PARLIAMENT OF VICTORIA

# PARLIAMENTARY DEBATES (HANSARD)

## LEGISLATIVE ASSEMBLY

## FIFTY-FOURTH PARLIAMENT

## FIRST SESSION

## 1 December 1999

## (extract from Book 4)

**Internet: 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 |

**Heads of Parliamentary Departments**

*Council* — Clerk of the Parliaments and Clerk of the Legislative Council: Mr A. V. Bray

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

*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. NAPTHINE

**Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:**
The Hon. LOUISE ASHER

**Leader of the Parliamentary National Party:**
The Hon. P. J. McNAMARA

**Deputy Leader of the Parliamentary National Party:**
Mr. P. J. RYAN

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

[1] Resigned 3 November 1999

# CONTENTS

## WEDNESDAY, 1 DECEMBER 1999

# Wednesday, 1 December 1999

**The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.36 a.m. and read the prayer.**

## PETITIONS

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

### Aspendale Gardens primary school

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

The humble petition of the undersigned citizens of the state of Victoria requires the imminent construction of a primary school in Aspendale Gardens on the Kearney Drive site purchased and reserved exclusively for that purpose.

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

**By Ms LINDELL (Carrum) (1028 signatures)**

### Forest industry: Otway Ranges

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

The humble petition of the undersigned citizens of the state of Victoria sheweth that logging in the Otway State Forest is causing damage to forested water catchments that supply drinking water to over 250 000 people in the south-west region of Victoria (see statement of facts and evidence overleaf).

Your petitioners therefore pray that, given the stated commitment of the majority of members to water as a matter of high priority the house will forthwith bring about a permanent end to logging in all proclaimed water catchments in the Otway forest management area.

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

**By Mr LONEY (Geelong North) (6604 signatures)**

### Electricity industry: Basslink

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

The humble petition of the undersigned citizens of Victoria express their condemnation of the proposal by the Basslink Development Board to carry high-voltage power cables above ground across Gippsland.

Your petitioners therefore pray that the Victorian government will immediately intervene to stop the construction of overhead high-voltage powerlines associated with Basslink.

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

**By Mr RYAN (Gippsland South) (118 signatures)**

**Laid on table.**

## PARLIAMENTARY DEPARTMENTS

### Annual reports

**Mrs MADDIGAN (Essendon) presented reports for 1998–99 of:**

**Department of the Legislative Assembly**
**Department of the Parliamentary Library**
**Department of Parliamentary Debates**
**Department of Parliamentary Services**

**Laid on table.**

## BLF CUSTODIAN

### 45th report

**The SPEAKER presented report given to him pursuant to section 7A of BLF (De-recognition) Act 1985 by the custodian appointed under section 7(1) of that act.**

**Laid on table.**

**Ordered to be printed.**

## PAPERS

**Laid on table by Clerk:**

Ambulance Services of Victoria — Metropolitan Region — Report for the year 1998–99

Dental Health Services Victoria — Report for the year 1998–99

Financial Management Act 1994:

Reports from the Minister for Health that he had received the 1998–99 Annual Reports of the:

Alexandra and District Ambulance Service

Ambulance Officers' Training Centre

Nurses Board

Osteopaths Registration Board

Physiotherapists Registration Board

Mental Health Review Board and Psychosurgery Review Board — Report for the year 1998–99

Parliamentary Committees Act 1968 — Interim response of the Minister for State and Regional Development to the Economic Development Committee's Report on the Effects of Government Funded National Broadcasting on Victoria

Pharmacy Board — Report for the year 1998–99

Prince Henry's Institute of Medical Research — Report for the year 1998

Psychologists Registration Board — Report for the year 1998

Radiation Advisory Committee — Report for the year ended 30 September 1999

Rural Ambulance Victoria — Report for the year 1998–99

Statutory Rules under the following Acts:

Conservation, Forests and Lands Act 1987 — SR No 125

Subordinate Legislation Act 1994 — SR No 124

Transport Act 1983 — SR No 123

Subordinate Legislation Act 1994:

Ministers' exemption certificates in relation to Statutory Rule Nos 123, 124, 125.

## MEMBERS STATEMENTS

### Dogs in utes world record

**Mr VOGELS** (Warrnambool) — In March next year the south-western district Apex clubs, made up of Camperdown, Cobden, Koroit, Mortlake, Warrnambool and Terang, will attempt a world record event — that is, 2000 dogs in 2000 utes. At present the world record is held in Western Australia of 699 dogs in 699 utes.

All funds raised will be donated to the Apex Foundation's childhood cancer and leukemia trust, which supports the Children's Cancer Institute. The CCI is a world-leading institute that is at the cutting edge of research into finding a cure for children's cancer and leukemia. Currently the Apex Foundation is attempting to raise the $830 000 needed to carry out the work. The proceeds from the event will be earmarked for the project. Once the total funds are raised every child in Australia who has undergone chemotherapy for cancer could be tested monthly for a 12-month period.

Apex, which is a voluntary service club, has been involved in many projects over the years. This one probably ranks among the highest. The south-western district Apex clubs are fortunate — —

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

### American WWII memorial

**Mr HOLDING** (Springvale) — I pay tribute to the volunteers from the Springvale area who assisted with the restoration of the memorial to Americans who died while in Victoria during the Second World War. The memorial is at the Springvale Necropolis and has needed a facelift for many years.

I acknowledge the former chaplain of the American Legion, Mr Bill Casey, who has been a tireless and passionate advocate for the restoration of the memorial. He delivered a moving oration at the restored memorial on 7 November, Anzac Sunday. I also acknowledge my neighbour, Mr Russell Mead of Trimstyle Windows and Doors, who first alerted me to the state of the memorial and who carried out the restoration work with his colleague, Chris Hamilton. I also acknowledge Mr Robert Sparks of the Springvale Necropolis, and Moreland Hire, who provided the lift that enabled us to restore the flagpole and the eagle.

Although no American personnel are buried there, I understand the memorial is the only one in Victoria that pays tribute to the Americans who served here.

### Nursing homes: funding

**Mrs SHARDEY** (Caulfield) — The issue I raise relates to moves by the federal government to introduce over a period of time a system of funding nursing homes based on a national average rather than state-specific rates. The process is referred to as coalescence.

The Minister for Aged Care has claimed that she and the government will do everything in their power to reverse the decision and negotiate a better outcome for nursing home operators in Victoria. I point out that according to my information the minister, who claims to be working on behalf of both public and private nursing home operators, has not placed a single call to the federal minister responsible for aged care seeking to consult or negotiate on the all-important issue.

I would have thought that if she took her role even halfway seriously she would have taken that basic step in the interests of those she claims to be so concerned about — that is, elderly Victorian nursing home clients.

### Kilmore Mechanics Institute: award

**Mr HARDMAN** (Seymour) — I direct to the attention of the house an initiative of the Kilmore Mechanics Institute. Each year it calls for submissions to the George Hudson Memorial Award, which it believes is unique.

Recently I had the pleasure of launching at the Kilmore library a photographic exhibition of a recipient of the award, Kristina Holdaway. The photographic exhibition was titled 'Faces in Kilmore'. Any persons from the area with the Kilmore postcode 3764 may apply to the institute for a grant from the George Hudson Memorial Award to support them in developing their talents, and in return giving something back to their community.

The categories for the award are far reaching and include areas such as arts, science, enterprises and support. Kristina Holdaway's 'Faces in Kilmore' photographic exhibition shows people from all backgrounds — a variety of characters — who make up the Kilmore community, giving an idea of the environment in which people in Kilmore today live. The exhibition shows Kilmore people in uniforms carrying out their daily activities — their occupations, leisure pursuits, sports activities, and so on — and reflects the diversity that exists today and the environment of Kilmore. The exhibition provided a visual history of Kilmore at the end of the century for future generations.

I commend Kristina Holdaway and the Kilmore Mechanics Institute for their great contribution to the community. I recommend the idea as a chance for communities to develop and enhance their community spirit, a spirit that is reflected by Kilmore — —

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

## Swimming pools: fencing

**Ms BURKE** (Prahran) — The matter I wish to raise concerns swimming pool fencing. Today is the first day of summer, and judging from the heat in the house and outside I can tell there will be a lot of people swimming.

The Kennett government introduced swimming pool fencing legislation. However, recent articles in the *Age* make it clear that 40 per cent of people with swimming pools do not have fences that comply with the law. Since October three deaths have occurred in backyard swimming pools. It is the responsibility of everybody who has a swimming pool to comply with the legislation. It is the responsibility of the Minister for Local Government to ensure that people are complying. It is the responsibility of real estate agents to ensure, before selling properties with pools, that pools have safe fences. It is necessary to ensure that the many innocent little potential victims are protected early in summer from those who are supposed to be looking after them.

I ask the minister to ensure that the swimming pool fencing legislation is complied with so that parents can feel safe when their children go to swim in other peoples' backyards and so that tragedies will not occur.

## Rail: Ararat crash

**Mr HELPER** (Ripon) — I direct the attention of the house to the horrific train crash that occurred in Ararat last Friday. Many honourable members would know train drivers who have been involved in serious accidents and the psychological impact that has on the individuals involved. All those who have had the experience would join with me in wishing those involved speedy recoveries from their serious physical injuries, and the immense psychological traumas they have no doubt suffered.

Fortunately the four train crew members who were seriously injured are now in stable conditions. Honourable members must all feel for the families and individual drivers. It has resulted in incredible trauma for the families of those involved; they all blame themselves or somebody else. It is a terrible tragedy and our feelings go out to them.

I also pay tribute to the speedy response of the rescue squads involved — the State Emergency Service, the Country Fire Authority and the ambulance service. Their efforts kept to a minimum the effects of what was potentially a horrific disaster. The accident has been an incredible shock to the community of Ararat.

## Frankston: youth projects

**Ms McCALL** (Frankston) — I refer to drug addiction and youth suicide. I am delighted to note from recent suicide reports that Frankston no longer makes the top 20. That is due in part to a number of excellent programs in the area. Two of the groups have recently put in applications for funding to the Community Support Fund, and I am sure they will be favourably considered.

The first program is the Yellow Ribbon project, which is run by young people in Frankston to combat youth suicide. Each of the two starters of the project were dux of their year at school — one at Karingal Park Secondary College, one of the best self-governing schools in Victoria, and the other at Frankston High School. Scott Duncan and Amy Lee started the project as an early-alert program for young people who are potentially depressed or might turn to drugs or suicide.

The second project is currently run by the Rotary clubs of Mount Eliza and Frankston. It relates to the Jim Stynes project. My football colleagues tell me that Jim Stynes is a renowned Victorian footballer and has now moved on, not into Parliament as other footballers have done, but to the very worthy community role of teaching young people about self-esteem and how to overcome personal strife. I wish those people every success with their projects.

## Open Family Foundation

**Ms CAMPBELL** (Minister for Community Services) — I congratulate Lauretta, a young woman I met at an Open Family Foundation function last week. Fortuitously the paths of Lauretta and the Open Family crossed at the Highpoint West shopping centre where Lauretta was spending an inordinate amount of time. Open Family bases a youth worker there.

Lauretta and her family have given me permission to read her story, which she told last week at an Open Family fundraising function at Raheen. It is one of the few good-news stories about a person getting off heroin. Lauretta says:

> Hi. My name is Lauretta. I'm 17 years old.
>
> I would like to briefly tell you my story.
>
> I was really depressed and down which I first met Jim and Open Family. I wasn't going to school and I was using all sorts of drugs, especially heroin — and the relationship with my family was non-existent.
>
> But all this changed when I met Jim from Open Family at Highpoint 12 months ago.
>
> I found he was someone I could trust and talk to, because he was there for me — any time of the day or night.
>
> Jim supported me through the lowest point of my life when I didn't feel like living anymore.
>
> For this, I will be forever grateful.
>
> This year I successfully finished year 11 and the relationship with my family is the best it's ever been.
>
> Thanks to Mr and Mrs Pratt and all of you.

## Burwood: Labor candidate

**Dr NAPTHINE** (Leader of the Opposition) — I direct to the attention of the house the incredibly sloppy and unprofessional material circulated by the Labor candidate in Burwood. The man describes himself as a university researcher. His election material says that as a senior university researcher he has taught governance. However, his document spells it as 'tought' and 'goverance'. He is a senior university researcher! His how-to-vote material for the Burwood by-election spells by-election as 'by-elecion'. On the other side of the material is the Labor Party advertising material, and the Labor Party has a new telephone number with nine digits!

The material shows a lack of attention to detail on the part of the candidate and actions that are unprofessional, uncaring and from amateurville. This sort of man should not be allowed to represent the people of Burwood because he does not show attention to detail and he cannot spell. Clearly, he is not suitable.

## Violence is Stupid campaign

**Mrs MADDIGAN** (Essendon) — In June 1999 people in the municipality of Moonee Valley experienced a number of assaults and violent incidents in and around licensed premises. The local police were able to determine that the incidents mainly involved teenage and young male adults. The issue was raised as a concern at the local licensing committee meeting where local police suggested that a new strategy was required to reduce or eliminate such incidents. As a result a committee was established and created the slogan 'Violence is Stupid'.

The original target group of the committee comprised teenagers and young adults. It has now expanded to all persons in order to reduce the number of incidents of violence at home, work, licensed premises, in sport and in public generally. Youth services granted $2000 and both the Strathmore and Gladstone Park Rotary clubs contributed to the project. Simon Burnett, a 17-year-old from Strathmore Secondary College, provided the winning design and graphics and was presented with an award at the launch of the campaign last night.

I congratulate all the people associated with the Violence is Stupid campaign. The Moonee Ponds police and the local community hope it will be a model for other areas. I particularly support the City of Moonee Valley secondary schools that contributed, the Moonee Ponds police and community consultative committee, the Strathmore and Gladstone Park Rotary clubs and others.

## LEGAL AID: FUNDING

**The SPEAKER** — Order! I have accepted a statement from the Attorney-General proposing the following matter of public importance for discussion:

> This house should support the Victorian government's campaign to have the federal government restore funding to Victoria for legal aid to pre-1997–98 levels and re-establish an administratively simple accounting system of legal aid.

**Mr HULLS** (Attorney-General) — This is a very important issue. Legal aid in Victoria is on its knees. If any further cuts are made legal aid will be delivered a knockout blow. The Bracks Labor government has a real commitment to justice and to legal aid. Its policy statement, 'A More Just Victoria', sets outs its commitment to justice in this state. Justice priorities include a number of initiatives such as the reinstatement

of compensation for pain and suffering for victims of crime, the restoration of common-law rights for seriously injured workers, the strengthening of the independence of the equal opportunity commissioner and the Director of Public Prosecutions and measures to make the law far more responsive to ordinary people through a legal education campaign and the creation of a new law reform commission.

It is fair to say that the government's justice policy makes two important statements on legal aid. Firstly, Labor will revamp the legal aid system to ensure that professional advice is available to those who need it through public, private and community sector providers. This commits the Victorian government to fighting the commonwealth government's cuts to legal aid funding over the past three years and to restoring to Victoria an adequate share of legal aid funding. It also recognises that legal aid services need to be provided through a range of agencies, including Victoria Legal Aid, community legal centres (CLCs), specialist legal centres and the legal profession itself.

The Bracks government will give priority to high-quality cost-effective services that provide for community participation in management and policy formulation, encourage consumer self-help and develop effective legal education programs. The government rejects funding priorities based on the commonwealth's misguided purchaser-provider model. The Bracks government will also strengthen the community advisory structure of Victoria Legal Aid.

The government's justice policy guarantees that no community legal centre will be forced to close, that CLCs will retain their independence, and that they will not be forced to become an arm of the executive.

Under the rule of law all citizens are subject to the same body of law. None of us is above the law; each of us should be equal before the law. In order to live under the law we must be able to defend and assert our legal rights and have access to the courts and other aspects of the legal system that can provide redress.

Equality before the law must be substantive as well as formal. Legal aid is one of the most important means by which formal equality before the law is given substantive effect for indigent members of the community. Since the 1970s government-funded legal aid schemes have played a central role in ensuring that the rights of the most vulnerable and disadvantaged members of our community are protected.

Under the previous government, the nature of the legal aid service provision changed fundamentally. Prior to the previous government's 1995 amendments to the Legal Aid Act the operational policies of the former Legal Aid Commission had been determined by an independent board and nominees. The previous government changed the partnership between government, the profession and legal aid by revamping legal aid to take away much of the community input relating to how legal aid was provided in the state.

The 1995 amendments replaced the commission with Victoria Legal Aid and removed the nominees of the legal profession and community organisations from the new organisation's board of management. I believe that diluted VLA's independence. The Bracks Labor government is committed to restoring the appropriate level of community input to legal aid services in Victoria. The government believes that is crucial.

In December 1973 Lionel Murphy, who was then a commonwealth senator and who was later to become a judge of the High Court of Australia, made it clear that a legal aid scheme in Australia was crucial to ensure that the most disadvantaged members of the community had access to the justice system. That announcement represented the beginning of the commonwealth's involvement in legal aid funding.

A number of changes have been made to those legal aid funding arrangements over the years. Initially, commonwealth funding was provided on the basis that anyone who was charged under a commonwealth law or who was a recipient of commonwealth benefits — in other words, a person for whom the commonwealth had responsibility — would be eligible for legal aid funding from the commonwealth. The states had to look after people who had been charged under state law or who were not receiving commonwealth benefits.

That initial approach to funding for legal aid was fairly complicated. I recall that many years ago when I was working at the Glenroy legal aid office a lot of my time was spent filling in applications for legal aid applicants to ascertain whether they were eligible under the commonwealth government criteria. The system was administratively inefficient, to say the least.

The funding arrangements changed somewhat in 1989 when the commonwealth government agreed to fund 55 per cent of national funding for legal aid, whereupon the state legal aid commissions would fund the remaining 45 per cent. That was a far more administratively efficient arrangement.

However, in 1996 the commonwealth tore up the 1989 agreement by giving notice that in future it would fund only matters arising under commonwealth law. By so

doing, the commonwealth abandoned a 23-year national commitment to provide legal aid funding for people for whom it had particular responsibilities, such as pensioners and the unemployed. Of even more significance, the commonwealth's so-called purchaser-provider agreement with the previous Victorian government slashed legal aid funding to Victoria by an average of $5.3 million per annum over a three-year period, meaning that far fewer ordinary Victorians were able to obtain legal aid and have access to the justice system.

The commonwealth government has now written to Victoria advising that it wants to negotiate a new funding agreement. The commonwealth Attorney-General says that the application of its new funding model to Victoria would see Victoria's share of commonwealth funding reduced from 27 per cent of the national share to a mere 22 per cent. That represents a further $5.5 million cut on top of the $5.3 million cut made under the current agreement. That system would be an absolute debacle. It would, as I said, deliver the knockout blow to legal aid in the state.

One other aspect of legal aid that needs to be addressed is community legal centres. Community legal centres are an important component of the Victorian legal aid system. Twenty-seven years ago the first CLC was established in Fitzroy. There are now more than 30 CLCs operating in Victoria funded by the community legal centre funding program.

Community legal centres were originally established by local communities in recognition of the legal system's failure to cater for the legal needs of the poor. CLCs have always seen themselves as bodies accountable to their local communities, and they have developed legal services to meet the needs of those communities. CLCs encourage clients to become involved in the solutions to their own legal problems and try to create situations in which lawyers are a resource and do not necessarily get involved in adversarial roles in attempting to provide solutions to legal problems.

That approach has meant that in the past CLCs have been highly innovative in their delivery of legal services, despite operating on shoestring budgets. Some have focused their activities on the most disempowered and disenfranchised members of the community, such as children, tenants and the mentally ill. Those centres have recognised that certain members of our community face particular legal problems and that those problems do not always lend themselves to traditional solutions.

Other CLCs have become directly engaged with governments on public interest issues. A recent example was the successful FOI application made by the Coburg legal centre for the release of private prison contracts. That sort of approach has ensured that CLCs have not always been popular with governments.

It can be said without fear of contradiction that the effectiveness of community legal centres in delivering legal aid services has been due in no small part to the magnificent contribution made by members of the Victorian legal profession on a voluntary basis, year in, year out, over the past 25 years.

Under the commonwealth's proposed legal aid cuts, CLCs have been increasingly diverted from their important work and thrown into the role of trying to fill the gap caused by the inability of Victoria Legal Aid to meet legal aid need. They have become a bandaid on a haemorrhaging legal aid system.

Action needs to be taken and it must be taken now. The Victorian government is committed to launching an active campaign to ensure Canberra pays its fair share of legal aid funding. That campaign, which I hope the opposition will join, will include pursuing the commonwealth for the restoration of commonwealth legal aid funding in Victoria to pre-1997–98 levels, not agreeing to any further cuts under any circumstances and re-establishing an administratively simple and accountable system of legal aid. The Victorian government will legislate to restore an appropriate level of community and legal profession involvement in the management and policy setting of Victorian legal aid.

Victorian community legal centres will remain part of the current review to ensure that the program is delivered cost-effectively across Victoria on only two conditions: firstly, the review must have regard to the current Victorian government policy in relation to CLCs — that is, no community legal centre will be forced to amalgamate or close; and secondly, the commonwealth must give a commitment to the funding program as the most effective and efficient way of determining CLC funding priorities in Victoria.

The commonwealth has been asked to consider those changes. I have written to the federal Attorney-General suggesting amended terms of reference for the review; I am yet to hear back from him. The changes envisaged reflect Victorian government policy on CLCs, the diversity of CLC models, the importance of CLCs in the democratic process and the need for strategic management of the CLC sector. If the commonwealth is not prepared to adhere to the recommendations made by the Victorian government, Victoria will pull out of

the CLC review. It is as simple as that. CLCs are extremely important to service delivery in Victoria.

Justice has been compared to expensive hotels such as the Ritz — that is, it is open to all people who can afford it. Legal aid can provide the key to the door of the Ritz. Commonwealth cuts to legal aid funding remove the key from many deserving members of the community, and our system of justice has been diminished accordingly. The Victorian government intends to go as far as it can to restore the credibility of legal aid in Victoria. It will campaign to restore legal aid funding, refocus the current CLC review and enhance the independence of the legal aid system.

I hope there is bipartisan support for the government's approach. Victoria will be at the forefront of the fight against legal aid cuts. It is absolutely crucial that the most disadvantaged members of our community are not denied access to justice.

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

**Dr DEAN** (Berwick) — I am pleased to contribute to the debate on this matter of public importance. I put on the record straight away that the opposition totally supports efforts to obtain further funding from the federal government. At the time the cuts were made the then Attorney-General, in a public and for her very aggressive way, said the commonwealth was totally wrong in cutting funding for legal aid. I make it absolutely clear that that is the opposition's stance, and I shall refer to that again later.

If this debate means the Attorney-General is asking the opposition to give him a blank cheque to say and do whatever he wants, the opposition includes a rider on its support — that is, it does not always agree with the methods adopted by the Attorney-General. The opposition's sole objective is to try to change the mind of the commonwealth government. Having sat in this house on many occasions listening to the approach of the current Attorney-General on matters such as this, I can say — and I have no wish to offend him — that his methods sometimes involve throwing out the baby with the bath water.

I do not want to dredge up the many occasions when the Attorney-General stood in the house abusing members, yelling and doing all sorts of things that are totally inappropriate for a shadow Attorney-General, as he was then, but I will refer to some that have occurred during the past couple of weeks. The Attorney-General is suggesting that the opposition should run with whatever he or the government does to try to break the deadlock with the commonwealth. The Attorney-General would have done well to have watched one of his own people, Jim Kennan, in action, because he carried out his work with great dignity and ability both when he was the shadow minister in opposition and as the Attorney-General when his party was in government.

The opposition is putting a rider on the Attorney-General's suggestion because it simply cannot place its trust in the methods that might be used. Yesterday the Attorney-General stood up, looked across the table and started yelling, 'Goose, you are a goose', to someone on the opposition side of the house. Someone told him that he should withdraw and, as often happens, something occurred in the Attorney-General's head — it is as if all the synapses go at once — and he started yelling and screaming, 'I will not withdraw', until you, Mr Speaker, had to get up without being prompted by this side of the house and ask him to withdraw.

That is an example of why the opposition needs to be careful, especially if the Attorney-General takes that approach in his discussions with the commonwealth Attorney-General, a man highly respected for his ability, particularly as a lawyer. If the Attorney-General adopts an appropriate course of action that is well thought out, logical and hard-hitting and makes use of the facts presented to him by the opposition to try to get the commonwealth Attorney-General to change his mind, he will have the opposition's support. However, if he takes Victoria backwards by abusing the federal government and making it a political issue — —

**An honourable member** interjected.

**Dr DEAN** — It is a real issue — not just a matter of politics, which is the point.

The opposition would like the Attorney-General to abide by the statement he made on 23 April 1998 — that the role and function of the chief law officer of Victoria is to maintain a level of independence and dignity. The opposition would support him if he abides by that statement. However, until now he has simply not been able to comply with it — for example, recently he threw across the table a document that had nothing to do with what he was saying. If he continues to behave as he has behaved in the house previously, and particularly as he has behaved over the past few weeks, the opposition will be unable to support him — not because it does not wish to support him but because it cannot support someone who cannot do a professional job in trying to break this deadlock.

I will outline the position that should be taken in discussions with the commonwealth. The former government had an agreement whereby the commonwealth would contribute 55 per cent of legal aid funding to the state and Victoria would contribute 45 per cent. The federal government said when it came to office that there was a black hole and funding cuts would need to be made. The former government said to the federal government that when it came to office in 1992 it had a black hole much bigger than that of the federal government, but it did not alter its legal aid funding in any way whatsoever.

Despite that the commonwealth reduced the funding by 22 per cent. The former state government said, 'The average cut in funding across the justice portfolio to try to save money is 3 per cent, so how can the federal government justify a 22 per cent cut in legal aid funding?'. The next point the former government made, which I hope this government will also make, is that the suggestion that money from the commonwealth should fund only commonwealth matters and not matters within the state jurisdiction is totally without foundation. That is absurd.

A Victorian person asked whether he or she is a commonwealth person or a Victorian person might say, 'I am a Victorian first and an Australian second', or 'I am an Australian first and a Victorian second'. That Victorian would not have the slightest understanding that legal aid funding could be denied him or her simply on the basis of whether the action is dealt with under a commonwealth statute or a state law. It is absolute nonsense to suggest that the Australian government should not fund Victorians who need legal aid.

It is a wide issue because it deals with the federation. I hope the present government will say to the commonwealth that we should try to make ours a modern federation, because we will be going backwards if we divide up the interests and needs of all Australians by classifying cases as either commonwealth legal matters or state legal matters. The only way the nonsense can be rectified in a modern federation is if men and women of goodwill decide to cooperate. The commonwealth must decide that it will cooperate to ensure that we have a modern federation and simply say the funding for legal assistance will be provided by both the commonwealth and the state without any artificial distinctions being made.

It does not help when the government maligns people in Victoria Legal Aid who are trying to get the best out of every dollar. When I sat in this house and heard the then shadow Attorney-General, now the Attorney-General, malign Rob Cornell time and again when he was simply trying to drive the dollar further and not get involved in the political debate, leaving that to those in the political arena, I thought it was atrocious to take that attitude. I hope now he is the Attorney-General he will be mature and professional enough to leave alone people who are trying to implement the scheme and will support them as best he can and work in the political arena to get them more money.

The thing that really got to me over the period when the coalition government was trying to get the commonwealth to change its mind was that the then shadow Attorney-General said it was all the fault of the Victorian government, and he simply attacked the Victorian Attorney-General for not filling the gap.

The newspapers are full of statements by Jan Wade, the then Attorney-General, slamming the commonwealth government. On 13 July 1996, an article appeared in the *Age* stating:

> The state Attorney-General, Mrs Jan Wade, yesterday accused the federal government of neglecting the needy in its plan to slash funding for legal aid.

She is also reported as saying she was horrified at what they were doing. Again, on 7 August 1996 in a letter to the commonwealth Attorney-General, Mr Williams, Mrs Wade protested the cuts and said most legal aid cases involved state law, including criminal matters. She told Mr Williams that if he did not change his mind extremely needy people would be in trouble.

On 25 October 1996 the *Age* reported what the former Attorney-General said about how much Victoria would lose. She is quoted as saying:

> This came right out of the blue for us … They just plucked a figure out of the air and now they are trying to justify it.

She had another go in the *Age* on 18 December 1996. This time she said she rejected Mr Williams's claim that Victoria Legal Aid was not efficient. She made a point about how much the state would lose and said that Mr Williams was wrong about the amount provided for federal matters and that in fact something like $2 million or $3 million more had been used for federal matters than state matters in the previous couple of years. She again slammed the commonwealth.

We come to 15 February 1997, when she again said legal aid was one of the few areas the Victorian government quarantined when it came to office in 1992. She actually said something I could not believe. It is the only time I have ever seen the former

Attorney-General angry, and this shows how angry she was. She is quoted as saying:

> So we are extremely p….d off.

I will not say what she meant, but I think it is pretty straightforward. She went on to say:

> In circumstances where … we faced greater financial difficulty than the commonwealth, we kept our part of the bargain.

So here was Jan Wade, an Attorney-General who never uses that sort of language, saying to the press, 'This is how we feel'.

The important thing to remember is that she then held out against the commonwealth. On 13 June 1997 the *Age* reported that:

> The state government has finally struck a deal with the commonwealth over a shake-up of the legal aid system, containing the cut in funding to $2.9 million instead of the predicted $9.1 million.

In other words Jan Wade, as a consequence of her response to the federal government, reduced its proposed expenditure cut by $6 million a year, to $2.9 million. In the next budget she increased Victorian recurrent funding by $4 million a year. In the latest Victoria Legal Aid annual report, Jonathan Mott, the chairperson, says:

> I am pleased to advise that those problems have been substantially alleviated by the additional $4 million recurrent funding allocated to VLA from 1 July 1999 in the 1999 Victorian budget.
>
> Victoria Legal Aid records its appreciation for the Attorney-General's assistance in achieving that additional funding.

Mr Michael Gawler, president of the Law Institute, said the same thing.

The Liberal government's record on increasing legal funding is extremely good. The challenge is now to the Labor government. If it cannot get more funding from the commonwealth it should do what it said the coalition government had to do and increase Victorian funding. That is my challenge to the government, because the coalition government did that and filled the gap with an extra $4 million. The Labor government says $2 million or more is needed and it will try to get it out of the Commonwealth. If you can't, we say to you, 'Do what we did. Show the Victorian people that the Labor Victorian government is willing to put its hand in its pocket to increase the amount of money for legal aid'.

We all agree that more money is needed for legal aid. We all agree something has to be done. The opposition will support every reasonable attempt to get the commonwealth to provide more money.

**Mr WYNNE** (Richmond) — I support the discussion of this matter of critical public importance. I am confident the Attorney-General will pursue the matter with great vigour and commitment on behalf of the people of Victoria, particularly disadvantaged people and people on low incomes.

The Bracks Labor government stands by its commitment to justice, which includes the reinstatement of compensation for pain and suffering for victims of crime, the restoration of common-law rights for seriously injured workers, strengthened independence for the Equal Opportunity Commission and the Director of Public Prosecutions, the creation of a Law Reform Commission — I am delighted to be assisting the Attorney-General on that matter — and enhanced legal education campaigns.

A pivotal aspect that underpins our justice strategy is a commitment to legal aid. If we accept that all citizens are equal before the law, we must equally accept that all people should have access to professional legal services. The late Lionel Murphy was a great advocate of providing legal services to our community.

Lionel Murphy's announcement in 1972 represented the beginning of the commonwealth's involvement in legal aid funding. His vision of providing legal services to the socially and economically disadvantaged developed into a national legal aid scheme. During the 1980s and early 1990s the scheme led the world in the provision of legal services to the poor and disadvantaged. I hark back to those days and suggest that only two or three pillars of the great reformist Labor government of 1972 still stand today: the comprehensive Medicare provisions, legal aid funding and the Commonwealth Schools Commission.

**Mr Nardella** — And the Family Law Act.

**Mr WYNNE** — Yes, and the Family Law Act.

People can access legal services through Victorian legal aid, community legal centres, specialist legal centres and obviously the legal profession generally. I argue that a civil society must accept its obligations to ensure access to legal services and that the capacity to pay should not be a barrier to such access.

I welcome the contribution of the honourable member for Berwick. On a bipartisan basis we must reject the current commonwealth proposal for funding, which by

any measure is manifestly unfair to Victoria and will severely disadvantage its grant allocation. The proposal in this financial year is a $5.04 million cut on top of a reduction of $5.3 million in 1996–97, a total reduction of $10.7 million, or near enough to 31 per cent, which is simply unacceptable.

In arriving at the proposed funding formula the commonwealth has relied upon what has been quoted as a legal aid needs study, which was based on empirical and qualitative data analysis. In part, correspondence from the federal Attorney-General suggests that the distribution of grant funds will be based on:

> … a similar approach to that taken by the Commonwealth Grants Commission based on an assessment of relative need between jurisdictions.

Honourable members are hampered in understanding the basis of the proposed decision making because Victoria has not yet received a copy of the legal aid needs study. What is clear is that the proposed formula will result in the most vulnerable and disadvantaged people in our community not having full access to the protection of the law, and that is completely unacceptable.

A concurrent concern is the review of the Victorian community legal centres. More than 30 such centres were established in Victoria, essentially by local communities, in recognition of the failure of the legal system to cater for the needs of the poor. I had a long involvement with community legal centres in a previous life. I was involved in the Flemington community health centre, one of the early health centres to establish a community legal centre. As many members would be aware, my colleague the former honourable member for Melbourne, Neil Cole, was pivotal in the establishment of the community legal centre at Flemington. The key to community legal centres is that they are locally based, locally accountable and deal with problems that established legal centres in the past were not necessarily prepared to address.

Over time the Flemington legal centre dealt with many controversial issues, such as police shootings. The centre was also involved in many major social action campaigns. Essentially, however, the centres were about empowering disadvantaged groups. They were active in assisting public housing tenants on advocacy issues. They established police community liaison committees and were innovative in supporting public housing tenants on that estate. They also tried to address serious issues of security and vulnerability in some of Melbourne's largest public housing estates.

Community legal centres are a unique way to deliver services to the community. If one considers the siting of many of the legal centres one would not be surprised to find that there is a clear correlation between where they have been established and areas of major social disadvantage.

The community legal centre review has been widely interpreted within the sector as having predetermined outcomes. Clothed in the rhetoric of efficiency and effectiveness, many centres see the review as an attempt to rationalise the number of services, force amalgamations and potentially close services. The Attorney-General has guaranteed that community legal centres will not be forced to close and that they will retain their independence. On a bipartisan basis we must renew the restoration of commonwealth legal aid funding to pre-1997–98 levels, not approve any cuts to legal aid funding and establish a simple, accountable system of such funding. The Victorian government must take the fight to the commonwealth on this issue, and the case will be considerably enhanced if we can arrive at a bipartisan position.

I say to the honourable member for Berwick that I am confident that the Attorney-General will pursue this matter with the commitment of somebody with a legal background. The Attorney-General has worked in community legal centres; he understands the needs of the most vulnerable people in our community and brings to this debate a real, deep understanding and commitment to the importance of legal aid funding and community legal centres as a network that supports the most disadvantaged in our community. I welcome the support shown by the honourable member for Berwick, and agree that the most vulnerable members of the community should accept nothing less from this Parliament.

**Mr McINTOSH** (Kew) — I support the motion currently before the house, but it is with a degree of questioning that I support the words of the Attorney-General. I would like to think the Attorney-General had picked up the words of my maiden speech when I spoke about the rule of law being the cornerstone of our democracy and the ability of all people to vindicate those rights they may or may not have. It is incumbent upon the entire community to ensure that the most disadvantaged in our community have the ability to access the law and vindicate their rights. I also echo the reflections on the debate by the honourable member for Richmond in relation to those matters.

The house may benefit from an examination of the history of legal aid in this state. Originally there was the

Legal Aid Committee, which was a totally voluntary committee jointly run by the Law Institute of Victoria and the Victorian bar — the Law Institute representing the solicitors and the Victorian bar representing the barristers. Essentially work was provided to the profession at a substantial fee reduction from a pool of money provided out of the Solicitors Guarantee Fund.

That process was adopted by many other jurisdictions throughout the country. In 1973, Lionel Murphy, the then federal Attorney-General, adopted the notion of legal aid by promising that the commonwealth government would, for the first time, provide legal aid throughout Australia. So 50 per cent of funding was to be provided from the Solicitors Guarantee Fund, which was obtained from solicitors trust funds, and 50 per cent was provided by the commonwealth government. That system operated effectively for some 20 years.

The debate about the desperate financial needs of the Legal Aid Commission is nothing new. The honourable member for Dandenong North is right when he says that I was a member of the barrister's trade union; however, I note that it does not have the right to strike. I was a member of the Victorian Bar Council, and throughout the period of my membership we constantly discussed the difficulties of funding legal aid. Throughout the 1980s and early 1990s, when Labor governments were in power both in Victoria and federally, there were difficulties. By virtue of a number of claims made on it, many of which have not been resolved effectively, the Solicitors Guarantee Fund was unable to fund its 50 per cent allocation. In the early 1990s, the government had to provide money to meet that shortfall, which became larger and larger, to the point where the government now provides some $27 million and the Solicitors Guarantee Fund provides nothing.

Honourable members have correctly pointed out that the real funding problems now devolve to the commonwealth because it has said it will fund only commonwealth matters. The vast majority of successful applicants for legal aid relate to criminal matters, most of which are state-related matters. In refusing to fund state-based claims the commonwealth is essentially preventing the proper funding of legal aid.

Of course, as a member of the house I support the bipartisan proposal presently before it. I support any rational and responsible approach to the commonwealth government to ensure the proper funding of legal aid and a resumption of the proper position of jointly funded legal aid. That is the responsibility the commonwealth has adopted for the past 25 years, and it should be maintained.

To provide the most disadvantaged in the community the ability to access their legal rights, community legal aid centres have been established, pro bono schemes have been provided by the Law Institute of Victoria and the bar council and public interest clearing houses, which recognise certain cases should be supported in the public interest, have been established and funded effectively through pro bono work.

Because the opposition recognises that community legal aid centres and pro bono work are important aspects of our democracy to allow the most disadvantaged in the community to vindicate their rights, this important issue will receive bipartisan support. I accept the comments of the honourable member for Richmond about adopting a bipartisan approach, but that approach must be tempered by some dignity in the way it is presented to the commonwealth government and should not become a political football. I am terrified that the Attorney-General will not treat this matter seriously but use it as a mechanism to get a headline. It is too important an issue to trivialise, especially for those 70 per cent of people who obtain legal aid grants and who are on social security benefits. It is too important an issue for those people charged with serious criminal offences who cannot come before our courts. It is too serious an issue when the Chief Justice of the High Court of Australia points out the difficulties the courts have with unrepresented litigants.

I am disappointed that the minister who initiated this significant matter of public importance is not present in the house to hear its views about something that should be treated very seriously. As I said earlier, the opposition will support the motion so long as it is presented to the commonwealth rationally to ensure positive outcomes for Victorians.

**Ms GILLETT** (Werribee) — It is with pleasure that I contribute to this matter of urgent public importance in support of the government's campaign to have the commonwealth government restore funding to legal aid at pre-1997–1998 levels and to re-establish administratively simple and accountable systems of legal aid.

It was with some concern and amusement that I heard the honourable member for Kew say that the Attorney-General has properly reflected on the quality of access to justice and the rule of law that the honourable member mentioned in his inaugural speech. I assure the honourable member that the Attorney-General has been talking about the important issues of access to justice for a long time before the honourable member made his inaugural speech! The Attorney-General is a man of his word. He has been a

member of this place for many years and has discussed the absolute importance of access to justice. Through legislation he has introduced, correspondence he has written and the raising of this matter of public importance he has done more than speak about the issue — he is doing the deed.

Opposition members should have no concern about the strength of purpose and will, nor the good grace and diplomacy exercised in the negotiations between the federal and state Attorneys-General. The current Attorney-General occasionally raises his voice or is less than diplomatic when frustrated by the inane remarks of members opposite. He is a gentleman by nature, and is subject to extreme criticism and provocation from members on the other side.

