world first. The bill is not a world first, it is a crib on the New Zealand and commonwealth legislation, but you have left out the most important bits. The government has included the soft bits and left out the important bits. The government has left out a commitment to reduce debt and it has left out a commitment to a surplus. The government has lifted a few lines of the soft stuff and left out the really tough stuff. There is only one reason for leaving out the tough stuff, and that is that the Labor Party has a long and solid tradition of financial irresponsibility.

I turn to the amendments to the Audit Act. Under the legislation the Auditor-General is required to review each set of estimated financial statements. It is important to be very specific about the role the government has chosen for the Auditor-General. The Auditor-General is further required under law to say whether the statements have been prepared on a basis consistent with accounting policies and targets specified in the current financial policy objectives and strategies. He — the position is currently occupied by a man — is required to say whether the statements are properly prepared on the basis of the assumptions. He is required to sign off on the methodologies used to determine the assumptions and whether they are reasonable.

The Auditor-General has powers to require documents to be placed before him, and proposed section 16B(5) states:

Nothing in this section entitles the Auditor-General to question the merits of policy objectives of the Government.

Nor do I believe the Auditor-General should question the merits of policy objectives of government. As I have read out to the house, the role of the Auditor-General is particularly limited. The Auditor-General wrote to me on 6 March explaining that he has been consulted during the drafting of the bill and believes he will be in a position to fulfil these new responsibilities.

I again make the point that the role of the Auditor-General is limited. It is a completely different role from that promised by the ALP during the election campaign. The no. 1 financial commitment of the Labor Party in its financial responsibility policy is:

Labor will:

guarantee a substantial budget surplus every year, overseen by an independent Auditor-General ...

The bill does not mention a surplus and it is not to be overseen by the Auditor-General. He is expressly prohibited from looking at an issue like a surplus. The role carved out for the Auditor-General is very limited.

I further refer to an embellishment of this fundamental breach of Labor's no. 1 financial promise to the Victorian community. I refer to the statements under the misnomer of financial responsibility policy and note at page 4 a budget surplus guarantee. How many times did we hear the Premier talk about a budget surplus guarantee during the election campaign? I will quote Labor's election promises, but I also note that all these promises have been wiped off the web because the government does not want them quoted. However, I have a copy of the promises which I will quote:

Labor's commitment to a budget surplus is a firm guarantee to all Victorians. It will be secured by giving to an independent Auditor-General strong new powers of scrutiny over the budget outcomes and adherence to Labor's financial management commitments.

In particular, the Auditor-General will be empowered to:

report to Parliament on state budget day as to whether Labor has met its commitment to maintain an operating surplus ...

What nonsense!

**Mr Hulls interjected.**

**Ms ASHER** — You read the bill. You are the Attorney-General and you should understand it. There is no commitment to a surplus in the bill. The no. 1 financial promise of the government was that the Auditor-General would sign off on the surplus on budget day, and that is not in the bill. The government

has breached its most fundamental election promise to the Victorian people.

I received this card in my letterbox outlining Labor's pledges for Victoria with a very nice picture of the Premier. The card states:

Keep this card to see that we keep our pledges.

**An honourable member interjected.**

**Ms ASHER** — Yes, I kept the card. It was very effective in the electorate of Malvern. It refers to the 'first pledge'. Isn't that reminiscent of the Cain era? It states:

The first pledge is to provide a budget surplus every year overseen by an independent Auditor-General.

That is the no. 1 pledge — it is too important to be a promise. There are only six pledges, which were distributed to thousands of Victorian households, and the government has already breached its no. 1 pledge. It has breached its no. 1 financial responsibility promise to the people of Victoria. It is a disgrace, and government members should hang their heads in shame.

I refer to an article in the *Business Review Weekly* of 4 February. Wayne Cameron, the new Auditor-General, was interviewed about the issue of overseeing the surplus. Mr Cameron is reported as saying:

... we can't say whether the budget can be achieved, and we won't take responsibility for assumptions like interest rates and oil prices.

The Auditor-General has acknowledged that the powers in the bill are limited. The government and the Premier know they have breached their fundamental election promise on financial responsibility to the Victorian people.

**Mr Mildenhall interjected.**

**Ms ASHER** — Clearly the honourable member for Footscray was not in charge of overseeing the second-reading speech, in which the Premier said:

It is important to appreciate that these provisions do not purport to require the Auditor-General to express an opinion on whether the projected budget results will be actually achieved.

This is a great sham. This is a key dumping of the no. 1 financial election promise on which the government went to the people. The government knows it has abandoned its promise, because the Auditor-General said it and the Premier admitted it in his second-reading speech.

The bill requires more financial reports to be tabled before Parliament. The bill does not stop bad management or bad policy of the type seen in the Cain–Kirner era. It would not have stopped the State Bank disaster. The second-reading speech is particularly wide. It says that the government's agenda is unashamedly pro-growth, pro-business and pro-jobs.