It is important that there is bipartisan support for this matter of public importance. Honourable members expend enormous amounts of time and energy in providing to their constituents quality access to the law. Many members act in their capacities as legal practitioners or as community workers. It is important to acknowledge the basic principles of equity and access to justice upon which we all agree. Honourable members may disagree about certain issues, but we all have a commitment to access to justice when doing our jobs as members of Parliament.

The City of Werribee has had a community legal centre for many years. I am proud to say that a number of friends and colleagues became members of the board of the community legal service. I have listened to them, assisted them and helped them over the past couple of years to participate in the federal government's review of community legal centres.

Before turning to how they reacted and participated in that review, I shall refer to the work the Werribee community legal centre does for the community. The communities of Werribee and Hoppers Crossing, which are serviced by the community legal centre, are diverse. About 80 000 people live in those two communities. Average domestic earnings in the electorate show that the communities are not badly off. Incomes are above average and unemployment is lower than other areas of the western suburbs. However, the averaging out does not provide an accurate picture of what is going on in my community. Some people do very well, a small number do well and a considerable group do not do well and are left out. The Werribee community legal centre has never taken the view that it has a limited category of work that it must perform. People can go to the centre for any legal matters ranging from family matters to complex arrangements in which financial companies are involved.

I am proud to say that the volunteers and part-time paid staff who work at the centre spend more time and energy than anybody, other than my electorate office colleagues, looking at the facts of the cases as well as what is fashionably called taking a holistic approach to those who see them. They care about the people themselves. That is attested to by the community agencies network in Werribee which took the time to prepare a detailed submission to the federal government to explain that the community welfare centre should stay in Werribee, be adequately funded and be located where the community lives. It does not want to move to another community 40 or 50 minutes away. That is vital to growing communities like Werribee and Hoppers Crossing.

In answer to a question last week about how the Bracks Labor government would deal with the federal government's review of community legal centres the Attorney-General said he had written to the federal government stating that its review should take into account the new policies and practices of the Bracks government.

Today is a significant day to be talking about this matter of public importance because access to justice is one of the civilising features of society. I have said before in this place that there are four pillars of civilised society — public health, public education, public transport and public housing. However, if there is a fifth — indeed there is — it must be access to justice; otherwise the right that we should have is not a right but an asset that has to be paid for. That does not make it a right.

Today's debate is also important because it is the 100th anniversary of the first Labor government anywhere in the world. The first Labor government was formed in Queensland on this day in 1899. I shall not go into details about how that government operated and functioned, but nonetheless, it is an important day. The shearers strike of 1891 was the genesis of the political wing of the trade union movement, the parliamentary Labor Party, and we are still having to fight the fight with a revolting federal government that is ideologically obsessed with cutting back and reducing our capacity to operate as civilised citizens in the community. There are good people who believe strongly that that fight will continue in a positive way. It is important that we put forward the view of both sides of the house which is to make the federal government aware that Victorians must have their rights concerning access to justice maintained.

**Ms McCALL** (Frankston) — The honourable member for Werribee mentioned the four pillars of

civilised society. The other pillar is that of representation of women in this Parliament. It is an important issue and I am delighted that we are both debating today. Like the honourable member for Kew, I express disappointment that the Attorney-General is not in the house to hear the debate, but I hope he is packing his suitcase ready to travel to Canberra to fight! I am pleased with the bipartisanship support for the motion.

I begin my contribution with a quotation from John Selden who said:

> Ignorance of the law excuses no man: not that all men know the law, but because 'tis an excuse every man will plead, and no man can tell how to refute him.

An important ingredient of the motion is the role of federal–state relations. Although Australia's history as a federation is less than 100 years old, whatever the differences in philosophy of federal and state governments everyone is entitled to and able to fight for the rights of a particular state. That is what federation is about. That can occur regardless of ideological and philosophical differences between the current minority Labor government in Victoria and the federal coalition. It is right and proper that the state government fights for state rights.

I am delighted that the Attorney-General is prepared to do so and is continuing an excellent tradition begun by the previous Attorney-General with whom I was proud to have served. On Victoria's behalf she made excellent representations to the federal government about legal aid and she increased legal aid funding in the Victorian budget by $4 million. Many honourable members would argue that it was not enough, but at least there is a recognition that the history of legal aid in Victoria is important.

I am a student of history and politics and love to put things in a historical context The carpets in Parliament House have a pattern of oak leaves, the history of which relates directly to the law and to the Parliament. It symbolises what happened before the first parliament was formed at Westminster by Simon de Montfort when the wise men of the village met the people under the village oak trees. There they would discuss issues of importance, such as those that are now before the parliaments of the Westminster system throughout the world. They also discussed matters of law, not in a Solomon-like division, but in the context of local matters that had local importance. The tradition of the law and the Parliament being kept separate became important and I am pleased to stand on the symbolic oak leaves today because of that important historical tradition.

The use or misuse of the law has become an interesting topic in literature. Those of us who have lived during the past 100 years would remember that the misuse or abuse of the law is central to many of Dickens's novels about London, particularly in stories like *Bleak House*, which make it obvious that unless you had money there was no way you would be defended properly or adequately before the law, and you would never be able to achieve justice. There is no question in our minds that every man and woman should be equal before the law. Certainly in Victoria it is recognised that a large percentage of the users of legal aid are women. Increasing funding to legal aid will without doubt increase funding to women, who will gain equity, equality and access to the law.

The law is seen by non-lawyers — there are not too many of us on this side of the house, but I am delighted to say there are a few — as at times being intimidatory. It is expensive and can appear to be inaccessible. Many of us in the chamber have regrettably gone through divorces. When I went through my divorce as an unemployed individual in the United Kingdom I had access to the legal aid system and was very much aware that in the eyes of the law I was regarded as an equal and that I had equal access to legal advice and aid. I am happy to say the divorce went very comfortably my way — the legal aid was extremely good.

On the Mornington Peninsula, where we have excellent community legal aid centres, women have a forum to go to for advice, no matter whether it is about domestic violence, sexual assault, single parenting or education. Legal aid does not just involve representation in the courts; it also provides a ground level information service for women who are unable to gain access to information by any other means.

I am extremely grateful for the high standard of advice given by the Peninsula legal aid service in my electorate, because none of us in my electorate office is a lawyer and it would be inappropriate for us to give that sort of advice. Many people in my electorate are referred to that service.

I am pleased the matter has come before the house. I am very supportive of the move by the minority Labor government, with the qualification expressed by the honourable member for Kew — unless the issue becomes just a cheap political football. I hope the issue of legal aid, equal representation and the great premise of the French Revolution, liberté, égalité and fraternité — in other words, equality before the law for everybody — is not used as a cheap attack on the federal government but is a reasonable, honest and open exercise in federal–state relations in which the histories

and traditions of Federation are followed for the benefit of all, and above all for those who live in and support Victoria.

I wish the Attorney-General very well. I hope he does not behave like a bully when he gets there, but puts our case to the best of his ability. He has the support of even the non-lawyers on this side of the chamber, who wish him well.

**Mr LENDERS** (Dandenong North) — It gives me great pleasure to speak on this matters, because this is my first opportunity to contribute to debate on a matter of public importance.

The Attorney-General's statement supports the Victorian government's campaign to have the federal government restore legal aid funding to Victoria to pre-1997–98 levels and to re-establish an administratively acceptable and accountable system of legal aid. It is heartening to see bipartisanship on this issue. It is an interesting reflection on history that the public perception — I note that the gallery is empty today — is that politicians spend all their time disputing issues. We certainly do a bit of that, but it is clear from my limited time as a member of Parliament that we agree more than we disagree. That is heartening.

I refer firstly to the bipartisan support of the honourable members for Berwick, Kew and Frankston, which the government finds particularly encouraging. We must never forget, and commonwealth governments of all political persuasions must not forget, that Victoria is part of the commonwealth and has an obvious entitlement to its share of commonwealth revenue, an interest that is not in any way diminished because we are a populous state.

I shall respond to a number of issues raised by the honourable member for Frankston. I noted with some interest that she implied that she was part of a minority of opposition members who are not lawyers. Only 2 of the 42 members on the government side of the house are practising lawyers, which is most unusual for a Labor Party that is reputed to comprise lawyers and teachers. I reflect on the fact that I am a trained but unqualified lawyer and a trained but non-practising teacher. That is probably the worst of all things to be in the Labor Party. I was also a party official for many years, so I stand totally condemned.

**Mr Brumby** interjected.

**Mr LENDERS** — I take up with some pride the interjection from the teacher opposite.

The issue is an important one, and there has been a degree of emotion surrounding it. I say to honourable members opposite who are concerned about the motives of the Attorney-General in pursuing the issue, that as honourable members on this side of the house know — and love — the Attorney-General is a passionate man. He has viewed this matter with passion for a long time. When the Attorney-General went to North Queensland to work in a community legal aid centre with the Aboriginal community, which is hardly a fashionable or career-enhancing option, he did it because he believed in it, and he has believed in these issues for a long time. I am sure that passion is shared by many members opposite, perhaps not in such a robust fashion but a shared passion nevertheless.

The honourable member for Frankston referred to the government as a minority Labor government. In the interests of equity we should reflect on the fact that of every vote counted in every electorate the government received 50.4 per cent on a two-party preferred basis. I put that on the record.

I appreciate the comments of the honourable member for Frankston when she referred to the history of this place. When we are talking about access, equity and the rule of law that history is important to reflect on. My only concern with the honourable member's observations is her great delight at standing on a carpet depicting oak leaves. I would prefer to be standing on a carpet depicting eucalyptus leaves, but that is a matter for another time and place.

Although there are only two practising lawyers in our number, there would not be one person on this side of the house or among honourable members opposite who has not felt and seen the need in the community for equal access to the law. The history of legal assistance in Victoria — whether it be the Solicitors Guarantee Fund that lawyers set up many years ago or the pro bono work done by nearly every lawyer in the state — clearly shows there is a need for access to the law, and that need has been addressed universally. We must all work for equality before the law for everyone.

The honourable member for Werribee pointed out that this is the centenary of the election of the Dawson Labor government in Queensland. For government members it is obviously a proud time, because the election of that government was the start of Labor government in Australia. The whole purpose of people getting elected to Parliament, whether in the Labor Party or opposition parties, is because we want to do something to make the world a better place. Legal aid is an important part of achieving that desire.

At the 1996 legal aid conference in Perth Teresa Ellis spoke about why legal aid is necessary and where it all comes from. It is important to keep the issue in perspective. People addressing the conference spoke about the effect of legal aid on human rights. It was an interesting perspective, because when we talk about human rights we usually think of Third World issues — for example, tyranny in Rwanda or the situation in East Timor — not issues that are fairly fundamental in the electorate of Dandenong North, such as appealing a social security decision. We would not usually think of that as exercising human rights, but I argue strongly that it is a human rights issue.

Regardless of whether one is negotiating with a bank over a loan gone wrong or one has no legal skills or confidence, it is a human right to have representation when encountering a bank, which is a formidable institution. Similarly, if a person is giving evidence in a family law case or any such matter, access to the law and rule of law does not apply unless people with no confidence to speak for themselves have advocates who can speak for them.

I could give many examples, but the situations that arise in my electorate of Dandenong North occur when a person is in dispute with the Office of Housing, electricity or gas utilities or Telstra. All such issues are pertinent if the rule of law is to apply to people with equal access.

I have not said anything that would be new to anybody in the chamber, but all honourable members should reflect on the issue as a matter of public importance. Under a new formula put in place by the commonwealth government, the commonwealth contribution to legal aid in Victoria has been reduced. The issue for the Victorian Parliament is how it can in a bipartisan and collective way assist to restore some of that money to Victoria, because every single dollar and cent of that represents access to equity in the law, and honourable members from both sides of the house cherish such things.

I quote observations Mr Justice Toohey made on access and equity issues several years ago:

> What is the good of a legal right if the person who holds that right cannot afford to secure its enforcement?… If, as a society, we base our affairs upon the rule of law, we carry a responsibility to provide for its enforcement. If rights can only be exercised by the rich, they are not rights but assets bought at a price. The rule of law then effectively becomes the privilege of the few.

That is a pertinent observation from an eminent jurist that goes to the heart of the debate.

I wish the Attorney-General well in his campaign to restore equity to Victoria. I have the fullest confidence that he will, in his normal, enthusiastic fashion, advance Victoria's cause. I understand the concern of members opposite; being at the receiving end of his advocacy at times they may be concerned that the Attorney-General is overenthusiastic! However, at the moment Victoria needs a forceful and persuasive advocate from the Victorian government supported by equally forceful advocacy from members of the opposition. I hope members opposite will use their internal party influences to convince their parliamentary colleagues in Canberra of the worth of the Victorian cause, just as I would hope we on this side of the house would do if we were in opposition. Much is at stake and bipartisanship will assist. I welcome the enthusiastic advocacy of the Attorney-General.

**Mr RYAN** (Gippsland South) — In response to the Minister for State and Regional Development, I inform the house that there is no standing order against lawyers!

It is a pleasure to join the debate in a sense of bipartisanship on an issue that is crucial to all honourable members. Much of the commentary by the honourable member for Dandenong North is accurate in the sense of access and equity. One of the true measures of how any society properly functions is its ability to cater for the needs of those who are most in need. The ability to represent the interests of those people in many forums in a manner which does justice to them is, literally, a true measure of society, which makes the issue so critical for everybody.

For that reason I join my colleagues on this side of the house in supporting the motion moved by the Attorney-General. I also pay due regard to the efforts of the former Attorney-General, Mrs Wade, in her pursuit of legal aid. The honourable member for Berwick made considerable reference to the endeavours of the former Attorney-General over the years to ensure a proper share of funding for Victorians in need. The honourable member for Berwick listed the number of instances where the former Attorney-General publicly and repeatedly referred to how critical legal aid is to the interests of all Victorians and how the commonwealth should address the legal aid situation properly and equitably. I have great regard for Mrs Wade's efforts in that sense.

Much has been said about the background to the current arrangements between the federal and state governments. It is also informative to reflect on the report of Victoria Legal Aid (VLA), which was tabled

in the house yesterday and contains pertinent comments that should be taken into account.

In his report Jonathon Mott, in his capacity as chairperson, said the additional $4 million in recurrent funding in the Victorian budget from 1 July 1999 went a long way towards alleviating some of VLA's funding issues. Mr Mott also said VLA appreciated the invaluable assistance of the former Attorney-General in achieving the additional funding. The information about the efforts of Mrs Wade comes from a very informed source.

The report of the managing director, Mr Robert Cornall, contains references that are pertinent to the debate. They highlight the extent to which legal aid assistance is critical to all Victorians. Some of the figures showing the extent of that assistance are extraordinary — for example, during the past year Victoria Legal Aid made 34 743 new grants of assistance, an increase on the previous year's figure of 33 934. VLA provided 41 426 duty lawyer services in Magistrates Family and County courts and the Mental Health Review Board — about the same figure as that of the previous year, which was 41 514. VLA provided advice to 32 646 clients, up from the previous year's figure of 30 230. Interestingly, it provided telephone information services to 57 098 clients in English or 1 of 13 other community languages. In the previous year the figure was 64 531. Total operating expenses were $61.716 million.

Those figures show how utterly critical those services are to the people of Victoria and that they have been managed in an absolutely exemplary fashion by Victoria Legal Aid. I pay tribute to VLA for managing very difficult circumstances. I often think the issue of legal aid is not unlike — dare I say it — hospital waiting lists. Sometimes I think one could pour the whole of the Victorian budget into it and still not have enough to go around. To the extent that funding is available from federal and state sources, the VLA does a marvellous job in accommodating people's needs.

Honourable members should also reflect on one other aspect of Mr Cornall's report. From July 1997 the Legal Aid Commission effectively ran two businesses, one to provide legal assistance for matters arising out of commonwealth law funded under a purchaser-provider agreement and the other to provide legal aid in state law matters. State funding is required to meet all non-commonwealth activities undertaken by Victoria Legal Aid.

I suppose it is about that aspect that opposition members are expressing concern. The commonwealth must provide appropriate levels of funding to meet the needs that consistently arise from the operation of commonwealth legislation.

I also take the opportunity to pay tribute to the members of the profession in their roles as solicitors and members of the bar. In the days when I was in practice I remember many occasions on which members of the legal profession applied for legal aid, saw clients in their offices and represented their interests at court in circumstances where fees were reduced. It would not be unkind to say there was an ever-narrowing gap between the cost of providing services and the income earned from providing them. That represented a major contribution by solicitors around the state.

In addition the circumstance often arose, which I think led to the establishment of the legal aid system, whereby members of the profession would often go to courts — magistrates courts in particular — and on a pro bono basis take up the cases of and generally look after people they came across who were unrepresented and in need of assistance.

That sort of generosity is often overlooked in the course of debates such as this. I emphasise that that situation applied, and continues to apply, at the Victorian bar. I know of many barristers who have contributed an enormous amount of time looking after people in need, not only in the criminal and family law jurisdictions but also in the civil jurisdiction. There they often chance their arm, if you like, on behalf of people whom they regard as being in need, putting in time and effort to ensure that their needs are properly accommodated.

I join with the other honourable members who have contributed to the debate in hoping that in a truly bipartisan fashion we reflect the concerns of all Victorian parliamentarians about the need for the government to strike an arrangement with the commonwealth government to ensure that the critical issue of equity and access to justice is dealt with in a manner appropriate to community needs.

As I said, how the issue is dealt with is a true measure of our society. I am delighted that the issue is being approached in the manner most have approached it. I look forward to the Attorney-General's successfully negotiating to bring home the bacon, if I may use that term.

**Ms DUNCAN** (Gisborne) — It is with pleasure that I rise to speak on this matter of public importance. The issue of legal aid funding is now approaching crisis point — if it is not there already — after having smouldered and simmered away for a number of years.

Honourable members have heard speakers from both sides of the house agree on the need for legal aid funding. The extent of the agreement between us on the issue is almost overwhelming. I hope the government can rely on the opposition when the time comes — and the time is now — for it to lobby the commonwealth government to ensure that the foreshadowed additional cuts are not implemented.

Honourable members know that without legal aid, prohibitive legal costs would make the legal rights of the vulnerable and disadvantaged worthless. The honourable member for Dandenong has quoted Justice Toohey in that regard.

The Bracks government recognises that legal aid is an integral part of Victoria's legal system. The government's commitment to legal aid is about creating a more just society by making justice more accessible to ordinary people, creating a system that is fair for all Victorians, and strengthening the rule of law in our democratic society by providing appropriate levels of independence to and requiring appropriate levels of accountability from those who provide legal aid.

In 1995 the former government's amendments replaced the Legal Aid Commission with Victoria Legal Aid (VLA) and removed the nominees of the legal profession and community organisations from the new organisation's board of management. That diluted the VLA's independence. Responsibility for the management and strategic direction of the organisation was put in the hands of the government appointees. The Bracks government is committed to restoring an appropriate level of community participation in legal aid management and policy formulation.

An organisation like VLA has a particular place within our legal system. Although Victoria Legal Aid must be accountable for its operations and its use of resources, it must be independent from government and be responsive to the community. That role is played by community legal centres, and I believe it can be played by no other organisation. Community legal centres are community based and, therefore, responsive to their communities.

Victoria has already seen the effects of over $500 million cuts to the legal aid system made by the commonwealth government in 1996. The commonwealth government no longer takes responsibility for people it previously took responsibility for. A previous speaker described the distinction between those users of the legal aid system for whom the commonwealth government has a specific responsibility and those for whom it does not as artificial and one that ordinary Victorians could not understand. Depending on the circumstances, ordinary Victorians would not necessarily see themselves as being the responsibility of the commonwealth government, just as they would not see themselves as being the primary responsibility of the Victorian government.

In many areas of the law there are distinctions such as those that people would not understand, just as there are many distinctions in the parliamentary sphere that people would not understand. However, that does not make those distinctions less legitimate. It is a shame that the commonwealth has reduced the level of responsibility it previously had for the unemployed, recently arrived migrants, and people on social security benefits, because they are some of the most vulnerable people in our society.

Although the previous Attorney-General may have made a fuss about the cuts to legal aid funding — honourable members have heard that she used uncharacteristically colourful language to express her dismay at the commonwealth cuts — the fact that Victoria is facing further cuts suggests that simply to stamp one's foot and say critical things about the commonwealth government is not enough. Honourable members have seen how effective that approach has been — not very effective at all!

The concern I have about the crisis in legal aid funding is the daily impact it is having not just on people who are not able to access legal aid but on those who are working in the area of criminal law. Day after day we hear of people being unrepresented in court. Recently we have heard of circumstances in which people could be cross-examined by the persons who have allegedly committed crimes against them. That is unacceptable in anyone's language and cannot be tolerated.

Lawyers are spending enormous amounts of time battling the legal aid system instead of battling for their clients. They are spending hours and hours each week trying to access legal aid for their clients. Often their clients commence court proceedings and get some way down the track, only to find that legal aid funding is not assured. Lawyers are not sure whether or not they will be paid for the work they are doing. As I said last week when speaking on another matter, many lawyers do enormous amounts of pro bono work, which has also been acknowledged by members on the other side.

Not only do many lawyers do pro bono work, but many legal firms also continue to represent clients while being paid only at legal aid rates, which for them is barely subsistence funding. For some lawyers and legal

firms a high percentage of their clients — in some cases as many as 40 per cent — are legal aid recipients.

Those lawyers and law firms are taking cuts in their own salaries and profitability in order to represent those clients. They do that because they have an enormous sense of social justice and because they care passionately about the criminal law and access to it. In other words, many law firms are currently subsidising the legal aid system.

Only those charged with serious crimes and facing the prospect of lengthy prison terms are guaranteed access to the legal aid system. That is completely unacceptable, and that is why I support the Attorney-General approaching the commonwealth government and doing whatever is required. If that involves colourful language, yelling and jumping up and down, that is what needs to be done. This is a passionate issue: it is about people facing the prospect of prison terms without proper representation.

The Bracks government is committed to maintaining current legal aid funding levels and will review them with a view to increasing funding, if its priorities so allow. The government will legislate to preserve an appropriate level of community and legal profession involvement in the management and policy setting of the legal aid system. Its independence from the executive will be enhanced.

Victoria will remain part of the current review of community legal centres to ensure the program is delivered cohesively and consistently on the basis of two conditions — that is, the review has regard to current Victorian government policy on community legal centres (CLCs) in making its recommendations, and secondly, that the commonwealth give a commitment to the funding program as the most effective and efficient way of determining CLC funding priorities in Victoria. I wish the Attorney-General all the best in his endeavours to ensure that.

**Mrs FYFFE** (Evelyn) — I support the motion moved by the Attorney-General and acknowledge the bipartisan support expressed on behalf of the opposition by the honourable member for Berwick. The former coalition government always argued strongly with the federal government about funding levels for legal aid. The former Attorney-General, Jan Wade, was able to negotiate to contain the 1997 cuts to $2.9 million instead of the expected $9 million. I congratulate her on that achievement, and I assure the honourable member for Gisborne that the former Attorney-General did far more than stamp her foot during those discussions. During her time as Attorney-General she also increased the legal aid budget by $4 million and introduced a range of diverse new programs to offer magistrates alternative non-custodial sentencing opportunities, a move which was terribly important.

It has never been easy to obtain legal aid, but it has now become even more difficult. Those for whom legal aid was intended are missing out — that is, migrants, Aboriginals, the unemployed, war veterans and those on social security benefits. Another group which is also missing out and which was not evident 20 or 30 years ago when legal aid was introduced is children, who are not being fairly represented in court.

It is disappointing that on a matter of such importance the Attorney-General is not in the house. The house is debating the motion he moved. Is he serious about it or is it just another smoke screen? I am concerned that he will use this very important matter as a political football. He does not seem to care.

The partnership is committed to access to justice. Those of us in this house and in the federal Parliament are in a privileged position; we have access to resources and networks that many people in the community do not have. The majority of those who require legal aid are limited through lack of education resources, financial resources and networks.

I note the generosity of the barristers and solicitors, who give so freely of their time to help people who cannot afford to pay for their services.

I would like to ask the Attorney-General, and I would have asked him if he were here, what his departmental funding priorities are. Will he be like the former Attorney-General, Jan Wade, and look at the matter seriously and increase legal aid funding? I note the previous speaker said it would depend on government priorities. Surely, this should be one of the most important priorities of the government.

During my work with the Salvation Army as the City Chair of the Red Shield Appeal I naturally became very much aware of the needs in the community and learnt how the cuts have affected people, particularly the victims of domestic violence, who are forced to represent themselves in family law cases. An article in the *Age* of 17 May referred to a Salvation Army report. The article states:

> Unlike most family court cases, domestic violence cases are rarely resolved by negotiated agreement and usually go to trial …they are often the court's most complex cases and the high level of conflict between ex-partners fighting over children, property and abuse allegations impedes progress.

It goes on to say that women involved in those cases quickly reach the $10 000 funding cap when paying for legal representation and are therefore more likely to find themselves going to court unrepresented or losing their representation part way through litigation.

One of the case studies in the report that horrifies me concerns a woman who was forced to represent herself when her ex-partner, who had previously been convicted of sexually assaulting other children, wanted overnight contact with their daughter. It is a horrific circumstance to be in when the father of a child you love and dearly want to protect has been convicted of sexual assault but wants to have overnight access to that child. The father has rights and he may not have assaulted his own daughter, but the uncertainty, confusion and fear in the mother's mind as she tried to represent herself in court can barely be imagined by us sitting in this place.

The Salvation Army report also refers to women who are battered and abused and how the multimillion dollar budget cuts have advantaged their violent ex-partners in money-manipulated custody battles. It is a disturbing study.

The report also points out that 35 per cent of family court cases involve people who are unrepresented. The cost to the courts and the taxpayer must be astronomical, because people representing themselves need more guidance and help and it takes longer to process a case. Many of the lawyers here tonight have talked about the problem coherently — more coherently than I have, given that I just said 'tonight' instead of 'today'.

I refer to domestic violence victims fighting for custody and the children involved in those cases. An article in the *Herald Sun* of 7 October states:

> About half the children who should be legally represented in family court cases were missing out because of legal aid cuts.

That should be a concern for all of us. The future of this country is being put at risk because of those federal government cuts.

The article also states that in 38 per cent of cases at least one party was not represented. No doubt many of those unrepresented people come into the system unable to understand it and are without assistance. It boils down to this: those who do not understand the system because of their limited English and education or because they have come from completely different systems do not know where to go for help.

An article in the *Age* of 12 June refers to a Somali woman with poor English who wanted to get divorced. She did not know where her husband was and had no idea how to fill out the necessary forms, which the article states is a common problem for migrants — they need help merely filling out the forms to apply for divorces or for other matters. That problem also applies to males — I do not wish to appear to be discriminating against 49 per cent of population of Australia, but women are most disadvantaged by the problem.

I have done some research on legal aid, and I find its background fascinating. Previous speakers who are or were lawyers have spoken eloquently on that background.

I hope the Attorney-General presents Victoria's case in a calm, clear and logical manner so that the people of Victoria receive their fair share of commonwealth funding.

**Ms ALLAN** (Bendigo East) — I am pleased to have the opportunity of speaking on this matter of public importance. It is a most important matter for the constituents of my electorate of Bendigo East, who have felt the impact of the federal government's cuts to legal aid funding.

The reduction in legal aid funding since 1997–98 has dramatically limited access to justice for Victorians who are unable to meet the expenses of legal proceedings. As the honourable member for Evelyn said, those of us who have a strong sense of justice realise how unfair the situation is. The reduction in commonwealth legal aid funding has resulted in funding for legal proceedings being available to fewer people, at a reduced level and in more limited circumstances.

The most draconian of the federal government's cuts was the introduction of the absolute limit — for example, in the area of family law Victoria Legal Aid would not pay more than $10 000 for any one matter. Many of us might think $10 000 is a lot of money. However, it should be taken into consideration that the amount Victoria Legal Aid will allow to be spent on a family law proceeding is nowhere near sufficient for a person to prepare and conduct a family law matter.

It is estimated that the costs incurred before a matter goes to trial amount to an absolute minimum of $4500. Even with legal aid funding of $10 000, the cost of conducting a case in the Family Court is $2000 a day. If $4500 is spent in getting the matter to trial the case can then proceed for a maximum of three days before the

funding runs out. In the complex area of family law it is common that hearings go for longer.

There is no discretion for Victoria Legal Aid to waive the $10 000 limit in cases involving a particularly difficult issue or extraordinary circumstances. The $10 000 limit has resulted in unjust outcomes in the Family Court, including parties running out of legal aid during the trial and extra pressure being put on people to settle matters for less than they may have been awarded by a judge simply because they could not afford to go before a judge. As mentioned earlier, the number of parties who represent themselves has also dramatically increased.

A further area in which legal aid cuts have had an enormous impact is the ruling that, apart from in very limited circumstances, no legal aid funding is available for family law property matters. Given that in family law matters one party — more often the wife — will not have access to an income or savings to pay for legal costs, the former position of legal aid was that legal costs would be covered on the condition that if any money was received or a property was sold the legal costs would be repaid. That was vital in providing legal representation to parties who did not have their own resources. Now that such funding has been removed, the party must try to convince his or her solicitor to become a de facto legal aid provider and do the work involved on the basis that he or she will not be paid until the party receives money from the proceedings. As a result of lengthy delays and the fact that such proceedings can be expensive, it is not always possible for that to occur. Also, people are often concerned about becoming indebted to their solicitors. The removal of funding for family law property matters has resulted in many people settling for less than they would be entitled to receive because they cannot afford to fight the matter any further without the provision of legal aid.

In my electorate of Bendigo East reductions in legal aid have had serious effects on the provision of services to people who are unable to pay for legal representation. Unfortunately, since the cuts of 1997–98, three of Bendigo's larger legal aid firms have made the difficult decision to no longer accept legal aid work in family law matters. A few other legal firms have dramatically reduced the instances in which they do legal aid work to only those involving exceptional circumstances. I know that none of those firms took those decisions lightly. When considering the decision, one family law solicitor in Bendigo conducted an extensive analysis of the legal aid work he had done since the cuts were put in place in 1997–98. He calculated that he had been paid for only about 30 per cent of the work he had completed on legal aid matters. It is clearly not viable for anyone — it does not matter in what profession — to be remunerated for only 30 per cent of the work undertaken. It is vital for the federal government to be pressured to increase legal aid funding in family law matters.

As part of the 1997–98 cuts and in response to the federal government's slashing of legal aid funding, Victoria Legal Aid introduced the concept of lump sum fees in family law matters. Whereas previously a solicitor would negotiate with legal aid about how much funding should be available for a particular matter — taking into consideration the circumstances of each case and arranging funding on a group fee system whereby the solicitor would be paid for each stage and then report back to legal aid to negotiate aid for the further stage — the introduction of lump sum fees meant Victoria Legal Aid set an absolute limit for each stage of proceedings. It was then up to the solicitor to ensure that in conducting the file the work was done within the lump sum fee as nothing further would be paid. There is no opportunity to negotiate with Victoria Legal Aid even if extraordinary circumstances exist.

I am told by Bendigo lawyers that it is almost impossible to competently and adequately provide appropriate services to a legal aid client within the lump sum fees provided. On the one hand, they recognise the importance of the duty they have to their clients and to the court to comprehensively prepare and present cases but, on the other hand, they also recognise the legal aid lump sum fees provide for only a minimum of service. When the money runs out solicitors are in the unenviable situation of having to decide whether to refuse to do any more than what is covered by the lump sum fee — that is, run the risk of not providing appropriate representation — or to do all the work they believe is absolutely necessary but for which they receive no remuneration. Lawyers in my electorate tell me that if there were some capacity for legal aid to negotiate to increase the lump sum fees in special circumstances, much of the problem could be alleviated.

When I first discussed lump sum fees with local Bendigo lawyers my reaction was the same as that of many honourable members now — imagine lawyers doing something for nothing! However, it became clear to me that that is what is occurring. Victoria Legal Aid allows lawyers to charge in accordance with the family law scale of costs set down by the Family Court for each item they provide on behalf of their clients. The lump sum limit on top of that scale provides an absolute maximum above which any work done will not be paid. I am told by Bendigo lawyers that about 80 per cent of

the work goes above the limit, despite lawyers' best attempts for that not to happen. One Bendigo legal firm told me its accounts to Victoria Legal Aid in the past few weeks involved amounts of $1300, $1800 and $700 above the lump sum fees.

Bendigo lawyers are also keen to see that the reporting to legal aid be simplified, a matter raised by the Attorney-General. One described the current requirements as being akin to having to run the case twice — firstly to convince legal aid there is a case worth fighting and secondly to do the same again in court. Lawyers do not get paid for the correspondence and negotiations they have with Victoria Legal Aid in trying to secure funding.

They do not get paid for reporting to Victoria Legal Aid. I am told by Bendigo lawyers that since the 1997–98 cuts legal aid is harder to get and there is less money to go around. The amount of work required in convincing VLA to provide aid and then in reporting back to the agency has increased dramatically. In an electorate such as Bendigo East, where a number of family law matters come before courts, many people cannot afford to engage solicitors and lawyers, so legal aid funding is much needed.

I reflect on the Howard government's involvement in this matter. It has a poor record in family law! One of its first actions on coming into government in 1996 was to close down the Family Court at Bendigo, an action that discriminated against country people and disadvantaged and continues to disadvantage clients and lawyers who attempt to resolve family law issues. The result has been a backlog of cases and further alienation of people from the court process.

I commend the Attorney-General for bringing forward this matter of public importance and for his efforts in negotiating with the federal government.

**Mr THOMPSON** (Sandringham) — The debate also needs to be considered in the context of overall financial imperatives that are covered in it and which need to be addressed by governments of both political persuasions. A clear example of the lack of provision of justice in the Sandringham electorate was the failure between 1988 and 1992 by the then Labor government to fulfil an election commitment to rebuild the Sandringham police court complex. At the time the proposed complex was developed as a key election promise and strategy, yet when the former Labor government, which was ostensibly committed to justice, had the opportunity to implement the promise, it failed to deliver on the ground.

Government members may ask why that was the case. Why did the former Labor government fail to fulfil its promise? It may be that it did not have the level of money and resources necessary to do so as it endeavoured to allocate money across a range of competing priorities.

A number of years ago a philosopher and writer, Ivan Illich, spoke about the merit of demystifying the law. Prior to the advent of legal aid in Australia on a formal basis in 1973 there would have been a range of other means whereby people who were affected by the legal process still had the opportunity to pursue their interests in endeavouring to resolve matters. Historically the role of magistrates and judges has been sound as they have endeavoured to ensure that people who are unable to express themselves well, from migrant backgrounds or under-prepared and uncertain about what they may confront in the legal process have been able to present their cases in court. In addition to the work done by magistrates, lawyers undertook pro bono work. A person on a pension would have had no way of meeting the hourly rate of a member of the legal profession, yet lawyers were still able to take those matters on board and to ensure that people were represented.

Despite increased allocations of resources in certain areas there are still some unfortunate trends in the levels of imprisonment among certain groups in the Australian community, and the desired outcomes have not been achieved. The people who work in community legal centres do some outstanding voluntary work, and I think the government gets an outstanding return from the resourcing of those centres. A report I read recently stated that 39 centres were operating in Victoria, although it was recommended that the number of centres be reduced in order to bring about a higher level of efficiency in service delivery.

An entity known as Impact reviewed Victoria's funding program for community legal centres and its report was released earlier this year. At page 15 of the report the consultants noted they were unable to assess:

> … the effectiveness and efficiency of legal centres (due to a number of factors including a lack of useable data).

The development of the Monash–Oakleigh legal service as part of the professional practice program of Monash University enabled the development of some outstanding synergies, including the role of the law lecturers who supervise a program. There was an outstanding legal library close at hand and a wide number of students were intellectually and philosophically committed to serving the best interests of the people who attended the service.

The Springvale Legal Service was developed over 20 years ago and involved funded case workers. At the time I was a student the role of funded case worker was fulfilled by Simon Smith. The seed funding that was available via the professional staff enabled a tremendous return to the community as individual students took on a case load and assisted the development of the service.

Often the people who most need access to legal services are the people who are least able to access them. Migrants and people with a sight disability who are involved in family law and custody disputes are often the most merit worthy when it comes to assessing who should receive legal advice. It is important to note that when distributing resources in this area the people who are the most deserving are also the people most entitled to access legal services.

I turn to the issue of alternative dispute resolution. Recent developments of alternative methods of dispute resolution mean that instead of going to court people have the opportunity to have their cases heard and adjudicated on by independent arbitrators at low cost. There is great merit in trying to work out a means of resolving disputation cost effectively.

Earlier today a government member mentioned the $10 000 funding ceiling available in family law cases. That may seem a large amount of money on certain criteria but in the context of a custody dispute those funds can be depleted swiftly. There is great merit in providing good counselling as an adjunct to dispute resolution through the legal process or in utilising alternative dispute resolution processes. Often matters can be conciliated by a far more effective means than going to court. Members of the community can also obtain good advice from local citizens advice bureaux. Extended hours are provided on a voluntary basis. Advice bureaux can sometimes channel people to areas of advice that can resolve matters in dispute cost effectively.

The suggestion has been made that there are too many members of Parliament in Australia. One of my colleagues indicated he took exception to that view and said that rather there were too few. It is necessary to take into account the ombudsperson role undertaken by members of Parliament and the proactive assistance members of Parliament can provide to their constituents as they endeavour to work their way through the labyrinth of legal advice.

An earlier press article reports a statistic from the western suburbs legal service. Some 96 per cent of people who access legal aid are unemployed. The service the subject of the report has five part-time employees and a volunteer staff of 90 people involved in 2000 cases a year on behalf of 1500 clients.

The seed funding provided for community legal services is a great benefit because it leads to the drawing in of a broad pool of advice on a wider basis. Over the past 26 years many law students and graduates from Victorian universities have worked at the Monash–Oakleigh, Springvale, Fitzroy and southern community legal services, and many practising solicitors and barristers give some time on a weekly, fortnightly or rostered basis to local legal services. The issue is not so much the direction of further resources into the area at all times, but the better utilisation of resources so the government can respond to other areas of responsibility.

A future government of either political persuasion, but in particular the incumbent Labor government, if it manages its resources wisely, may be in a position of fulfilling its election commitments as it did not do in 1988 in completing the Sandringham police and court complex.

**Mr SEITZ** (Keilor) — I support the Attorney-General in his campaign to obtain further funding from the commonwealth government for legal aid for Victoria. Honourable members have said legal aid is most needed by people who do not have employment or adequate resources to get justice. The Labor government has a commitment to a fair and just Victoria, so this campaign to bring the issue to the attention of the federal government is appropriate.

The cutback in funding to legal aid is hurting Victorians, particularly those who are the least articulate and the least able to defend themselves. It hurts people who do not have access to the media, to the more important people in society, or to the Prime Minister or federal Treasurer.

I congratulate the Attorney-General for taking this step of motivating Parliament to take action. I hope the bipartisan support is not tongue-in-cheek because the issue is too important for that. We must motivate the media so that it highlights the issue and assists us to conduct an effective campaign to get the federal government to change its funding policy. Honourable members should take up the opportunity of using call-back radio programs or the print media to raise the issue.

On many occasions I have attended courts, particularly the family law court, in assisting my constituents with transport or in providing moral support because they

were not able to afford the cost of legal representation. I recommend that all honourable members should spend a day in the family court. They would witness the human tragedies that take place, particularly for people who do not have legal representation and who suffer the consequences of the cutbacks in social and welfare workers and community and neighbourhood houses, which act as support centres, especially for women who find themselves on the short end of the money tree.

Recently I spent a day at the family court and I witnessed the effect of the cutbacks in legal aid funding. It does not matter whether it is a case involving custody of children involving parents, mothers or fathers, grandparents or in some cases the Department of Human Services, if people do not have money, or are receiving social security benefits, as most people with disjointed family lives are, not having adequate social, welfare and youth workers or child psychiatrists presents significant difficulties. We need to change the symptoms, most of which have been caused by the Kennett government cutbacks to community services.

Proper legal representation is the tip of the iceberg. The Kennett government cutbacks did not consider the damage or the flow-on effects. The legal profession must change its attitude and culture. Community legal aid centres are progressive, and many legal practitioners work in the field and encourage others to assist at the centres. Many volunteer social workers and other workers help people before they become litigants in our court system.