I turn to the clauses of the bill. The financial responsibility clauses were certainly written by the department, so perhaps the second-reading speech was as well, given that the honourable member for Footscray has no knowledge of it.

**Debate interrupted pursuant to sessional orders.**

## ADJOURNMENT

**The SPEAKER** — Order! The hour appointed by sessional orders for me to interrupt the business of the house has arrived.

### School buses: South Gippsland

**Mr RYAN** (Leader of the National Party) — On behalf of the South Gippsland Student Transport Equity Group I raise a matter for the attention of the Minister for Education. The organisation, with other schools and community groups in Gippsland, has a particular interest in the important issue of school bus services.

The matter I raise with the minister relates to a policy undertaken by the Labor Party before the election. It appears under the heading 'Supporting non-government schools' on page 1 of a policy document presented on 29 October 1999 and says the government will:

Conduct a statewide review into the adequacy of school bus services and the impact of route closures

The issues I raise with the minister were raised with me by the South Gippsland Student Transport Equity Group in a letter of 15 March. On the same day members of the group came to Parliament to confer with me regarding their concerns. Those concerns are echoed by other members of the community of South Gippsland and are pertinent to country students and school communities across the state.

The fundamental issue concerns the conduct of the bussing review — a vexed issue for government. When the previous government assumed the reins in 1992, one of the first matters undertaken in about 1993–94 was a review of bussing arrangements. It is time another review was conducted as promised by the government. The members of the group want to know

when the review is to be held; its terms of reference; how it is to be conducted and other critical matters.

On their behalf and on behalf of all country communities across Victoria I ask the minister when the policy — promised before the last election — will be given effect. The matters are crucial to school communities across the state. Parents, students and their communities are anxious to have the review undertaken; to have the outcome known; and to have its recommendations implemented as soon as possible. The aim of equity for students is driving this issue, and I urge that the promised review be undertaken as soon as possible.

### Housing: Hughesdale units

**Ms BARKER** (Oakleigh) — I raise a matter with the Minister for Housing regarding the appalling condition of a fence located on the rear boundary of ministry of housing units nos 3 to 17 Arthur Street, Hughesdale. They are the homes of 42 elderly people. The fence is about 6 feet tall and made from cement panels containing fibreglass and steel. It separates the units from the Hughesdale station and railway line.

For many years the fence has been vandalised with graffiti and in some places is smashed and beyond repair. It is a disgusting mess and dangerous.

In June 1999, when I visited the units at the request of some of the local residents, I was appalled that large chunks of the fence had been broken off and thrown over the fence onto the railway line. The failure of the previous government to fix the fence was an abdication of responsibility.

Following an article by a councillor in a local paper in June 1998, one of the residents said a petition had been given to the department of housing three years ago — in 1995 — but the residents had been told the fence was not the responsibility of the department. They were then informed the fence would be fixed as soon as possible. The residents also indicated they had approached the Minister for Transport but no-one wanted to take responsibility to repair the fence.

A letter was written to the Oakleigh Monash *Times* by the Honourable Andrew Brideson, a member for Waverley Province in the upper house. In that letter, dated 5 August 1998, Mr Brideson stated:

I read with much concern of the plight of residents in Arthur Street, Hughesdale, living with an ongoing vandalism problem to their rear fence. I have been advised by the department of housing that arrangements have been made for repairs to proceed.

Had the householders concerned contacted their local state politicians, immediate action would have been taken.

If any residents observe vandalised public property ... their local member of Parliament will ensure that instant action is taken.

After I raised the issue Mr Brideson wrote to the paper in June last year, saying that having heard nothing further he believed the situation had been resolved but that he would now act immediately to have the problem corrected.

Following the election Mr Brideson again referred to the issue in another place on 23 November last year. Unfortunately, he still did not know whether to refer the matter to the Minister for Housing or the Minister for Transport. I know the responsibility lies with the Minister for Housing. It is time the residents of Arthur Street are provided with a safe and secure environment. I ask the Minister for Housing to inform me of the progress of the action that has been taken to rectify a problem that should have been rectified many years ago.

### **Geelong: community television**

**Mr PATERSON** (South Barwon) — I direct the Premier's attention to community television in Geelong and to an election promise his government has already broken. On 16 March a press release was issued by Jinny Sharp of the Screen Actors Studio in Geelong, who had previously spoken in support of the government. However, things have recently turned sour because of the government's broken promise. The press release states:

The producers of locally made *This Week in Geelong*, the highly successful weekly lifestyle program aired on Channel 31 last year, have decided to shut down the production because they do not believe that Steve Bracks will honour his promise to 'lobby and liaise with the federal government to approve a licence for a community television station based in Geelong'.

The press release is an example of the myths peddled by the Labor Party in opposition during the last state election campaign.

A feature article by Jinny Sharp in the *Geelong Advertiser* of 18 March under the heading 'What about your promise, Mr Bracks' states:

Then Steve Bracks promises to 'lobby and liaise with the federal government to approve a licence for a community television station based in Geelong' as part of his pre-election commitments to our region.

Sounds good in theory.

You'd think such a big statement would be backed up by a big plan, ready to roll.

After all, this was one of the policies developed to convince those 16 voters who swung the most marginal seat in Victoria Labor's way.

To our disappointment, it seems our new Premier, who champions the regional cause, has no plan.

No strategies are in place and to date nobody has been identified as being responsible for this issue.

Will the Premier explain to the house and the people of Geelong why the promise to deliver community television to Geelong was broken? The Premier should apologise to both Jinny Sharp of Screen Actors Studio and the people of Geelong for attempting to hoodwink them at the last election by saying he would deliver community television to Geelong.

### **Hume: council elections**

**Ms BEATTIE** (Tullamarine) — I refer the Minister for Police and Emergency Services to the council elections held on 18 March in the City of Hume, where the majority of Labor Party candidates were successful. However, one ballot in the City of Hume is under consideration because of political interference by the disgraced former honourable member for Tullamarine.

On Saturday night Mr Trevor Dance, a candidate in Evans ward, and his family enjoyed celebratory drinks with Ms Ann Potter, a successful candidate in another ward. When Mr Dance returned home he found threatening messages on the answering machine. At that stage the counting of votes in Evans ward had still to be finalised and the outcome was unclear. The caller threatened to break both of Mr Dance's legs and harm his family if Cr Jack Ogilvie was not returned.

Although police officers attended the premises, Mr Dance was advised to wait until Monday before doing anything, and it was recommended that he and his family spend the night elsewhere. The problem encountered by the attending officers was that only one police car was available.

Sunbury has been promised more police but they are not yet forthcoming. I ask the minister to inform me as a matter of urgency what action will be taken to increase police numbers in Sunbury.

The council elections for the City of Hume were heated. However, it is a shame when such elections get to the point where candidates are threatened, intimidated and vilified.

### Police: Rowville station

**Mr WELLS** (Wantirna) — I refer the Minister for Police and Emergency Services to the Labor Party's election promise to establish a new police station in the Rowville area. The pledge came in the party's election policy document entitled 'No more excuses on crime', which stated, in part:

... a Labor government will provide new police stations on the basis of the strategic location of new stations in growth corridors ... Labor will provide a new station at ... Rowville.

There is a high level of expectation among the people of Rowville that a police station will be built. I ask the minister to give the people of Rowville an update on how that election promise is going. For example, where will the station be located and when can they hope to see something happening?

The honourable member for Knox and I have worked very hard over the past 7 years to make sure there is good infrastructure in Rowville, whereas during the 10 years of the Cain–Kirner government the infrastructure processes in the Rowville area were left high and dry. Now we have good roads and good schools. Rowville is 30 kilometres from the central business district and has experienced a rapid growth in the past 15 years. The population is composed largely of young, two-parent families with higher than average incomes. The average age is 32 years.

The Knox and Rowville communities thought that a permanent Rowville area policing squad would have been based at the Wantirna South police station, which is about 10 minutes away, and specifically assigned to the Rowville area. That would have provided permanent police cars working south of Ferntree Gully Road and perhaps a shop-front presence at the Stud Park shopping centre. However, now that the government has promised a Rowville police station the residents are interested to see what will happen in that regard.

Although at the moment a police car is supposed to work south of Ferntree Gully Road and police are working out of the Wantirna South precinct, residents are keen to hear the minister's views on the issue to see whether the government will fulfil its election promise.

### A. H. Plant

**Mrs MADDIGAN** (Essendon) — I refer the Minister for Transport to problems that have been raised with me by residents of Loeman Street, Strathmore and the surrounding area in relation to land in Term Street, Strathmore, that is owned by Vicroads.

Vicroads had a depot there for a number of years which it operated in peace and harmony with the local residents. However, the land was rented out, presumably under the previous government's privatisation policy.

I ask the minister to investigate the terms of the rental agreement between Vicroads and A. H. Plant, the lessee, and determine whether any action can be taken to protect the residents in the area who are suffering from the activities of the organisation. As a government instrumentality Vicroads needs to take into account the effects on the community of the use of land it owns and rents to other people.

The complaints raised with me are quite severe. I quote from a letter I have received from some of the residents in Loeman Street. It states:

A. H. Plant commenced business on January 10, 2000 and since that time the impact on the residents has been horrendous. Although the land is zoned residential (PPRZ), there is activity at the site 24 hours a day. There is excessive noise from trucks loading and unloading, forklifts operating, trucks entering and exiting the site and convoys of trucks moving up and down the streets. At night the noise is worse and, coupled with the bright lights, is very intrusive. Residents have their sleep continually interrupted and it is therefore very difficult to function properly the next day. Both homes at the entrance of the site in Term Street have young children and they are suffering badly from insufficient sleep.