All honourable members have constituents asking them for advice, sometimes legal advice. I always say that I do not have a legal background, but my life experiences gives me the knowledge to assist many people. I often recommend that they visit a community legal service that gives them initial legal advice that may resolve issues and stop them escalating into major conflicts. On many occasions I have helped a husband and wife with a divorce or property settlement. I sometimes advise them to share the house and live together in the interim period to save the money, and to be patient about the outcome of the property settlement. Those people should not incur extra costs or become traumatised because of the difficulties they face. I know of many cases where people suffer ill-health because of the stress they go through.

The Attorney-General has raised an important issue for the attention of all members of this place. I hope the media take it up so that a major campaign can begin throughout the country to change the federal government's attitude. The federal government will pay in the end because of marital breakdowns, increased medical expenses and other associated expenses that are a cost on the taxpayer. Why is the federal government not willing to provide adequate funding for community and legal aid services so there can be early intervention to resolve matters before the need for litigation? The commonwealth government has imposed a ceiling of $10 000 for family court cases.

If counselling is provided many matters may be resolved. Most people cannot afford to pay $140 for a consultation with a psychologist. Even if a person is referred by his or her doctor he or she is not able to obtain a Medicare rebate. People have to pay for it themselves unless they have private health cover. I again remind the house that it is generally the people who are less articulate and those who are least able to look after themselves who are suffering the most.

One does not hear much about it because most people are unable to say anything themselves. They cannot organise a rally of 6000 people on the steps of Parliament House or organise a bus trip to Canberra because they do not have the funds.

I am concerned when a married couple has to sign over the title of their property to obtain legal aid, particularly when the woman is trying to protect herself from someone stalking or harassing her. Signing over the title to the property creates difficulty in the family. Usually it is the women who have difficulty obtaining funds to present their cases in court.

**Mrs ELLIOTT** (Mooroolbark) — I am pleased to make a contribution on the matter of public importance. Although I do not have a legal background I have experience of the impact of law on those who can least afford access to justice both as a member of Parliament through my electorate office and as an honorary probation officer several years ago.

I join with other opposition members in paying tribute to the work of the former Attorney-General, Jan Wade, who in that role advocated both for and about justice and who was strong on legal aid. It is fundamental to a civilised and civil society that everybody should have access to justice. I remember a tragic case of a young male constituent who committed murder, was tried and found guilty. It caused immense distress because access to legal aid had a serious impact on the family and its internal dynamics.

I have a friend who is a legal aid barrister. Although he does not talk about individual cases, in a general way he refers to the tragedy of people who find themselves caught up in the legal system and require legal aid.

Those honourable members who have been to court often find it frightening. I have never had to appear as a defendant but I have appeared in a child protection case. If it is frightening for somebody who is relatively well educated and sophisticated, how much more frightening must it be for those who have little education and find themselves before the courts for whatever reason?

I pay tribute to various groups, firstly, the former Attorney-General, and secondly, those lawyers, solicitors and barristers who do pro bono work and who are largely unrecognised in a general community that views solicitors and barristers as invariably wealthy. Because they believe strongly in justice many give countless unpaid hours, either through community legal centres or directly to their clients.

I pay tribute to the work of the court network system, an organisation of volunteers that impartially helps people who are being tried and those who are victims. It has been in place for several years. Prior to that when people went to court they were left to their own devices and had only the support of friends or relatives. The court network does a wonderful job assisting people in various ways, and it does so impartially. Not only is it part of the justice system, but in other ways it is outside the system. The network system is compassionate towards the people who need its services.

It is interesting to examine the breakdown of legal aid grants by gender. The fourth statutory annual report of Victoria Legal Aid has just been published. It shows that males were overwhelmingly granted legal aid in criminal cases — 18 689. It also shows that the figure for family law cases — 2541 — is a long way behind, while the figure for civil cases is 1639.

With regard to females, overwhelmingly legal aid was granted in Family Court cases — 5595 — while it was granted in 4273 criminal cases and 1999 civil cases. With the number of divorces in the community rising substantially, one can expect more women in Family Court cases to be granted legal aid.

As one honourable member said, many of those women will be from non-English-speaking backgrounds. They will need legal aid in a system that is culturally as well as legally unfamiliar. Many women with European and Australian backgrounds will also wish to access legal aid, but there must be hundreds who do not qualify for legal aid under the current funding provisions.

One of the greatest drawbacks of the system is people having to represent themselves. The scales of justice are unbalanced. It is almost impossible for laypersons, particularly those who have no knowledge of the law, to represent themselves adequately. It takes up a lot of court time, and particularly that of the presiding justice, to ensure that those people receive justice. That is in contrast to many white-collar crime cases where defendants often engage top silks to represent them. That is an area of imbalance in the legal system, not through any fault of the system itself but because legal aid funding is not sufficient to meet the needs of all the cases that deserve it.

From working in my shadow portfolio of community services I note that the juvenile justice conferencing group, which is part of Victoria Legal Aid's practice, has been running a pilot program auspiced by Anglicare. It began in 1995 as a restorative justice process. It is based on the New Zealand model of bringing victim and offender together to achieve a plan for recompense for the victim and a strengthening of community support for the offender.

I am interested in that method of moving sideways from the justice system and bringing victim and offender together to obtain an outcome, a win-win system for both. I commend Victoria Legal Aid for funding that program. The funding will be expanded to enable the program to be continued through to 2001.

The Minister for the Arts recently spoke about a play touring regional Victoria called *Stones*. It is based on a legal aid case where young men threw a large stone from a bridge on the Eastern Freeway and killed the driver of the car beneath. I hope the play will enlighten people on the various aspects of justice and possibly about legal aid.

The opposition supports the view expressed by the Attorney-General. The commonwealth has reduced Victoria's share of legal aid funding from $32.06 million to $27.75 million, which is a significant cut. The opposition joins with the government to support its campaign to have the federal government restore legal aid funding to Victoria to pre-1997–98 levels, so long as the campaign is reasonable and cognisant of the fact that the former Attorney-General was also passionately committed to the restoration of that funding.

**Mr NARDELLA** (Melton) — I support the Attorney-General's statement, because, as other honourable members have pointed out, legal aid is very important.

The history of legal aid in Australia can be seen as pre-Senator Murphy and post-Senator Murphy. Senator Murphy was a visionary when it came to the

issue of legal aid. He understood that economically and socially underprivileged people needed resources and the wherewithal to take cases to court and get legal assistance. If one looks at the work undertaken since the mid-1970s, when Senator Murphy — later to be Justice Murphy — implemented his reforms, one can see the extent of the social change.

Part of that social change program, revered by honourable members on this side of the house, is giving people a voice in the legal system. Unfortunately, the commitment to legal justice issues shown by the Victorian government is not shown by the federal government. That fact is recognised by honourable members on both sides of the house. When one looks at the federal government's philosophy of economic rationalism, which does not care about underprivileged people and families but is focused on saving money in any way, shape or form regardless of the effects on people, one sees that the contrast is extremely stark.

That is how the situation currently stands. The federal government, with its economic rationalist philosophy, splits Australians into two groups: the people of the commonwealth and the people of Victoria. An Australian citizen is exactly that — an Australian citizen. Australians are not commonwealth or Victorian citizens for the purposes of legal aid, yet the federal government made that artificial differentiation in its 1996 funding changes. That is unacceptable to the Bracks government. My constituents, previously in Melbourne North Province in another place and now in the electorate of Melton in this house, understand that people need legal assistance no matter how they are classified. That is what is important to the people of Melton, not where individuals come from or how they are classified or what their philosophies are or how they look at legal aid. Their concern is how they can get assistance for matters of importance to them.

In 1996 the federal Howard government ripped $5.3 million out of the system. It is now proposing further cuts to reduce Victoria's share from 27 per cent of the national funding to 22 per cent. What an appalling situation! Victoria needs a minister who will go in boots and all. We do not want a minister who has to have a couple of dots in a word she uses. We need a minister — and we have got one — who will go in there and fight strongly for Victorians, who are also Australians. Cuts to community legal services were flagged by both the previous Victorian government and the federal government, so we need an Attorney-General who will say no, it is unacceptable. The federal government wants to cut the community out of community legal centres, and that is not on.

The federal Attorney-General, Daryl Williams, must understand that the Victorian government is resolved not to have the community cut out of community legal centres, which play an extremely important role in people's daily lives. My constituents are primarily referred to the Brimbank Community Centre legal service, which provides a number of ancillary services in the tenancy, social work and legal areas. It takes a holistic approach to dealing with problems.

The federal government, with its economic-rationalist bent, wants to cut as many community legal services as possible, and it was aided and abetted by the previous Kennett government. The federal government wanted to develop mega-community legal centres to look after entire regions. Regionalisation does not work in this field because you need volunteers, people who come in daily or weekly, to assist people with immediate legal problems. A structure that is responsive to community issues and community views and pressures is needed, and that does not happen when a mega-centre is based in, for example, Footscray or Sunshine. The issues out in Melton or Bacchus Marsh or Rockbank, or anywhere else, are not as well understood.

The government will stand strong with the Attorney-General. I do not want him to go in there and pussy-foot around with Daryl Williams. I want him to go in there and make clear our views and our position. If that position is not adopted by Daryl Williams, we just say no, and we make sure that that situation is telegraphed to everyone in Victoria and Australia.

**The ACTING SPEAKER (Mr Savage)** — Order! The time appointed under sessional orders has expired.

## BUSINESS OF THE HOUSE

### Postponement

**Mr HULLS** (Attorney-General) — I move:

> That the consideration of government business, notices of motion nos 1 to 5 inclusive, be postponed until later this day.

**Mr McARTHUR** (Monbulk) — I propose to move as an amendment to the motion moved by the Attorney-General that after 'inclusive' the following words and expressions be inserted: ', government business, orders of the day nos 1 to 6, and general business, notices of motion nos 1 to 18'.

I will briefly outline the effect of the amendment and explain why the opposition is moving it. I do not seek to unduly delay the business of the house.

**Mr Cameron** — On a point of order, Mr Acting Speaker, an amendment has been moved. However, as we are dealing with government business the amendment must relate to government business. The amendment goes beyond the scope of the matter before the Chair.

**Mr McARTHUR** — On the point of order, Mr Acting Speaker, I point out that we are not dealing with government business. The house is dealing with a procedural motion about the business of the house, and the house is entitled to accept and consider an amendment to a procedural motion, whatever form that amendment might take. I suggest that it is not unusual for the house to consider amendments to procedural motions. It has happened many times in my experience, and I am sure you, Mr Acting Speaker, have seen the same situation arise.

**Mr Richardson** — I point out to you also, Sir, that the honourable member for Monbulk has barely completed the first sentence of his explanation of why he moved the amendment and what it meant. I put it to you, Sir, that the honourable gentleman should at least be permitted to explain to you and to the house why he sought to move the amendment and what it means.

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

**Mr McARTHUR** — As I said, because the opposition has no wish to unduly interrupt or delay the business of the house I will briefly outline the effect of the amendment. I am advised that debate on the amendment could go on for some time. That is not the wish of opposition members. I propose that opposition members explain and justify the amendment. I will be followed in the debate by the honourable member for Berwick. However, the opposition does not propose to put up any further speakers on the subject.

I spoke with the Leader of the House earlier today about the opposition's wish to introduce a private member's bill. The Leader of the House put to me a number of issues the government considers to be important and a number of conditions it would like to have replies to prior to agreeing to the introduction of a private member's bill. I put those matters to the honourable member for Berwick in whose name the private member's bill is listed. He considered them and finds them unacceptable, and that is why the opposition moved the amendment.

Unfortunately because the Leader of the House has not been in the chamber since then I have not had a chance to explain the response of the honourable member for Berwick and the actions the opposition proposed to take.

The amendment would allow general business item 19 to be debated. It is a notice of motion in the name of the honourable member for Berwick. It is the first reading of a private member's bill. It would take less than a minute. The relevant motion contains fewer than 20 words. The house can then agree that the bill be read a first time, be printed and be read a second time at a later stage.

**The ACTING SPEAKER (Mr Savage)** — Order! To clarify, the Attorney-General's motion excludes government business, notices of motion 6 and 7. That appears to have been overlooked in the honourable member's amendment.

**Mr McARTHUR** — I do not have a copy of the minister's motion. I assumed he had moved to postpone government business, notices of motion nos 1 to 7, but as he moved to postpone only nos 1 to 5, I therefore move:

> That the following words and expressions be inserted after the word 'inclusive': ', government business, notices of motion nos 6 and 7, government business, orders of the day nos 1 to 6 inclusive, and general business, notices of motion nos 1 to 18 inclusive'.

**Mr Cameron** — On a point of order, Mr Acting Speaker, for that to occur leave has to be sought and if it is sought it will be denied.

**The ACTING SPEAKER (Mr Savage)** — Order! It is my understanding that leave is not required.

**Mr McARTHUR** — As I said, if allowed the first reading would take less than a minute. The reason the opposition seeks the support of the house is that the government said in response to the Independents that it will provide better and improved ways for private members bills to be debated.

**Mr Hulls** — On a point of order, Mr Acting Speaker, honourable members are debating an amendment to a motion I moved that government business, notices of motions 1 to 5 be postponed. The honourable member has moved an amendment that items 6 and 7 now be postponed. The honourable member is now debating the worth or otherwise of a motion put on the notice paper by the honourable member for Berwick. That is well outside the terms of the debate. The substance of what the honourable member for Monbulk is now putting to you, Sir, relates to the motion put by the honourable member for Berwick.

**Dr Napthine** — On the point of order, Mr Acting Speaker, the issue before the house is whether to put aside certain items of business to get to another item of business that is on the notice paper. The amendment suggests that further items of business be put aside so that a private member's bill can be dealt with. The honourable member for Monbulk is putting to the house a clear and cogent argument that the amendment ought be agreed to.

It is clear that the honourable member for Monbulk cannot delve into the merits and contents of the proposed private member's bill. However, I put it to you, Sir, that he was not doing that. The honourable member for Monbulk was explaining that if his amendment were agreed to the first reading of the private member's bill would take only a few minutes of the house's time. Then the house could resume government business. The honourable member was simply putting the argument as to why that should happen. That is well within the realms of the debate. It is not canvassing the merits or otherwise of the private member's bill.

**The ACTING SPEAKER (Mr Savage)** — Order! I uphold the point of order. The honourable member for Monbulk was straying from the amendment so I ask him to return to the relevance of the amendment.

**Mr McARTHUR** — I bow to the wisdom of the Chair. The reason for moving the amendment is to allow the house to consider matters that the government promised it would be able to consider. In its response to the Independents charter the government promised certain things that were requested by the three Independents. I do not seek to canvass matters in the motion of the honourable member for Berwick. I will not even mention the words in that motion. However, the procedure, if agreed to, will take a very short time and the house can then go back to the business program. The Attorney-General should agree to that because the government said it wanted to introduce procedures to encourage private members bills.

For the benefit of honourable members who have not been in this place for long I point out that a private member's bill is very simply defined. A bill brought into the house by a minister is, by definition, a government bill. A bill brought into the house by a member of the house who is not a minister — that is, a member of the government back bench such as the honourable members for Frankston East or Geelong North — is, by definition, a private member's bill. Therefore if the honourable members for Gippsland East or Footscray or any member of the opposition benches introduces a bill that bill will be treated as a private member's bill.

The member introducing the bill can be non-aligned or a party member. The definition swings on whether that member is a minister of the Crown. If not, it is a private member's bill. That procedure, inherited from Westminster, has been a tradition of the house from time immemorial.

Yesterday government members made a number of comments about the fact that no private members bills were debated in the last session of Parliament, and that is true.

*Government members interjecting.*

**Mr McARTHUR** — Wait for it! Notice was given of a number of private members bills. However, that had the effect of putting them on the general business paper, exactly as the notice of motion given by the honourable member for Berwick has been. In the seven years I was a member of the government I cannot recollect one occasion on which the honourable member who gave notice of a private member's bill sought to bring the matter before the house. In the past those members sought leave to give notice, gave notice and then did nothing more. They wanted to put their notices of motion on the notice paper so they could put out press releases saying they had prepared private members bills but the government would not debate them. They never asked the government to bring them on. If they had, perhaps they would have received a different answer!

The difference on this occasion is that the opposition and the honourable member for Berwick are asking the government to allow debate on the private member's bill. We think that is reasonable. That is the process the government has agreed to, and it has told the public and the three Independent members that that is what it will do. The opposition is simply asking the government to honour its word. If it does, the current procedure will take less than a minute!

**Dr DEAN** (Berwick) — The reason the debate is so important is that the new government has reached a pivotal point in the new Parliament's history. When the Labor Party was in opposition the Independents asked it whether, if it achieved government, it would run Parliament differently. If the opposition had said, 'We will run Parliament in the same way as previous governments have run Parliament, don't you worry about that', the Independents may well have said, 'Get lost!'. The reason the Independents said to the Labor Party, 'All right, we will go with you', is that Labor

made them a simple promise. It said, 'We will not run Parliament as it has been run in the past. We will do it differently'. In what way did Labor say it would do it differently? It told the Independents, 'We will allow private members bills and other matters to be debated in Parliament'.

Having been told that things would be different, the last thing the Independents would have expected was that things would not be different. It must be excruciating for the Independents to have to sit there and listen when the opposition — —

*Honourable members interjecting.*

**Dr DEAN** — I did not intend the matter to become a punch-up. I simply intended it to be a quiet debate about an important point, and that is the reason I am attempting to do it logically. Had the Independents realised that when the then opposition said, 'We would like things done differently. We would like an opportunity for a private member's bill to be read a first time', its answer when in government would be, 'No. You did it to us, so we are doing it back to you', they may never have agreed to go through with their charter. That issue is crucial because the credibility of the new government is on the line. When I first came into the house as shadow Attorney-General, the one thing — —

**Mr Hulls** interjected.

**Dr DEAN** — Whatever you say! The one thing I hoped for was that the Parliament would begin to operate differently. In its response to the Independents charter the former government said it was ready for that, and the Independents said they were ready for it. The difficulty is that unless the Labor government has the courage to make the break now — and the opposition says not only that it will do it now but it will also do it in government — the pattern will never be broken.

The house is at the crossroads in the debate. Firstly, the government has the opportunity to make the changes because the Independents have the balance of power; and secondly, the Independents will also be wanting to put up private members bills. The Independents are watching closely to see what the government does, yet on the first opportunity it has to demonstrate to them that it will take private members bills seriously, the government fluffs it!

At this point the opposition is not seeking to stop government business so it can take up the time of the house by debating a private member's bill. All it is asking is that it gets the opportunity to read the bill a first time. If it gets that opportunity, the bill can be printed; and if the bill is printed, the very thing the government says it wants to see happen will happen — that is, it will see the bill!

**Mr Hulls** interjected.

**The ACTING SPEAKER (Mr Savage)** — Order! The Attorney-General will desist from interjecting.

**Dr DEAN** — I understand the reason for the Attorney-General's antics. He knows he promised the Independents and the people of Victoria that he would make a difference to the way Parliament operates. He knows he promised that he would change the way governments have blocked opposition members from introducing private members bills and therefore having a say. He knows he is reneging on that promise.

I will not take up the time of the house by embarking on a long and difficult debate. I simply point out that the government said it would make the change; the opposition has asked the government to make it; and the Independents want to see whether the government is willing to allow private members bills to be read a first time. The opposition is not asking that the bill be read a second time; it is simply asking that the bill be read a first time and printed so the government will have an opportunity to see it.

The opposition is talking about a 5-minute break in the business of the house. The government, which claimed so proudly it would allow the Parliament to operate properly, is effectively saying, 'No, we didn't mean it. We won't even allow you to first-read a bill that will establish house committees and allow the house to operate efficiently'. It is extraordinary that the opposition cannot even introduce a bill to establish house committees. The government will not do it, and when the opposition wants to simply read a first time a bill that will do it, the government will not allow it.

The government said it would change a practice that has been followed by government after government for generation after generation by allowing debate on private members bills. Here is its opportunity to do so. The Independents and the people of Victoria are watching. All the opposition wants is to read the bill a first time so it can be printed and people can see what it contains. The opposition asks the government to allow it to do so.

**Mr CAMERON** (Minister for Local Government) — The opposition is again abusing the forms of the house by trying to have the same blue today it had yesterday — which it lost!

The opposition is trying to disrupt the government's business program. If it were serious about debating a private member's bill it would recognise that that is subject to negotiation and discussion with the government. Yet the bill has been kept secret. Even in opposition the coalition acts secretively.

**An honourable member** interjected.

**Mr CAMERON** — The opposition is still acting in an arrogant and stupid way.

Again we are seeing an abuse of the process of the house. If the opposition were serious about introducing the bill it would go about it in the normal way and have negotiations and discussions, but it is not prepared to do that. The amendment should be defeated so that we can get down to the real business of the house — dealing with important legislation.

**Dr NAPTHINE** (Leader of the Opposition) — This matter is important to Parliament because it concerns the issue of whether there is an opportunity to debate private members bills.

As the previous two speakers have said, in their charter the Independents make it clear that one of the issues that is important to them is the opportunity to debate private members bills and petitions. The response from both the Labor Party and the Liberal and National parties was to agree to the proposal that greater opportunities be provided for private members bills to come before the house. The opportunity to debate private members bills is beneficial to the Parliament, the people of Victoria and the members of the house.

The opposition would like that opportunity to be available without having to go through these sorts of devices. We sought to do that yesterday, but the government would not even allow that private member's bill, which was on the notice paper, to be read a first time. It is important for that opportunity to be provided. The opposition seeks an assurance from the government that it will be possible for private members bills to go through the first and second-reading stages and be debated.

Private members bills are of value to Parliament. The Minister for Local Government suggested there was some form of secrecy about the introduction of the bill. I remind the minister that bills are usually brought before the house by the giving of notice and then by first and second readings. When a bill comes before the house Parliament is advised of the content of the bill through the second-reading process, which is the third stage. The opposition is happy if the government wants to bring the first and second-reading stages of the bill together. It is prepared to proceed with those stages forthwith. No secrecy is involved in the bill's introduction. The bill is important not only to the Parliament but also to the people of Victoria because it relates to the establishment of parliamentary committees, which the opposition believes is vital to the operation of Parliament.

The broader issue concerns the opportunity for private members bills to come before the house. The opposition is seeking an assurance from the government that private members bills will be able to go through the first and second-reading stages and be debated. Through the amendment the opposition is seeking a brief first reading of the bill.

**Mr BATCHELOR** (Minister for Transport) — I join the debate to make a few points. When procedural arrangements are entered into there is an expectation by the Parliament that those procedural arrangements will be kept. However, that has not happened today, which is a great pity.

**Mr Hamilton** interjected.

**Mr BATCHELOR** — As the Minister for Agriculture has said, the opposition cannot be trusted.

The government will not belabour that point other than to state the obvious — if the opposition wants to enter into a dialogue in the chamber there will be an expectation that it will keep its word. If the opposition gives its word, it should keep it. Opposition members should have the internal discipline and integrity to deliver what they say they will deliver.

If the opposition says we are going to have a brief debate about this issue, with only two speakers, that is what the government expects to happen. But that is not what has happened. A variation has been delivered, at the insistence of the Leader of the Opposition. It does not bode well that the Leader of the Opposition is not prepared to back up the other members of his leadership team and abide by agreements that have been entered into.

Today there has been an attempt to breach the sessional orders and the standing orders. The opposition is seeking a second debate on sessional orders. That is ultra vires the standing orders, because it is attempting to bring in — —

*Honourable members interjecting.*

**Mr BATCHELOR** — I didn't interrupt you. You be quiet!

**The SPEAKER** — Order! I ask the house to come to order. I point out to the Leader of the House that he must not debate across the chamber, but must do so through the Chair. The terminology 'you' across the table is not acceptable.

**Mr BATCHELOR** — Thank you for your kind guidance, Mr Speaker.

This is an attempt by a procedural sleight of hand to have a second go at the debate on sessional orders. This issue was canvassed widely over many hours of debate when the sessional orders were first introduced. The issue of private members bills and how they would proceed was of particular importance and was highlighted in the debate by both members of the opposition and other individual members. The sessional orders that were adopted are groundbreaking in the way they look after the rights and privileges of individual members of Parliament.

They provide for private members bills, statements by members and matters of public importance. An undertaking was also given on how the government would deal with private members bills. The government said that under the existing and proposed sessional orders a fundamental principle that must be understood is that the government's legislative program has to be progressed. The core tenet of the previous government's sessional orders and the current sessional orders is that the government's legislative program must be progressed.

The opposition is now seeking to undermine the ability of the government to progress its legislative program. The opposition wants to consume time, it wants to use up the time for debating legislation, it wants to waste time and it also wants to set in place a mechanism that the previous government would never have allowed — that is, for private members to be able to bring forward private members bills on their own initiative.

On behalf of the government I made it very clear that private members bills could be progressed in a particular fashion. Let me restate that fashion: an individual member who has a private member's bill he or she wants to introduce needs to bring that private member's bill to me, as the representative of the government. It will then be considered and, if agreed, an opportunity will be found to debate it. If members opposite are not prepared to bring forward their private members bills in that way, they have a misunderstanding about what a private member's bill really is.

A private member's bill is not a secret bill. It is not a bill that no-one is allowed to see. Such bills are outside the legislative program of the government of the day and should be introduced by individual members from either side. Everybody understands that, except apparently the Leader of the Opposition.

Even under the first-reading process there is no obligation to show the bill. First readings take place in this chamber on a regular basis and at no stage during that procedure is a copy of the bill provided. The opposition is distorting the picture. Opposition members are suggesting that the procedures of this house provide for the tabling of a bill during the first-reading stage, yet that has never happened.

The opposition's fundamental failure to understand the procedures and forms of the house indicates that what is happening here today is a charade. Opposition members are interested not in progressing private members bills or the appointment of committees but in trying to delay the business of the chamber and create false impressions.

The government wants to re-establish parliamentary committees. An act of Parliament already provides for their establishment and there is an appropriation to pay their support and attendance fees. The government has sought to work out an agreement with the opposition — an understanding between both sides of this house and between both houses because most of the committees are joint committees. The government is trying to work through the issues. Opposition members do not recognise that act of generosity, even when the government states its case in plain and simple terms. They never understood it as a modus operandi when they were in government. They were never prepared to discuss these sorts of things when the government was in opposition. Their modus operandi was to say, 'Here is the committee structure. This is what you will take'. Not only did they say that, they also said, 'This is the number and the composition from both houses that you will respond to'.

The government has attempted to bring a new style of leadership into Parliament. The government says to the opposition, 'You have an important and responsible role to play in the formation of committees. Stop acting in the fashion you have acted in for the past seven years. Act like parliamentarians instead of like the hired thugs of a former dictator'. The opposition needs to change its modus operandi and understand that things are different. The government is prepared to negotiate with the opposition, notwithstanding the rebuffs it has had and today's stunt. The government is extremely generous and is prepared to work through the issues.

However, it is not prepared to accept the fundamental attack that this amendment represents on the sessional orders. It is not prepared to have another debate on the sessional orders in the guise of this amendment.

The government is not prepared to have the opposition undermine the committee system through its rejection of a decent and reasonable way of resolving the issues. If the opposition continues to do so the government will have to look at options other than a consultative and agreeable approach.

I put it to you, Mr Speaker, that the amendment represents a grubby attempt to waste time, to undermine the committee structure and to try to have another debate on sessional orders when that has already been carried out. It ought to be exposed for what it is.

**Mr SAVAGE** (Mildura) — I speak against the amendment on the basis that my name and the names of my colleagues have been used on a number of occasions in a malicious and untruthful way in this place. I seem to be seen as having signed up to some sort of blank cheque that can be used as a weapon so that every time the opposition does not get its way it can say, 'This is not in the charter'. This is an attempt to hijack government business — the sort of ploy the opposition used jealously when it was in government. On not one occasion did the former government allow anybody who was not on the business list of the government of the day to get up and speak.

Sessional orders provide that the government has the say in matters relating to private members bills. That is appropriate and reasonable because this house would become unmanageable if the government did not have some control over its affairs. Parliament has been sitting for only a few weeks. Any honourable member who expects to get a private member's bill accepted on every occasion is deluded.

**Mrs Peulich** interjected.

**Mr SAVAGE** — The culture has to be changed. Certain members in this place must learn they are now in opposition and not in government.

**The SPEAKER** — Order! The Attorney-General has moved that government business notices of motion 1 to 5 be adjourned until later this day. An amendment has been proposed by the honourable member for Monbulk:

> That the following words and expressions be inserted after the word 'inclusive': ', government business, notices of motion nos 6 and 7, government business, orders of the day nos 1 to 6 inclusive, and general business, notices of motion nos 1 to 18 inclusive'.

The question is that the words proposed to be inserted be so inserted. All of the opinion say aye, to the contrary, no; I think the noes have it.

**Opposition Members** — The ayes have it.

**The SPEAKER** — Order! A division is required to resolve the question. Sessional order 15 states that a division cannot be held between 1.00 p.m. and 2.00 p.m. on days where the house does not break for lunch. The order requires that where a division is required between such times debate on the argument shall stand adjourned until later that day and the next item of business shall be called on.

However, having regard to the procedural motion before the Chair, it is not clear what item is to be called on next. Under the circumstances the chair will be vacated for a luncheon break. The chair will be resumed at 2.00 p.m., when questions without notice will take precedence. The question will be resolved immediately after questions without notice.

**Debate interrupted.**

**Sitting suspended 1.09 p.m. until 2.03 p.m.**

## QUESTIONS WITHOUT NOTICE

### Member for Chelsea Province: discrimination

**Ms ASHER** (Brighton) — I refer the Premier to the fact that last week the Australian Workers Union was fined $26 000 for discrimination on the basis of sex when a female employee was paid less simply because of her gender. At the time a member for Chelsea Province in the other place, the Honourable Bob Smith, was state secretary of the union. I ask the Premier whether his government condones such discrimination against women and what action he will take to ensure Labor members of Parliament and Labor trade unions abide by the law.

**Mr BRACKS** (Premier) — The question does the Deputy Leader of the Opposition no credit. It is only the second question she has asked, and it is about an honourable member in the other place whose case was settled in the Equal Opportunity Commission. That is the right place for the matter to be dealt with. I will not interfere in that process. It is not the standard the Labor government sets to interfere in these matters.

**Dr Napthine** interjected.

**Mr BRACKS** — You are hopeless.

*Honourable members interjecting.*

**The SPEAKER** — Order! The house should come to order. The Deputy Leader of the Opposition has asked her question and the house should afford the Premier the courtesy of listening to his answer.

**Mr BRACKS** — I understand the matter relates to the prior occupation of a member for Chelsea Province in the other place which was dealt with properly by the Equal Opportunity Commission. It does the opposition no credit to ask questions of that nature.

**Ms Asher** interjected.

**The SPEAKER** — Order! The Deputy Leader of the Opposition should cease interjecting.

**Mr BRACKS** — Of all the matters of government administration that can be raised, the opposition is demonstrating by the asking of this question the standards it maintains. The government is getting on with good government in Victoria. It is getting on with the delivery of quality education, a first-class health system, more police on the streets and more democracy and time for debates in Parliament. While the government is getting on with the job, the opposition is concerned with personality politics. I am happy for the Deputy Leader of the Opposition to ask such questions, but it does her and her party no credit.

**Mr McArthur** interjected.

**The SPEAKER** — Order! I caution the honourable member for Monbulk.

## Latrobe Valley: employment

**Mr MAXFIELD** (Narracan) — Will the Premier inform the house what action he has recently taken to secure jobs in the Latrobe Valley?

**Mr McArthur** interjected.

**Mr BRACKS** (Premier) — If the opposition does not want jobs in the Latrobe Valley, that is its business.

**The SPEAKER** — Order! The honourable member for Monbulk has been called to order on at least three occasions. I now warn the honourable member.

**Mr BRACKS** — I am pleased the honourable member for Narracan has asked this question because I know he has campaigned for more employment and jobs in the Latrobe Valley, as has the Minister for Agriculture who represents the Morwell electorate. Government members want to grow the whole state and get more jobs for Victoria, including regional Victoria. As part of that commitment the government is pursuing major new investment in regional centres such as the Latrobe Valley.

I am pleased to announce today that the government will shortly enter a formal agreement with Gippsland Aeronautics to expand its production facility to meet growing demand for aircraft being built in its current plant. That investment of some $5 million will result in about 200 direct new jobs in the Latrobe Valley. That is good news for the region and for country Victoria. The company is already selling aircraft to customers in China, New Zealand, South Africa and the United States of America. Approximately 80 per cent of its expanded planned production will be for export, generating some $50 million per annum in export sales for Australia, which is good news for the Australian economy.

This new agreement again demonstrates the government's commitment to exciting new opportunities for regional and country Victoria. I am pleased to announce that the Minister for Manufacturing Industry and the Minister for State and Regional Development will sign off on this matter soon. They have actively pursued the issue and are working together to bring new investments and jobs to regional Victoria. What a great team they are! They are great on delivering new jobs.

Gippsland Aeronautics with government assistance is now ready to take on major international competitors with its agricultural crop spraying and light utility aircraft. The government is getting on with the job of growing the whole state and not just part of it, which means more jobs for regional and country Victoria.

## Unions: membership

**Dr NAPTHINE** (Leader of the Opposition) — I refer the Premier to the answer provided yesterday by the Attorney-General in which he refused to investigate a blatant breach of the Victorian Equal Opportunity Act by the Australian Labor Party. Will the Premier ensure that his government acts to prevent the party from continuing to distribute material that breaches the Victorian Equal Opportunity Act and discriminates against the 70 per cent of Victorian workers for exercising their right not to join a union?

**The SPEAKER** — Order! I shall allow the question, but I remind the house that questions must relate to government administration. I ask the Premier in responding to the question to limit his answer to that which is within his jurisdiction.

**Mr BRACKS** (Premier) — I appreciate your ruling, Mr Speaker. I shall speak on government

administration. The government will pursue a fair industrial relations policy in Victoria. That matter has been referred to by the opposition. It means a fair go all round.

**Dr Napthine** interjected.

**Mr BRACKS** — I am pleased the Leader of the Opposition is exactly where we want him. He is on the side issues and the trivia. He is picking up copywriter's spelling on Labor Party leaflets. Victoria will have a fair industrial relations system. It will ensure a fair go all round and treat employers and unions equally. Where unions are not representing their work forces the government will represent those workers equally. One can expect fairness and equal treatment from the government, not discrimination. I pray and hope the opposition leader keeps this up because it is important that the opposition stays exactly where it is. It is totally irrelevant, totally off the ball and has learnt nothing since the last election.

## AIDS: care unit

**Ms LINDELL** (Carrum) — Will the Minister for Health detail to the house what action the government has taken to establish a continuing care unit for AIDS patients?

**Mr THWAITES** (Minister for Health) — I am pleased to announce on World HIV/AIDS Day today that the Bracks government is commencing construction of a $2.9 million continuing care facility for people living with HIV and AIDS. The construction will commence this month and be completed in August next year. The opposition is squawking across the table that it is its project. It is interesting to note that the project was first announced in 1996, and for three years the previous government did nothing. It delayed it. When the former health minister visited the Alfred Hospital during the election period he was met with a protest by people who were living with HIV/AIDS. They were frustrated by the delays of the previous government. By contrast, the Bracks government is getting on with the job. Instead of delay and prevarication, it is getting action.

I am pleased that the unit will commence operation from August next year. World HIV/AIDS Day is an important day to remember those who have died of AIDS and remember their partners, friends and families. Some 2700 Victorians are living with HIV and AIDS and some 11 850 Australia-wide. Many people live with the illness. However, I am pleased to say that as a result of advances in treatment many are living far more fulfilling and complete lives than perhaps might have been expected some years ago. One of the reasons is that when planning programs around the country governments of all persuasions have realised that it is important to work with the communities most affected.

It has been a good program. Australia, in comparison with the rest of the world, has a great achievement to be proud of in reducing the terrible impact AIDS can have. I was shocked to read figures in the newspaper today that some 50 million people around the world are now affected by HIV and AIDS and some 2.5 million have died.

The worst impact of the disease is in Third World countries. One of the reasons for that is that those countries do not have access to the medical treatment Australians have. In many cases the communities most affected have not been involved and prevention programs have not been introduced. We can be proud in this country — I do not say that in a partisan way — about the way governments have worked with the affected communities to try to reduce the terrible tragedy AIDS can cause.

## Schools: class sizes

**Mr HONEYWOOD** (Warrandyte) — I direct my question to the Minister for Education. Given the government's election commitment to cap class sizes from prep to grade 2 at 21, which the Premier obviously believes is not an important issue, I refer the minister to her party's Access Economics statement — her costings — that proves Labor only ever intended to achieve an average class size of 21 over the next four years. Why then has the minister constantly misled Victorian parents and school communities by claiming that Labor's policy was in fact for a cap of 21, not an average?

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Warrandyte has asked his question. I ask opposition benches to desist from interjecting to allow the minister to answer the question.

**Ms DELAHUNTY** (Minister for Education) — The party made it clear when the policy was announced. The only people who seem not to understand is that lot over there! It was made clear that class sizes will be reduced to 21. That pledge was made at the beginning of the year. It was the first pledge of the Labor Party before the campaign and during the campaign. It has been made clear on paper, on line, in interviews and in community discussions. I have been saying it in my sleep.

**Dr Napthine** interjected.

**Ms DELAHUNTY** — The Leader of the Opposition wants to talk about the cap. If the Leader of the Opposition, like the honourable member for Warrandyte, would stop huffing and puffing and look into the mirror, the honourable member for Warrandyte would see that he is wearing the cap — the dunce's cap.

*Honourable members interjecting*.

**The SPEAKER** — Order! I ask the house to come to order and the minister not to go down that track.

**Ms DELAHUNTY** — Mr Speaker, I accept your wise counsel, but it is tempting. Not only does the honourable member for Warrandyte throw parties that no-one attends, but the opposition does not realise this is good education policy. Everybody in the state, except the opposition, including teachers and parents, love the policy.

The legacy the previous government left was class sizes of more than 30 students. The government has spent $25 million on reducing class sizes, and they are coming down. While the opposition grapples with semantics, the Bracks government is getting on with the job, as it promised it would. Victorian parents love our policy on class sizes.

## Tourism: regional Victoria

**Ms OVERINGTON** (Ballarat West) — Will the Premier outline to the house the latest action the government has taken to promote regional Victoria?

**Mr BRACKS** (Premier) — I thank the honourable member for her question and for her continued interest in regional Victoria and the Central Highlands area. As honourable members would know, Labor's commitment to tourism is to promote the whole of the state, not just part of it.

I am pleased to inform the house of a new campaign that is being taken to Sydney to promote Victoria's regions. The centre of Sydney has been covered in advertisements promoting Daylesford — which I am sure will be pleasing to the honourable members for Ballarat West and Ballarat East, and to all honourable members — the Mornington Peninsula and the Yarra Valley as part of a new campaign to extend the time visitors stay in Melbourne.

Some 200 large illuminated sidewalk displays have been placed in the heart of Sydney in an attempt to link Melbourne with these regions in the minds of the public in Sydney. The campaign is designed to demonstrate that those regions are down the road, around the corner, and within an hour's drive of Melbourne. The campaign aims to build a bridge between Melbourne and regional Victoria in the minds of consumers.

The campaign is led by Tourism Victoria and will include the installation of a huge billboard — a super-site — in Military Road, Cremorne, in mid-December. The campaign includes full-page, full-colour press advertisements showcasing how close the three regions are to Melbourne.

The Minister for Tourism will officially launch the campaign on Monday, 6 December. Magazines that will carry the new ads include the *Australian Magazine*, *Marie Clare*, *Good Taste*, *Australian Gourmet Traveller*, *Who Weekly* and *The Eye*. The campaign is an excellent example of how regional Victoria can be showcased and linked with Melbourne.

The next stage will be to extend the campaign to other regional centres in Victoria to ensure all of regional Victoria is promoted. The government is getting on with the job of promoting the whole of the state, not just part of it.

## Gaming: football tipping competition

**Ms ASHER** (Brighton) — I refer the Premier to Labor's budget statement released during the election campaign, which estimates government revenue from the national football tipping competition at $14.58 million over three years. Following the Premier's discussions with Tattersalls and Tabcorp on the financial viability of the competition, will the Premier advise the house whether Labor's election estimates of revenue from the competition are still accurate?