Social and recreational activities have been severely disturbed through noise, lights, foul language, loud conversations and diesel fumes. No longer can residents use their backyard for recreation nor can they enjoy a social gathering with family and friends; given the noise, bad language and the close proximity of large machinery to our back fences, we have lost all our privacy.

The actions of A. H. Plant are unacceptable to the community.

I ask the minister to investigate on what terms Vicroads normally rents land to other organisations, whether, as I presume to be the case, it was done under the previous government for the highest rental possible regardless of the effect on the community, and whether Vicroads will be asked in future to take community concerns into account when renting land in residential areas and in situations where residents are likely to be strongly affected by activities which are different from those previously carried out on such land and which mean that people such as the residents of Loeman Street are disturbed 24 hours a day.

### Rural Victoria: government tenders

**Mr KILGOUR** (Shepparton) — In the absence of the Minister for Education I raise for the attention of the

Minister for State and Regional Development a matter regarding the tendering of projects for education department buildings. There is a need to ensure that professionals and tradespeople in rural areas have the opportunity to tender for such projects. At the moment there are two projects coming up for tender in the Goulburn Valley. I am extremely concerned that no architects from a regional area have been placed on the tender list for the work to be done on these buildings.

Bovis Lend Lease, formerly Bovis McLachlan, has been appointed project manager for the two sites at the Bouchier Street school in Shepparton and Numurkah Secondary College, but there are no regional architects on the tender list. There are accomplished architects in regional Victoria but if they are not given an opportunity to tender for such works how can regional areas produce the sort of work people in those areas know they are capable of? Project managers from outside a region tend to support service providers from outside that region. Urgent action is needed.

I ask the minister to investigate why the situation has occurred and to ensure that a fair go is given to architects and tradespeople from rural Victoria. The people are available to do the jobs. They do not mind competing against city tradespeople or people from other regions. They have the ability to do the jobs, but if they cannot get on the list they cannot get a go. It is extremely unfair that they cannot get on the tendering lists, particularly for jobs in their own areas. The same thing happens with builders as well as architects and other tradespeople.

The government should ensure that it supports the people who have the ability to do the work but who cannot get on the lists at the moment. I ask the minister to investigate what is happening and why it is happening and, if something can be done, to ensure that all Victorians are given a fair go.

### **Ambulance services: Romsey station**

**Ms DUNCAN** (Gisborne) — The matter I raise for the attention of the Minister for Health relates to the Romsey ambulance station. I ask him to clear up the confusion about the funding for the project. As honourable members may know, Romsey is a small town in my electorate that has lost many services over the past seven years through council amalgamations, cuts to schools, and the general loss of services that rural and regional Victoria have suffered.

While many millions of dollars have been spent on Melbourne, Romsey has seen none of it. Romsey and nearby Lancefield feel — rightly so — that they have

been left out. All they wanted was an ambulance station. This very small community has raised more than \$5000 over two years for a new station. One can imagine its excitement when the then Liberal candidate and health minister, Rob Knowles, told the town at a public meeting just days before the state election was announced — but of course only one person in the hall that night knew we were only days from a state election — that the then government would provide the funding for the Romsey ambulance station.

Mr Knowles was quoted in the local newspapers at the time as saying that an ambulance station for Romsey and Lancefield and the surrounding districts was a key priority. He acknowledged the substantial financial contribution from the local community towards the station, which was the result of a lot of hard work over a three-year period. It is now apparent that the so-called election commitment was an election con, a complete hoax, which is a shame for Romsey and Lancefield and a disgrace to the minister at the time. What a shame that he did not put any money where his mouth was. Not only was there no budget allocation at the time, but there was nothing in the forward budget estimates either. It was a cruel con for the people of Romsey and Lancefield.

As the local member of Parliament I will work hard for that community to ensure the much needed ambulance station becomes a reality. The community can be assured that when the government and I, as their member, announce such a development it will be funded and deliverable. I ask the minister to investigate the unfunded election con made by the former health minister which is causing so much angst in those towns.

### **Eastern Freeway: light towers**

**Mr WILSON** (Bennettswood) — I point out to the Minister for Transport that the large light towers on the Eastern Freeway have accounted for at least seven deaths over the past two years. Among those were the tragic deaths of Shannon Collins, then aged 22, and his girlfriend, Emma Edwards. Shannon's mother, Mrs Diann Collins, approached the previous member for Bennettswood, Geoff Coleman, suggesting that the installation of protective railings around the towers may reduce the risk of future fatalities.

The then Minister for Roads and Ports, Geoff Craige, wrote to my constituent after the matter was raised with him in August 1999. He said that Vicroads was due to complete an investigation into accidents along the freeway by October 1999.