**Mr BRACKS** (Premier) — I have had discussions with the gaming minister, Tattersalls and Tabcorp. The discussions are ongoing, and today I will again meet with Tabcorp personnel. The government seeks agreement and cooperation to introduce the new football tipping competition. The government is sticking to its estimates and is hopeful of having the competition up next year.

I seek cooperation from the opposition if legislation is required to introduce the competition, which will be in the interests of all Victorians. If Victoria does not launch the national competition, another state will. The government wants to get in now and reap the rewards. The government looks forward to opposition support on legislation that may be brought in next year.

## Vocational education and training: review

**Mr WYNNE** (Richmond) — I ask the Minister for Post Compulsory Education, Training and Employment what action have you taken to restore public faith in the quality of Victoria's vocational education and training system by cracking down on the funding rorts, shoddy training and health and safety concerns that proliferated under the former government.

**The SPEAKER** — Order! Before calling on the minister I point out to the honourable member for Richmond that questions must not be asked in that format. Would the honourable member please rephrase the question.

**Mr WYNNE** — What action have you taken to restore public faith in the quality of Victoria's vocational education and training system?

**The SPEAKER** — Order! I suggest to government members that they counsel the honourable member for Richmond in the proper format for asking questions. The Chair has repeatedly asked the house not to use terminology such as 'you' across the chamber or, as in this case, to a minister on the same side of the house. I am becoming intolerant of the practice continuing, even by new members. Next time that form of address is used the Chair will deal harshly with the offender.

**Ms KOSKY** (Minister for Post Compulsory Education, Training and Employment) — It is interesting that the honourable member for Warrandyte is focused on education now he is in opposition, because he was not too focused on the quality of the system he had responsibility for when he was minister.

The government inherited a system that was not only in financial crisis but one in which training was promoted as being cheap and quality was very much under-represented. The former minister paid little regard to the quality of the system. During the time I was shadow minister and now that I am minister, because I am prepared to listen to what people have to say, many providers have raised concerns with me. They have expressed serious doubts about the quality of the system and the capacity to monitor and regulate it.

As is well known, Victoria has the lowest cost of delivery per student contact hour of all Australian states.

**Mr Honeywood** interjected.

**Ms KOSKY** — The honourable member for Warrandyte says it is the most efficient system. That is right, it is the most efficient system, but the quality has plummeted as a result of its being the most efficient. The previous minister was concerned only with efficiency.

**Mr McArthur** — On a point of order, Mr Speaker, when the honourable member for Richmond asked his question you ruled that he had to rephrase it. In doing so he left out part of the initial question. That appears to be part of the question the minister is now attempting to answer. The minister is trying to answer a question that you, Sir, ruled out of order. I suggest that she should be answering the question that the honourable member for Richmond finally managed to ask.

**The SPEAKER** — Order! I uphold the point of order. The question in its final form was the action the minister was taking in regard to the matter. I ask her to confine her remarks to that question.

**Ms KOSKY** — I accept your ruling, Mr Speaker, but certainly the context was important in responding to the concerns that were raised with me.

The department raised serious concerns about problems across the system. It indicated that at the moment only 200 audits are conducted each year. Less than $150 000 is provided per year for those audits — less than $150 000 per year on a range of questions raised about the quality of the system. Those are critical issues and today I am very pleased to announce to the house an inquiry into the quality of training in — —

*Honourable members interjecting.*

**Mrs Peulich** — Not another tripartite body!

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

**Ms KOSKY** — It is interesting to note that when I announce an inquiry, major laughs can be heard from the other side. The honourable member for Hawthorn constantly talks about the State Training Board of Victoria, so on the one hand opposition members view consultation as being okay but they are not too keen on inquiries!

I am very pleased to announce that an inquiry will be held into the quality of training in Victoria's apprenticeship and traineeship systems. The inquiry will be conducted by an adjunct professor and executive director of the Research Centre for Vocational Education and Training at the University of Technology in Sydney, Kay Schofields. She is very well recognised throughout Australia, having conducted similar audits in both Queensland and Tasmania. She is very well qualified to conduct the review and will

investigate the quality and effectiveness of Victorian traineeship and apprenticeship systems. She will provide recommendations to me early next year on what the Bracks government needs to do to fix the mess that has been left by the previous government.

The Bracks Labor government is committed to a quality training system, one that drives economic growth and has due regard for educational qualifications.

## Dairy industry: deregulation

**Mr McNAMARA** (Leader of the National Party) — Will the Minister for Agriculture advise the house of the cost of the plebiscite conducted on dairy deregulation and comment whether it was paid for by the government or dairy farmers through organisations such as the Victorian Dairy Industry Association?

**The SPEAKER** — Order! It appears to the Chair that the honourable member asked two questions. Would he care to rephrase his question?

**Mr McNAMARA** — I ask the Minister for Agriculture to give the house details of the costing of the plebiscite on dairy deregulation and other matters related to it.

**The SPEAKER** — Order! The latter part of the question does not allow the Minister for Agriculture to canvass issues other than those contained in it.

**Mr HAMILTON** (Minister for Agriculture) — I thank the honourable member for his interest in the very important plebiscite that will be launched tomorrow. The media launch will take place on a dairy farm in the Latrobe Valley, which I would have thought is an appropriate place. To ensure that I do not mislead the house I will change 'tomorrow' to 'Friday'. The opposition might get excited if they think I will not be here!

As members of the opposition know, during its election campaign the government promised that a plebiscite would be held. As with other Bracks initiatives and promises, it will be honoured.

I am advised by the department that the cost of conducting the plebiscite, including the charge of the Victorian Electoral Commission, is less than $30 000. The department advises that it will pay; there will be no charge to the industry for the plebiscite because it is a government initiative and a government responsibility.

I would like the opportunity to canvass other matters in relation to the plebiscite, but I take note of the Speaker's stern look and the temperature in the house. We do not want to send opposition members off to sleep before they have a chance to get used to being in opposition!

I conclude by saying that the Bracks government is honouring its promises and getting on with the job of good government in this state.

## Burwood: suburban boundaries

**Mr LANGDON** (Ivanhoe) — Will the Minister for Environment and Conservation detail to the house what action she has taken to respond to the Burwood community's call for an amendment to suburban boundaries in line with the recommendation of the place names committee?

**Ms GARBUTT** (Minister for Environment and Conservation) — Honourable members would be aware that during the past 12 months or so the government's place names committee has been working with local communities and councils to officially name and define all suburban boundaries and rural districts throughout Victoria. That has been done at the request of the Australian Bureau of Statistics and emergency service organisations, which need that clear definition. There have been many arguments about the matter, and on most occasions they have been resolved through local councils working with their local communities in a consultation process, and those proposals have been registered.

Objections that could not be resolved went to the place names committee, which made recommendations to the previous minister. I advise the house that there was one place in Victoria where that did not occur — the recommendations of the place names committee were overturned and rejected. That place was Burwood.

*Honourable members interjecting.*

**Ms GARBUTT** — It is an interesting history. The council surveyed Burwood residents in the City of Boroondara about extending the boundaries of Camberwell and Glen Iris to align them with the municipal boundary so the suburb of Burwood would be included in two municipalities, not three. It was a minor boundary change. The council found that 80 per cent of the local residents surveyed accepted the name change from Burwood to Camberwell and that 55 per cent accepted the name change from Burwood to Glen Iris. The place names committee considered that level of support high enough to justify the change.

The committee recommended to the former Minister for Planning that the Burwood boundaries be changed. However, one resident intervened.

*Honourable members interjecting.*

**Ms GARBUTT** — It was the former honourable member for Burwood! That is the only case in Victoria where the place names committee's recommendations to the minister have been abandoned, overturned and thrown out. Despite the clear preference of the residents in the areas involved, who had voted overwhelmingly in favour of the name change, the recommendation was thrown out because the former honourable member for Burwood did not like it. It is yet another example of the previous government's arrogance and lack of commitment to the democratic process.

I have now accepted the Place Name Committee's recommendation on the boundary change for Burwood in line with the overwhelming community support for that change.

## BUSINESS OF THE HOUSE

### Postponement

**Debate resumed.**

**The SPEAKER** — Order! Before the suspension of the sitting, the house was at the stage of resolving the procedural motion before the Chair. A division had been called on the question that the words proposed to be inserted be so inserted. I remind honourable members that those members supporting the amendment should vote yes.

**House divided on amendment:**

*Ayes, 42*

Asher, Ms
Ashley, Mr
Baillieu, Mr
Burke, Ms
Clark, Mr
Cooper, Mr
Dean, Dr
Delahunty, Mr
Dixon, Mr
Doyle, Mr
Elliott, Mrs
Fyffe, Mrs
Honeywood, Mr
Jasper, Mr
Kilgour, Mr
Kotsiras, Mr
Leigh, Mr
Lupton, Mr
McArthur, Mr
Maclellan, Mr
McNamara, Mr
Maughan, Mr (*Teller*)
Mulder, Mr
Napthine, Dr
Paterson, Mr
Perton, Mr
Peulich, Mrs
Phillips, Mr
Plowman, Mr
Richardson, Mr
Rowe, Mr
Ryan, Mr
Shardey, Mrs
Smith, Mr (*Teller*)
Spry, Mr
Steggall, Mr
Thompson, Mr
Vogels, Mr
Wells, Mr
Wilson, Mr

*Noes, 44*

Allan, Ms
Barker, Ms
Batchelor, Mr
Beattie, Ms
Bracks, Mr
Brumby, Mr
Cameron, Mr
Campbell, Ms
Carli, Mr
Davies, Ms
Delahunty, Ms
Duncan, Ms
Garbutt, Ms
Gillett, Ms
Haermeyer, Mr
Hamilton, Mr
Hardman, Mr
Helper, Mr
Holding, Mr
Howard, Mr
Hulls, Mr
Ingram, Mr
Kosky, Ms
Langdon, Mr (*Teller*)
Languiller, Mr
Leighton, Mr
Lenders, Mr
Lim, Mr
Lindell, Ms
Loney, Mr
Maddigan, Mrs
Maxfield, Mr
Mildenhall, Mr
Nardella, Mr
Overington, Ms (*Teller*)
Pandazopoulos, Mr
Pike, Ms
Robinson, Mr
Savage, Mr
Seitz, Mr
Thwaites, Mr
Trezise, Mr
Viney, Mr
Wynne, Mr
McCall, Ms
McIntosh, Mr

**Amendment negatived.**

**Motion agreed to.**

## POLICE REGULATION (AMENDMENT) BILL

*Introduction and first reading*

**Mr HAERMEYER (Minister for Police and Emergency Services) introduced a bill to amend the Police Regulation Act 1958 to establish a Police Appeals Board, to abolish the Police Board and the Police Review Commission, to provide members of the police force with protection from civil action arising from the performance of their duties, to amend the Juries Act 1967 and the Ombudsman Act 1973 and for other purposes.**

**Read first time.**

## DOMESTIC BUILDING CONTRACTS (AMENDMENT) BILL

*Introduction and first reading*

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

That I have leave to bring in a bill to amend the Domestic Building Contracts Act 1995 and for other purposes.

**Mr McARTHUR** (Monbulk) — The opposition requests a brief explanation of the bill.

**Mr HAERMEYER** (Minister for Police and Emergency Services) *(By leave)* — I represent the Minister for Consumer Affairs on the matter and will provide the honourable member with a brief explanation at a later stage.

**Dr NAPTHINE** (Leader of the Opposition) — The opposition understands that ministers represent other ministers in another place. However, when legislation is introduced it is incumbent on the minister representing another minister to understand the legislation being brought before the house. It is not sufficient for the minister to say, 'It is not my responsibility — it belongs to another minister in another place. I am just bringing it forward and I know nothing about it'. That shows a dereliction of duty and a misunderstanding of the duties of the minister.

If the minister is representing a minister in another place it is incumbent on him to be briefed. I presume some cabinet discussion of the bill took place and that the Minister for Police and Emergency Services was present at and participated in those discussions. I also presume he understood what the bill he was voting on at the cabinet meeting was about.

It is highly amusing to hear the minister say he is bringing the bill before the house as the representative of a minister in another place when he cannot in any way, shape or form advise what the contents of the bill are. He is now seeking a briefing from the Premier on what is in the bill.

**An honourable member** interjected.

**Dr NAPTHINE** — I hope the minister informs you better than he has informed the house, because he said he did know what was in the bill.

It is not sufficient for a minister to familiarise himself with the contents of a bill only before making the second-reading speech, because there are occasions when a second-reading speech may contain errors and it is important for the minister responsible for the bill to understand its nature, content and purpose. The minister admits he knows nothing about the legislation he is responsible for introducing. That is the height of dereliction of duty and irresponsibility, and it is a clear admission that the minister who is supposedly responsible for the bill is not truly responsible for it.

I suggest to the Premier that the government should appoint another minister, one who understands the bill, to handle it and explain its content to the house.

**Mr HAERMEYER** (Minister for Police and Emergency Services) (*By leave*) — The bill deals with the transition phase in building contracts between the pre-GST and post-GST environments and puts the transitionary arrangements in place.

**An Honourable Member** — The Premier told him that!

**Mr HAERMEYER** — No, I just remembered.

**Motion agreed to.**

**Read first time.**

## LOCAL GOVERNMENT (BEST VALUE PRINCIPLES) BILL

**Government amendments circulated by Mr CAMERON (Minister for Local Government) pursuant to sessional orders.**

*Second reading*

**Debate resumed from 11 November; motion of Mr CAMERON (Minister for Local Government).**

**Ms BURKE** (Prahran) — I note the Minister for Local Government is not in the chamber, but I am sure he will return any moment.

As we move into the new millennium we realise that change is all about us. Local government is not immune to those changes. The new world of local government is now in its sixth year. It was stated throughout the process of local government reform that it would take 5 to 10 years to bring a new process and a new world to local government. In six years we have achieved a great deal, but in doing so we were aware that there would be some flaws.

Let us look at what we had before reform. Victoria had 210 councils, which was 34 more than New South Wales, despite the fact that Victoria is one-third its size. Victoria's municipal rates were 12 per cent higher than anywhere else in the country. Victoria had 20 per cent more local councillors than any other state, no accounting system, no choice of delivery of service, no real capital works programs, including infrastructure programs, no corporate plans, no annual reporting to the constituents in its municipalities, and no freedom of information. One could go on and on about what the system was lacking.

In six years the former government did a great job in taking on the reforms and putting forward a new vision for local government. Victoria is well on the way to having one of the finest examples of local government in the country. Having made many visits to local

councils throughout Victoria, I can say that Victoria's local government is a fine example to the world.

All spheres of government are facing increasing financial and social pressures to ensure that their services are both efficient and cost-effective. Compulsory competitive tendering (CCT) is an important component of the reform process. Local government in Victoria can hold its head high. It has led the way for the rest of Australia by making local government more transparent, accountable and efficient for the ratepayers it serves.

CCT is particularly good as a form of government competition. The setting up of CCT did not involve privatisation, which is often confused with compulsory competitive tendering. One could argue about the merits of the compulsory nature of the system, but I do not believe one could argue about the merits of the competitive tendering aspect. The difference with privatisation is that the organisation is sold and another entity takes over. In local government assets have been held in the hands of the councils and the service delivery has been tendered out.

Tenders were generally of a most reasonable time frame, which gave councils the opportunity to determine whether the tenders worked. The next contract could be altered under a business negotiating agreement by the tenderer and those receiving the services. Different options were available to councils and tendering services which were not available in the past.

Competitive policy is not about maximising competition per se, it is about using competition to improve the community's standards and, importantly, employment opportunities. Councils have overwhelmingly embraced the concept of competition. Market testing has fundamentally changed the way councils go about their operations, to the benefit of the community.

Since competitive tendering came in council debt levels have decreased by $290 million. Whether one likes it or not, it has had an amazing impact on the amount ratepayers pay each week. The introduction of service specifications and work practice reforms has changed the way local government operates forever because, regardless of whether more union-orientated work places are brought back, people have tasted the difference and it is up to each council to go whichever way they wish. People have a choice, and they will make that choice at the ballot box.

Councils will determine which services they wish to put out to tender. That is often not talked about. It is up to a council to choose whether it puts out for tender home care and other caring services or whether it tenders IT and other services. It is up to the individual councils. The tendering program and services packaging enables councils to optimise the benefits of tendering for their communities. What is worth tendering out in one area will be entirely different to other areas.

Under proposed new section 208G, if a council does not meet the compulsory competitive tendering (CCT) targets it must include a written explanation to the minister within three months of tendering its financial report.

I will now refer to the amount of competitive tendering that has gone on. It is interesting to note that for some reason or another rural councils seem to have higher competitive tendering figures than metropolitan councils. For example, Central Goldfields has tendered up to 87.4 per cent of services; Mildura has tendered 64.9 per cent; and East Gippsland has tendered 52.5 per cent. The important fact to remember is that the compulsory figure was only 50 per cent, but those councils decided to go higher. It is up to them to determine whether that has been effective.

The 1998 council-by council report on CCT achievements notes that many councils decided not to tender 50 per cent of its services, but I do not see them in any trouble. Mornington Peninsula tendered 34.4 per cent, Hume tendered 40 per cent, Yarra tendered 46.89 per cent, and Yarra Ranges tendered 47.59 per cent. My own area of Stonnington chose to tender 61.2 per cent, and it has been very effective. The in-house team won the tender for garbage collection and was $750 000 cheaper than under the old system. One cannot say there was not some benefit to the broader community as a result of that.

I shall now deal with the effect of the bill on modern local government. I place on record my congratulations to local government in Victoria on a job well done. It has achieved the percentage targets and made incredible savings for their communities. What is more, and very importantly, councils now understand the services they provide, the charges that need to be made, the reforms that need to take place and what happens to their communities. That is what is important. Anyone looking around will be aware of the changes in their communities. There are currently areas where local government serves the community but only on the days and at the times that suit local government rather than what suits the people. Library services are a good example of that.

The change to shopping hours on Saturdays and Sundays has had a real impact on services. In Great Britain and Australia, particularly in Victoria, people are demanding more of their governments. If the private sector can do it, whether we like it or not, the community expects governments to do it as well. The reforms that have taken place happen once in a lifetime, but they can be achieved only by a committed team. The Liberal government had a committed team which moved forward in one direction. It is now time to refine that direction and discover how we can do it better.

A review of compulsory competitive tendering had been planned for some time. The former government had been aware that country Victoria had been grappling with CCT and in respect of its local government policies was concerned with whether it had the percentages right, particularly for country Victoria. It had examined issues such as fair practice principles. It had compared its local government policies with the United Kingdom experience and felt that in many areas it had bettered what had happened there. It was honing its particular form of tendering in Victoria. For example, competitive tendering in the United Kingdom was aimed at one sector of the work force, the blue-collar work force, whereas in Australia everyone was considered equal and tendering was across the board.

The differences between rural and metropolitan areas were obvious to everyone. The former government was grappling with whether the percentages for metropolitan areas should be the same as those in rural Victoria. Discussions were being held with local government in rural areas about that issue. Although many small businesses in metropolitan areas started to take on local government tenders that did not occur in rural areas. That issue will be studied for some time. Apparently it was too hard for small businesses to start up. If that was the case there is a need to understand why, because people in rural communities should have the same opportunities as those in the cities.

Local government is facing many problems, including the transmission of business in recent industrial relations discussions and the debate about what will happen when tenders expire. I refer to a typical council meeting reporting on issues faced by councils in relation to compulsory competitive tendering. It states:

> It is noted that the tender submitted by the in-house team is not the lowest tender received. The reasons for selecting the tender from the in-house team are — if the contract was awarded externally, the payment of redundancy and related superannuation costs for retrenched council employees would mean that the total cost to council would be significantly greater than the total cost to council of entering an in-house agreement.

That is common practice in local government. It is relevant to ask whether local government is serving its community well by putting off for short-term gain a better long-term benefit for the community. I do not think the bill corrects that problem. It will take a mature local government for the system to work and keep in-house teams accountable and at the same standards as external contractors. I refer to examples such as P & O and Citywide Services at the City of Melbourne.

The bill does not necessarily mean there will be jobs growth because the private sector also employs people from local communities. The CCT process has brought about accountability and efficiency. It has meant net increases to employment through higher standards of service rather than an increase in costs to the community. If quality and efficiency are absent, costs to the community will increase.

The purpose of the bill is to remove compulsory competitive tendering — particularly the compulsory aspect — and to do things differently. I am a little confused as to the commencement date of the bill. The timing of the granting of royal assent is interesting, and I will discuss it later.

The bill's objective is to replace compulsory competitive tendering with best-value principles. Proposed new section 208B states:

> (a) all services provided by a Council must meet the quality and cost standards required by section 208D …
>
> (d) a Council must achieve continuous improvement in the provision of services for its community.

How can the government measure continuous improvement? And if it cannot measure it, it cannot manage it. The opposition recognises the right of the government to introduce bills on the basis of its election commitments, but feels it has a responsibility to highlight the concerns many organisations and associations have with the bill in its present form.

In a letter addressed to the minister, which was forwarded to me, the Victorian Local Government Association refers to proposed new section 208H, which provides power to publish codes in relation to how councils are to give effect to the best-value principles. The association believes that any legislation that provides the minister with such wide powers — a virtually unfettered discretion — is inappropriate, particularly for inter-government relations. The minister may have answered many of the concerns raised by the association.

At a seminar on local government tendering on 24 November various comments were made about the bill — for example, that it was, to quote, 'furry and fuzzy'. I presume that means it was like a motherhood statement. Councils were worried where it would lead them. Other comments were that it was, to quote again, 'a cottage industry for the legal profession' and 'a litigation minefield'.

The Maddock, Lonie and Chisholm contracts and competition update of November states that the bill raised a number of legal issues, including whether a council can be sued for breaching the best-value principles. The Municipal Association of Victoria bulletin of 29 November states:

> The MAV maintains that imposition of best value is just another model of state government control over local government and prevents councils from pursuing their own efficiency and accountability models.

A council in south-west Victoria wrote:

> The bill lacks any substantive supporting information to indicate how the best-value principles will be implemented, measured and audited.

I remind honourable members that we are discussing 100 per cent of council services. Local government is a $3 billion industry so we are talking about $3 billion of public funds being spent by councils each year. Ratepayers should be wary, especially when rate capping is being removed. I refer honourable members to a graph that shows the position at the commencement of the Kennett government reforms, the position now, and what will happen following the removal of rate capping.

Further deficiencies in the bill relate to a ministerial discretion to determine codes after the bill has received royal assent. No consultation will take place with local government about this exercise of that discretion. The government should talk with local government before implementing these measures. I understand it has made a promise to the electorate and wants to do the right thing so that it can tick it off before Christmas, but this is an important issue and it should talk to people before it implements the measures.

Proposed new section 208B does not provide for accountability to the Parliament or audits of councils in the application of the principles of best value as outlined in the bill. Much has been said about the Auditor-General and accountability. I will be watching this proposed new section because I believe local government has done a good job. I do not want to see it go backwards.

There is no recognition of business or the private sector in the bill. Proposed new section 208C(f) provides that in applying best-value principles a council may take into account:

> the value of potential partnerships with other Councils and State and the Commonwealth Governments …

There is no mention of partnership with the private sector, which also employs local people. Best practice principles are about business decisions, how public money is spent and accountability. Everybody pays rates and people expect services. The minutes of a particular council state:

> … the panel undertook a commercial tender analysis. This was an assessment based on the tender prices submitted. The in-house tender is required to be submitted on the basis of being competitively neutral, i.e. not enjoying artificial financial advantages caused by being a government authority (e.g. sales tax exemption, payroll tax exemption, return on investment etc.), although it must still carry the inherent disadvantages such as higher award payments and higher superannuation contributions.

Proposed new section 208G provides that:

> At least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

That is an exact wording of the English system. Victoria has a great system of accountability so why insert it in the bill and not the annual report? Why set up a whole new process?

Proposed new section 208H is about ministerial codes. The minister has done a good job with the amendment by consulting the tripartite body on how it will work. The bill also repeals compulsory competitive tendering and clearly states that it will not apply. It also removes the need for royal assent. So until the codes are implemented there will be nothing — no principles, no guidelines and no codes.

The generous increase in the time frame is fair and reasonable. I am interested to see how the best-value principles will work. The opposition does not oppose the bill, but the government will have to cope with getting councils to take up the issues. Five years is a long time frame and many debates will take place during that period. I look forward to hearing about consultation with local government. People say they do not want to go back to a straight line management system. Council staff who have won in-house tenders are proud of the businesses they run and do not want to go backwards. They like doing their jobs and wish to improve service delivery.

It is the responsibility of the minister to continue to ensure that the changes improve the quality of life of residents and service delivery. Many local government services do not serve anybody. One cannot go along out of hours — at the weekend or of an evening — to obtain a planning permit. Libraries do a great job and people need them at different hours. Longer shopping hours have made a big difference to people's lives. Throughout the world people now expect more of government, and because of that flexible hours will become a greater part of best practice. What is the definition of 'best'? What is best to a person in Mildura is not necessarily the best to another person elsewhere in that large electorate. That electorate is bigger than either Tasmania or Israel. Services bring about significant change; but importantly, sustainable change will be a challenge. One must work more closely with the service users to understand their different demands.

The council in my electorate is doing a good job of providing information over the Internet and using IT services. The challenge for governments, including local government, will be not only to compete but to maintain that community feeling while introducing corporate aspirations. Previously employees would sit at their desks and not answer the telephone of a fellow employee who was not at his or her desk, but now employees are more conscious of the needs of the community.

When local government reforms began everything was about what happens inside the town hall. Changes were made, and people are now more aware of what happens outside the town hall. There is still a long way to go but the situation is changing. These issues are not party political; they are about what the community demands from its governments today.

The issue is whether best practice can continue to make people more aware of what is happening outside the town hall, not about what happens inside the town hall. I wish the bill a speedy passage and put the government on notice that I will be watching it with interest.

**Mr VINEY** (Frankston East) — I have great pleasure in supporting the bill, which abolishes a system that was imposed on municipal management and puts control of municipal management back into the hands of locally elected councillors. It is a bill that restores some of the democratic processes of local government and demonstrates that the Bracks government is getting on with the job of fulfilling its commitments.

The bill demonstrates that the government is committed to open, accountable and democratic local government systems in partnership with the state sector. I am proud to support it.

I am also pleased to follow the honourable member for Prahran, who had an enviable record of working with local government when she was a member of the Local Government Board. It is, however, unfortunate that the honourable member has missed the point of the bill. She constantly referred to best practice instead of best value, which demonstrates the need to be clear on what the bill is about. The bill is about giving back to local government the right to vary the way it delivers service. It is up to each municipality to define best value.

The honourable member for Prahran said local government in Victoria could hold its head high. I agree with the honourable member, but for different reasons. The local government sector can hold its head high because of its capacity to adapt to the serious attack on it by the previous government and to withstand the silencing of any view it might have that was different from the view of the state sector. Under the structure set up by the honourable member for Prahran when she headed the Local Government Board, local government in Victoria has seen what can probably be regarded as the most ministerial-edict-driven period ever for municipal councils. The level of intervention by the former minister in day-to-day local government decisions was extraordinary.

The honourable member for Prahran also referred to local government having lower debt over the past few years, but she did not mention the terrible price paid for that lower debt — the massive cuts to services, particularly in the community services area and in regional and country Victoria, the reduction in capital works throughout Victoria as a result of the downsizing of local government, and the imposed cuts to rate levels. Not only did the previous government decide to set up a different structure for local government, it then mandated the way in which local government would operate and the cuts to rate levels that each community would be allowed to charge.

No wonder there were cuts to services. Local councils could not sustain the services communities were requesting and demanding of their municipalities. That put massive pressure not only on the local government sector but also on the voluntary agencies and other organisations trying to provide back-up services in local communities.

The honourable member for Prahran also referred to the private sector employing people, but then contradicted her own comment that the compulsory competitive tendering (CCT) system did not work in country

Victoria. What greater evidence that it did not work in country Victoria could there be than the following list of seats lost by the Liberal and National parties in the last election: East Gippsland, Narracan, Ripon, Ballarat East, Ballarat West, Bendigo East, Gisborne, Seymour and Geelong. That is an indictment of the way the government administered compulsory competitive tendering. Local government was seen by the previous government as a tool or as an instrument of its plans rather than as having a right to determine the way local community needs and services should be met and delivered.

The whole purpose of CCT was not simply to set the objective of trying to make services more efficient — with which I think all honourable members would agree — it was to mandate the way that was to occur. During the long period of so-called reform referred to by the honourable member for Prahran, it appeared to me and others working in that sector that 'reform' was a euphemism for cuts to services and jobs and that the Kennett government simply closed down another avenue of possible criticism of what it was doing. It did that by mandating the process by which local government could manage its services.

The previous government and the honourable member for Prahran referred to national competition policy, which the former Kennett government really used as a cover to impose its own ideological agenda. That agenda said local councils must be reduced to administrators of a limited range of services rather than being the proactive planners and coordinators of a wide range of community services. The agenda imposed by the Kennett government tried to reduce councils to mere purchasers of services. It is a flawed concept of the purchaser-provider split.

I was involved in consulting work with approximately 140 councils throughout Australia, and I can confirm that no other state has followed the Victorian model set up by the former government. In all of my work with other councils in other states most people wanted to know how the CCT process was impacting on local communities rather than how it might be implemented in their municipalities.

Occasionally I came across municipalities that had imposed some sort of compulsory tendering regime on themselves and were reversing the process. They were reversing it because they found that very often the concept of a community focus was being lost in the corporate culture. They were reversing the process because they found that service providers under the competitive tendering arrangements would deliver only those services that were subject to their specifications. If something else that needed to be done was staring the providers in the face they would not do it because they were not being paid for it and it was not in their contract. Under the structure of the contracts they were encouraged not to do anything more.

We all know that happened consistently in Victoria, and it is one reason why the abolition of compulsory competitive tendering will be advantageous to Victorians. National competition policy was never about setting up a means of public management and administration. It is a policy that says when services are tendered out there should be competitive neutrality. The honourable member for Prahran misunderstands the concept of national competition policy. Even under her own competitive tendering regime there was a requirement for competitive neutrality. It did not mean that in-house providers could not bid; it meant their bids had to be adjusted to take account of any advantages they might have as in-house providers.

National competition policy was always about public organisations not having an advantage in an open tender process. National competition policy has had a substantial impact on the provision of services in Victoria. The December 1998 report put together by the Municipal Association of Victoria after some research with member councils became a submission to the Productivity Commission on the impact of national competition policy. It contained a long list of the impacts of the policy.

I will not name the councils but I will mention a few of the matters it referred to: massive downsizing in an isolated former SEC town; departure packages drying up; economic depression; the closure of local utility offices; redundancies; depots moved to adjoining regional centres; Powercor transferred to Bendigo from a small town; the withdrawal of services from small towns; downsizing in Benalla; the closure of a Vicroads depot; and the downsizing of Vicroads. They are comments from councils in response to the Municipal Association of Victoria survey.

Those comments were made by councils in response to a survey conducted by the Municipal Association of Victoria, which also contains about four or five pages detailing the impact of national competition policy on country Victoria. The impact was made worse by the interpretation by the previous Kennett government of what was meant by delivery of local government services. It is no wonder the people of country Victoria rejected it. I am sure some government members who represent country towns will add to that later in the debate.

I will now deal with compulsory competitive tendering (CCT). A report from the outer urban research and policy units of the Victoria University of Technology quotes various managers and chief executives in local government. One chief executive states:

> 'Uncompetitive' central support services will force council business units to source these services elsewhere and this will have a wholesale fracturing effect on the structure of local government over time.

Another said:

> Councils as 'steerers' only: the more you look at it, I think it is going to be more difficult for councils to provide a lot of services in the future.

I also have a comment from a service manager:

> I think very clearly that just competing from an in-house bid every three or four years is not sustainable. If in-house groups are to survive as core service providers we are going to have to corporatise, privatise — call it whatever you like — physically move away from the council as such. If we keep the arrangement we have at the moment, next time around the private sector will beat us around the ears.

A senior manager states:

> It is too early to tell whether savings will offset additional costs. We don't know what problems are coming up in terms of contract management.

The cost of CCT in Victoria was enormous. There was a massive set-up cost — establishing business units, new corporate structures for the purchaser-provider splits, contract management units and consultants to assist business units. Then there were tendering costs such as advertising, assessment and evaluations. There were also specification preparations, which are critical to the success of competitive tendering arrangements. That was the area where many services were cut and lost to the community. There were also the bid costs — the preparation of the bid, additional consulting services, research costs and staff training to deal with bids. There were changeover costs for the new providers and redundancies for existing in-house providers who lost bids. There were also service costs, which are not normally counted in the economic rationalist era. Massive cuts were made to services. The corporate approach was lost. There were incomplete specifications and the hidden cost of errors caused by a lack of knowledge.

I recall that in one council where I was working a couple of thousand tubes of trees were planted in autumn in an area that was to be a park. The spring growth occurred and the grass grew longer. Because of the new CCT arrangements for the park maintenance contracts, the new contractor did not know the tubes had been planted out and the park was mowed. The result was that 2000 trees were lost to the community. That is just one minor example.

Another example is the loss of employment some people have suffered. I remember during my many years as a manager in local government seeing a fellow working around the buildings. He had an intellectual disability and looked after the gardens and lawns. He did a great job. However, in the harsh economic rationalist era of competitive tendering he lost his job. Just a couple of months ago during the election campaign in Frankston East I bumped into him and found that he had been unemployed for about three years. That is an example of the human costs of the ideologically driven policies of the former government.

The impact on the voluntary sector was enormous. I quote briefly from the Good Shepherd Youth and Family Services:

> The assumption underlying 'contestability' is that competition will produce cost savings, efficiency and a better quality service. However, when outlining the fundamentals of national competition policy Hilmer clearly pointed out that there are situations where competition does not achieve efficiency and conflicts with other social objectives.

The best-value principles outlined in the bill seek to deal with those objectives. They allow councils to consider issues of critical importance to their communities. The amendments will ensure that local employment opportunities will be considered. They are the critical issues with which the Bracks government is concerned. It wants to return democracy to local government and restore its right to deliver reasonable services and choose what is best for communities through the democratic process of local government. I commend the bill to the house.

**Mr PHILLIPS** (Eltham) — Unlike the two previous speakers and many of the speakers who will follow me, I do not have the experience in local government that others have. The honourable member for Knox, who will be the opposition's next speaker, has, I believe, 20 years of local government experience and will certainly know more than me and probably many others.

My experience in local government consists of the 14 years between 1980 and 1994 that I served the local municipality of Diamond Valley, during which I was shire president between 1987 and 1988. I will therefore have to bow to the wisdom of those with greater experience. I am pro-local government, though since my election as a state member that has been difficult because at times I have had to be very hard on local councils. However, local government is a serious third

tier of government that needs every bit of support and independence a state government can give it.

During my time as a state representative councillors in my local municipality were I believe dismissed for not acting in the best interests of the community. That was not easy. When I was a councillor back in the 1980s and early 1990s competitive tendering (CCT) was not new to local government. I was very keen on it and very proactive during my 14 years. I wholeheartedly encouraged tendering out and the involvement of the private sector in local government.

I do not have the concerns of some honourable members from both sides of the house about the ability of local government to control its own destiny. I am fairly confident that local government can do that. It has survived very well for 100 or so years. Both state and federal governments found that when it came to making changes that affect the individual, such as amalgamation, it was always very difficult to get consensus from local government.

Local government should have taken the bit between its teeth and instigated many of the changes the Kennett government implemented in 1994, when it reduced the number of municipalities from 210 to 78. If it had done so, Victoria would probably have ended up with more than 78 municipalities. I am not convinced that we got the boundaries of all 78 right, just as I am not convinced that the Local Government (Best Value Principles) Bill has got it right. I do not necessarily base those comments on experience because, as I have already said, I do not have the experience the two previous speakers claim to have — or, possibly, of any of the speakers who will follow.

I quote from a letter dated 18 November from the Municipal Association of Victoria (MAV), which I assume is made up of a number of experienced people. In its letter to the Minister for Local Government the MAV says a number of things, in particular that:

> The MAV believes there needs to be a thorough examination of the appropriateness of best-value principles in regard to local government. More significantly the cost implications, benefits and/or shortcomings need to be assessed. To that end, the MAV is requesting that you consider an amendment to the proposed legislation which would enable the abolition of CCT to proceed —

and all honourable members would agree with that —

> but halt the implementation of best value until further groundwork is carried out and a sector-wide agreement reached.

Obviously, as of 18 November the MAV had some concerns about the bill.

The bill has some good parts and some questionable parts, both of which need to be commented on. I totally support the increase in the tendering threshold from $50 000 to $100 000, which I believe is excellent. I am confident that through its democratically elected councillors, who represent the community, its chief executive officers and its other experienced officers, local government will have the expertise to tender out work worth up to $100 000 without any problems from the community's point of view.

Proposed new section 208B(e) states:

> a Council must develop a program of regular consultation with its community in relation to the services it provides.

What the bill does not say is how that program should be implemented and how the community should be made aware of the program. It could have referred to the program being outlined in an annual report, a corporate plan or something similar.

Under the heading 'Best value principles' proposed new section 208B(f) states:

> a Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

Again the bill does not say how a council has to report. It simply says it 'must report regularly'. That could be done by the council president, the mayor or the CEO getting up and giving a report in front of only three people, without the rest of the community being aware of it. A council should be compelled to present it in the form of a document; however, the bill does not say that.

Proposed new section 208C talks about the factors that may be looked at in applying the principles. It says:

> In applying the Best Value Principles, a Council may take into account, among other factors —

and it goes on to list subclauses (a), (b), (c), (d) (e) (f) and (g). Would there not be merit in saying a council 'must' rather than 'may'? The requirement 'may' is like the requirement in planning and other schemes that one must have 'due regard for' something. What does it mean at the end of the day? One could read it and think about it, but at the end of the day it would not necessarily mean anything. The words 'must take into account' should be included in place of the word 'may'.

Proposed new section 208C(f) talks about:

> the value of potential partnerships with other Councils and State and the Commonwealth Governments.

That is commendable. However, it could also have considered businesses. The private sector should not be

forgotten when best-value principles and practices are referred to. A simple government amendment could tidy that up.

Under the heading 'Report on best value principles compliance' proposed new section 208G states:

> At least once every year a Council must report to its community on what it has done to ensure that it has given effect to the best value principles.

It does not talk about how the council must report — whether it needs to report in the annual report, in the corporate plan, in a newsletter or whatever. Without the correct wording, the ideals that the government is trying to implement could be lost. That oversight could have been overcome by some simple amendments.

Opposition members with experience in local government have identified opportunities to tidy up the bill. However, the bill has some positive elements, and as the shadow Minister for Planning stated, the opposition will not be opposing it.

Unfortunately, there is a perception in the community that as an independent, third tier of government local government should be responsible only to itself. That is not the case. Some people get confused when the point is made that although in principle the independence of local councils should be supported — and I support it — in reality the Minister for Local Government is the minister responsible for local government and the Parliament is responsible for the Local Government Act. Therefore local government comes under its umbrella.

A positive element of the bill is that it has been driven by community expectation, based on the long lead time relating to its introduction, of the removal of compulsory competitive tendering (CCT). There would be no argument about that from either side of the house.

As a representative of a rural electorate, Mr Acting Speaker, you will probably agree that CCT bit harder in the bush than it did in metropolitan Melbourne. Local government had difficulties with its implementation because the percentages may not have been right. However, at the end of the day it does not matter, because the incoming government said it would scrub compulsory competitive tendering. I point out that the former government's policy leading up to the recent election contained some suggestion that it would make some changes by amending the act.

The reality is that the government is proposing changes. As I said, the bill has some shortcomings, and it could be improved with some simple tidying up. They would be minor amendments that the government should have no concerns about.

They certainly would make the legislation stronger and the directions for local government clearer. The opposition has indicated it is willing to consider the government proposals, despite some downsides. In listening to further points from other speakers the minister might identify something that has been overlooked.

The government — certainly the Minister for Local Government — is fair dinkum about local government. He is one of the more amiable ministers, and as chair of the opposition policy committee I look forward to working closely with him and his officers to achieve the best results for local government. The honourable member for Knox put in 20 years and I put in 14 years — without the remuneration paid to present councillors — working for and on behalf of the community in support of local government.

**Mr WYNNE** (Richmond) — I am pleased to have the opportunity to speak on the bill in the company of so many colleagues who come to the debate with extensive experience in local government and genuinely believe in the bill. Some have many more years of experience than I have, and I welcome their contributions.

The bill demonstrates the commitment of the Bracks government to implementing, in a timely fashion, key components of its platform. Compulsive competitive tendering (CCT) was introduced by the former government in response to the national competition policy. Contestability in the marketplace was viewed as the only true measure of the efficiency and effectiveness of service delivery. It was argued by the former government that cost savings could be achieved and that services to communities would be improved through competition. But what has been the outcome of the imposed model of service delivery on our communities?

Achieving savings has been a major engine of the implementation of CCT in Victoria. Assessing the scope of the savings has been difficult, as CCT was introduced at a time when massive change was occurring in the local government sector. The former government's reform package — including the amalgamation of local councils to reduce the number from 210 to 78 — has, although implemented without consultation, resulted in more coherent but obviously larger units of local government. An exception is the former municipality of the City of Melbourne, where I had the honour to serve. In a blatant political move to

downgrade the area because of what may have been perceived by some to be a threat from the central city government, the city boundaries were not enlarged but reduced.

The Premier has entered into valuable dialogue with the capital city council, and it is important to develop a strong working relationship between Spring Street and the capital city. Already that is on a good footing.

The government supports a more ambitious role for local government. Our policy clearly shows a path forward that includes encouraging councils to come together voluntarily to develop a regional response to issues that cross municipal boundaries. I direct the attention of honourable members to proposed section 208C(f), which goes to the question of the value of potential partnerships with other councils and with the state and commonwealth governments. Issues such as housing, the environment and regional infrastructure development are just three areas in which a more strategic regional approach would obviously be appropriate.

Compulsory competitive tendering was a blunt instrument for reform that was predicated essentially on a dollar-driven approach. No doubt there were winners and losers in the CCT exercise. Although there is some evidence that CCT may have delivered more effective service delivery outcomes, in some areas such as outdoor maintenance and garbage collection I can find no evidence to suggest, particularly in the health and community services area, that any measurable outcomes have been achieved from tendering out. I would argue that the outcomes for residents and workers in that public sector have been disastrous. The CCT process created significant division and mistrust within councils, particularly at the management level where former colleagues were pitted against each other in a quasi-competitive environment. The purchaser-provider split created artificial barriers and set up an unhealthy and in my view potentially destructive environment for local government, and the workers and the residents councils were hoping to serve ultimately missed out.

The effects of compulsory competitive tendering, particularly in the human services area, have been a decrease in wages, worse conditions and increased workloads for workers, and a lowering of the quality of service. The community service sector is a complex area of service delivery that cannot be easily categorised or evaluated on economic benchmarks alone.

An area that is critical to elderly people is the Meals on Wheels program and home help. Clearly, in a competitive tendering environment it would not be difficult to find someone to deliver the Meals on Wheels program — it could be delivered by anyone. But fundamental to the Meals on Wheels program is not the meals but the social contact established between the resident and the council service provider. The meal is a necessary but ancillary part of the exercise, because the relationship that is established is of more importance — —

**Mr Perton** interjected.

**Mr WYNNE** — The important thing is the establishment of a relationship between the council service provider and the client. The meal is important, but it is equally important to ensure that a person is looking after himself or herself and that proper support structures are in place.

**Mr Steggall** interjected.

**Mr WYNNE** — The interjection suggests a fundamental misunderstanding of the role of the community service sector at local government level and how services should be delivered. It would be simple to get any organisation — for example, a fast food company — to service the Meals on Wheels program, but the importance of the service is more fundamental than that. It involves the building of a relationship between the client and the council whereby the meal is merely the vehicle by which further support networks are put in place to assist the client.

The effects of compulsory competitive tendering — —

**Mr Perton** — You are a socialist party.

**Mr WYNNE** — We do not shy away from that.

The effects of compulsory competitive tendering are felt most acutely in regional and rural Victoria. I will quote from some authoritative research by Ernst, Glanville and Murfitt headed ‘Breaking the Contract’ to show the massive impact CCT has had on regional centres.

**Mr Perton** — Who do they work for?

**Mr WYNNE** — They work for a fine organisation for which I had the pleasure of being a visiting lecturer for a couple of years — the Victorian University of Technology, a first-rate institution. I will refer to two paragraphs of the report that deal with the impact of compulsory competitive tendering on regional and rural communities. The report states:

> The essential inflexibility and non-negotiability of the CCT regime in Victoria has been particularly disadvantageous to rural municipalities across the state. CCT in rural municipalities with populations sometimes barely in excess of 10 000 people and — as the parlous state of rural economies amply testifies — suffering from endemic market failure, is being played by exactly the same rules as those in force in large metropolitan councils with populations up to 10 times greater and where a dynamic market for services is much more likely to exist.

*Honourable members interjecting.*

**Mr WYNNE** — I am coming to the point:

> In its present form, CCT policy is blind to the scale and scope of activities performed by rural councils (smaller in the former, often larger in the latter) and is blinkered in its imposition of a one-dimensional economic formula, in the form of competition theory. In practice, unalloyed competition rarely lives up to its promise of 'let a thousand flowers bloom', rather it leads to industry concentration and market dominance. Potentially this translates to the economic hollowing of country Victoria —

and I emphasise the phrase 'the economic hollowing of country Victoria' —

> where metropolitan Melbourne and half a dozen regional centres will in the future service the needs of an ever-declining rural population, bereft of local services, local opportunities and local control. It is no coincidence that many of the strongest negative views, as well as generalised scepticism, about CCT — from senior management to frontline staff — came from rural councils.

The honourable member for Frankston East has already pointed out some of the clear political impacts of compulsory competitive tendering. The significant impact of CCT in terms of the vote at the last election would be obvious to all honourable members.

In conclusion, the government will treat local government with respect. It is not interested in an approach of intimidation and fear, which was the modus operandi of the former government. The Minister for Local Government has indicated that he will establish a task force to further develop guidelines and codes. Representation on the task force will include LGPro, a group of local government professionals, the Victorian Local Governance Association, the Municipal Association of Victoria and the Australian Services Union and, of course, the government.

*Honourable members interjecting.*

**Mr WYNNE** — The problem is that the opposition does not understand the concept of consulting with the key interest groups in the development of this important piece of legislation.

**The ACTING SPEAKER (Mr Phillips)** — Order! Interjections are disorderly. Although the Chair tolerates commonsense interjections, if they are too loud it is difficult for the Chair to hear the speaker. I ask the honourable member for Richmond to address his comments to the Chair and that the interjections be kept at a lower level.

**Mr WYNNE** — This is a very important bill — a new horizon for local government in this state. Under the leadership of the Minister for Local Government, local government as a critical tier of government can be confident that the Bracks government will work closely with it not only in the development of this measure but in further consolidation of the local government sector. I commend the bill to the house.

**Mr LUPTON** (Knox) — I join the debate on the Local Government (Best Value Principles) Bill with a great deal of interest. Local government is the third tier of government. It is a business worth $3 billion to Victorians and it plays a vital role in communities throughout the state. I take note of some of the points made earlier in the debate.

An earlier speaker talked about amalgamations and the fact that there was no consultation. For the record, John Cain, a former Labor Premier, went to great and extraordinary lengths to amalgamate councils, but the hue and cry was so great that he walked away from it. The unions did not want it and the councils did not want, so the Labor government under the 'strong' leadership of John Cain walked away from council amalgamation in the late 1980s!

I was fortunate enough to be involved in amalgamation negotiations between the then City of Knox and the then Shire of Sherbrooke. An understanding was reached on what the councils believed was a fair and equitable way to align the boundaries. It was obvious that the existing boundaries did not match the society of the day, and an amicable agreement was reached between the two municipalities. Unfortunately Mr Cain pulled the pin and walked away from the whole situation. I am pleased that as a result of the amalgamations that took place under the Kennett government — and honourable members should bear in mind that amalgamations have been blamed for a number of things — the boundaries which had been agreed to by the then Shire of Sherbrooke and the then City of Knox were adopted.

The City of Knox was one of the few councils to retain its name. Many comments have been made about compulsory competitive tendering. It may have been better to just call it competitive tendering without the

'compulsory'. The Knox City Council followed the CCT path because it was a decision of the then chief executive officer, but it has been extremely successful. Guidelines were established and criteria set. In June 1998 the city had achieved 60.6 per cent of the necessary contracts under CCT. In June 1999 it had achieved 71.7 per cent of those contracts. The council had gone down the path of using a continuous improvement cycle — a guided self-assessment program — and is acknowledged as one of the first councils to do so.

I am amazed that compulsory competitive tendering is now being blamed as the reason for the Kennett government's election loss. Everyone else has blamed the then Premier, Crown Casino, poker machines and the weather. Now compulsory competitive tendering is to blame! I did not think it was a matter of great issue, but apparently it was.

**Mr Cameron** interjected.

**Mr LUPTON** — You may be the minister, but you do not know much about your portfolio. The City of Knox has a number of sporting facilities and it found that contracting out the maintenance of those facilities to the private sector was more effective and efficient. In his contribution the honourable member for Swan Hill said that in his electorate Meals on Wheels was delivered by people from the local Rotary Club and hospital. In my area Meals on Wheels is delivered by volunteers, which has proved very successful.

The legislation aims to return control back to local government. Councils should continue to tender out services so long as those tenders are not against best-value principles. I am concerned about that. A letter of 18 November from the Municipal Association of Victoria about this issue states:

> We consider the proposals to launch into a best-value regime are premature at this stage …
>
> It is the MAV's view that best value should be considered in isolation of the CCT experience —

That is fair enough —

> The MAV believes there needs to be a thorough examination of the appropriateness of best-value principles in regard to local government. More significantly the cost implications, benefits and/or shortcomings need to be assessed.

The MAV requested an amendment to the proposed legislation. The Knox City Council wrote to me on 23 November indicating its support of the bill, but expressing some concern about best-value principles. It states:

> Some may consider the development of the best-value principles as a natural progression building on a solid base formed through the competitive tendering process. The industry generally has held discussions along similar lines to the best-value principles with the previous government.
>
> Knox has successfully achieved CCT targets since their introduction; however, I do support the removal of any arbitrary target …

The council refers to the development of guidelines and ministerial codes and states:

> Whilst the second-reading speech suggests that the government intends to consult with the sector, I would strongly urge that extensive consultation take place with peak bodies together with direct communications with all municipalities.

That is an important point. Proposed new section 208B(c) states:

> each service provided by a Council must be accessible to those members of the community for whom the service is intended.

That is a valid point. I believe that issue was raised during the briefing by the minister's advisers. Regional municipalities that may operate a large park but have outlying areas to which it provides a Meals-on-Wheels service may find that the people in those outlying areas are disadvantaged. The concept is fine but I am concerned whether the principles will work because of the long distances involved.

Proposed new section 208B(d) states:

> a Council must achieve continuous improvement in the provision of services for its community.

How can that work? That is a motherhood statement. There must be a time, especially taking into account long distances and cost control issues, when local government cannot continue to improve the services it provides. Although the concept is fine I am concerned whether those principles can be improved on a continuing basis.

The legislation is similar to legislation introduced by the former government. I refer to some issues relating to the United Kingdom experience and in particular to an executive summary of a review of best-value principles. I refer to the four Cs — challenge, compare, consult and complete. The report states:

> Challenge asks whether the authority should be exercising the function, if so at what level, the way in which it exercises it and its objectives in relation to the function —

That is important —

> Compare means assessing performance by reference to performance indicators and assessing progress towards

> meeting standards and targets. Authorities can go beyond this to benchmark their processes against similar process in other organisations.
>
> Consult. In deciding how to fulfil the duty of best value an authority must consult representatives of council taxpayers, business ratepayers, users and potential users of the service and anyone else with an interest in the area. Rather than one consultation exercise or review, authorities will probably wish to draw on a range of consultation exercises so that this is regular and ongoing, inclusive, systematic and representative.
>
> Compete has two components. Firstly, it means testing the competitiveness of performance by reference to the performance of those functions by other authorities, businesses or other organisations. Secondly, it means being prepared to consider with an open mind fair and open competition as a management tool in securing best value.

I am concerned about the way some of the provisions in the bill have been drafted. I support the concept but I doubt whether the aims of the legislation will be achieved. I do not know how best-value principles will be adopted. I hope we do not follow the United Kingdom model. Best-value principles should be introduced in consultation with local government communities.

I support the bill but express concern about the matters I have outlined.

**Mr SAVAGE** (Mildura) — There is a good television program called *Walking with Dinosaurs*, and the honourable member for Knox is doing just that. If he thinks the people of Victoria did not make a statement at the last election and if he believes that council amalgamations and compulsory competitive tendering (CCT) did not have an impact on the result then he is more deluded than one would believe. It had a marked effect on the result of the last election.

**Mr Maclellan** interjected.

**Mr SAVAGE** — The track record in local government of the honourable member for Pakenham leaves a lot to be desired. This would be an appropriate time to keep his mouth shut.

The abolition of compulsory competitive tendering is timely because it has become an industry of self-perpetuation. It is an artificial concept and requires a significant band of council employees to keep it going. Most councils want to be accountable; they are worried by the restraints of CCT delivering the best accountable cost value for every ratepayers' dollar. In light of recent experiences, many councils are wary about top-down approaches, the imposition of systems without consultation and the one-glove-fits-all approach. For example, it is pointless to establish as a standard an hourly rate of $14 to $15 to provide services for the aged when the time and costs associated with isolation mean that that service cannot be provided for less than $18 an hour.

The principles set out in the bill and the factors which may be taken into account in applying them, are ones which councils can support willingly. The difficulty is that those principles and factors are necessarily broad and therefore could be subject to different interpretations. Consequently, this is one bill in which the detail matters. Since ministerial codes will provide the means by which this detail will be spelled out, the way the codes are formulated is critical.

If the mistakes of the past are not to be repeated, it is essential that the minister consult widely before any codes are published. That is why it is necessary to ensure the minister is required to undertake such consultation. The amendment is appropriate — the minister must consult. It is also important that all councils — that is, metropolitan, inner and outer suburban, provincial and rural — be involved in the process and not just the peak bodies. That is why it is necessary to have a broad definition of whom the minister should consult and why the inclusion of a representative of small rural councils on the minister's task force is welcomed.

Given the job drain from regional Victoria to Melbourne, it is also important that local councils operate within a framework which encourages rather than discourages the retention of growth of local jobs. For that reason it is essential that councils take into consideration local employment before issuing contracts. Many jobs have been lost in regional Victoria because of CCT and council amalgamations. The former Rural City of Mildura, of which I was a councillor for some years before the Kennett government decided to dispose of it, had a road-making gang second to none in Victoria. It made a profit of $300 000 a year for the ratepayers. Because of council amalgamations and the appointment of commissioners that road-making gang was disbanded and lost to the people of Mildura.

Compulsory competitive tendering was a flawed concept. Councils should have had the ability to choose a process in which they obtained the best interests for the ratepayers' dollar. There was no evidence to indicate that councils were inefficient. It was a philosophical thrust without much basis. It was inherited from another country because of the stupidity of the former government.

**Mr DELAHUNTY** (Wimmera) — My electorate covers five councils ranging from a large regional

centre to the smallest council in the state per head of population. I have been involved with local government as an elected councillor and was also appointed as a commissioner for two years. I was then elected as councillor and mayor before being elected to this place.

I am proud of the time I spent in local government and of my achievements. The honourable member for Mildura spoke about the effect compulsory competitive tendering (CCT) had on his electorate. When I was a commissioner we extended services and lowered the cost of those services. Many local governments were not using the true accounting mechanism to judge true costs.

**Mr Savage** — But what about $2.1 million in road losses — your regime?

**Mr DELAHUNTY** — That was not a good outcome. A survey carried out by the local member and the newspaper showed that ratepayers were happy with the work being done by the commissioners but obviously disappointed with the overrun in road contracts.

Local government in Victoria is one of the largest industries in the state. It is a $3 billion industry and plays a vital role in any community by providing up to 80 services either through local staff or others in the community. It also facilitates economic development. It plays an important role in encouraging industry and support for local communities. It also provides community facilities such as libraries and swimming pools.

Considerable cost savings have been introduced with the amalgamation of 210 councils to 78 councils and a shift in culture has occurred. As I said to council staff that if one is a plumber, an accountant or whatever, one is in the competitive world and should deliver the best services at the best value, not the cheapest or the Rolls-Royce models. It was about a measure of the best value under the criteria of delivering those services. As I said, a shift in culture has taken place in the way that has been done. Partnerships have developed between local governments, whether it be with other councils or with the private sector, but importantly the delivery of services to the community has improved and there has been a greater involvement of the community.

Councils in my electorate are keen to not only promote best practice and improved transparency but also flexibility. One council said to me it was concerned that the bill would introduce 100 per cent compliance, which may be more costly than the current 50 per cent compliance. One council wrote to me saying:

> We assume this will be via a form of benchmarking and again we would request that for smaller rural shires remoteness, sparsity of population and travel distance be taken into consideration when comparing quality and cost standards.

Rates were 12 per cent higher than other states when local government reforms began. Because of that Victoria was losing business and industries to other states.

Through the reforms $290 million of debt has been reduced and some services have increased.

**Mr Savage** interjected.

**Mr DELAHUNTY** — I think you will find that has changed. It was unfunded because previous governments did not address the issue.

I support most of the bill, but I am concerned about accountability. In his second-reading speech the Minister for Local Government referred to business, but such a reference is not included in the bill. In my area pool service costs have decreased because of the contracting out to a private company, but importantly there is an increase in service hours. The pools are open for longer and quality activities are provided. Recycling services have increased because of contracting out to the private sector. Using the private sector does not work in every case, but the option should be available.

Concern has been raised by people who contacted me after the bill was introduced. One response from the Municipal Association of Victoria (MAV) is as follows:

> However, the UK experience with best value has not been a complete bed of roses. Without considerable forethought and the development of a practical, sensible framework, the ballooning costs of the UK best value model could be mirrored here.

That is a great concern to my communities, particularly rural communities that are suffering at this time.

A letter sent to the Minister for Local Government by the MAV states:

> While the proposed legislation sets out desirable objectives in terms of community consultation, affordability, accessibility and value-for-money, the lack of supporting detail regarding implementation and cost make it extremely difficult to give whole-hearted support for the legislation.

Maddock Lonie and Chisholm, a firm that has been involved in local government for some time, raised its concerns in an article of which I have a copy:

> One surprising omission from the list of considerations is the value of potential partnerships with the private sector.

> Partnerships and joint ventures with the private sector is a complementary aspect of the United Kingdom model … This omission is all the more surprising because, in his second-reading speech, the Minister for Local Government expressly recognised that best value could lead to 'partnerships' not only between and among councils (and between and among councils and other levels of government) but also between councils and the private sector.

I hope the minister has taken on board the concerns raised by people who have been heavily involved with local government.

I read with interest in the second-reading speech the minister's reference to effectiveness. That is very important, but the minister did not talk about efficiency, which is also very important to the community, particularly in areas I represent. Government members have said in the house that the government is open and accountable, but where in the bill are the reporting mechanisms? There are none, and that should be addressed.

I read with interest information produced by the Melbourne city council entitled, 'What is Best Value?', which states:

> … making sure everything we do is 'best value' and being able to prove it.

The bill has no mechanism for monitoring the continuous improvement that all honourable members are willing and keen to see happen.

I turn to proposed new section 208B(c) of the bill, which states that:

> each service provided by a Council must be accessible to those members of the community for whom the service is intended …

I worry about the remote areas I represent. How can all councils provide recycling services or Meals on Wheels. All councils would love to be able to do that, but the provision should be altered so that the word 'must' is changed to 'may', because every council would try to do that. During my time as councillor of the rural city of Mildura, the recycling and garbage pick-up services were extended. Councils should be left to make decisions about those services.

Proposed new section 208B(d) states:

> a Council must achieve continuous improvement in the provision of services for its community …

That is commendable, and all honourable members would support it, but how can it be measured? It must be measurable, perhaps through surveys, but it is important to embrace the community to be able to judge continuous improvement.

Proposed new section 208B(f) states:

> a Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a),(b),(c),(d) and (e).

No time lines are provided. Most councils would do that in their annual report, and that is the way it should be done, but why not include a provision in the bill so they must comply? When does it have to be done? It may be two or three years, and that is far too long.

Proposed new section 208C is headed 'Factors that may be looked at in applying the Principles' and states:

> In applying the Best Value Principles, a Council may take into account, among other factors —

and it lists a few of those factors. However, the provision should state that the council must take into consideration the fact that those are all issues for the community. If one leaves the word 'may' in the provision there is no obligation for councils to take them on board.

Proposed new section 208C(f) states:

> the value of potential partnerships with other Councils and State and the Commonwealth Governments; and …

The provision does not include the private sector, and it is important that it does so. For many years councils have been working with the private sector whenever it suits them, mostly in blue-collar-worker areas. I go back to the point I raised earlier: why should the council not have the option to look at all of its 80-odd services? Whether it was under the old Labor government or under the regime of commissioners, it was up to them to do that.

Proposed new section 208G is headed 'Report on Best Value Principles compliance'. How and when will that happen? How will the comparisons be made? I return to my earlier point: it is important that the size of rural municipalities and the tyranny of distance are taken into account when considering the delivery of services. I have no problem with the compliance referred to, but how and when that will happen is very important.

The bill contains many good points but it obviously has many gaps large enough to drive a truck through. The ministerial discretion to determine the codes is of concern to many people, and it is important that those codes be produced as soon as possible. I appreciate that the minister will go through a full and lengthy

consultation process, but I hope for the sake of the municipalities that that happens as quickly as possible.

As I said earlier, the bill should recognise business. Some private sector people are involved in providing services to local government, and that should be taken into account.

The potential for significant rate rises concerns my electorate because the rates in that area have been reduced. In some places that may not be the best outcome because more capital works are required. As stated previously, $290 million of debt has been taken from across Victorian councils and capital works have increased. Capital works have been talked about, and I really mean talked about as councils did not have the ability to carry out such work.

Today in my home town the Rural City of Horsham opened a municipal saleyard that was relocated from the former City of Horsham. That would never have happened under the previous local government regime because it would have been supporting an activity in the rural shire!

I am aware there were expenditure problems at the Mildura airport.

The old shire would not spend the money required because it felt it was to the benefit of the city. However, the city people would not spend the money to support the airport, so it operated without appropriate fire service for many years. The shire said it would not do it because it was to the benefit of the city, and the city said it would not do it because it was to the benefit of the shire.

I return to my point that great benefits have been seen in the capital works programs that were implemented through the reform of local government. In summary, the bill requires no accountability by local government to state government, which is ultimately responsible for the third tier of local government. Local government is a very important field of government to local communities. It is the closest form of government to our communities and it is close to my heart. I want to see it continue to improve in service delivery, in capital works programs and in the development of local areas. The minister will need to do much work to finetune the bill to ensure it is appropriate for the whole of Victoria and not just for the bigger councils in the metropolitan area.

**Ms PIKE** (Minister for Housing) — The bill seeks to replace compulsory competitive tendering (CCT) with best-value principles. The introduction of CCT had a major impact on a range of local government services that were funded by the then Department of Health and Community Services. Right from the outset the department found it necessary to introduce a guide to local government to support the implementation of CCT processes, particularly as local councils were applying for funding under the CCT provisions.

The foreword to the guide used these words:

> Contestability in the supply of services helps to guarantee consumers the best possible deal and the widest choice.

Well, that was the claim. Was it actually true? It soon became apparent that the matter of contestability was in a sense a contestable fact. In 1996 a two-year research project was carried out by RMIT University and funded by the commonwealth Department of Health and Aged Care. The report aimed to identify and analyse the impact of CCT on a range of service users in the home and community care (HACC) area, which was funded by the former Department of Health and Community Services. The report was written by Sharon Moore, Karen Fitzgerald, Narelle Higgins and Iris Silva Brito of the school of management, RMIT business.

It is important to note the findings of the report, which was a comprehensive piece of research based on interviews with 23 local government providers and approximately 460 service users, of whom 21 per cent were from non-English-speaking backgrounds. Primarily the researchers found that in a whole range of areas users of services were finding it much more difficult since the introduction of CCT to obtain access to services. Home care service was reduced and HACC services were less available to the community. The cost of the service has increased and workers have changed, and that has made it more difficult for people to obtain the services.

Food and home maintenance services, mentioned by the honourable member for Richmond, have not improved in quality and quantity since contracting out began. It was obvious that a considerable number of people had stopped using those services.

The report went on to outline a range of areas funded under the HACC program where users were dissatisfied with the services that were given to them. Among the reasons cited were the lack of local knowledge by providers and the fact that there was no longer a caring focus because they had no sense of the users' history and no particular understanding of local families and their service requirements.

I could talk about a range of issues mentioned in the report, but it was not the only report on the issue; there were a number of others. I refer to the work done by

staff of the Victorian University of Technology and John Ernst in the report entitled *Breaking the Contract? The Implementation of Compulsory Competitive Tendering Policy in Victoria*. Again, the report highlighted a number of issues and argued that essentially it was the inflexibility of the competitive tendering regime in Victoria that caused a whole range of disadvantages, particularly in rural communities.

I am interested that the honourable member for Wimmera gave such a glowing report about the beneficial impact of CCT because, certainly in the areas of human service delivery, it did not have that effect. A more recent report produced by the People Together project and launched last week on 25 November again raised the issue of CCT and its impact on women in our community.

The report, entitled *Women: Balancing Social Justice with Economic Efficiency*, stated that women are now forced to fill the gaps that have occurred because of the shift in many communities to contracting out health, education and community services particularly. The report further stated that not only are women being negatively impacted upon because they are forced to fill additional roles as carers, but also, because women were employed in a number of the human services areas that were contracted out, they have generally experienced a reduction in the number of jobs and in job security, pay and conditions.

In many way the reports give substance to some concerns, of which the previous government was aware, about the implementation of CCT. I refer to the 1996 *Review of CCT Implementation* which was put in place by the previous Minister for Planning and Local Government. He announced the appointment of a two-person panel with private sector and local government expertise to conduct a review of CCT. The report was prepared after significant consultation with local government. It dealt with more than 130 submissions and held 40 individual hearings. The findings in the report are very informative and provide much of the framework for the bill.

The fundamental principles that guided the recommendations of the panel were to provide best practice, to improve transparency, to reward rather than regulate and to restore flexibility. The review panel told the then minister that it was confident that best practice standards for CCT could be developed to enhance local government self-regulation, but within certain parameters. The report further stated:

> Firstly, because the thrust of our recommendations relate to developing best practice guides, we are of the view that in the future the process of market testing should be referred to as competitive tendering rather than compulsory competitive tendering.

I remind honourable members that this is the report that was given to the previous government. It is that government's report with recommendations that were given to it.

The report continues:

> Secondly, it became obvious during the course of our review that competitive tendering is still in a developmental phase … In light of this we consider a further review of CT should be undertaken in two years to assess, amongst other things, the impact of any changes to CT legislation and policy introduced by the government following this report.

Honourable members would know that the additional review of competitive tendering did not materialise.

In summary, the recommendations contained in the executive overview of the report are as follows:

> That the Local Government Act 1989 be amended —

that is what the government is doing today —

> to enable councils to use alternative competitive processes and additional competitive arrangements.

That will be done under a further reference which I will speak about in a moment.

Other recommendations are that the act be amended to enable non-metropolitan councils to use a modified competitive process and that the minister advise councils that it would not be helpful, particularly in the case of rural shires, to force the issue of the 50 per cent target for CCT by June 1997. The final recommendation is that a best-practice guide be developed to assist councils to implement organisational structures.

The more specific findings of the report are interesting. The consultation that underpinned the report brought to light the fact that rural shires had the greatest difficulty with implementation. The Glenelg shire council was quoted in the report as stating:

> There is a distinct difference between CCT in rural shires as opposed to urban municipalities because of distance factors, population density, a lack of competition and the impact of depreciation … in a rural community where there is a lack of competition, it becomes an exercise in market testing for the sake of meeting an arbitrary CCT target.

If honourable members care to read the report they will find many other interesting contributions from people from various shires. The rural communities also identified flow-on effects as being a particular problem in small rural economies.

Significant difficulties being experienced with the implementation of CCT had, in a sense, already been identified for the previous government. They included significant difficulties with the adequacy of the financial and performance monitoring systems and in dealing with the competitive processes and arrangements. The recommendations to the government contained in the report have been picked up by the bill.

I am pleased the opposition is supporting the bill, and I understand that support emanates from concerns held by the former government. I am pleased to commend the bill to the house on behalf of the government.

**Ms BEATTIE** (Tullamarine) — It is with great pleasure that I speak on the bill and great pride that I am part of the Bracks government that is abolishing compulsory competitive tendering (CCT) and replacing it with best practice. The compulsory competitive tendering provisions of the Local Government Act tore the heart out of communities. I said in my inaugural speech that I looked forward to the day when CCT was a distant memory for local government.

I am particularly heartened by proposed new section 208B, subsections (b), (c) and (e). Proposed new subsection (b) states that:

> subject to section 6(1)(c), all services provided by a Council must be responsive to the needs of its community.

Proposed new subsection (c) states that:

> each service provided by a Council must be accessible to those members of the community for whom the service is intended.

Proposed new subsection (e) refers to consultation, which in the recent past has been dispensed with. However, consultation with the community is a hallmark of the Bracks government.

I will give a small example of the experiences of community groups within my electorate and how they have been affected by the legislation. Under compulsory competitive tendering requirements the hiring of community facilities is now a separate business, and community groups were forced to pay a $300 deposit on the hiring of council community facilities. The prohibitive costs prevented many community groups from having meetings in public places and forced them instead to go into people's homes to have their meetings. The hiring fees made the facilities inaccessible to many community groups.

In some circles CCT was referred to as 'complete council turmoil', and I believe that description is correct. Inflexibility of the contracting system meant that workers often had to accept lower wages simply to win council contracts.

From July 1992 to July of this year more than 22 500 retrenchments have taken place in Victorian local government as a result of amalgamations and CCT. The effects of CCT on all shires have been much greater than in metropolitan Melbourne, as many honourable members from rural electorates would know. Job losses are the beginning of the death throes for rural communities. Business and bank closures, family breakdowns, spiralling personal debts and loss of skills are all symptoms of the horrid creature called CCT.

Many respected local government chief executive officers (CEOs) are supportive of the bill and have welcomed the commitment of the Bracks government to ridding Victoria of CCT. The CEOs of Wyndham, Yarra Ranges, La Trobe, South Gippsland and Ararat and the mayor of Knox have made positive comments about the abolition of CCT and the introduction of best practice.

The bill also allows councils to get on with the job of looking after its communities rather than spending large amounts of time and money preparing tenders. In the People Together project it was stated that:

> Services are often cut to allow organisations to meet the cost of preparing tenders.

Compulsory competitive tendering has turned people into commodities. Other honourable members have referred to Meals on Wheels. Meals on Wheels drivers will tell you that they do not have to wait for elderly people to come to the door to collect their meals in order to meet the CCT requirements of their contracts. Previously drivers used to take the approach that theirs was a human service; under CCT they became just a transport service. Anecdotal evidence of people being ill in their homes for days and of dogs and cats eating the meals on the doorsteps is too commonplace to ignore.

The bill seeks to redress the injustice of CCT and replace it with best practice. The bill will restore pride in communities, faith in government, and stop the insidious culture that has pervaded society and turned our communities into clients and customers. Let us get on with the job of getting rid of the current legislation. I commend the bill to the house.

**Mr SPRY** (Bellarine) — I welcome the opportunity to speak on the Local Government (Best Value Principles) Bill and to highlight the current situation in my electorate. As many people would know, the electorate of Bellarine is unique in more ways than one,

but in terms of local government it is unique because it encompasses two local government areas, one of which is the largest in Victoria and the other, by coincidence, is the smallest. The electorate of Bellarine contains the whole local government spectrum.

Geelong, the largest municipality, has a permanent population of 186 000 people. That population swells to 260 000 people in the holiday period. With a staff of 1800 people equating to 1100 full-time equivalents the Geelong council is a significant employer in the region.

Geelong is a major player in Victorian local government with a budget of $150 million a year. In that respect it is second only to the City of Melbourne, which has a budget of around $170 million.

By contrast, but equally important, is the tiny municipality of Queenscliffe at the eastern end of the electorate. It has a population of 3419, swelling to between 15 000 and 20 000 in the summer — a four or five fold increase. The municipality has an equivalent full time staff of 28 — some of them part time — making a staff of 35 people. It has an annual budget of $3.3 million which is equitably allocated by council across its areas of responsibility.

The bill seeks to replace the compulsory competitive tendering regime introduced by the former government. In the words of the second-reading speech the bill will:

> … deliver fundamental reform to the local government sector, placing it firmly back in the hands of local communities.

During the adjournment debate last night, paradoxically the honourable member for Geelong North asked the Minister for Local Government to investigate a domestic issue. To his credit, the minister handled the question impressively, telling the honourable member that it was a local issue. The bill refers to placing responsibility firmly back in the hands of local communities, so the minister was consistent with statements made in his second-reading speech. I hope the honourable member for Geelong North takes note and acts accordingly in the future.

Members are aware that the objectives of the original legislation were to ensure improved efficiency in local government; improve services to ratepayers; contain costs and improve the transparency and accountability of the whole process. Generally, it was intended to make Victoria more competitive and more attractive to business and industry thereby stimulating growth in the employment sector.

The decision of the opposition not to oppose the bill is not without serious misgivings. Chiefly, members are concerned about the vagueness of the term ‘best-value principles’ and the lack of effective measurements attendant upon that expression.

In respect of Division 3 of the bill honourable members should consider the wishy-washy manner of dealing with the issues and the nightmare for councils in complying with the provisions of the bill. For example, proposed new section 208H is headed — ‘Ministerial Codes’ — and I note the amendment moved by the minister for Local Government in respect of this — and provides that the minister may publish codes in relation to how councils are to give best effect to best-value principles.

Proposed new section 208I headed ‘Ministerial Guidelines’ provides that:

> The Minister may publish in the Government Gazette guidelines for Councils in relation to the Best Value Principles.

In spite of its misgivings in the first place, the state’s biggest municipality, the City of Greater Geelong, has adopted the principles and culture of competitive tendering, and it is to be hoped that those principles are now entrenched in Geelong and across Victoria.

It has not been easy for any of the municipalities, no-one would deny that. Certainly, there has been resistance to some of the measures that were introduced. I might add that most of that resistance came from the entrenched union movement, which, of course, is recognised as the master of the current government.

*Honourable members interjecting.*

**Mr SPRY** — Wind her up, there we go! Good to hear a bit of feedback coming from the government.

The benefits have been recognised by ratepayers, particularly by businesses that search for competitive environments in which to establish themselves, grow and remain viable not only in the domestic market but also in the global economy.

The writing of the tender documents, particularly those relating to the specifications, has been a huge challenge to local government and a great boon to consultants. The expertise developed in writing specifications and holding tenderers to them will continue as a legacy to keep the costs down for ratepayers.

The Borough of Queenscliffe, in comparison with the City of Greater Geelong, is, as I mentioned earlier, unique. The Borough of Queenscliffe is experiencing a boom at the moment and is riding high, which was

demonstrated effectively on the weekend by its being behind the Queenscliff music festival. I pay tribute to the organising committee, the sponsors and the director of the festival, the great Hugo T. Armstrong, who sounds and is larger than life in many respects, and particularly the Borough of Queenscliffe, which had the courage to back the festival a couple of years ago despite it having incurred a significant loss. The festival bounced back this year and was an overwhelming success.

The Borough of Queenscliffe always had difficulty with the 50 per cent compulsory competitive tendering obligation, as did many smaller municipalities across Victoria. Some of the tenders had to be let for as little as $5000 to meet that 50 per cent benchmark.

Nevertheless, even those small municipalities have come to appreciate the benefits of competitive tendering. As I said earlier, those benefits will continue as a legacy of the former government to local government.

The Borough of Queenscliffe adopted a unique tendering procedure. It was supported by an effective group of local ratepayers who lent their expertise to an independent tendering committee. I pay tribute to and commend the work of those community volunteers, who have done a splendid job in the tendering process in Queenscliff.

The legacy of a culture of competitive tendering is now an important part of the landscape of local government, a legacy conferred on it by a thoughtful and driving former government. Those features are lacking in the Bracks Labor government. The process is appreciated by all but the most intractable Labor councils, and it is interesting to see that a few government members in the house today are just as intractable on this issue. However, it must be said that local government in Victoria now has a competitive edge on the other states, and it is to be hoped that that advantage will be maintained.

**Mrs MADDIGAN** (Essendon) — I take pleasure in joining my colleagues in supporting the Local Government (Best Value Principles) Bill and the amendments circulated in the name of the Minister for Local Government.

I am delighted that the opposition also supports the bill, although after listening to some of their speeches it seems to me that there are several severe cases of selective forgetting. Despite that, the government is pleased the opposition supports the bill.

Having worked as a librarian for the City of Footscray when its library went through the tendering process, my experience of compulsory competitive tendering is first hand. I know how difficult it was for the staff and the community to cope with the process — I will refer to some of the disadvantages of the process shortly.

The bill provides for other methods of introducing best-value principles, but the major political concern for the Labor Party is to finally get rid of compulsory competitive tendering. Many people have referred to the process as ‘compulsive competitive tendering’ because the government and the previous Minister for Local Government seemed to take a compulsive approach to ensuring that local councils were forced into the process at the same time as they were going through difficult amalgamations. Local government was forced into the process at such a rate that all of its services were totally dislocated — some of them are only just beginning to recover.

My experience of compulsory competitive tendering was totally negative. In the area where I worked the process took up a great deal of time that would have been better spent in delivering services to the residents. It also caused a major dislocation to council services. A librarian colleague of mine who worked at another library said the staff felt like putting a sign on the door asking residents to go away for two years and saying, ‘We will be able to deal with you when we finally manage to work our way through the process’. It resulted in many experienced and highly regarded officers leaving local government, and staff who had previously worked together in a spirit of friendship and cooperation competed with each other to keep their jobs. Councils competed with each other and members of their staff also competed with each other.

Local government services were downgraded and many local government officers lost their jobs.

An article in the September 1996 *Municipal Journal* states that a study by the Monash Graduate School of Government isolated a number of areas of concern with the compulsory competitive tendering process. The key findings of that report are:

> … social and economically disadvantaged groups —

the honourable member for Melbourne referred to that earlier —

> such as part-time workers, ethnic minority groups and women, were most likely to be affected by job losses resulting from contracting out, particularly in rural areas;
>
> contracting out can open the way for corruption through increased pressure for ‘cosy deals’;

> local government operations can become closed off from public scrutiny and accountability;
>
> authorities can use contracting out to distance themselves from responsibility for local service delivery; and
>
> contracting in (within the organisation) can be almost as effective in achieving savings.

That point has been glossed over. I have been concerned about some people's views of how local councils operated previously. The councils with which I am most familiar are the cities of Footscray, Maribyrnong and Moonee Valley. They were efficiently run local council organisations, but that was not taken into account in the previous government's zeal to change everything. They suffered greatly by being forced to reach targets that put them in a very difficult position.

If the previous government had been concerned about efficiency in councils there were other ways of getting councils to improve their management structures rather than going through the compulsory competitive tendering process.

It will be no surprise to members who have been in this house for some time that I have a particular concern about contracting out library services, arts and community services. They are particularly unsuited to compulsory competitive tendering processes and they suffered because of the process.

If the councils had wanted to contract out services they were able to do so. The Local Government Act contained provisions which enabled councils to contract out services. It was the compulsory element that really made it very difficult for councils, as did the targets. In the end, because of the high salary costs of councils, most councils had to look at tendering out all their services or at least putting them through the process. Very few services were not involved in that process.