On 29 November 1999 I wrote to the current Minister for Transport to ascertain the current state of play and received a response on 14 February. The minister said the investigation of Eastern Freeway accidents occurring between Hoddle Street and Bulleen Road has been completed. The minister advised me that Vicroads has concluded that the installation of continuous barriers within the median strip is appropriate, and I welcome that decision. However, the minister advised me that it is a \$1.5 million project and therefore it 'will be considered for inclusion in a future works program'.

Although it does not carry the same number of vehicles as the Monash Freeway or the Western Ring Road, the Eastern Freeway is one of the busiest roads in Melbourne. I am certain the minister shares my desire to minimise the possibility of future fatalities on that busy stretch of road in Melbourne's east. Sensible action such as the proposal suggested by my constituent Mrs Collins would be a most welcome development and would go some way to lessen the pain and grief associated with the premature deaths of Shannon, Emma and others who have died on that freeway.

I urge the minister to take the comments into consideration and to suggest to Vicroads that the safety project be given the highest priority.

### **GST: price increases**

**Mr ROBINSON** (Mitcham) — I raise a matter for the attention of the Minister for Police and Emergency Services representing the Minister for Consumer Affairs in another place. It pertains to what would appear on its face to be a serious issue of retail misrepresentation. I am seeking an investigation into the matter at the earliest opportunity.

The matter was raised by a constituent of the Mitcham electorate, who was concerned recently while visiting Coles supermarket in Mitcham to find that the price of a 1-litre carton of soy milk had risen overnight from \$1.80 to \$2.10. By my relatively simple arithmetic, that is a rise of 15 per cent. The constituent inquired how one item could rise by that amount overnight, and took up the matter with Coles head office in Burwood. I quote from her letter:

This is when I was told about the deregulation of milk and there is nothing they can do.

It seems extraordinary to me that the deregulation of the dairy industry would be held up as an explanation for a rise in the price of soy, which is a non-dairy product. If people are going to get away with using that as an explanation for the rise, they might as well cite the price of crude oil or the depreciation of the Brazilian

currency. Quite seriously, the dairy industry deregulation, so far as I understand, should have had no impact whatsoever on the price of soy milk, yet the price has risen by 15 per cent overnight.

The constituent was also concerned, on contacting the Australian Competition and Consumer Commission, to be advised that the milk industry is now privately run and there is nothing the commission can do about it.

It is not good enough for consumers to be told that price rises are due to certain things when that is patently not true. I seek from the minister an investigation of the matter. I suspect that in the months to come we will have many cases of consumers being told there are reasons for price increases, many to do with the GST, which will require investigation. I seek the minister's action to this extent to explain to my constituent why precisely the price of soy milk has risen by such an extraordinary amount.

### **Electoral enrolment**

**Mr LENDERS** (Dandenong North) — I direct the attention of the Attorney-General to changes to federal legislation dealing with voter enrolment and seek advice as to how or whether they will apply to Victoria. In particular I refer to the fairly draconian amendments to the Commonwealth Electoral Act recently passed by the Howard government, which make it harder for migrants, members of Aboriginal communities and young people generally to get on to the electoral roll.

The specific issue of state policy administration I address is that the current commonwealth legislation prescribes a group of witnesses to enrolment forms: chemists, justices of the peace, members of Parliament, police officers and others must witness enrolment forms. That is not a good thing to happen to young people, but it was geared to the remote rural black communities in northern Australia. As a consequence, now Victoria's enrolment regime is such that the people enrolled for Victorian polls are in a different category from those enrolled in Victoria to vote in commonwealth elections.

I ask the Attorney-General what he will do to ensure that that draconian regime does not come into effect in Victoria, and that Victoria remains a place where young people, migrants and others who do not have access to the prescribed list of witnesses to enrolment forms can still get on to the electoral roll.

### **Responses**

**Ms DELAHUNTY** (Minister for Education) — The matter raised by the Leader of the National Party

referred to the Labor Party's promise to conduct a statewide review of bus services. The honourable member is quite right and I am delighted that he has read the Labor Party policy, as have most citizens of country Victoria — and they loved every line of it!

The Labor Party promised to conduct a statewide review. It will do so. It will examine throughout Victoria the requirements to transport children to school, particularly in light of the number of closures of schools across Victoria under the Kennett government and the more recent impact of the closure of bus routes that have serviced the needs of our children.

I thank the honourable member for raising the matter on behalf of all country Victoria, but particularly for the South Gippsland Student Transport Equity Group. He asked when the review would occur and about its terms of reference. He reminded the government about the importance to country Victorians of such a review. It would also be important to students and their parents living on Melbourne's periphery. As Melbourne has expanded, the public transport requirements have increased, as has the demand for appropriate bus services for our children.

The honourable member also referred to the last bus review conducted by the Kennett government in about 1994–95 by the Honourable Andrew Brideson in the other place. It is fascinating to ask what happened to the review. It is fair to say it is still at the bottom of somebody's drawer, because it certainly never saw the light of day. That is disappointing, because I am sure the review was extensive. No recommendations from the review were acted upon by the previous government. That is a shame. I hope nobody anticipates trying to sell it off to the University of Melbourne or the State Library of Victoria, because the recommendations of the bus review could not be considered to be a cultural artefact — rather, it is probably a relic of indecision and apathy.

As it promised, the government will conduct a serious statewide review of bus services. I look forward to the Liberal Party and the National Party supporting the government so that whatever recommendations come from the review will be useful to students and their parents. I will let the honourable member know when the government is ready to conduct that review in an effective and comprehensive way.

The honourable member for Shepparton raised an important point, for which I thank him. It relates to the tendering of education projects and particularly buildings owned by the Department of Education, Employment and Training. He referred to the number

of professional tradespeople who are on the tender list to be considered for that work.

The honourable member named a couple of projects at Shepparton and Numurkah in the Goulburn Valley; I know something about them. He agreed that although the project managers for the upgrades may be local people, no local architects are engaged.

**Mr Kilgour** interjected.

**Ms DELAHUNTY** — No? They are outside people. They do not have local architects and tradespeople on their lists. The government is committed to a fair go for country people. It is committed to building and exploiting the skills base that already exists in Victoria. For that reason I would be disappointed to think that any local architect, builder or tradesperson was excluded because an outside project manager had not considered local tradespeople or professionals.

I firmly believe in a fair go for regional Victoria. That is one of the mantras of this government; it takes it very seriously. I would be happy to investigate the matter and I appreciate its being raised with me.

**Ms PIKE** (Minister for Housing) — I thank the honourable member for Oakleigh for raising with me the issue of the public housing estate in Arthur Street, Oakleigh. Over the years she has shown enormous concern for and commitment to the people in public housing in Oakleigh to ensure not only that their housing is of high quality but also that they feel safe and secure in it. The issue she has raised with me tonight is of great concern.

The public housing estate in Arthur street, Oakleigh, is a small estate for elderly persons. The rear of the estate backs onto a public footpath, which in turn is bounded by a railway line and the Hughesdale railway station. Although the footpath is not on Office of Housing land the planning permit for the units requires that the back fence be soundproof. The fence therefore has a kind of insulation and an outer shell of precast cement lattice panels. Unfortunately, because the public footpath is used by people walking to and from the Hughesdale station, the fence is periodically vandalised. In the past passers-by have ripped off the lattice panels and insulation, and the debris left on the path has sometimes been thrown over the fence. As honourable members can imagine, that is most disconcerting for the elderly residents.

What action has been taken? This is not a new occurrence in the past week or month; it has happened for many years. In fact, in June 1998 the elderly

residents of the housing estate made a submission to the local paper saying they were concerned about their safety. At the time a guarantee was given by the then Minister for Housing that the fence would be fixed straightaway, but straightaway did not happen straightaway. It was only through the persistent action of the then candidate and now honourable member for Oakleigh that the Office of Housing was reminded in June 1999 that nothing whatever had been done to fix the fence and to make the elderly residents, who were continually being bothered by things being thrown over the fence and were frightened about their security, feel secure.

Let me assure the honourable member for Oakleigh and other honourable members that the Office of Housing is now taking action, as it should have done when the event occurred. The department recently concluded an investigation of the types of fencing that will provide the soundproofing needed — there is a railway line nearby — but will be less susceptible to vandalism. The insulation and latticework will be reinstated and the chain wire will be laid around the panels to protect them. It is anticipated the work will be finished by April.

The government has gone further than just fixing the fence. Following representations by the local member, the work of the Office of Housing and a special meeting convened in December 1999, the government has listened to the concerns of the people who live there and fitted extra security doors so people feel comfortable and secure and not threatened by the potential for vandalism. That shows that the government gives enormously high priority to not just the physical amenity of the — —

**Mr Leigh** interjected.

**Ms PIKE** — I must say that I find the remark ‘Sit down, for Christ’s sake’ offensive. I ask the honourable member opposite to withdraw that statement.

**The SPEAKER** — Order! The Minister for Housing has taken offence at the remark made by the honourable member for Mordialloc. I ask him to withdraw his remark.

**Mr Leigh** — In view of the attitude of the minister, I am happy to withdraw, but remember — —

**The SPEAKER** — Order! The house will come to order immediately. I asked the honourable member for Mordialloc to withdraw, and he has withdrawn. I warn him that he must not use the opportunity to debate the point.

**Ms PIKE** — The government puts a high priority on not just the physical fabric provided by the Office of Housing but also the quality of life of the people living there. The government will be working towards improving both those aspects.