There are many articles in library journals from friends of libraries, people directly involved in the library area and even consultants that illustrate huge problems. I will quote from one paper by Jeff Carson from Library Consulting Services Pty Ltd Victoria, a well-known former chief librarian. The paper is entitled, 'Compulsory Competitive Tendering in Victoria's Public Libraries — Beatific vision or blunder' and was written in June 1998, only last year. It appears in the *Australian Public Library Information Services Journal* and it states:

> As expected, the cost benefits have to date been negligible, and given a renewed round of cost cutting by many councils the emergence of a viable market would appear to be more remote than previously imagined.
>
> Looking to the future, the reality of at best static funding against a background of continually rising performance expectations would suggest that the application of competitive processes will become increasingly farcical and an unnecessary distraction to library staff in their efforts to deliver the best possible quality of service to their communities.
>
> In conclusion, as stated recently by the chief executive officer of a Melbourne metropolitan council 'CCT is a blunt instrument to achieve change'. To extend the metaphor, blunt instruments unfortunately result in collateral damage with unpredictable results. Unquestionably, CCT is nowhere near as effective as good performance management in driving change.

This bill will provide good performance management without the blunt-instrument effect.

One of my local libraries, the Ascot Vale Library, was closed as part of the forced amalgamation and compulsory competitive tendering process. That library celebrated 22 years of service last week, with the exception of one period between October 1996 and June 1997 when the library was closed by the commissioners appointed by the previous Kennett government. It reopened with the return of the democratically elected councillors to the City of Moonee Valley, much to the relief of the residents. Its worth has been proved by the fact that its use has steadily increased since that time. It has resumed its important role as a great service provider to the people of Ascot Vale.

That was one step towards democratic processes being back in local government, and I see this bill as a further step in that democratic process. May we continue to see local government once again taking control of services in a way that responds to the community, not to some economic dicta of state governments.

**Mr HOWARD** (Ballarat East) — As somebody who has had a number of years experience in local government, both prior to and after amalgamation in the City of Ballarat, it is with pleasure that I support the Local Government (Best Value Principles) Bill. When I returned as a councillor following the election of a new council after amalgamation, I found a very different scene as a result of the many imposts placed upon local government by the failed former Kennett government. The council scene was emasculated through the economic rationalist, big-stick approach the former government pursued. Local government was greatly restricted in what it could do to represent the people of their cities. Councillors were told what to do and arbitrary demands were made, whether it was compulsory competitive tendering (CCT), rate capping or a range of excessive reporting issues.

*Honourable members interjecting.*

**Mr HOWARD** — I am always very happy to report. However, enormous business units had to be established to follow through on CCT and the very arduous reporting approach forced upon councils. Councils were not given any right to consult on or develop their own systems that would best serve the people they represented.

Honourable members who have contributed to the debate have referred to the effect compulsory competitive tendering had in their electorates. Some people want to call it compulsive competitive tendering because local government was required to tender out 50 per cent of its work. Local government was not consulted; it was told, 'This is what you have to do.'.

Compulsory competitive tendering placed a significant impost on local government, especially in regional communities. It is unfortunate that by the time a Labor government was elected many experienced council staff had been forced out of local government — people who offered so much to their municipalities. Morale suffered because council staff were forced to do the paperwork in the preparation of unnecessary tenders. Sometimes an in-house tender was successful and sometimes it was not. A successful tender was often for only two or three years, so the whole procedure had to be repeated. Instead of concentrating on work that would benefit the community they were preparing tenders and evaluating every aspect of what they did. They were forced to submit unnecessary tender documents to justify their existence.

I support the best-value principles proposed in the bill. The honourable members for Prahran, Eltham, Knox, Wimmera and Bellarine have contributed to the debate. In supporting the legislation they acknowledged that CCT was inappropriate. I am amazed that opposition members are prepared to recognise that CCT was inappropriate but, with the exception of the member for Wimmera who was not a member of the former government, they did not stand up to the former Premier and the then Minister for Local Government and Planning. The honourable member for Prahran was involved in local government and believes in consultation. I was pleased to work with her in a consultative way to improve local government. She knows, as do other members of the opposition, that the former government placed a significant impost on local government. It did not want consultation with democratically elected local councils.

*Honourable members interjecting.*

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Swan Hill is out of his place and disorderly. The honourable member for Doncaster may get the call next.

**Mr HOWARD** — It is disappointing that the honourable member for Swan Hill and other members of the opposition have not accepted the message given to them on 18 September. The impost that the former government placed on local councils was inappropriate and excessive. The then government did not accept that democratically elected representatives of local government — the first tier of government, and that which is closest to the people and in the best position to work with people and recognise the needs of the community — should be consulted about how best to implement services.

The best-value principles are sensible because they do not bind local government. As is set out in the second-reading speech, they involve consultation with local councils. The Labor government will consult local government on the best way to introduce best-value principles. The principles set out in the bill are: services provided by councils must be best value for money, local government must be responsive to community needs, services must be accessible to those people for whom they are intended, councils should achieve continuous improvement in the provision of services, councils must develop a program of regular consultation with their communities and councils should report regularly to their communities on their achievements in relation to the principles. I do not believe local government would argue with those sensible principles.

In order to implement the principles the government will consult with local government to find the most appropriate way for councils to measure their performance on the principles. There have been many examples during the past three years of councils, especially in regional areas, losing out because of compulsory competitive tendering. Councils have had to choose whether to get out of services that involve expensive equipment, knowing that in removing themselves from providing those services they are doing so for good. The next time those services are tendered many local government units that formerly provided excellent and committed service to the community for years will not be available to tender — they will have been lost for good — and councils that do not provide those services will find they are vulnerable to firms that have acquired the expensive equipment necessary to provide them.

Another issue referred to by honourable members was that in the provision of human services it is difficult to judge the quality of services and to include in the tender documents specifications for quality. The house has heard examples of how the Meals on Wheels service has been provided. People working for councils who provide that service are committed and caring. Under economic rationalism services are judged only on the dollars expended and there is no consideration of whether the service provided is caring and effective, which is vital to people in the community. It is impossible under CCT to take the time to examine whether services are best provided by external tenders or in-house. Councils need to make their own decisions about how services should best be provided to genuinely service the community.

In working with local government bodies in the years ahead I will be interested to know how the legislation has affected them. I am sure they will be pleased to work with the Bracks Labor government in providing services and making decisions about the range of services local government was elected to carry out, without a huge impost being placed on them by an overbearing state government. The Bracks Labor government will work with local government and support it in providing the necessary services to the community. That will result in a healthier local government environment because local government bodies will work with the community in providing the services it needs.

**Mrs SHARDEY** (Caulfield) — The Local Government (Best Value Principles) Bill sweeps away compulsory competitive tendering (CCT) as it has operated in local government and introduces a different approach based on best-value principles.

I turn briefly to the rationale, history and achievement of CCT because it has been vastly misrepresented today in that the achievements over the past seven years of the previous government have not been truly represented. In recent years competition was introduced into public sector activities with the aim of delivering higher quality services at least cost to taxpayers. CCT has been considered a tool for fostering increased efficiency and innovation. If it is effectively managed, the introduction of competition into taxpayer-funded public sector activities can ensure that resources are put to best use, with the best return for input, which is to the benefit of consumers and what we should all be concerned to achieve.

The introduction of the competitive tendering process into the provision of local government activities contributed significantly to lower rate levels and more efficient and effective services for ratepayers.

What led to the introduction of the competition policy that became known as compulsory competitive tendering? In April 1995 the then commonwealth Labor government and states agreed to implement competition policy across all sectors of government activity. The agreement was a result of a report by Professor Hilmer who found that while the trade sectors of the Australian economy were competitive, many restrictions on competition remained within the domestic economy. Such restrictions protected inefficiencies in the public sector which resulted in higher costs of infrastructure and services.

The Council of Australian Governments, made up of both Liberal and Labor governments, agreed that competition policy would apply to local government. The reforms to the structure and operations of local government in Victoria meant that councils were well placed to respond to the introduction of competition policy.

From July 1996 part 4 of the Trade Practices Act, or the competition code, applied to local government. In preparation for that, councils were advised to conduct an audit of their activities to identify any conduct that may contravene competition law and to develop appropriate trade practice compliance programs. The principles set out in the competition principles agreement were applied to local government.

I turn to my council of Glen Eira to ascertain the effect of competition policy, specifically CCT. Much debate has been conducted in my local community about CCT, and the Glen Eira City Council has made its views on the subject known publicly. The council has viewed CCT not as a contracting out policy, as many people consider it to be, but as a tool for testing service delivery in the marketplace — in other words, as a means of providing the best service for ratepayers at the best price. The use of the process has led to a change in the culture of the council. The focus has changed from considering the needs of the organisation of the council and pandering to the unions to considering the needs of residents. Some entrenched views and practices needed to change if councils were to become more efficient, comply with competition policy and provide ratepayers with the best possible service.

Councils left to their own devices had not made the appropriate changes that were finally achieved under CCT. For example, the chief executive officer of the Glen Eira City Council gave the following example:

> When I began at Glen Eira in 1995, most staff worked a nine-day fortnight — every two weeks they had a rostered day off (an RDO) which was usually taken on a Monday or Friday.
>
> That is, on Mondays and Fridays, 25 per cent of staff were absent, over and above those who were absent through sickness. There was only a full complement of staff on board Tuesday — Thursday. That is, for every task which could be done to the same standard by a competitor, with 10 people, local government needed 11. And the ratepayer paid for that.

How was CCT implemented in Glen Eira? The first change was the introduction of specification. The requirement to write a specification for its service meant that for the first time council had to consider why it was in a particular business, whether it was appropriate to be in that business and what outcomes it was looking for. That required greater transparency and accountability so that ratepayers would know what service outcome to expect from council, which is now accountable for the delivery of that service.

To meet customer needs, council was required to undertake market research and consult with residents to determine their wants and needs. That was happening for the first time.

With the introduction of costing systems under CCT, councils had to determine unit costs. Before that they did not have a clue what was the unit cost of a service. The implementation of a costing system introduced a new culture of employees thinking about options, such as buy or lease arrangements.

What was the result of CCT for the City of Glen Eira? Staff were given considerable assistance before services were tested on the market. I was certainly aware of the process which took place over a long time. Of the 33 business areas, 22 — provided by 335 staff — were won in-house and the 11 — with a total of 43 staff — that were not won were mostly for small tenders. Most of those 43 staff were offered positions with winning tenderers. As a result, council's own businesses have won more business outside the municipality — for example, the Stonnington council food services contract.

The council has said that the main impact of CCT has been on in-house reorganisation for performance and on changing the organisation from being internally centred to being resident centred.

I turn to consider how ratepayers have benefited from CCT. In 1998–99 some 60 per cent of operating expenditure was CCT compliant. In 1998–99 rates were 15 per cent lower after inflation than in 1993–94. Cumulative rate cuts in that period have passed $25 million — that is, $25 million has stayed in householders' pockets and most of it has been spent in the local economy. During its current term, the council has moved its operating results into surplus. It has also paid off $6 million of inherited debt and not borrowed a cent. It is scheduled to be debt free in March 2000. As a measure of community satisfaction, a survey was conducted in March of this year and the community satisfaction level was 83 per cent, which is a great achievement.

The opposition is aware that the application of CCT has been an issue in country Victoria which demanded a more flexible approach. That was envisaged through the establishment by the Auditor-General of benchmarks and the freeing up of the tendering requirement for councils which meet those benchmarks.

Opposition members recognise that under the legislation councils will have the choice as to whether they tender or apply best-value principles. In my view this could lead to a total hotchpotch, with some councils still running competitive tenders and others using the new process. What is envisaged is basically flawed and ill conceived, and it has probably merely been copied from the United Kingdom legislation.

The principles in the bill in relation to best value lack definition and are particularly wishy washy. Proposed section 208B(d) states:

> a Council must achieve continuous improvement in the provision of services for its community …

What makes a council implement a principle like that? How do you measure its success? How do you ensure accountability in relation to principles like that?

I quote from an interesting English article about best value:

> Reviews lie at the heart of best value: they are the key to bringing about a step change in performance.

The article refers to reviews and states:

> Early experience suggests that to achieve real performance improvement and benefits to local people, reviews should avoid too mechanistic an approach. They need to be organic and evolutionary. It is an iterative and cyclical process. It is an exercise in practical wisdom, not a science.

The article sounds hugely airy fairy to me. It would not achieve a thing.

Most people will be concerned that, although compulsory competitive tendering may have reached the stage where it need not be applied so rigidly, the legislation is more than likely to result in unions moving back into dominating the provision of council

services, entrenched costly work practices being reintroduced and ratepayers footing the bill through spiralling rates.

The opposition does not oppose the bill but has grave concerns about it and the fact that it may result in the winding back of all the gains made in both the performance and the efficiency of local government in Victoria.

**Mr HOLDING** (Springvale) — I am delighted to make a brief contribution to the debate on the Local Government (Best Value Principles) Bill. Firstly, I take up a point many opposition speakers referred to. Members opposite have constantly tried to pretend that competition was an invention of the previous government, and that until the compulsory competitive tendering (CCT) legislation was introduced in 1996 local government had not been exposed to the winds of competition.

That is not the case. Local councils have been using competitive tendering and contestability for many years. Many services have been competitively tendered, and local councils have been providing services in an efficient, responsive and accountable way for many years. Compulsory competitive tendering took the principle of competitive tendering, made it compulsory and set artificial thresholds that councils had to achieve regardless of whether local circumstances were appropriate, regardless of whether they were rural municipalities located in areas that meant private sector organisations would be unlikely to tender — private sector organisations are likely to put in bids that will make the CCT process credible — and regardless of whether the service was appropriate to be subjected to some sort of contestable process.

That is what CCT required. It was accountability to the state government, not the local community. It did not build on the reforms the previous Labor government introduced, such as corporate plans, annual reports, opening council committee meetings and council meetings to the public and extending the municipal franchise. Initiatives such as those result in accountability to the local community rather than accountability to the state government.

Honourable members opposite have always believed local government to be a creature of state government, that it is not an independent sphere of government in its own right but is rather just an extension of service provision and another agency of the state government. That has always been their approach and their mentality, and it is why they were able so easily to dismiss 209 of Victoria's 210 local councils and leave this state without a democratic system of local government for several years while they implemented their reforms.

Why is it that CCT is not good public policy? It is based on the notion that the lowest price automatically represents the best value for money. That is not the case. As the honourable member for Mitcham said, it is a discredited notion. It is a notion state and federal governments are unwilling to expose themselves to, and it is a process local councils should not have been exposed to. CCT is not good public policy because it wastes council resources on tender evaluation, regardless of whether there is a reasonable likelihood of that tender process delivering proper benefits to the local community.

The honourable member for Prahran had the audacity to say that the best-value legislation would result in more litigation. Obviously members opposite have no experience of what CCT did to local communities. By way of example I advise honourable members that the City of Greater Dandenong, the local municipality in my area, awarded a contract to an in-house team instead of the New Zealand-based Manikaw. Manikaw took the council to court and the council was required to settle out of court.

**Mr Leigh** interjected.

**Mr HOLDING** — The honourable member for Mordialloc is incorrect. They did not win in court; they settled out of court. The council was forced to pay because it awarded the contract to the in-house team.

The council then awarded the next contract to a private sector organisation, Silver Circle. The Australian Services Union took the council to court for using the CCT process as a device to abolish penalty rates. Once again the council found itself in a position where it was damned if it went with the private sector and damned if it went with the in-house team. That is an illustration of the result in the courts of the current CCT regime. For the honourable member for Prahran to come into the house and say that the best-value legislation will result in increased litigation is absolute nonsense. It shows a breathtaking lack of knowledge of what is happening in the local government sector, where litigation has become commonplace because of the involvement through the CCT process of the private sector in the manner envisaged under the current law.

Another effect of the current CCT legislation the bill will replace has been to force regional and rural municipalities to sell down their asset levels. That has left them in a position where they will not be able to

make in-house bids when the contracts come up in five years time. I am sure many municipalities are aware of the notorious situation at the Shire of Moira when Jeremy Gaylard was the chairman of commissioners. The maintenance contract for parks and reserves was won by a Melbourne-based private company. A fleet of vehicles now drives up the highway to service communities like Nathalia and Numurkah. The parks and reserves maintenance is not done by an in-house team or even by a private sector organisation in the local community.

**An honourable member** interjected.

**Mr HOLDING** — Obviously people from the private sector in Melbourne go up there. They go up there every week.

**Mr Wells** — On a point of order, Mr Acting Speaker, I know the honourable member is new and is obviously being distracted by some longstanding members of this chamber, but it might be a good idea to direct him to direct himself to you.

**The ACTING SPEAKER (Mr Kilgour)**— Order! There is no point of order.

**Mr HOLDING** — Thank you for your protection, Mr Acting Speaker. That was the impact of the legislation on the Shire of Moira. The net result was that community infrastructure and community resources went out of the Moira area and ended up being used purely for the benefit of a private sector team driving up the highway from Melbourne. It did nothing to generate local jobs, stimulate the local economy or provide a sense of community and opportunity in the local area. Instead the CCT legislation was a second-best option for the local municipality.

However, Labor now has a new set of principles, the best-value principles. Many honourable members opposite have pretended in their contributions that the best-value principles are not enunciated in the bill. That is not the case. I direct the attention of honourable members to proposed new sections 208B, C, D, E, F, G and H inserted by clause 4 of the bill. They will establish a far more effective regime than previously existed for providing better community services in Victoria in a way that is sensitive to the needs of local communities.

**Mr STEGGALL** (Swan Hill) — The debate on compulsory competitive tendering (CCT) and this funny thing called best-value principles has been interesting. I take honourable members back to 1992 to explain why Parliament did what it did with regard to CCT and council amalgamations. New members to this place can consider themselves lucky: many of them are coming into government at a time when they have money, pride and a state that can stand up to just about anything. Until 1992 Victoria was embarrassed and broke, had no direction and no idea about how to keep this society of ours going. Many people were leaving the state daily because they thought it had no future.

The Kennett government put together a range of financial operations to change the culture of the state. Two of the changes were the introduction of CCT and the amalgamation of local councils. Those initiatives, along with all the others the former government made, changed the state to one that is proud, that has direction, and that is financially strong. Honourable members on the government side should appreciate what is happening. They are very to be governing a state that has money. For the first five years that the former government governed no money was available. Members of the Kennett government did everything possible to bring Victoria back from the brink, and now the state has a clear future. The challenge facing honourable members opposite is to ensure that they guide the state in their term of government in a way that does not turn us back in the direction from which we came.

In 1992 the government had to change the culture of the state, and it did. Compulsory competitive tendering was one of the changes that was introduced. My support for the CCT legislation was nowhere near as strong as that of some of my colleagues, I can tell you! The former government planned to take two-thirds of the councils off CCT immediately — read the policy — and benchmark the bottom third of councils until they got up to the standard. However, the Kennett government lost the election and CCT is now dead.

I believe the government would have been far better to have taken CCT out and settled down to a period of consultation, working out what it is trying to do, because it does not have it. I can tell honourable members opposite that I did not hear of best-value principles during the election campaign! To be honest, I am very concerned about what the government is trying to do.

I suggest that the honourable member for Springvale read records of previous debates in this place, particularly two detailed debates on local government legislation in 1987 and 1988. Many new members might enjoy doing that. At that time the Labor government set out to change local government — Jim Simmonds was the Minister for Local Government — and the debates were long and detailed.

The major debate was between the Labor Party and the Liberal Party, both of which supported providing the power to give the minister the right to intervene in local government, whereas the country members of Parliament argued strongly to remain with the status quo so that any minister wishing to intervene in a local council's functions would have to do so through an act of Parliament, as had been the case until that time. The debate was vicious and divisive because there was no coalition in those days and the Liberals and Nationals were totally opposed to each other on that concept.

The honourable member for Springvale might have a bit of a think about that. The debate in this chamber and the settlement of the issue came when the Liberal Party and the Labor Party voted together to give ministers the right to intervene in council matters without having to come to Parliament. The then National Party argued against it and lost. At the time members of the party said, 'If we lose this we will not refight this battle'. I have to say that the Municipal Association of Victoria supported the Liberal and Labor parties at the time, so it was embedded in the legislation that local government was a creature of the state.

Mr Acting Speaker, some of the changes we made contained faults: they caused problems. We did it for a particular reason and we achieved many of the goals.

**Mr Savage** interjected.

**Mr STEGGALL** — What did we achieve? For the first time in places like my electorate — —

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Swan Hill should ignore interjections. They are disorderly.

**Mr STEGGALL** — The honourable member for Mildura asks what we achieved. In many parts of country Victoria for the first time local government structures were put in place to act in the interests of each local government area. For ten years I was a councillor for the City of Swan Hill.

**Mr Holding** interjected.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Springvale will recall that he received the protection of the Chair. I ask him to extend that courtesy to the present speaker.

**Mr STEGGALL** — The City of Swan Hill, as with the City of Mildura, with which I had a lot to do in those days, and as with the City of Bendigo — would you like to have a look at Bendigo? — had an absolute dogsbody of interests and representations. A parochial situation existed throughout country Victoria, and the City of Bendigo was about the worst example of it. Bendigo had five councils. The worst thing to happen to Swan Hill was the amalgamation of the Bendigo councils, because now Bendigo is one of the strongest and the best. The same thing can be said about Ballarat. They are two of the strongest and best communities in this state, and they are growing and developing because of it. The entire local government area in my region is focused on its growth and value. Where is it going?

The Swan Hill electorate is a bit different from other places. When honourable members feel sorry for country Victoria, do they know that the biggest problem in my electorate is that there are not enough people? There are jobs, jobs, jobs everywhere, but not enough people to fill them. We cannot get people to build the houses, do the mechanics and engineering work and perform the retail functions. The area is just desperate to have more people because the growth and development are there. I hope that will be achieved. I am sure Horsham is in a similar position, as are Echuca and Shepparton, and Mildura is doing extremely well. That is great.

I ask government members who have so much to say about the best-value principles in this small bill to refer to the objectives and purposes of the Local Government Act. Parliament spent weeks debating them, and honourable members opposite will discover upon examining the act that the principles and objectives that are mandatory for councils to meet, if only they would do so, are already in the act. There is no need to have these other wishy-washy principles — the purposes and objectives are already there. Improvement in carrying out the various functions is desirable, but the principles and objectives that every council has responsibility to fulfil are already in the act.

The compulsory competitive tendering (CCT) and now, I am sorry to say, the government's best-value principles will empower, if you like, the process that communities go through. Under the former government — and it is a democratic trend in Australia at present — there was a move away from the judgment of the elected people to a bureaucratic process to reach an end point.

*Honourable members interjecting.*

**Mr STEGGALL** — Think about it: by putting in these processes — we did it when we were in government — we take away the responsibility of the judgment of the elected representatives, in this case the municipal councils. One of the reasons is that our society — —

**Mr Savage** interjected.

**Mr STEGGALL** — The power has not been taken away, my friend.

My concern is that the Victorian community is losing confidence in its elected people in places like Parliament and municipal councils, and they are being replaced by bureaucratic processes to achieve the desired ends. It can be argued that the CCT operation had faults. Like the United Kingdom model, it had probably run its course, and I do not have a problem with that. However, I have a problem with the best-value principles replacing CCT without having been worked through. The government is doing the same thing to local government as it accused the former government of doing. I can argue that the former government had a reason and a need to do it. However, I cannot see this government's reason and need to introduce best-value principles.

I refer to the house questions raised by the Municipal Association of Victoria and councils in my electorate on this issue. The matters that need to be addressed include the extent to which the proposed model mirrors the United Kingdom version. I would like to hear a response on that point, because we all have some knowledge of the best-value principles of the UK. We would like some details of any cost-benefit analysis of the proposal. The Labor government has criticised the former government for many things and it did rush things in — I do not make any bones about that — but this government does not have to rush things in and it can do the analysis.

There is also a need to address the appropriateness of best value as a management tool for Victorian local government. Is the government sure that this is the way it wants to go with this legislation and that it will achieve the objectives and functions set out in the Local Government Act? We need indications of how best value is measured. I would like to see that and know how that will occur, because Parliament will give a minister enormous powers under the codes and guidelines.

Of course, I also have an interest in small rural shires. The government has argued that CCT had imposed many problems on small rural shires. Its best-value principles will do the same thing. The small rural shires will not be able to carry out all the requirements the government is including in the objectives for the operation of the legislation. So, I am not a great fan of best-value principles. I accept that the life of CCT is over and I believe the Labor government and the Independents who are introducing these provisions into Victoria will be faced with problems similar to those the former government faced. I ask them to be careful as they go on that journey.

**Mr CARLI** (Coburg) — I support this very important bill because it is high time there was an end to compulsory competitive tendering (CCT) in Victoria and all its consequences. Last year I was fortunate on my visit to London to also visit the city of Lewisham, which was chosen by the Blair government as one of the first cities to introduce best-value principles — as a model council, if you like, for the implementation of those principles. The reason I went to Lewisham was that I knew from the English experience just what a disaster CCT was and that fairly soon Victoria would also have to find an alternative to CCT. I knew from overseas experience that it would happen here, too.

The important part of the Lewisham experience and these best-value principles is that the views of users and citizens are taken into account, and that certainly was not done by the former government of Victoria. The view of the community is fundamental to best-value principles and is very much the basis of good governance and the way we see local government — and state and federal government for that matter. The government ultimately believes in the need to involve the citizens and respect their rights, but it also needs to be consultative and work with users. That is certainly the direction the government is taking with this bill.

The CCT experiment in England was nowhere near as dramatic, drastic or radical as it was in Victoria. Compulsory competitive tendering was introduced in Victoria in areas of human services that were not even contemplated in the English experience — and those were the areas where it was particularly disastrous, not only in quality of service but also social cohesion and the involvement of the local community.

A student from La Trobe University is doing a study based in my office on effects of CCT on human services in my electorate. She has considered specifically the area of respite care for carers. As we all know, respite care gives a rest to carers who look after people who are incapacitated or invalids. About 95 per cent of the caring work is undertaken by the volunteer carers, who are often family members. Those people, who made every effort to look after their loved ones, were left out of the equation completely by CCT. The tenders were set up and the pen-pushers and paper-shufflers took control.

The people who provided their services free and looked after the sick and incapacitated people in their homes were completely cut out of the picture. They were not

involved, and they regarded that as a detrimental element in their lives. It is noted in the study that the carers reacted very badly to that situation. They wanted to be involved. They knew what the issues were, yet the CCT process basically brushed them aside.

The study also examined the basis of what is now called social capital — that is, the notion of cooperation and social cohesion in the community. It reveals that CCT in fact adversely affected cooperation from carers.

While in the past people had done things out of a notion of cohesion, cooperation and reciprocal relations, they were no longer prepared to do so. The level of voluntary work that people were prepared to do for their communities declined, because with the introduction of the market mechanisms they said, 'Why should I do it? Why should I put in? I am not involved. They don't talk to me about it'. The whole community was damaged by that change because it undermined people's sense of place in the community.

The study conducted by the student, Jessica Letch, tried to measure the impact of compulsory competitive tendering on the community of carers. The impact was devastating. It convinced me that CCT had to go and should be replaced with a system that would allow for continuous improvement, benchmarking, quality and efficiency of service, and most important of all for the views of people involved in the system to be heard and for them to participate in it.

The previous government mistakenly introduced market mechanisms in the area of human services, often — as in the case of respite care for carers — to the detriment of the service provider. It basically enabled the responsibility to fall increasingly on the bureaucrats who managed the contracts. The abolition of CCT will be a fantastic result for the state because it will allow communities to replenish themselves and social capital to grow once more in those communities.

Compulsory competitive tendering had a major impact on small and rural communities. From what I have learnt from my visits to country Victoria and from listening to the comments of the new honourable members on this side of the house in their inaugural speeches, it appears that CCT was an enemy. It has damaged communities, taken away jobs, created deterioration in local services, transferred job opportunities to the city or provincial centres and been detrimental to local communities throughout rural Victoria. New honourable members stood up one after the other and said in their inaugural speeches that CCT had damaged their communities by costing them jobs and a sense of community. It is a great and good thing that the government is finally ridding Victoria of the curse of CCT and creating the ability in local government to rebuild communities, jobs, and people's sense of being citizens and of participating. The bill removes the system's negative impact.

Another thing brought to my notice by the local study and my visits to country Victoria was the enormous cost of tendering, not only for the councils undertaking the tender process but also for the people seeking the work. A lot of the local community money that went into providing documents for services was wasted. Money went into administration and into managing contracts. It created a class of council officers who became managers of contracts and who were increasingly losing their ability to know their communities and becoming distanced from those communities. Those officers picked up a pseudo-business language that preached notions of efficiency but drove inefficiencies in their communities.

As part of the process of accepting the best-value principles, local governments are going to be forced to retrain a lot of people and to force on communities a culture of change. Those changes will not be brought about simply by the bill. They will come from the rural communities themselves. The bill will mean that finally local governments can again be part of their communities by getting involved — by participating. That is crucial to the principles of best value. I commend the bill to the house. It is a great day for Victoria.

**Mr INGRAM** (Gippsland East) — The Local Government (Best Value Principles) Bill Labor will abolish the regime of compulsory competitive tendering (CCT) imposed on local governments by the Kennett government. That regime will be replaced by one of best-value principles for the provision of services. The Labor government argues that the bill will return control to the councils and their local communities while maintaining a cost-assured and quality-assured system for the provision of services. The government argues that the bill will encourage employment growth and the retention of skills in rural areas.

Compulsory competitive tendering has been widely criticised in my electorate. During the election campaign a large number of people complained about the loss of jobs it caused in rural and regional areas and said it was a major reason for them to change their votes.

The bill allows councils to take control of their works and services without the imposed obligations of CCT. There are two shires in my electorate — the Shire of

Wellington and the Shire of East Gippsland. As a result of the restructure of local government the East Gippsland shire has had a $20 million debt imposed on it, a large part of which was an unfunded superannuation liability partly caused by the removal of former shire workers. That liability is a large problem for the shire; it will be paying it off for a long time. The shire does not own even a shovel. The works and services it once provided were tendered out to other providers, a lot of whom come from outside the region.

Compulsory competitive tendering has been extremely unpopular since its introduction, especially in rural Victoria, which is where it has had its greatest negative social impacts. Under CCT jobs have been lost from rural councils, with a negative flow-on effect for local areas; services have been cut from rural communities; cost considerations have taken priority over public interest and local considerations; the state government has too much control over councils; poor relationships have evolved between local communities and their councils; and unnecessary tendering has been undertaken in order to comply with the legislated 50 per cent requirement. The targets imposed on CCT were not realistic in many remote rural communities, which had to resort to artificial competition. Services have not always improved in quality under the system.

The bill addresses the concerns of rural Victoria. Under the best-value principles councils must consider the needs of local communities when providing services. The legislation specifically states that services provided by councils must be responsive to community needs and expectations, and that values must be considered when developing quality cost standards. In addition, the increase in the threshold for tendering from $50 000 to $100 000 addresses the complaint of over-tendering. I am proud to speak in support of the bill because complaints about it comprised a large part of the complaints I received during the election campaign.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The house will break for dinner. The honourable member for Murray Valley will have the call when the bill is next before the Chair.

**Sitting suspended 6.31 p.m. until 8.03 p.m.**

**Mr JASPER** (Murray Valley) — Amending local government bills have always been extensively debated in the Parliament. During every session major amendments are introduced to the Local Government Act. Local government bills are probably much debated in the chamber because many honourable members elected to both the Legislative Council and the Legislative Assembly have had previous experience in local government. They believe they are experts on the subject and they want to make their contributions, most of which are worth listening to.

**The DEPUTY SPEAKER** — Order! Would honourable members on the government side speak more quietly.

**Mr JASPER** — That is a good idea, Madam Deputy Speaker. During my time in the Parliament problems have always existed with municipalities and councils. During the 1980s the then Victorian Labor government applied pressure on municipalities to amalgamate but it met with resistance. Again in the 1980s the former cities of Richmond and Keilor and the Melbourne City Council were dismissed by the Labor government because of poor performance. In the 1990s the former Kennett government dismissed the Darebin City Council.

Amalgamations were an issue in both the 1980s and the 1990s when changes were made by the Kennett government. As a country member of Parliament I had misgivings about the changes. One must analyse the difference between metropolitan Melbourne and country towns. It is fairly easy to amalgamate two or three metropolitan municipalities with a huge income in a small area with a large population. In contrast, if two or three country municipalities are amalgamated the resultant council has a large area, small population and limited revenue. Local government in country Victoria has suffered difficulties following the changes that have been implemented.

Some metropolitan members would not understand the resilience of country people in meeting challenges and problems as they arise. As I said, I had misgivings about the changes that were made to the act but that is not to say they were all bad or not all successful.

**The DEPUTY SPEAKER** — Order! There is too much audible conversation.

**Mr JASPER** — Many metropolitan members would highlight the great success of some amalgamations in metropolitan Melbourne. My electorate of Murray Valley contained almost all of eight municipalities. After the changes the number was reduced to three, again almost entirely in my electorate. They include the Rural City of Wangaratta formed by combining the former City of Wangaratta, the Shire of Wangaratta and the Shire of Oxley. It is probably one of the success stories in country Victoria.

**The DEPUTY SPEAKER** — Order! The honourable member for Springvale has had his turn. I

suggest he be quiet and allow the honourable member for Murray Valley to have his turn.

**Mr JASPER** — I am happy for the honourable member for Springvale to interject. If his interjections were audible I would respond very positively. An honourable member for Springvale and I have crossed paths on occasions, as those honourable members who have been in this place for some time would be aware. I am prepared to take him on at any time.

The Shire of Indigo encompasses Rutherglen, which is my home town. The Shire of Indigo is an historic municipality that includes the former shires of Rutherglen, Chiltern, Yackandandah and Beechworth and that amalgamation has also been fairly successful.

Earlier speakers commented on the Shire of Moira and its well-documented problems. The municipality is now settling down. I believe country municipalities should receive special consideration. My electorate of Murray Valley has achieved a great deal and during my speeches in Parliament I have never complained about what it has received. However, it wants more, as does every electorate. In my contribution to the address-in-reply and during other opportunities in the current sessional period I will highlight the developments in north-eastern Victoria.

Along with the honourable member for Swan Hill I believe we are doing well in the areas we represent. Specific difficulties face those of us who represent country Victoria but I will not canvass those issues as they are not relevant to the current legislation.

Although the implementation of compulsory competitive tendering (CCT) was a worthwhile exercise, some of its difficulties are well known. For the sake of accuracy I will read some comments onto the record. CCT demanded that councils analyse their work and services and write proper specifications. It also forced the introduction of critical analyses of all council functions and introduced better systems of quality control and service improvement. Councils were also forced to put in place better performance measures.

Of course there were downsides with the introduction of those measures, including costs to councils. The proper level of competition was not always achieved because in many cases country councils could not achieve the same level of competition as metropolitan councils.

Some problems for country municipalities were caused through rate cuts implemented by the former government. Those cuts certainly had an effect on country municipalities forced to reduce rates, not necessarily because of amalgamation and the operation of CCT but rather because of the specific difficulties faced by country municipalities.

One of the government speakers mentioned difficulties in the operation of Meals on Wheels across the municipalities of Victoria. The Meals on Wheels operation is a great success story in the three municipalities operating in my electorate of Murray Valley. In the four major towns in the Shire of Indigo, for example, Meals on Wheels are provided by the health services; and in the township of Rutherglen, by Glenview Community Care. People work in a voluntary capacity in delivering the meals but also meet with the recipients to talk with them, assist them and ensure that services are provided to them.

In my home town of Rutherglen, service and other organisations are involved with Meals on Wheels: Apex of Rutherglen — I am a former member and my wife is still a volunteer representative for the Apex Club; Rotary; and the Lions Club are all involved in the delivery of Meals on Wheels.

In the Rural City of Wangaratta the meals are delivered from the Wangaratta Base Hospital. Again, the service has been a great success story. Dr Roy Phillips, who has been working in Wangaratta for over 40 years, was the key instigator of the Meals on Wheels service there. Honourable members should not make rash generalisations about the lack of effective operation of Meals on Wheels in country Victoria or any municipality. In my area it is working effectively.

Another area of concern mentioned by previous speakers is the lack of funds for roads and roadworks in country areas. A concerted effort is needed to ensure that Victoria receives a greater share of fuel revenue from the federal government for local roads, given that about 50 per cent of the cost of every litre of petrol goes to the federal government in tax. If we could get a bigger share of the funding — —

**Mr Cameron** — On a point of order, Madam Deputy Speaker, the honourable member is straying from the bill. He is now talking about matters that are totally at cross purposes.

**The DEPUTY SPEAKER** — Order! The point of order is upheld. The member has strayed too far with petrol prices. I ask him to return to the bill.

**Mr JASPER** — Petrol prices are a critical area. I accept the ruling, Madam Deputy Speaker, but I have responded to issues that have been raised by other members in debate — Meals on Wheels and

roadworks. I am indicating how the funding could be provided.

The bill is important and I support the thrust of the changes detailed within it. How it is to be implemented is the key. Had the Minister for Local Government not interjected I might have been a few minutes further along in my contribution. The minister — who is fairly new in the job — should understand north-eastern Victoria, so I extend an invitation to him to visit and gain greater knowledge of that part of the state.

How will the bill be implemented? What are the details of the code? These are my questions and criticisms of the legislation. The opposition requires guidelines and the government needs to work closely with municipalities in the development of a code. Benchmarks need to be set against councils and private organisations. Where services can be provided by private enterprises, contracting out those services should be considered.

One of the issues not raised by earlier speakers is that most bills contain extensive regulation-making powers. Regulations are then subject to the scrutiny of the regulation review committee and the requirements of a regulatory impact statement. The ministerial code will bypass the usual scrutiny of the committee without reference to the regulation review committee and the issuing of a regulatory impact statement. Introduction of a ministerial code requires stronger consideration. Again I indicate to the minister that there is no scrutiny of the code by the regulation review committee — not yet established — or by a regulatory impact statement.

The municipalities within the Murray Valley electorate welcome the best-value principles but are keen to ensure consultation takes place with municipalities and other interested parties before the ministerial code is implemented by the provisions of the bill.

**Mrs PEULICH** (Bentleigh) — The previous speaker was right: there are many members with a local government background, and I am one of them. My electorate is covered by two councils, the City of Kingston and the City of Glen Eira.

In the debate so far we have heard speeches inspired by zealotry and ideological drivel from speakers including the Minister for Housing. The changes in the bill are not revolutionary but evolutionary. The bill takes the 'C' out of CCT. The changes introduced in local government by compulsory competitive tendering can be compared with the changes that were made in the education system from the 1970s. In the 1970s, when I was in high school, we used to get an A+ — or in my case often lower — with the comment 'very good'. Now a profile of the skills, expectations and levels of achievement is provided. The teaching profession has moved on, as we expect every profession and every sector to reflect higher expectations of services and accountability in the expenditure of the public dollar, though Labor does not extend that to the white-collar area and areas that protect those who may be supporters of the current government.

The bill is driven by a hatred of the private sector. The effects of CCT may not have been as beneficial to rural areas as they were to metropolitan areas. As a result of CCT and council amalgamations in my council area, the City of Glen Eira, every year there has been a saving of $25 million to ratepayers. It had been $30 million the previous year and is now holding at $25 million. The savings are in the pockets of ratepayers — many of them elderly people on fixed incomes, whether pensioners or self-funded retirees — who value the fact that they are now paying almost 50 per cent less in council rates than they were before council amalgamations and CCT.

Under the commissioners the councils had been expected to deliver and had delivered comprehensive consultation, and the services are more extensive and better suited to ratepayers' needs — —

*Honourable members interjecting.*

**Mrs PEULICH** — Local councils went through the process at our behest. If other councils did not, their local members have a lot to answer for.

The introduction of CCT has led to a shake-up of a sector and an industry that was long overdue. The Labor Party had been trying to do it for many years, but the Liberal–National Party government did it. That shake-up has led to a significant cultural change. The fact that councils were required to test the waters and contract out and when it was not practicable to report to the minister about an inability to meet targets means there is little difference between the previous legislation and the bill, with the exception of the reporting and accountability principles. The blurred and fuzzy accountability and reporting provisions in the bill will let the genie out of the bottle; they will open a Pandora's box. That will affect communities that are least able to express their views and demands for more effective and efficient services.

Our more middle-class communities have high expectations of their councils. I have a big family and a lot of friends — and I spent seven long years teaching on your side of town. The Labor Party has failed to

listen to the community and has made a secret deal — —

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! I remind the honourable member for Bentleigh of the Speaker's comment earlier today that members must speak through the Chair.

**Mrs PEULICH** — Deputy Speaker, thank you for your guidance. The effect of CCT in metropolitan Melbourne has been significant. It has been described as a boon for small and medium business. I understand that it may not be the same in rural areas. I cannot comment on that, as I am not an expert on rural Victoria.