**Mr HULLS** (Attorney-General) — The honourable member for Dandenong North raised the issue of the commonwealth government’s passing legislation to make it more difficult for new voters to enrol — migrant, Aboriginal and young people — by reducing the number of categories of people who can witness an enrolment application. He asked what Victoria could do about that.

Being on the electoral roll is an important matter. A person who cannot get on the roll is disenfranchised from the democratic process. I recall just prior to becoming a federal member of Parliament — —

*Honourable members interjecting.*

**Mr HULLS** — It is a brief story but absolutely relevant. Just before I became a federal member of Parliament, I was acting as a solicitor at the Aboriginal Legal Service. I remember an old Aboriginal fellow coming to see me about a legal matter. He told me that an election was coming up. I said, ‘That’s right. There is a federal election. I assume you will vote for me’. He said, ‘What’s that mean?’. I said, ‘You go off and vote on election day’. He said, ‘How do you do that?’. I said, ‘I assume you’re on the roll’. He said, ‘What’s the roll?’. I said, ‘Funny you should ask. I have a form here that will get you on the roll’. He filled in the form and I was able to sign it. He said, ‘Does that mean I can vote for you now?’. I said, ‘Yes, you can vote for me on election day’. He said, ‘I’ll do that’. I then posted the form.

I recall that the first constituent to come to see me as a member of federal Parliament was the same bloke. He said, ‘I’ve got a bit of a problem’. I said, ‘Come into my office. I am the new federal member. What’s your problem?’. He said, ‘I’ve got this form’. I said, ‘What’s that?’. It was a fail-to-vote form. I got him on the roll all right but he failed to vote.

It is absolutely crucial that people are not disenfranchised from getting on the roll. Victoria has not to date followed the commonwealth practice and prides itself on having the highest percentage of young people on the roll. Any steps the commonwealth takes to disenfranchise Aboriginal, migrant or young people from being on the roll should be condemned.

There should be a national system, but the system in Victoria is the right system. Virtually anyone can

witness the signing of a form to have someone's name placed on the roll, and that is appropriate. Making it difficult for people to get on the roll by requiring forms to be witnessed by specific categories of people is absolutely inappropriate. Whatever steps Victoria takes will not disenfranchise Aboriginals, young people or migrants.

**Mr HAERMEYER** (Minister for Police and Emergency Services) — The honourable member for South Barwon raised an issue — —

**Mr Paterson** — On a point of order, Mr Speaker, the Premier was in the chamber when I raised the matter for his attention. He has since scuttled out of the chamber and run away from the Labor Party's broken promise. I seek your ruling, Mr Speaker, on whether, if an honourable member raises a matter with a minister who is in the chamber at the time, the minister — or in this case the Premier — is obliged to answer the matter and not scuttle out of the chamber.

**The SPEAKER** — Order! There is no point of order. It has been a longstanding practice in this chamber for the Speaker to call the ministers who are in the chamber to respond to matters that are raised with them and then to call the minister at the table to respond to all other matters.

**Mr HAERMEYER** — It is unfortunate that the — —

**Mr Leigh** interjected.

**The SPEAKER** — Order! I have just resolved the issue. I ask the honourable member for Mordialloc to cease interjecting.

**Mr HAERMEYER** — It is unfortunate that the honourable member for South Barwon is not in his electorate as often as the Premier is in the chamber.

The issue the honourable member raised is fatuous, to say the least. It relates to the Labor Party's commitment to press the federal government to grant a television licence for Geelong. I am surprised that the honourable member even knows where Geelong is, given that he lives nowhere near it. However, as I said, the commitment the Australian Labor Party gave at the last election was that a Labor government would lobby and liaise with the federal government to gain a television licence for Geelong.

I understand the honourable member's history is one of reading the news but not necessarily understanding it, so I will explain it to him in a way that he can understand. I am sure he will be looking forward to the

licence being granted to Geelong so that after the next election he can find himself a job as a news reader for the Geelong television station.

The responsibility for granting television licences comes under the general responsibility for communications, which lies with the federal government. There are three tiers of government in this country: federal, state and local. I will try to explain it as simply as I can for the honourable member for South Barwon. This house is part of the state Parliament, which has responsibility for governing Victoria. The responsibility for communications all over the country lies with the federal government in Canberra. I will not go into explaining local government to him because getting him to understand three levels of government all in one night might be a little difficult.

Labor has said that a Victorian ALP government would pressure the federal government to grant a television licence to Geelong. There are certain things the government can deliver to Geelong, such as the Geelong road upgrade, which it is delivering.

*Government members interjecting.*

**The SPEAKER** — Order! I ask the house to come to order. That level of interjection is not acceptable. I ask the minister to ignore interjections and to come back to answering the matter raised by the honourable member for South Barwon.

**Mr HAERMEYER** — There are certain things the government can do for Geelong, such as withdrawing the catchment management authority tax and saving the Grace McKellar Centre from privatisation. They are Victorian government responsibilities.

The government will exert whatever pressure it can on the federal government to establish a television station in Geelong. Even though the Liberal and National parties are in government in Canberra, this government has given that commitment to attempt to assist the people of Geelong in their efforts to gain a television station. Let the honourable member for Barwon South understand, however, that telecommunications is a federal responsibility.

The honourable member for Tullamarine raised the matter of an event that followed the Hume City Council elections at the weekend. I share with her and with the residents of Hume the joy at finally having a Labor majority on that council — a council that was absolutely racked by faction fights between the two Bernie Finn-supporting factions represented on the council.

The issue she raised is serious. One of the candidates for Evans Ward, Mr Trevor Dance, returned home to find messages on his answering service conveying threats to break both his legs if a certain councillor was not returned. That is a serious matter. The honourable member was also advised that a police car would be sent only if one was available.

There are two serious issues here: one is the threat made to Mr Dance, and I will refer that matter to the police for their investigation, and the other, the availability of police in Sunbury, is a longstanding issue. As I have said in this house several times, the previous government cut police numbers by 800 and that amount of damage, committed over a seven-year period, is not going to be corrected overnight.

The government is already recruiting large numbers of police officers. The parade grounds are full for the first time in years. Police numbers will be increased by 200 a year over each year of the current Parliament. The responsibility for allocation of those police officers, however, lies with the Chief Commissioner of Police. However, I will raise with him the concerns expressed about police numbers in Sunbury.

I congratulate the honourable member for Tullamarine on the interest she has shown in policing in the Sunbury area and in the issue of police presence. The previous honourable member for Tullamarine showed no interest whatsoever in those matters.

The honourable member for Wantirna raised the issue of the government's commitment to build a police station in Rowville. He noted, quite rightly, that the former coalition government had made no such commitment to building a police station in Rowville and went on to argue that there is a police car working to the south of Ferntree Gully Road. He also made a number of other statements that lead me to question — I welcome his response to this impression — whether there is a need for a police station in Rowville. If he believes there is a need for that station, I would like him to say so; and if he believes there is no such need, I think he should make a statement to that effect.

The government's commitment came out of the factors identified in the strategic facilities plan that was developed for the Victoria Police under the previous government. The plan identified the need for a police station in that general region.

While in opposition I also spoke to police officers from that area who identified the need for a police station in the region. If the honourable member for Wantirna believes that need is not there, I ask him to identify that

and the government will investigate it. The government made its commitments in the run-up to the last election in good faith. One of those commitments was for a police station in Rowville. Although all those stations will not be funded in the forthcoming budget, the government expects all of its commitments will be delivered or funded over its term in office.

The location of the police station will be resolved once the station is funded. However, if the honourable member has some ideas about where it should be located I would appreciate his input so that the government can investigate that, perhaps with a view to identifying some land before the funding is made available and trying to place a reservation on it.

The honourable member for Gisborne raised for the attention of the Minister for Health a commitment by both the previous Minister for Health and the former honourable member for Gisborne for an ambulance station in the beautiful town of Romsey. The honourable member also correctly pointed out that not one cent was set aside for the construction of the station. It seems to be like a lot of the confetti the previous government was throwing around prior to the last election. It was making promises all over the place with not one cent to back them up, unlike the commitments made by the Labor Party, which were fully funded and fully costed in a document audited by Access Economics. It was just funny money being pulled out of thin air. I can understand the concern of the honourable member in trying to now obtain the ambulance station that the people of Romsey expect. I will direct that to the attention of the Minister for Health.

The honourable member for Bennettswood raised a serious issue about the light towers on the Eastern Freeway and said that seven deaths had occurred involving them. The honourable member said he believed some of the risks associated with the freeway could be overcome by the erection of protective railings around the light towers. He attempted to make a constructive suggestion, which I will direct to the attention of the Minister for Transport.

The honourable member for Mitcham raised for the attention of the Minister for Consumer Affairs in another place retail misrepresentation. He cited a Coles supermarket in his electorate where the price of a litre of soy milk increased virtually overnight from \$1.80 to \$2.10 — a 15 per cent increase. That represents exorbitant profiteering and the honourable member was right when he said the goods and services tax had provided the excuse for many people to profiteer, using the tax as the excuse. Those sorts of overnight

fluctuations in prices are not justifiable and an investigation into some price increases is required. The mechanisms the federal government has put into place to try to prevent profiteering under the GST are nothing short of a joke. I will refer the matter to the Minister for Consumer Affairs in another place.

Finally, the honourable member for Essendon raised a matter about Vicroads land and requested an investigation into the leasing of it. I will direct that matter to the attention of the Minister for Transport.

**The SPEAKER** — Order! The house stands adjourned until next day.

**House adjourned 11.00 p.m.**