*Honourable members interjecting.*

**Mrs PEULICH** — I represent an inner metropolitan south eastern seat, so I cannot profess to be an expert on rural areas. Even if you take the 'C' out of CCT, things will not go back to the dark, hopeless days of the 1970s. I quote from an article that appeared in the Moorabbin *Standard* of 9 November about Kingston council deciding to continue tendering out services. I suspect that most of the councillors of the City of Kingston are not of the Liberal persuasion. The article, which is headed 'Yes to tendering', states:

> Kingston council will continue to tender out services despite the expected abolition of compulsory competitive tendering as promised by the new Victorian Labor government … 'Now that we've got the specifications (for CCT), and they are more clearly understood, I believe we will have good value for money', Mr Skinner said.

Further on the article states:

> He said Kingston currently tendered out about 56 per cent of its services and under the new system, the figure would probably be slightly less —

albeit only slightly. The net effect of the bill for many responsible councils will be negligible. There has been a significant cultural change. It ought to stay, because it has been a good change. It provides a higher standard of accountability for the expenditure of ratepayers' dollars.

However, the bill is flawed. The optional nature of proposed new section 208C basically means that over time — not too far down the track — rates will creep up. Every time the rates creep up in the City of Glen Eira and the City of Kingston I will batter honourable members opposite over the head.

*Honourable members interjecting.*

**Mrs PEULICH** — Yes, we are. Honourable members opposite will have to answer for every rate increase, because the bill will lead to increasing expenditures and lower accountability. However, it is an evolution in current practice and will not result in a total reversal to previous practices — and I suspect that community expectations, which were raised as a result of the introduction of CCT, will remain high.

**Mr LEIGH** (Mordialloc) — This bill is a joke, because it means nothing. The government will be out of office before anybody implements it, because the date by which councils will have to have complied with the legislation is 31 December 2005. The way the rocky group opposite led by the bunch of three are operating, I do not think they will be there in 2005. By then the people will have woken up to what is going on. They will also remember that it was the Labor Party that gave them higher rates.

I decided to speak after listening to the contribution made by the honourable member for Springvale, who talked about the involvement in the process of the Greater City of Dandenong. It is a good example of how things can go wrong. When the Greater City of Dandenong decided to tender out its parks and garden service, it faked it. It held secret meetings with a number of councillors and others who were to be involved in the bid. They included Cr Phil Reed, the former Labor candidate for Berwick, who now works for the Labor Party, the assistant to the Minister for Major Projects, Dale Wilson, and the rest of the Labor group. They got together before Christmas for drinks at the house of one of the council officers and in effect conspired to make sure that Manikaw, the outside bidder, could not win the tender. Manikaw put in a bid that was $1.7 million lower than the in-house bid, yet it lost.

**Mr Viney** interjected.

**Mr LEIGH** — I wonder what that great businessman over there, the honourable member for Frankston East, would have thought about being beaten by an in-house group despite putting in a bid that was $1.7 million lower. Why did the in-house group get it? To find out the reason you have to go back to the old days in the City of Oakleigh, the City of Richmond and a few other cities in which the Labor Party ran the garbage unit — and well it should have. The garbage units controlled the branch structures in Richmond, Oakleigh and other cities.

*Honourable members interjecting.*

**Mr LEIGH** — The Richmond City Council was sacked because it organised dead people to vote during elections. That was its competition — in dead people!

Following that $1.7 million arrangement Manikaw decided to take action in the courts. It is interesting that the honourable member for Springvale said Manikaw did not win because the matter was settled out of court. It was settled out of court all right! By the time the December council meeting came around the council had put aside $250 000 — not to pay Manikaw but to provide for legal expenses. What happened in the new year? The council paid Manikaw a quarter of a million dollars for legal costs and losses.

Not only did the City of Greater Dandenong and its residents not benefit from an improved parks and gardens service — the arrangement would have made little difference, other than to the in-house group — but the shady business deals of some of the Labor councillors meant the council lost its reputation for honest practice. Similar arrangements happened in Darebin, that wonderful city that espouses democracy, and in the people's republic of Moreland. The Labor Party is using local government to further the operations of its party machine. The reason those councils do not want CCT is that they will find themselves accountable.

The bill will cost ratepayers in the end. In the city in which I live my rates dropped from $1100 a year to about $550 a year. In the past the council was ripping off one section of the municipality and not the other! The honourable member for Coburg also talked about best practice in Great Britain. What he said about what is going on in Great Britain is a load of hogwash. Instead of spending his time running round wearing rose coloured glasses, he should have taken a real hard look at what goes on there. Great Britain is where you go to see the worst possible example of how local government should be run.

Government members have said that they are interested in people and in consultation. I remember when John Cain and Joan Kirner dropped on the house new local government boundaries: their concept of consultation was to just drop them and leave them to honourable members. For a while the house can expect to hear all the nonsense from the tame puppies on the back benches. They will think it is terrific, but it will be at a monetary cost to the ratepayers and businesses in my electorate. If the system is so great the government should implement it now. But the government is not implementing it.

The proposal is a joke and is designed by the government to get some of its mates off its back. It stinks!

**Ms OVERINGTON** (Ballarat West) — It gives me great pleasure to rise to support this bill, which will abolish the absolutely dreaded and hated compulsory competitive tendering (CCT). I have listened with interest to opposition members talk about changes that have occurred over the past seven years and imply that new members of the government had no sense of history or were too new to have an understanding of the bill. Let me assure honourable members that I am not new to local government. I may be one of the class of '99 in Parliament, but I have had 17 years experience in local government.

This afternoon I heard many untruths and manipulations of the truth about local government, some of which I will address tonight. Honourable members talked about the various processes of change to local government that have taken place over many years. I will refer to some history to set the scene in which local government operates today. The history of some honourable members may not go back as far as the Bains report of 1979, but I remember attending public meetings in opposition to it. In 1986, as a member of a local council, I was present during the Stuart Morris inquiry into restructuring and at meetings that objected to the restructure. To suggest that the government of the day just threw it on the table with no consultation is totally wrong. A strong process of consultation occurred. Honourable members who have been here for some time will remember it involved review panels moving around the state and taking submissions from residents.

I record here tonight — I do not think it has been recorded before — that I was a member of the Sebastopol council, which opposed amalgamation. The mayor of the day — he was 10 times mayor and very conservative — taught me many things. During that consultation process he kept the review panel in Ballarat for three weeks, talking about the objection to review of local government. I commend Cr Neville Donald on the position taken at the time. The person who stood beside him on a few occasions during those submissions was Cr Paul Jenkins. I am sure honourable members have heard of Cr Jenkins, who in 1986 was so opposed to council amalgamations — —

**Mrs Peulich** — On a point of order, Madam Deputy Speaker, I understand the need to set the scene and to make some passing general comments. However, the house does not need to hear a three-decade history of local government as a prelude to the bill. Could I

suggest you guide the honourable member gently to the parameters of the bill.

**The DEPUTY SPEAKER** — Order! There is no point of order. It has been a wide-ranging debate. The honourable member has commenced her introduction and I am sure she will get to the substance of the bill in a moment.

**Ms OVERINGTON** — I have set the scene, Madam Deputy Speaker, because it has been suggested there is no history to the bill. There is a history, and it did not happen in 1992 or 1994 — it happened prior to that. The difference is that what happened prior to 1992 was done with community consultation, and those reports and suggestions of restructuring were not acted on prior to that time because the community did not want it to happen and the government of the day did not seek to implement it.

Earlier this afternoon an honourable member asked, 'Why blame amalgamations and CCT?'. The honourable member for Swan Hill said the former government had to do it, even though its members did not want to do it, because the state was so broke. I cannot accept that, and I will refer to the history for honourable members who may not already know it. In about 1991, together with councillors of other municipalities I attended a meeting with the then opposition leader — it may have been before the Honourable Alan Brown's time in the position, or after — who gave an undertaking that amalgamation would never occur without a referendum.

**The DEPUTY SPEAKER** — Order! The honourable member is straying a little far from the bill. I remind her that she is speaking on the Local Government (Best Value Principles) Bill. She has had ample time to make her introduction and she should now address the bill.

**Ms OVERINGTON** — Having set the scene I will move on. My background in local government covers both the pre-amalgamation and post-amalgamation periods. My experience stems from a time when there was pride in local government — when workers were multiskilled, moved around their municipalities and had pride in their roles. They were mainly blue-collar workers who identified and acted on areas they saw needed to be cleaned up — for example, they would collect broken bottles lying on grass before proceeding to cut it. Unfortunately, that does not happen post-CCT because of strict tender requirements. Under CCT workers do not collect broken bottles before ovals are slashed. Any broken glass remains and can be a danger for children.

Earlier the house heard about the change in culture and environment. It is true that CCT has created a different environment, but not for the better. In the environment and culture from which I come the local government changes of the former government are seen as having been changes for the worse. People in Ballarat are unemployed because of amalgamations and CCT. Through that process more than 450 people lost their jobs. That is a sin I cannot accept. I will not accept the results of CCT and I look forward to the implementation of the bill.

**Ms DAVIES** (Gippsland West) — I support the Local Government (Best Value Principles) Bill. I am pleased that the bill was introduced as quickly as it was in the life of the new government. It is another releasing of the shackles, so far as I am concerned, and another triumph of commonsense over ideology. It will put local government back in charge of local government business, which makes a great deal of sense and is very much welcomed.

Councils will now be responsible for deciding how much of their work will be contracted out. Nobody disputes that the forcing of competitive tendering on local councils was highly damaging, particularly in rural areas. It damaged the state. Yet the former government was prepared for its own ideologically based reasons to keep pushing it in areas where patently it was causing damage. I am pleased the system has gone. It was just as artificial as the artificial keeping down of local government rates, which was forced on local councils after amalgamations occurred. That also caused huge amounts of damage in our local government areas. Local councils are still trying to recover from that position. Good riddance to compulsory competitive tendering (CCT).

The guidelines in the bill outline a whole set of criteria under which councils will be accountable. They will be accountable to the people of the local communities who vote the councils into office. That is so basic and so sensible a principle that one wonders why the previous government could not connect with the idea. The main problem that the previous government had was that it did not see any sense in trusting anybody but the blokes at the top, who should have known better.

I was pleased that the Independents were able to effect the passage of this bill, and that councils must take into account the opportunities for local employment retention and growth. That is important to the Independents. It is also important to note that the minister will now consult with local government bodies and local councils when deciding the codes that will bring the legislation into effect.

I am pleased with the amount of negotiation that occurred between government, the Independents and the opposition. I am pleased to support the bill. I wish it a speedy passage.

**Mr VOGELS** (Warrnambool) — I have no problem in supporting that part of the Local Government (Best Value Principles) Bill that abolishes compulsory competitive tendering. Let the councils decide what is in the local communities' best interests. I know what the three municipalities that I represent — the City of Warrnambool and the shires of Moyne and Corangamite — will do: they will look after their own ratepayers and residents.

I have difficulty with the remainder of the bill. It goes on at length about best value practices. The codes and guidelines that councils must adhere to and follow are yet to be developed. That is no different from councils signing blank cheques. The bill has been introduced with little, if any, consultation or discussion with the organisations it will directly affect. To argue that the government will consult at some future date with the local government sector on guidelines and codes shows that the government is patronising local government; it is determined to maintain control.

I turn to examine a couple of the best value principles set down in the legislation. Each service provided by a council must be accessible to members of the community for whom the service is intended. That is impossible in most rural councils. Meals on Wheels are delivered by volunteers in most towns. However, if that service had to be provided to everybody who meets the criteria, even if somebody lived 100 kilometres away from where the meals were prepared, costs would be blown out of the water. The same could be said of many of the other services delivered by rural councils, including access to swimming pools, libraries and kindergartens. The sentiment is fine but clearly not affordable. A council must achieve continual improvements in the delivery of services to its communities.

Where do you start measuring the goals? Some councils are already running near the top and if their improvements are measured against those of councils that are at present running near the bottom, one gets a false picture. Clear guidelines and codes should be put in place before the legislation is passed. As the Municipal Association of Victoria has clearly stated, it is ludicrous to rush in and embrace a model simply because it is in fashion and because we may be able to work with it and fiddle around its edges later. Victorian local government deserves a bill that lets it operate effectively and efficiently, that supports local communities and ensures viability, prosperity and the wellbeing of its residents.

**Mr CAMERON** (Minister for Local Government) — I thank the honourable members for Frankston East, Prahran, Eltham, Richmond, Knox, Melbourne, Wimmera, Essendon, Bellarine, Tullamarine, Caulfield, Springvale, Swan Hill, Gippsland East, Murray Valley, Coburg, Bentleigh, Ballarat East, Gippsland West, Ballarat West and Warrnambool for their contributions to the bill.

It must be said — I welcome it — that the honourable members who wanted to have their say today have had that opportunity. I thank the opposition for the arrangements we have been able to enter into so honourable members could have their say through the parties agreeing on time limits — including one for me. In a wide-ranging and worthwhile debate 22 members — that is, a quarter of the members of this house — have contributed. The discussion and the exchange of ideas on the legislation are among the good things to have come about as a result of this debate.

I thank the honourable member for Prahran, the shadow Minister for Local Government, for her comments and support of the legislation. The honourable member wished the bill a speedy passage. I look forward to the new era that will occur in local government now that Victorian local government will have a post-CCT regime.

The Labor Party went to the election with an express commitment to abolish compulsory competitive tendering and replace it with best value. I am pleased that the opposition supports the legislation and that it does not intend to move amendments, so that once the bill passes through the other place the government may get on with the job of establishing a new era of local government.

The government has a clear plan about the way the bill will be implemented. The legislation sets out the principles of best value. The implementation — that is, how the guidelines and codes will be developed — will come about as a result of the considerations of a group of peak bodies that will be established by the government. That group will include LGPro, a group of local government professionals, the Municipal Association of Victoria, the Australian Services Union and the government. Therefore, changes will be driven by the sector.

Last week I wrote to all the councils and peak bodies setting out what the government wanted to do. As a result of that process being sector driven we will have codes and guidelines that are relevant for Victoria. When we talk about best value many people think we are talking about 'best-value United Kingdom' or 'best-value Blair', but the government is talking about 'best-value Victoria'. The model in the United Kingdom is too prescriptive, and many rural municipalities would not be able to comply with it. That is why the government is talking about best value Victoria.

The government wants to develop a set of rules that are able to be implemented in rural municipalities, because if that is so it will also be possible for them to be implemented in the larger metropolitan municipalities. A model that is applicable to metropolitan municipalities may not necessarily be applicable to rural municipalities. If we ensure they are applicable in rural municipalities we will be able to deliver the best result for the entire state.

Compulsory competitive tendering has been a job killer, particularly in country Victoria and small towns, where it has been a burning issue. The bill is being hailed across country Victoria.

One of the matters that must be considered is local employment opportunities. As a result of mature discussions with the Independents the government has amended the bill so that employment is not a factor that may be taken into account — it is a factor that must be taken into account. In other words, municipal representatives must turn their minds to employment before making particular decisions. For country Victoria that is welcome news.

Opposition members talked about blue-collar workers. The bill introduces enormous changes for the people who work in local government. Many of those who formerly worked in local government have lost their jobs to firms from outside their areas, which has had a big impact on their towns. That is why the bill is so actively supported in country Victoria.

I have talked about the way the bill will be implemented. In a letter I wrote last week to the local government sector, including the municipalities, I set out how the government will bring about the changes. However, a concern arose about what may occur in the future if changes are made to the codes or the guidelines. The government has put forward the amendments circulated in my name as a result of sensible suggestions from the Independents and the Victorian Local Governance Association, and the government will ensure that consultation takes place prior to any changes in the future. The shadow Minister for Local Government said she received a letter from the Victorian Local Governance Association on that matter, and I thank that association and the Independents for their sensible suggestions. I also thank the shadow minister and the opposition for their support in this matter.

I refer to the issue of rate capping, which was raised by the shadow minister. A graph shows that a fall in rates occurred some years ago but that a rise in rates above the CPI had occurred recently. That has come about as a result of many municipalities not having the funds they needed to cope, particularly with infrastructure maintenance. I know in country Victoria many municipalities have not been able to keep up with the necessary maintenance. We will have to wait to see what happens in the future, but I recognise that for many municipalities the issue of infrastructure maintenance is real and significant.

We are approaching a new era for local government. The government wants to have a sensible partnership with local government and to encourage it to get on with the job. We do not want to wave a stick in the air and be looking over its shoulder. We want an era in which we are able to work sensibly at the local level in a mature relationship by recognising that local government is the third tier of government.

The principles introduced by the bill create the opportunity for an extremely positive era. The bill will mean that people elected to local councils will have a greater role to play in the future of their municipalities. Their hands are now free and in the post-CCT environment they will be able to make their own decisions on what is the best value for their local communities. The Bracks government and local communities look forward to that positive outcome.

I thank the opposition and the Independents for their support. The Bracks government looks forward to the third tier of government being able to get on with the job without having artificial restrictions being put in its way. Over the past several years those restrictions have caused many problems for Victoria, particularly for country Victoria.

**Motion agreed to.**

**Read second time.**

**Committed.**

*Committee*

**Clauses 1 to 3 agreed to.**

**Clause 4**

**Mr CAMERON** (Minister for Local Government) — I move:

1. Clause 4, page 4, line 6, omit "and (d)" and insert ", (d) and (e)".

2. Clause 4, page 6, after line 8 insert —

***'208J. Minister must consult***

(1) Before publishing a Code under section 208H or a guideline under section 208I, the Minister must consult with any local government body that the Minister thinks it appropriate to consult with.

(2) In this section "**local government body**" means —

(a) a Council;

(b) an organisation that the Minister considers represents local government interests and that the Minister has declared, by notice published in the Government Gazette, to be a local government body.".'.

**Ms BURKE** (Prahran) — Victoria will sign off on national competition policy, and the funds to do that over the next four years are substantial. The first payment will be $10 million, the second payment will be $10 million, the third will be $15 million and the fourth will be $15 million. I hope the best practice principles measure up to cover that.

The second point I make about clause 4 is that a consideration of the corporate plan in consultation with the community occurs every three years. That would be a good time to talk about the future of the municipality and whether the services adhere to best value principles. I believe an adherence to those principles should not involve too many processes and the writing of too many reports.

I have spoken in the debate on the bill about the definition of 'best' and about the fact that the partnership should always be with government and business. It may be possible to outline best value principles in the annual plan so that the process will involve public consultation.

I also congratulate the minister on including consultation with all the broader groups other than local government. It is important that the groups go with this and own it. Their experience with the codes and guidelines will assist in improving service delivery to the community.

**Mr CAMERON** (Minister for Local Government) — I thank the honourable member for Prahran for her comments. The issue she raised concerns the national competition policy payments. My advice is that they will not be affected. The government is keen to ensure that because they are significant for local government. The further issues raised by the honourable member concern the community plan and the annual report. I turn first to the annual report, which is dealt with by proposed new section 208B(f):

> a Council must report regularly to its communities on its achievements.

That appears to be one of the ways that could arise. With the community plan one would expect best value is something to be applied in the future. The task force will no doubt implement the guidelines and codes will clearly spell that out. From what I said earlier, honourable members will appreciate that group, which will be formed from peak bodies such as the Australian Services Union and governments, will be sector developed. They are the issues they will want to take into account, and I am sure they will.

**Amendments agreed to; amended clause agreed to; clause 5 agreed to.**

**Clause 6**

**Ms BURKE** (Prahran) — I refer to the contracts referred to in clause 6, which amends section 186(1) of the Local Government Act. There has been discussion for some time about increasing the amount from $50 000 to $100 000. There was some talk about it rising to $150 000 but the concern is that a fair amount of split contracting will result which will make it difficult. I hope the $50 000 increase will answer problems for people in the country, particularly on roadworks. A fair bit of discontent was created over the cost of going to tender for projects of about $50 000. Over time we will watch whether the $100 000 amount will be the answer.

**Mr CAMERON** (Minister for Local Government) — The honourable member for Prahran referred to clause 6 which will amend section 186 of the Local Government Act by increasing from $50 000 to $100 000 the value of contracts that have to go to tender. The increase is regarded as sensible by those experienced within the sector. The honourable member suggests that in many cases in rural Victoria it has been difficult because the artificial $50 000 limit has appeared to be too low, necessitating a tender process, and the tender process has been costly. If the result is the same, which is often the case in some smaller municipalities where there is little choice, the effect is

that money is simply wasted on the tender process. That is the reason for the provision. I thank the honourable member for her support.

**Clause agreed to; clause 7 agreed to.**

**Reported to house with amendments.**

*Remaining stages*

**Passed remaining stages.**

## REGIONAL INFRASTRUCTURE DEVELOPMENT FUND BILL

**Opposition amendments circulated by Mr RYAN (Gippsland South) pursuant to sessional orders.**

*Second reading*

**Debate resumed from 11 November; motion of Mr BRUMBY (Minister for State and Regional Development).**

**Mr RYAN** (Gippsland South) — I am pleased to join the debate on the Regional Infrastructure Development Fund Bill. At the outset I can safely say that the minister and I are in agreement on the fact that on this Wednesday night it is 40 degrees in the waterbag and rising. This is a significant day from a couple of perspectives, not the least of which is that it is my wife's birthday and I only wish I were home to be part of it. Apart from that, on my calculations it is the 41st day in office of the minority Labor government. I mention that in the context that I know, to their credit, that recently the Premier and the Minister for State and Regional Development have been around Victoria on various initiatives.

I note the minister was in Cobram on 19 November — I have not calculated how many days that was since the government was sworn in — for the announcement of an $8 million development at Cobram which will create 190 jobs. I understand the minister was good enough to recognise that the work which facilitated that development was that of the former government, although he had to sign off on it. On the same day at Echuca another announcement was made about a $10 million development and another 85 jobs. Similarly, that was a project of the former government. Also on the same day, at Bendigo an announcement was made about a $10 million project involving 125 jobs. Again, it is in the same category.

Last Friday at Leongatha we had the pleasure of the company of the minister and the Premier on what was a great day. It is always a great day in an apolitical sense when the Premier comes to the region. A pleasant day was had by all.

I do not want to be churlish, but the program they jointly celebrated with the community involved a $25 000 grant from the former government that was announced eight months ago. On the same day a grant of $45 000 — it was in a similar category — was announced for Corinella. It is important that the government recognises that all members of the community are looking forward to the government initiating the activities it is preaching about.

Today the government announced a successful development in the Latrobe Valley by Gippsland Aeronautics. The company has a proud history of service to the industry and is doing marvellous work exporting light aircraft to a number of countries, including China. The major aspects of that company's expansion program occurred during the period of the previous government.

The bill brings with it great expectations — it would put Charles Dickens in the shade. It is much-vaunted legislation and the Labor government has a lot hanging on it, because the establishment of the Regional Infrastructure Development Fund has created considerable expectations which will have the effect of putting it apart from other developments. I note the announcement today regarding Virgin Airlines and the comments attributed to the Premier, which give some cause for concern. Terry McCrann suggested that the Premier's comments appear to be a dangerous throwback to the 1980s, when a lot was said but nothing was delivered. It is a fundamental issue in terms of the legislation now being debated, because enormous expectations are being created in circumstances in which I believe there is little capacity to deliver. Indeed, the basis of the delivery is in doubt.

In some sense the legislation is a sham and is flawed because it does not have the capacity to deliver to country Victoria the expectations the government has created. The opposition will not oppose the bill but will seek to remedy some of the defects by moving amendments during the committee stage. The opposition has grave concerns about the structure of the proposed legislation as opposed to what it is capable of doing and will do.

The outstanding issue faced by country and regional Victoria is the concept of change. I have no doubt that the ability of Victorians to deal with change is crucial in shaping the future of the state. I refer to change in all its forms. It is an issue of leading or chasing change. We have a clear choice between shaping the way we want

communities to be in the future or having our communities try to play catch-up, which is a terrible prospect.

To see that, honourable members need only reflect on the way country Victorians live their lives today as opposed to how they lived their lives 5, 10, 20 or even 50 years ago. In the 1920s about 50 per cent of Australians living in country communities were engaged in agriculture and mining pursuits. Now about 3 per cent of country people are involved in those pursuits, with productivity issues being extremely important. Significant issues of change in our society have to be faced, and the infrastructure and mechanisms that are available are part of the aspects of change to which I shall refer.

It is to the credit of the Minister for State and Regional Development that he attended and participated in the regional summit in Canberra. The summit touched on many issues pertinent to country and regional Australia. It is appropriate and valid to make the distinction between Melbourne metropolitan areas and regional and country areas. There are clear distinctions between the three areas, although they are interdependent and interrelated. None can exist without the other two. We now have three communities with which we must deal individually.

I cannot stand the term 'the bush'. It is appalling. No-one lives in the bush anymore. It does not exist. It is an outmoded, outdated term and has nothing to do with the way we live our lives in this state. I cringe whenever I hear it because very often it is used by people who have no idea or understanding of the way people live in country or regional Victoria. The notion of people living in the bush is long gone. It is a throwback to the term 'Sydney or the bush'. It is used in a patronising way and we can do without it. Victorians live in the country; they do not live in the bush.

Change involves enormous issues of diversity. The way we live our lives in country regions has changed radically. The electorate I represent has changed significantly in the way it functions and its dependence on different forms of activities, whether they be different occupations or the way people follow their leisure pursuits.

The Murray Goulburn factory at Leongatha employs 420 people out of a population of 4500, and its processed milk powder is worth some $260 million. It is an enormous powerhouse in the township. It has grown over the years and is continuing to grow. The Bonlac factory at Toora produces about $50 million worth of similar product. The Murray Goulburn factory at Maffra produces approximately $250 million worth of product. The Murray Goulburn and Bonlac factories export almost two-thirds of their product, mostly to Asia. The factory at Maffra exports almost the whole of its product. It is a sign of the times that they produce for export markets.

Today I saw television coverage of the World Trade Organisation's so-called negotiations being conducted in Seattle, which involved riots in the streets by those fighting for protection policies. In fairness, some people had environmental concerns. The riots prevented the organisation conducting its first day's negotiations. Australia is a leader of the Cannes group of 15 agricultural nations and is involved in fundamental issues involving world trade. Today the WTO has 132 member countries, but a decade ago there were 64. The growth in the number of nations that are members of the organisation is inevitable. In shaping country Victoria and the way it is positioned for the future we must consider those important issues. The beef and sheep industries are struggling now, although they are better than they were. Horticulture is becoming increasingly important.

On Friday the Premier, the Minister for State and Regional Development and the honourable member for Gippsland West were chewing snow peas produced at Korumburra. Not many people would know — —

**An honourable member** interjected.

**Mr RYAN** — I hear the interjection from the minister. He is quite right: they are absolutely beautiful.

Not many people would know that 80 per cent of the nation's snow peas are produced in that region. It is a tremendous — pardon the pun — growth industry. It is indicative of who country Victorians are and where they are going with their capacity to adapt and to adopt new mechanisms to cater for what is important in country areas.

The wine industry is burgeoning across the nation, and there are other areas of diversification. For example, the oil and gas industry is a huge enterprise in my electorate. Since the 1960s the Bass Strait oil and gas fields have produced in the order of $120 billion worth of foreign exchange funds for Australia. A major working over of the gas plant is currently being undertaken. Construction is taking place on the east coast pipeline, which is expected to be completed by September next year. The equivalent of one-third of Victoria's annual consumption of gas will be sent from the Bass Strait gas fields to supply the Sydney market.

It is a huge growth enterprise. Oil production is dropping off, but gas production is increasing all the time, and there is a great capacity for expansion.

Victoria's educational enterprises, including TAFE colleges, have done remarkably well over the past few years. They have provided a magnificent outcome, particularly the increases in traineeships. Who would have thought only a decade ago there would be a private prison 15 kilometres to the west of Sale which would house 600 prisoners and provide 200 people with employment? Fifteen of those people are from the TAFE college. They work full time in the prison looking after the educational programs the private prison operator is obliged to make available to the prison community. Fruit and vegetables for the facility are provided by a Sale supplier. At one time those sorts of advances would not have been contemplated.

Australian Leather Holdings has been established at Rosedale. A disused factory that lay idle for about 10 years was transformed for its use with the assistance of a significant grant from the former government. The company, which is based in Western Australia, employs about 130 people to produce leather. The odds are that the next time you climb into your BMW, Mr Acting Speaker, the seats will be covered in leather that began its life at Rosedale.

I next turn to health services, road networks and manufacturing enterprises, particularly those that relate to the oil and gas industry. Not so long ago one would never have contemplated that a place such as Sale would be home to 30 or so companies with the capacity to discover oil and gas and to build, service and maintain platforms. It is an absolutely extraordinary collage of organisations that specialise in a unique area. At one time such enterprises would never have been contemplated.

For years Port Welshpool was not a big player in its capacity to contribute to Victoria's economy. Now there are plans to grow the interstate trade that already takes place. On Monday the federal member for Gippsland, Peter McGauran, opened the first transaction centre in the state, and perhaps in the nation, at Welshpool, just down the road from Port Welshpool. Unfortunately I was not able to be there. That is again a sign of the times and of things to come.

The communique of the Regional Australia Summit held on 29 October is pertinent to the debate and the whole question of the development of regional infrastructure. I will quickly run through the outcomes that emerged from the summit, which are contained in the communique. Among them are:

> There are no easy solutions to the problems facing regional Australia. These problems are shared by many countries.
>
> Community development will not happen without government, business and community stakeholders each making their various contributions towards locally developed plans within a regional context.
>
> Communities that have reinvented themselves have identified and capitalised on their natural strengths, resources and self-interest to enhance their environmental assets and generate economic and social development.
>
> Communities want to share responsibility with government for development of their regions. Communities don't want solutions imposed on them. One size does not fit all.
>
> Government, industries and communities must invest significant ongoing resources in skilling, learning, education and training, and leadership …
>
> Communities want to include and invest in their youth.
>
> One of the most extraordinary assets of regional Australia is our unique natural environment, a natural heritage that is a rich and evocative element of our national identity …
>
> Governments, industry and communities must ensure affordable, reliable access to telecommunications …
>
> Indigenous people are stakeholders in regional Australia.

Importantly it further states:

> Governments must accept responsibility for facilitating adequate provision and maintenance of basic infrastructures. People in all sectors of regional Australia need equitable standards and access to essential services, including telecommunications, power and energy, water, transport, health and education. Creative ways of providing infrastructure that are widely accessible need to be explored without imposing unreasonable costs on regional industries or communities.
>
> Governments, urban business and industry must become more responsive to the unique requirements of sectors and areas of regional Australia in designing and delivering programs and services.

The communique goes on to talk about the necessity for cooperation between the three tiers of government. It further states:

> Governments must create a climate, including tax incentives, which encourages investment for rural enterprise and philanthropy.

Finally, it also states:

> Key business leaders expressed their support for the idea of partnerships but sought commitment from the federal government to 'take some risks' which would assist business, rather than create barriers that serve to hinder private sector investment in regional Australia.

That was in a regional Australian context, but is readily applied to regional and country Victoria.

One of the most interesting aspects of the communique was that the major priorities defined by each of the theme groups established were identified. During the course of the summit 12 working groups were established and ultimately reported. Interestingly the 12 major priorities identified were: communications, infrastructure, health, community wellbeing and lifestyle, government at all three levels, finance and facilitating entrepreneurship, value-adding to regional communities and farming industries, new industries and new opportunities, community and industry leadership, education and training, philanthropy and partnerships and sustainable resource management. Reports on each of those areas have been prepared, and a forward plan will be developed to enable all the objectives to be achieved.

They are issues that in the broad the previous government recognised. The infrastructure issue was close to its heart, as can be seen from the way it went about governing the state. I refer members to the response delivered by the former coalition government to the Independents charter — that all-important document that has been critical to the formation of government in this state. It is pertinent to quickly refer to it because it lists examples of investments in rural and regional Victoria all the way through since 1992. The list runs over four or five pages, but I will not go through them one by one.

At a quick glance something of the order of 80 major investment initiatives are referred to. Included in the list are Murray Goulburn Co-operative Co. Ltd, which I have referred to, and many of the milk industries, including Snow Brand Tatura Dairies Pty Ltd and Tatura Milk Industries Pty Ltd. Also included on the list are SPC Ltd at Shepparton, Technology Centre, The Uncle Tobys Company Pty Ltd, Ausvac Pty Ltd, Bendigo Brick Pty Ltd, Bonlac Foods Ltd, Pilkington Glass Ltd, Amcor-Australian Paper, Aust-Grain Exports Pty Ltd and Austrim Textiles Pty Ltd. There is a variety of companies — they go on page after page.

The same document lists categories of infrastructure developments to which the former government was committed. It has pages of references to roads programs, particularly those to which the former government was committed for the purpose of securing the future of the state. In my electorate enormous amounts of money were devoted to road programs, the most recent of which was a $29.5 million commitment for the upgrade of the South Gippsland Highway, including the famous swing bridge that was constructed in 1883 south of Sale but unfortunately no longer serves its purpose and must be replaced. There are huge road and rail coach investments.

Probably the jewel in the crown is water. The former government put in place a plan under which an amount of $1.2 billion was to be spent by 2002 to address problems in water supply and sewerage infrastructure in rural and regional Victoria. In 1992 only 27 per cent of rural people had water of World Health Organisation standard, and the aim was to get that to 100 per cent by the end of next year. In 1992 only 33 per cent of rural people had waste water discharge facilities that met Environment Protection Authority guidelines and the aim was to bring that up to 100 per cent by 2001.

That massive investment spawned a large number of projects — from memory, 260 or thereabouts — throughout country and regional Victoria, in places such as Omeo, with a $3 million sewerage plant, Lakes Entrance, with a $6 million effluent disposal works, Metung, with a $2.6 million sewerage plant, and Mildura, with a $1.8 million sludge plant. In the electorate of the honourable member for Gippsland West the Lance Creek water treatment plant received $5.6 million — I well remember that we were both at its opening! Those massive investments brought infrastructure up to speed.

**Mr Maxfield** interjected.

**Mr RYAN** — I hear the interjection from the honourable member for Narracan, who says people did not want it. What he forgets is that unless the government invests in such forms of infrastructure country Victoria will quickly die. There is no option. If we are to attract business and enterprise to our country regions they must have basic forms of infrastructure.

Flawed as the proposed legislation is, I have no doubt that the need for infrastructure is what is driving the government in establishing the so-called fund for the purpose of putting in so-called money into the so-called objectives. In the end the government basically recognises that we must get our infrastructure up to speed. The previous government did so and orchestrated the investment of $1.2 billion for some 260 projects around the state to ensure it would achieve that. The honourable member for Narracan may appreciate that many country Victorians are trying to measure an investment of $1.2 billion against one of $170 million, with the $1.2 billion devoted only to water and the $170 million devoted to a range of purposes to which I will come later.

Various other forms of investment were made in areas such as health, education and so on. Over the past few years some of the programs in education have been outstanding and without exception the communities I am proud to represent have had significant expenditure

on educational facilities, such as a $6 million third-stage project at Sale. At Mirboo North, a lovely township on the top of the Strzelecki Ranges — —

**Mr Brumby** interjected.

**Mr RYAN** — The minister asks about the brewery. It is a timely interjection because the brewery at Mirboo North is famous, and its beer is sold at the parliamentary bar. The enterprise is contemplating expanding its operation, and I am told it has received encouraging news from the minister. Is this another of those great expectations? We will have to wait and see. Suffice it to say that the brewery is a demonstration of diversification in a country region based on the notion of the provision of appropriate infrastructure.

The annual report of the former Department of State Development is a wonderful encyclopaedia of the successes of the different programs. It has pages and pages of achievements of the former government where grants were made across a vast range of enterprises to assist people in country regions. When the government introduces such legislation it should bear in mind that it has a hard act to follow and that expectations of huge proportions have been built up.

Clause 1 states:

> The main purpose of this Act is to provide for a fund to be called the Regional Infrastructure Development Fund to be established in the Public Account as part of the Trust Fund.

The appendix to the bill lists 47 municipal councils which I understand have been drawn from the usual definition of what constitutes country municipalities. Some of those municipalities verge upon or have part of their regions in areas that may otherwise truly be called country or regional centres. They are Yarra Ranges Shire Council, Whittlesea City Council, Cardinia Shire Council, Hume City Council, Wyndham City Council, Casey City Council, Melton Shire Council and Mornington Peninsula Shire Council. Perhaps some thought may be given to the appropriate category for those and others in the general category.

I must declare my bias — I am in like a shot with anything that is good for country Victoria. The more councils that are involved the merrier.

Clause 4 establishes the Regional Infrastructure Development Fund. This is enabling legislation and no money is mentioned in it. The bill provides the mechanism for establishing the trust fund in the public account and permits the appropriation by Parliament of the money to constitute the fund. To get a handle on how much money is involved, people will have to go to page 3 of the Labor Party policy document headed 'Reviving Regional and Rural Victoria', where there is reference to the much-vaunted fund.

When I first heard of the bill and the proposal to establish the Regional Infrastructure Development Fund, I naively made the same mistake that I know many other country and regional Victorians made. I thought the idea was to establish a fund and simultaneously put some money into it. Alas and alack, when I looked at the policy document on the Internet I found that things were not as they might otherwise have seemed.

In 1999–2000 — that is, between now and July next year — there is no money in the fund. The government is suggesting that the fund will be used for financing all sorts of projects. There is only one little problem: there is no money. In the second year of the fund's existence, $50 million will be allocated to it; in the third year another $50 million will be allocated; and in the fourth year $70 million will be allocated — to make up the $170 million. But in the meantime, between now and July, I am sorry, folks, but there is no money! That is of relevance to some other matters pertinent to the debate on the bill.

The next point is that no guidelines are provided on how to get the money. Legislation that enables $170 million to be contributed eventually to a trust fund for various purposes — I will come to that in a moment — will be passed with no guidelines on how the money can be accessed. That would not matter so much except that the fund is being trotted out as being the saviour of country Victoria. The house is yet to see the guidelines, and that must be a matter of grave concern for everybody who looks upon the fund as a way of distributing money to the advantage of country and regional Victoria.

The next thing that must be noted is clause 5, which is the central provision of the legislation and has many interesting aspects. On the face of it, anybody will be able to apply to obtain money from the fund — although people do not know for sure because there are no guidelines. In the meantime it seems that it does not matter if the applicant is a private individual, a government agency, a local government body, a corporate entity, a private or public company or any other form of legal entity. Anyone can make an application to gain money from the fund. There seems to be no restriction on it at all.

When I posed the question at the briefing on the bill about whether there were any limitations on applications, the answer I received was that I would

need to ask the government. So I ask the government whether limitations of any shape or form will be imposed on applications for money from the fund.

The legislation refers to financial assistance for or with respect to capital works. Does that apply to loans? Financial assistance can come in the form of a loan for capital works. On the face of it, the legislation contains nothing about the administrators of the fund not granting loans to an applicant for whatever purpose might be considered appropriate. Such provisions are of immediate and extreme concern, particularly to those living in country and regional Victorian.

The Achilles heel of the minority Labor government is and will always be financial management. The question that comes to mind immediately is whether we are back to the good old VEDC days. Will we have fly-by-night companies borrowing money from the fund? Will we go back to the good old days when the Labor Party picked its winners and losers and supplied the money where it thought it should — scattering it around good old Victoria and getting involved in the fly-by-night companies that the Labor government was famous for? By Jove, members will watch this with much interest. Here we go again!

The bill states that money will be paid out of the fund for:

> … financial assistance for or with respect to certain capital works …

How about a quick $10 million, Minister? I want to borrow it for some great capital works down in sunny Gippsland. What about lending me 10 million bucks?

**Mr Brumby** interjected.

**Mr RYAN** — You are very impressed with my electorate, and so you should be. It is the best in the state. I am delighted to hear you recognise that. I would fill out my application for the $10 million tonight except there are no guidelines, so I cannot do it — blast! Watch this space! I have projects.

**Mr Brumby** interjected.

**Mr RYAN** — If the minister wants to talk about projects, I would like him to come down to Port Welshpool. I suspect about $1 million of dredging is required to attract the fast ferry service back to Victoria. The minister shakes his head, suggesting he cannot do that. That is capital works. Is the minister telling me the dredging of Port Welshpool to enable the fast ferry service from Georgetown to Port Welshpool to be resumed is not capital works?

**Mr Brumby** — Is sounds like an excellent idea.

**Mr RYAN** — We have moved him. He has said it sounds like an excellent project. What more do I need to say? Just like that the bidding has gone up straight away. That is the first project. The minister has asked me to name projects. I have given him one, and he has shifted ground already. This is similar to the position on the cap on class sizes.

**Mr Brumby** interjected.

**Mr RYAN** — If you want me to keep going, I am happy to do so. Already some $280 000 has been spent at Leongatha to enable further commercial development to occur in a subdivision the council has undertaken. The former government put $280 000 towards a project with a cost of some $2 million. What about that project? There is silence from the minister's side of the table.

**Mr Brumby** interjected.

**Mr RYAN** — I would not expect the minister to answer now. I misunderstood him; I will give him a full list tomorrow, because I would go all night if I ran through all the worthy projects.

**Ms Asher** — Keep going. We're enjoying it!

**Mr RYAN** — No, time is on the wing.

On the face of it, the bill permits loans to be undertaken for the purposes of ventures related to capital works. That is a matter of concern, as I presume it extends to feasibility studies and the like. I do not have so much difficulty with those, because if they are related to capital works presumably they would be undertaken to justify the necessity for those capital works.

The next issue I raise is the extraordinary scope of the available forms of assistance. I am fearful that we have here the good old thimble-and-pea trick. The legislation potentially enables the government to cop out absolutely in properly funding infrastructure developments in country and regional Victoria on the basis of money purportedly coming out of the proposed fund as opposed to departmental budgets. I will illustrate that in a few respects in just a moment.

The wide scope of clause 5 is of grave concern. The clause touches on transport, industry, tourism, education, information technology and — wait for it, as though that were not enough — subparagraph (v) of clause 5(1)(a) states that money from the fund can be used for matters:

> … generally benefiting or supporting the development of regional Victoria …

I asked those delivering the briefing, 'Can we look at this the other way around? Can you tell me what is a project of a capital nature that would not qualify for assistance under the terms of the distribution of money from the fund?'. After an appropriate pause I was told that I should ask the government.

I ask the minister whether he can nominate any form of capital project — apart from the Port Welshpool dredging; in fairness to the minister, he has shifted on that — in country and regional Victoria that would not come within the ambit of the definitions in clause 5(1)(a).

Some of the mechanisms by which the funds supposedly are committed give rise to grave concern that there will be expenditure out of the fund in circumstances where preferably it should be included in departmental budgets.

I turn to the current commitments from the fund.

**Mr Steggall** interjected.

**Mr RYAN** — The honourable member for Swan Hill says that will take a while; I am happy to report that it will not.

I have been through the policy documents the Labor Party took to the election. I admit government members got the last laugh because they are sitting there and I am standing here, but when one looks through the policy documents covering the application of the fund one sees some interesting outcomes, bearing in mind there is a total of $170 million — zero the first year, $50 million the next, $50 million the one after, and $70 million in the final year.

What do we have? If we turn to labour and Gippsland we see that $3 million has been allocated for call centres. It says $1 million in that policy, but the industry policy says $3 million, so I am using some licence in saying it is $3 million.

The sum of $10.5 million has been allocated for an education precinct. I pause to ask the minister to explain why the $10.5 million would not come out of the appropriate departmental budget. Efforts were made the other day on ABC radio to explain what it is about, but they failed miserably. People are still none the wiser. If the minister would explain what the $10.5 million education precinct is, I would be happy.

In Gippsland $2 million has been allocated for the energy park. If the government gets that up it will be a terrific initiative.

I turn to north-east Victoria, where $.5 million has been allocated for an alpine discovery centre. That part of Victoria has not done very well — only $.5 million.

In the areas represented by the honourable members for Geelong North and Geelong, the latter being the son of a great Geelong footballer — he was a top bloke — $12 million has been allocated for the Geelong central activities area, and $4.5 million has been allocated to link key wharves.

In Bendigo $2.5 million has been allocated for a high-tech business park; $0.5 million for the agribusiness estate; $0.7 million for the Castlemaine–Maldon railway; $0.15 million for the Golden Dragon Museum; and $3 million for the Bendigo regional arts centre. At Ballarat $5 million has been allocated for the vocational education and training centre.

The policy entitled 'Industry Victoria' sets out what is probably the mainstay of the policy position — $40 million for the conversion to standard gauge of Victorian rail lines. Finally, $8 million has been allocated for the power upgrade.

I studied law, not accounting, but on my estimates approximately $92 million of $170 million as at tonight is committed from a fund that will have no money in it until July next year, and then will not have any for the next three financial years.

As I move about the place different members of all political persuasions say to me, 'We have had another X or Y dollars, another slap here and another slather there', which they have been told will be available out of the fund. I invite honourable members to add to that $92 million as the debate goes on to see if we can get to the $170 million, and we will see how it pans out.

I am absolutely certain the government has given the commitments I have read to the house with all the promises and flourish for which it is famous and that it will see them through and make sure they are delivered. That is its aim.

I shall now deal with the notion of double dipping. I understand that on some of the ministers' trips around the state people are told to have a bit of a go at the Regional Infrastructure Development Fund and to simultaneously have a go at the Community Support Fund to see whether they can get funds out of one or the other. Where the line stands between them nobody

is quite sure. That is an inevitable consequence of the fact that there are no guidelines for the fund the house is debating.

Without going through all the examples that readily come to mind of confusion with usage between the funds, I refer to clause 5(1)(a)(iii), which sets out some appropriate uses of the fund that can be applied for:

> … the development and improvement of tourism facilities in regional Victoria or that will benefit regional Victoria.

Section 138 of the Gaming Machine Control Act sets out provisions covering the Community Support Fund. Section 138(4)(ix) refers to:

> … programs establishing or developing tourist destinations or facilities or services or for the purposes of promoting tourism.

I ask the minister how issues applicable to the Community Support Fund, as opposed to issues applicable to this fund, are to be determined.

That leads me to a further question about the operation of the legislation. On the face of another element of clause 5 it is apparent that the fund can be used for linking any part of Victoria — for example, if you are dealing with a road or railway that will link country Victoria with Melbourne, you can apply to the fund. There seems to be no geographic limitation on its use.

I have circulated proposed amendments to clause 5(2), which states:

> The Minister must not authorise the payment of any amount of $2 000 000 or more from the Fund for the purpose of sub-section (1)(a) except with the approval of the Treasurer.

That is an inappropriate provision to have in the legislation. It may be that a minister believes it appropriate to structure a department in a manner that would enable $2 million to be spent — and be that on his or her own head — but it is wrong for the government to ask for a legislative imprimatur on the expenditure of $2 million by a minister without reference to anybody else, and the bill should be amended accordingly.

**Debate interrupted pursuant to sessional orders.**

## ADJOURNMENT

**The SPEAKER** — Order! Under sessional orders the time has arrived for me to interrupt the business of the house.

## Caulfield General Medical Centre

**Mrs SHARDEY** (Caulfield) — I direct a matter to the attention of the Minister for Aged Care. Last week I raised the issue of the ALP minority government's policy to stop the devolution of public nursing home beds that are below accreditation standards to the private or non-profit sector. Tonight I raise as an issue of concern to the Caulfield General Medical Centre.

Under the 1996 Inner and Eastern Health Care Network plan the Caulfield centre was to be developed as a hub for aged care. I refer to the document *Metropolitan Health Care Services*, which states in the section dealing with network initiatives that the Caulfield General Medical Centre is to:

> Retain and further develop its role as aged care, rehabilitation and extended care hub for the inner south including aged psychiatric services.
>
> Develop a clear role for Caulfield in the network, separate from the Alfred Hospital.

Most importantly, the Caulfield centre is to:

> Progressively sell part of site using proceeds to upgrade physical facilities.

As part of the third stage of the transfer of beds, according to the chief executive officer some 75 beds were to be devolved to the private sector — that is, nursing home beds not up to accreditation standards.

The process has been a sensitive one on which there has been consultation between clients and their families. The buildings vacated were to be demolished and the land sold to raise capital to upgrade and redevelop the hospital.

Now that the government has stopped the devolution of those beds it raises some very interesting questions which I would like the minister to address in this house and explain to the Caulfield community. If the Caulfield General Medical Centre is not able to sell the excess land will the government provide extra capital for the redevelopment of the centre? As the beds to be devolved are below accreditation standards and the cost of upgrading them would be $6 million, does the minister plan to provide the money for the upgrade of the beds in addition to the amounts which will be required for the development of the hospital, or does she plan to merely wait until the deadline for the accreditation date and see the beds close and the patients thrown out onto the scrap heap?

## Edithvale Primary School

**Ms LINDELL** (Carrum) — Like the Minister for Education, I wish to reassure the school community of Edithvale Primary School that the funding for stage 2 of the school redevelopment is secure. In his typically divisive manner the honourable member for Mordialloc has sought to link the stage 2 funding of the Edithvale Primary School's redevelopment with the provision of funds for the new Aspendale Gardens primary school. He is trying to pit one community against another. The honourable member is quoted in the Chelsea *Independent* of 22 November as having said:

> I'd be really sweating if I was in their shoes right now.
>
> There is no possible way she —

I think he means the minister —

> can find the money to build an unbudgeted new school in Aspendale Gardens without grabbing cash from other areas.

In spite of the time the honourable member has been in this place he has not been able to grasp the basic tenets of how new schools are funded. He has not bothered to look at the financial statements the ALP presented to the Victorian people during the election campaign. All he has done is to cry wolf. He is a disgrace.

I do not pretend to know why the honourable member for Mordialloc is so keen to deny the community of Aspendale Gardens a primary school or why he contemplated putting 900 students on the Edithvale site, but I know that Aspendale Gardens will be provided with a school. I ask the minister to reassure the Edithvale Primary School community that their stage 2 funding is secure.

## Grace McKellar Centre

**Mr PATERSON** (South Barwon) — I raise for the attention of the Minister for Aged Care the issue of nursing home beds. Recently in Geelong it was announced that the state government had scrapped plans to privatise 140 aged care beds from the Grace McKellar Centre, which is a very fine Geelong institution. The nursing home residents will still have to be relocated though, because there is a redevelopment plan for Grace McKellar Centre anyway.

Can the minister advise the house how the project will be funded? The former government had fairly advanced plans for devolution. It is interesting to note that the Labor government's nursing home policy states that the former government will sell off more than 2000 state-owned aged care beds in Victoria to private operators-for-profit. That is the language the Labor Party uses in its policy. One of the institutions that no doubt would have bid for those beds is the Uniting Church of Australia, which has a very fine record in aged care. For the Labor Party to be attacking the organisations that might bid for those beds and dismissing them as private operators-for-profit when one of the organisations would probably have been the Uniting Church, of which organisation the minister is acutely aware, is disgraceful.

Nevertheless, the funding arrangements still need to be addressed by the government. I ask for an explanation of how the 140 beds in two locations in Geelong — 70 beds in each — will be funded. I would appreciate the minister's early advice.

## Nursing homes: funding

**Mr CARLI** (Coburg) — I refer the Minister for Aged Care to possible changes in the federal government's coalescence policy. Several nursing home representatives in the Coburg electorate have raised a number of concerns about the policy. They suggest that under the new proposal nursing homes in Victoria could lose up to $40 million a year. That would obviously affect the nursing homes in my electorate and, more particularly, nursing homes in rural communities, which are clearly more vulnerable to government funding cutbacks. The nursing homes are concerned about their future, as I am and as all honourable members should be.

I ask the minister to raise these concerns as a matter of priority with the federal Minister for Health and Aged Care to ensure nursing home funding is not dramatically cut.

## Lotus Lodge Hostel, Rosebud

**Mr DIXON** (Dromana) — I raise for the attention of the Minister for Aged Care the Lotus Lodge Hostel in Rosebud. My electorate has the oldest population and is the poorest in Victoria — that is an important background point on this issue. The aged hostel has been around for some years and several beds are in urgent need of upgrading because they will not meet the accreditation levels established by the commonwealth government for 1 January 2001.

The Peninsula Health Care Network consulted widely with community groups, volunteers and staff who work at the hostel, and most importantly the residents and their families. The decision was made to sell the hostel to the private sector on the condition that the new operator would use its funds to upgrade the hostel and restore the beds to an acceptable standard for

accreditation. The proceeds from the sale were to have been used to extend and upgrade the Rosebud rehabilitation centre and provide a hydrotherapy pool.

I ask the minister to ensure not only that funding will be provided by the government to renew those beds but also that the works will be carried out by the deadline of 1 January 2001. Only $12.5 million has been allocated by the government to cover those costs. A number of projects requiring funding have been raised by other honourable members, and I am sure there are many more in the same position. The amount available is shrinking rapidly.

## Mallee: exceptional circumstances relief

**Mr SAVAGE** (Mildura) — I refer the Minister for Agriculture to the exceptional circumstances that some Mallee farmers are facing in the current crop year, an issue of which he is aware. For those honourable members who are not familiar with the Rural Adjustment Scheme Advisory Council (RASAC), it assesses areas for eligibility for exceptional circumstances relief. Farmers assessed as facing exceptional circumstances are entitled to receive relief payments, interest rate subsidies, Austudy for their children and exemption from some provisions that would normally apply to them.

Some farmers around the Ouyen and Manangatang areas will be hard pressed to get enough grain from the current season to cover their seed requirements. Some have not met their interest payments for three or four years and have paid nothing off the principal amounts. Some cannot afford to send their children to university. Those things put tremendous pressure on families and increase the risk of suicide, of which I am sure most honourable members would be aware.

Representatives of the RASAC visited the region and provided exceptional circumstances relief for a large area, but because they looked at a flawed model in terms of rainfall, et cetera, they left out pockets that were badly affected. I urge the Minister for Agriculture to again press the federal government to ensure that the council revisits the Mallee and adopts a more sympathetic attitude towards those pockets of farmers who are suffering from acute deprivation.

The federal government spends $400 million a year on farm support. When one looks down the list of the country's foreign aid commitments one would have to say that by comparison the support given to the farming community is appalling. Billions of dollars a year are spent on foreign aid, which is fine, but we have to look after the interests of our own people before we get too carried away with overseas issues.

## Discovery of gold anniversary

**Ms OVERINGTON** (Ballarat West) — I refer the Minister for Major Projects and Tourism to the upcoming 150th anniversary of the discovery of gold in Victoria. That is a significant anniversary for Victoria and for regional areas such as Ballarat and Bendigo in particular. Gold was originally discovered at Buninyong in 1851 and soon after in Humffray Street, Ballarat, where the Welcome Stranger nugget was discovered. Given the importance of the anniversary, I ask the minister to take the opportunity of providing some sort of acknowledgment for what is an extremely important anniversary for Victoria.

## Forest industry: Otway Ranges

**Mr MULDER** (Polwarth) — I refer the Minister for State and Regional Development to the plight of the timber industry in the Otways and the effect on the towns and cities in the surrounding areas. I ask the minister to consult with both the Minister for Environment and Conservation and the Minister for Workcover on some urgent issues that currently exist in the timber industry.

Forrest and Birregurra are both small timber towns with a pub, general store, school and a vibrant community. Residents rely on a mix of tourism and the timber industry for their towns' viability. However, the timber mills underpin the economy of the towns. All the residents feel threatened and at risk because of the way the current Labor government is handling the timber industry in the Otways.

Colac has two hardwood mills — Murnanes, a fifth-generation mill; and Collesses, a third-generation mill. Those mills are vital to the future of Colac and the surrounding area. The owners of those family businesses have invested millions of dollars in the area's timber industry and have plans to invest more.

The Minister for Environment and Conservation has taken a one-sided approach in her action in repealing a regulation that kept protestors out of the Otways. She has created uncertainty for the contractors and workers, but more importantly, she has placed members of both those groups at risk of injury or death. The minister claims that her actions will provide greater security for the protesters. What is the Department of Natural Resources and Environment doing? Surely that is its role.

As a young man I worked in the timber industry, most importantly alongside those whose lives are threatened by the minister's actions. I am joined by the CMFEU — the Construction, Mining, Forestry and Energy Union — which has condemned the minister's actions. People cannot wander into a logging coupe because they distract workers from concentrating on when and how a log will fall. Protesters have introduced a new scenario of who it will fall on!

Honourable members in this place are protected in our day-to-day work. Workers on Melbourne building sites are protected, but workers in the timber industry are not protected. The government has taken away the democratic right of people to be protected in their day-to-day work.

## Gas: Longford compensation

**Mr LIM** (Clayton) — I refer the Premier in his capacity as Treasurer to the matter of compensation for small businesses, home owners and workers affected by the cut to the gas supply resulting from the Longford gas disaster last year.

Honourable members will recall that the day before the last federal election the Prime Minister, Mr Howard, announced that up to $100 million would be provided by the commonwealth government to assist Victorians who had suffered significant hardship as a result of the interruption to gas supplies. Consequently, through extensive media releases to the Chinese, Vietnamese and Indian media, my office has been instrumental in alerting members of the Asian business community to the compensation program. I have subsequently received hundreds of requests for assistance in seeking compensation.

Unfortunately, many small family businesses, particularly restaurants and cafes, were devastated by the gas crisis. They have received no real compensation for their loss of trade due to the restrictive limitations placed on compensation payments.

The former Kennett government, being the mean machine it was, spent only $7.3 million of the $100 million allocated by the Howard government. Can the Premier reopen the compensation program without the affected businesses having to resort to a class action, as is currently the case? The question is where the other $92.7 million is. Has it disappeared with the former Premier, or was it part of a pre-election stunt and confidence trick played on the Victorian people by the then state and federal coalition governments?

## South Gippsland Highway: upgrade

**Mr RYAN** (Gippsland South) — I raise an issue for the attention of the Minister for Transport related to a package of funding announced by the former government for developments on the South Gippsland Highway in the region stretching from Cranbourne to Sale. The package entailed a proposed expenditure of $29.5 million to accommodate significant works in and around Cranbourne. A number of serious road accident points were to be worked on around South Gippsland in the areas of Korumburra, Leongatha and Foster through to Toora and around to Yarram.

Most important was the work to be undertaken at the swing bridge built south of Sale across the Latrobe River in 1883. It is a magnificent structure but has outlived its usefulness. The South Gippsland Highway spanning the bridge now provides access to the gas plants and the oil plant at Longford. Traffic travelling south from Sale to access important areas including residential areas around Longford, Rosedale and similar places has to negotiate the South Gippsland Highway and cross the bridge.

Part of the proposal was to spend $10.5 million on the bridge with a first year construction cost of $3 million. The future of the project is a concern in the community of South Gippsland. Infrastructure development was the subject of discussion earlier tonight, and the project is critical in those terms. It is equally critical in terms of safety, as unfortunately South Gippsland has one of the worst road accident fatality records in Victoria.

That is causing grave concern, and I ask the Minister for Transport to address this important issue on behalf of the South Gippsland community.

## Melbourne Sports and Aquatic Centre

**Mr LANGUILLER** (Sunshine) — I refer a matter to the attention of the Minister for Gaming, who represents the Minister for Sport and Recreation in the other place. Since its beginnings in July 1997 the Melbourne Sports and Aquatic Centre has been a successful operation. Some 4000 patrons participate daily in a cross-section of sport and recreational activities. Patrons can choose leisurely sporting pursuits or competitions or might like to be spectators. The sports available include basketball, badminton, table tennis, squash, swimming and diving, or working out in the world-class gymnasium.

In addition, the centre has hosted 220 events in the year to June 1999 including the Fox Sport Diving Challenge between Australia and Russia; the world junior

badminton championship; the Australia versus Hungary water polo competition; and the Australian synchronised swimming. Since the centre opened in July 1997 it has attracted some 2.9 million visitors and is one of the busiest sports and leisure venues in Australia.

The centre's main mission is to provide challenging and innovative programs and customer-focused services conducted in a safe and hygienic environment for both elite and community participants. The centre was built on time and on budget at a cost of $65 million. The major source of funding was the Community Support Fund — poker machines and gaming revenue contributing $60.5 million. The City of Port Phillip contributed $4 million towards the leisure pool area and Sport and Recreation Victoria contributed about $500 000.

The centre is expected to be independent of further public funding in operations, maintenance and refurbishment — unusual for a large public facility. Given that it was built using money from the community fund and given that there is a significant percentage of gambling money — —

**Mr Plowman** — On a point of order, Mr Speaker, members on this side of the house could accept the fact that the honourable member for Sunshine has been largely reading his whole speech, but, more importantly, he is within only a few seconds of completing his contribution and he has not asked a minister for any action. As you well know, Sir, that is one of the fundamentals of the adjournment debate, and I ask you to direct the honourable member to request a minister to take some action.

**The SPEAKER** — Order! I distinctly heard the honourable member for Sunshine refer the matter regarding the Melbourne Sports and Aquatic Centre to the Minister for Gaming, who is the representative in this place of the Minister for Sport and Recreation. I do not uphold the point of order. I remind honourable members that they should not take points of order during the adjournment debate where doing so obviously deprives another member of valuable time. There is no point of order.

**Dr Napthine** — On a point of order, Mr Speaker, I rise to defend the honourable member for Benambra.

*Honourable members interjecting.*

**Mr Batchelor** interjected.

**The SPEAKER** — Order! The Leader of the House will come to order. The Leader of the Opposition is entitled to raise a point of order.

**Dr Napthine** — With due respect, Mr Speaker, you may have misunderstood the point of order raised by the honourable member for Benambra. He did not raise a point of order about to whom the honourable member for Sunshine had addressed the matter; the point of order was that the honourable member for Sunshine had not asked the minister to take any specific action.

Your ruling, Sir, suggested it was a frivolous point of order because you clearly heard the honourable member for Sunshine address the matter to the attention of the Minister for Gaming, the representative in this house of the Minister for Sport and Recreation. That was not the point of order. With due respect to you, Sir, the point of order was that the honourable member for Sunshine had been speaking for over 2 minutes and had yet to ask for any specific action.

**The SPEAKER** — Order! I will hear no further on the point of order. There is no point of order. When raising a matter on the adjournment debate a member can ask for action at any point during his 3-minute contribution. One thing is certain: as a result of the point of order taken by the honourable member for Benambra the honourable member for Sunshine was deprived of his 3 minutes. There is no point of order.

**Mr McArthur** — On a further point of order, Mr Speaker, I seek your clarification on the advice in your original ruling when you said members should not raise points of order during the adjournment debate. It is my understanding of the practices, procedures and sessional orders of this place that any member may raise a point of order at virtually any time. There are a number of only very limited exceptions. I seek your clarification on that, Sir, because you may be in danger of establishing an important precedent.

**The SPEAKER** — Order! I will hear no further on that point of order either. I advise the house that I accept the principle that a member can raise a point of order at any point of time. The record will show that I accepted the point of order from the honourable member for Benambra. However, I offer the advice to the house that points of order of a general nature can be taken at the end of the debate. That would be preferable as it provides the opportunity for members to use their 3 minutes in a valuable way.

## Aspendale Gardens primary school

**Mr HONEYWOOD** (Warrandyte) — I raise for the attention of the Minister for Education the cluster of

schools in the Aspendale Gardens area, including Mordialloc, Parktone, Parkdale, Edithvale, Chelsea, Chelsea Heights and Aspendale primary schools. I am asking the minister to look before she jumps.

All honourable members know that the minister did not choose to look before she jumped on the self-governing schools issue. She refused to obtain legal advice. It was only when the opposition obtained such advice that something happened.

**Mr Batchelor** — On a point of order, Mr Speaker, I tried not to raise a point of order in recognition of the short time remaining for the honourable member for Warrandyte, but with so little time left on the clock he has failed to ask for action from the minister.

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

**Mr HONEYWOOD** — Mordialloc Primary School is in danger of closing as a result of the Aspendale Gardens school being promised by the government. Mordialloc Primary School will lose 40 students and its enrolment will go down to barely more than 100. Edithvale could well lose the $1.7 million promised by the government simply because 110 children will be taken out — the school will lose over a quarter of its population.

I seek an assurance from the minister that the $1.7 million promised to the Edithvale school will not be diverted to Aspendale Gardens. I also want to make sure there is a proper consultation process to ensure that all parties are consulted, including primary schools that will be affected, such as Mordialloc and Edithvale. The conscientious member for Mordialloc is very concerned about the issue.

*Honourable members interjecting.*

**The SPEAKER** — Order! The house will come to order! The honourable member for Mordialloc will desist. The time for raising matters has expired.

## Responses

**Mr BRACKS** (Premier) — The honourable member for Clayton raised a matter concerning compensation of $100 million offered by the Prime Minister on the eve of the federal election. The compensation was offered to small businesses, householders and other concerned individuals on a needs basis following the Longford disaster.

I take seriously and applaud the comments of the honourable member for Clayton on behalf of his constituents designed to ensure a large number of householders and small businesses are able to access the fund. I will have the Department of Treasury and Finance fully investigate the expenditure under the fund.

There are a number of unmet demands from small businesses, low-income earners and statutory income holders. I will make sure that the remaining amount of the fund, which I understand has been sent back to the commonwealth and is not being used, is reported on properly to the honourable member for Clayton and to the house. I will see what the government can do within the bounds of the procedures under the fund. I understand there is no capacity because those funds were not applied properly. I will respond to the member on this matter at a later date.

**Ms PIKE** (Minister for Aged Care) — As Minister for Aged Care it is heartening to note the number of honourable members on the other side who have found a great passion and interest for this area and for elderly citizens in the community. I am happy to deal with matters that have been raised by three of them.

Firstly, the honourable member for Caulfield raised with me the issue of the devolution of public nursing home beds under stage 3 of the planned redevelopment. It is well known that the previous government had a policy of privatising nursing home beds and selling them off, largely to the for-profit sector.

However, the government firmly believes that the best interests of elderly citizens in those facilities will not be served by selling off the facilities. Nevertheless, after seven years of serious neglect of many publicly owned nursing homes there is an urgent need for their upgrade. That is why the government has allocated $47.5 million in the budget, which, when added to the existing $18.67 million, will provide nearly $70 million over the next three years for the process of upgrading state-owned nursing home facilities.

The honourable member for South Barwon raised with me the future of the Grace McKellar Centre. I was interested to note that the honourable member is, in a sense, so out of touch with people in the Geelong area. Only last week the honourable member for Geelong tabled in this place a petition signed by 6000 Geelong residents in which they stated they did not believe the privatisation of nursing home beds at the Grace McKellar facility was in the community's best interests. That position has been articulated to local members in the area — the honourable members for Geelong and Geelong North, and an honourable member for Geelong Province in another place.

The president, of the Barwon Health Network, Patricia Heath, and the chief executive officer, Stan Capps, have said that privatisation is not their preferred option. I am disappointed that the honourable member for South Barwon regards privatisation of the nursing home beds at the Grace McKellar Centre as the only option.

**Mr Leigh** interjected.

**Ms PIKE** — I do not think the honourable member for Mordialloc listened to me earlier. The government is working with the Grace McKellar people and the people of Geelong to ensure the facility is upgraded to meet commonwealth standards.

The honourable member for Dromana raised a similar matter. I direct his attention to the policy with which the Labor Party went to the last election. It was clearly understood by the community that the government will provide the resources to ensure nursing home beds are adequately upgraded to meet the commonwealth standards. No elderly citizens in Victoria will be disadvantaged.

The honourable member for Coburg raised with me the matter of coalescence. The previous government's response to the impact of coalescence was one of deafening silence. The government is well aware that the policy the federal government has been implementing regarding the standardisation of funding across all states will potentially have an enormous negative impact on Victoria. It will take $40 million from the system.

The government shares the concerns of Victorians, and for that reason the government has made vigorous representations. Last week senior officers of my department met with senior officers from the commonwealth at a joint meeting in Hobart. The impact of coalescence on Victorian nursing homes was raised at the meeting. Unfortunately, the commonwealth officers declined to discuss the issue in detail with people from my department. Two weeks ago I met with representatives from the Victorian Association of Health and Extended Care, the Australian Nursing Home and Extended Care Association, people from non-government organisations, the churches, the Council on the Ageing and the Australian Nursing Federation. I asked them to provide me with some advice on what they believed the impact of coalescence would be not only on publicly funded nursing homes but on all nursing homes in the private and public sectors across the state.

I stress that the advice was sought, and I am pleased to say I have received a written response from the representatives of the organisations. I have forwarded a copy of the response to the office of the federal minister, Bronwyn Bishop, and I am happy to provide the honourable member for Coburg with a copy of that response and the letter I sent to the minister.

The process I have instigated on this difficult matter is an example of how the government will work right across the sector. It will work with representatives of the aged care industry to ensure that Victoria presents a unified reply to the federal government's coalescence policy that is comprehensive and well thought through. I am appalled that the commonwealth failed to respond to the wide-ranging national review, particularly the review by the Productivity Commission, and that for 10 months it has remained silent. I am also appalled that when I came to office I discovered that the previous government had made no representations to the federal government and had been largely silent on an issue that may have an enormous impact on the funding of nursing homes in Victoria.

**Ms DELAHUNTY** (Minister for Education) — I respond to a matter raised by the honourable member for Carrum, who is an excellent new member in this Parliament.

The honourable member asked about the Edithvale Primary School stage 2 redevelopment and the scurrilous attempt by the moribund member for Mordialloc to unnerve some of the parents of the children at that school and an associated cluster of schools in the area about the government's promise to build a new primary school in Aspendale Gardens.

We know the honourable member for Mordialloc would sell his soul for a headline. In this case even his low standards have been stretched. The honourable member said, 'Schools' cash in jeopardy. I would be sweating if I was in their shoes right now!'. Let me allay the fears of the parents and teachers in the area. The Edithvale Primary School was built to house 250 students. I am advised by the department that the enrolment at the school in the long term will be around 540. I am also informed that unless the Aspendale Gardens school is built the Edithvale school will have to close its books before that figure is reached.

The honourable member for Warrandyte referred to schools in the Aspendale Gardens area. During and before the election campaign I made several visits to the Aspendale Gardens estate and examined the vacant site that has been set aside for some years for the mooted school. The strong community of that estate works very hard to ensure that governments listen to what is required to provide quality education for the

growing number of students in Aspendale Gardens and related areas.

The government gave a promise during the election campaign and it will keep that promise — Aspendale Gardens primary school will be built on that site. As honourable members know, every promise the government gave was scrupulously costed and ticked off by Access Economics in its report, which I know government members have read and love. A reference to the proposed Aspendale Gardens primary school appears right in the middle of the report. There will be no need for more headlines. Of course, that will not stop the moribund member for Mordialloc.

I refer the house to some of the headlines the honourable member has already achieved. In 1992 it was, 'Backbencher says sorry for swearing'. In 1996, 'Bad boy stars'. Again in 1996 in the *Herald Sun*, 'Hoots and howls and barks'. Mr Speaker, that is all we hear from the honourable member for Mordialloc.

**Mr Honeywood** — On a point of order, Mr Speaker, on the question of relevance, while we all appreciate the family-friendly hours of Parliament under the new government, I bring the minister back to the relevance of the issue raised by her fellow government member. She seems to be reading from a scripted version which is nothing more than an attack on the honourable member for Mordialloc and which has nothing to do with — —

*Honourable members interjecting.*

**Mr Honeywood** — The Minister for Education is not addressing any of the issues raised by her colleague. Perhaps she is reading from the wrong script tonight.

**Mr Brumby** interjected.

**The SPEAKER** — Order! The Minister for State and Regional Development should cease interjecting. I do not uphold the point of order. I listened to the minister's comments and she was referring to a primary school. However, the minister does not need to keep referring to peripheral matters such as newspaper articles about the honourable member for Mordialloc. The minister, concluding her answer.

**Ms DELAHUNTY** — Thank you, Mr Speaker, for that wise counsel. Honourable members will recall that the honourable member for Carrum quoted the outrageous, scurrilous, craven and duplicitous comments of the honourable member for Mordialloc in his local newspaper. However, in light of your counsel, and looking at the time, I will draw my remarks to a close and try to address the jabberings of the honourable member for Warrandyte, who tried to do a Bib-and-Bub act tonight. He also raised Aspendale Gardens and the effect that school will have on the cluster of schools in the Mordialloc–Edithvale area. Edithvale Primary School will enjoy, as promised, the phase 2 redevelopment as planned. I am advised that Edithvale Primary School has been funded $560 000 by the government to ensure its redevelopment can go ahead.

As promised by the Labor government, Aspendale Gardens will be built so that the children of the Aspendale Gardens–Mordialloc–Edithvale cluster will at last have quality education. The honourable member for Mordialloc probably does not know, because facts are of no interest to him at all, that the children from the Aspendale Gardens estate go to 42 different schools. They are travelling by bus all over the place. Some of those children travelling are tiny little kids — from preppies to grade 2 children, five-year-olds and seven-year-olds.

To conclude, the anxiety created by the irresponsible comments of the honourable member for Mordialloc can be put to rest. Edithvale Primary School will enjoy its upgrade and Aspendale Gardens will be built.

**Mr BRUMBY** (Minister for State and Regional Development) — The honourable member for Polwarth raised a number of broad issues about the timber and logging industry, and some specific issues relating to the Otways, particular concerning regulations made under the Conservation, Forests and Lands Act. The Bracks government recognises the importance of the timber industry to rural and regional Victoria. It recognises that the timber industry is a major source of employment and has important multiplier effects, with a high degree of correlation between sawn timber products and the level of building and construction activity.

The Minister for Environment and Conservation committed the government to do everything possible to ensure the reopening of the Swifts Creek timber mill. The sawmill, which is vital to the economy of Gippsland and Swifts Creek, closed in April this year. The minister has met with Neville Smith Timber Industries and the company undertook to work with her department to discuss how the mill could be reopened. It is a positive commitment from the minister and the Bracks government to work with the company to reopen the mill.

I hope the honourable member for Polwarth understands that the Bracks government is committed to a sustainable timber industry. By 'sustainable' I

mean the government is looking to an industry which makes the best use of the raw materials available to it to add value, which fosters best practice in occupational health and safety and which operates within a framework that takes full account of environmental values. The government is committed to encouraging value adding and job creation consistent with Labor's conservation and environment priorities.

Some honourable members may remember that in 1986 a previous Labor government implemented the timber industry strategy with the aim of securing an industry that was economically viable within a sound environmental framework. That landmark industry strategy was supported by the industry and environmental groups. It proved to be the benchmark for policy development in other states. A key feature of the plan was to provide long-term access to sawlog resources so that the industry would invest with confidence in plant and machinery to add maximum value to those resources.

Last Friday evening I spoke at the annual dinner of the Victorian Association of Forest Industries and Timber Promotion Council. As the honourable member has raised an important issue and I want to do justice to it, I shall repeat my remarks:

> This government recognises the importance of resource security to a viable industry. It also believes that as the custodian of the native forest resources of the state it has a responsibility to ensure that they are managed sustainably and that the economic value of the forest is not squandered through indiscriminate use.
>
> The regional forest agreement process, an initiative of the states and the Keating administration federally, has in recent years been an important means of further developing the linked themes of economically and environmentally sustainable management of native forests. I can confirm to you the commitment of this government to completion of the RFA process for Victoria.
>
> The government recognises the importance of preserving important environmental and biological qualities in our native forests through a comprehensive adequate and representative system of reserves set aside from forest production. Equally, it recognises that guaranteed availability of resource is the basis for government and industry working together to manage forest harvesting responsibly.

The government is committed to value-adding activities. They are a key goal of the Bracks government's forest plan, which will provide the basis for a vibrant and developing timber industry in Victoria while properly protecting the environment.

I will conclude on the specific matters raised by the honourable member. His statements tonight — I understand his concerns down there — were based on false assumptions. Firstly, under the Conservation, Forests and Lands Act the minister has introduced specific regulations that support the timber industry and prevent protesters from damaging machinery, blocking roads or otherwise interfering with legitimate legal activity.

**Mr Mulder** interjected.

**Mr BRUMBY** — Secondly, in addition a range of other existing sections in the act make it illegal for protesters to occupy or be in a forest coupe where forest work is being undertaken.

**Mr Mulder** interjected.

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

**Mr BRUMBY** — I have made clear what the regulations are: they prohibit — make illegal — the type of activity the honourable member described tonight. Governments can make all sorts of regulations and laws, such as those prohibiting drink driving or burglary, but from time to time people break the law. What is occurring is a clear breach of the regulations, and the penalties are quite severe. They provide for fines of up to $20 000. I can only assume that all in this place share a desire to see safe workplaces. All honourable members would condemn the — —

**Mr Mulder** interjected.

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

**Mr BRUMBY** — All honourable members would condemn guerrilla tactics that put people's lives at risk.

**Mr Mulder** interjected.

**The SPEAKER** — Order! The honourable member for Polwarth will cease interjecting. Although he sits at the furthest point from the Chair, he has a very penetrating voice and can be heard clearly.

**Mr BRUMBY** — I repeat that strong regulations are in place that provide for fines of up to $20 000, which is a substantial number of penalty units. The government — —

**An honourable member** interjected.

**Mr BRUMBY** — I know it is late and honourable members have been cooking in this hot environment all day. However, the honourable member has made an inane interjection. The regulations are in force. They are the law. I can only repeat: I believe the government

has the balance right between competing resource and environmental values. It has consulted widely with all parties in getting it right. It does not condone illegal activity that puts workers' lives at risk. I can only say to those who undertake such illegal activity that their behaviour is not condoned. It is unlawful behaviour for which penalties of up to $20 000 apply.

**Mr PANDAZOPOULOS** (Minister for Major Projects and Tourism) — The honourable member for Ballarat West raised with me the great opportunity that exists to celebrate in the year 2001 the sesquicentenary of the discovery of gold in Victoria. It is great to see that a member who represents one of the state's great gold mining areas with a great history has an interest in the opportunity that exists for Victoria to celebrate the discovery of gold in 1851. It has the potential to be an important celebration in the year of the centenary of Federation and should not be lost in those celebrations. The honourable member is right in saying it is worth considering the running of some other type of event around the 150th anniversary of the discovery of gold.

Gold has made a major contribution to the state. In the decades following the discovery of gold a massive population growth occurred in the then colony of Victoria. That growth was the start of the state's culturally diverse community. People from many different lands came here to start a new life and in search of riches, and the then colony benefited from their skills.

The discovery of gold provided a huge economic benefit to the state. It diversified Victoria's economy and stimulated agriculture, manufacturing, commerce, banking, construction, forestry, transport and the services industry. It was the defining point in what makes modern Victoria what it is today. Many of the great buildings in Melbourne and country regions are a legacy of the goldmining history and the richness of the state at the time.

Goldminers from various lands made Victoria what it is today with their different ideas and views about democracy. The public voice was prominent in events such as the Eureka Stockade. Many of the miners played a major role in debates about the federation movement, and it stimulated the growth of regional Victoria. Ararat, which we take for granted today, was the first place the Chinese went to en route from Robe in South Australia, and they discovered gold there. Other goldmining towns were Stawell, Castlemaine, Maryborough, Walhalla and Foster. Not only did those areas benefit but so did Melbourne and Geelong. Geelong was the gateway for most miners travelling to the goldfields in Victoria.

I assure the honourable member, and I have spoken with the Premier, that we are keen to work with her and local communities in the region and with the gold industry on ways of celebrating this major event in Victoria's history. The 150 years should not be forgotten. I assure the honourable member that the government will be looking at what contributions it can make. It fits well with the policy of goldfields tourism. Every part of the state, whether Ararat, Omeo, Walhalla or Foster, can benefit.

The honourable member for Sunshine raised a matter about the access and equity policies of the Melbourne Sports and Aquatic Centre. The honourable member for Benambra interjected during his contribution and the honourable member had only 1 minute to raise his matter. Nonetheless, I am aware of the issue, which I have highlighted in the past — that the Melbourne Sports and Aquatic Centre is the most expensive leisure centre in the state.

I am advised that the centre does not have an access and equity policy and there are no concessions for health care card holders. One must not think that because the facility is located in the Albert Park area there are no pensioners with health care cards. People live in former Ministry of Housing accommodation nearby.

I thank the honourable member for raising the matter. I shall talk with the Minister for Sport and Recreation about the need for an access, equity and pricing policy to take into account the needs of pensioners and health care card holders.

**Mr HAMILTON** (Minister for Agriculture) — The honourable member for Mildura raised a matter that is extremely important not just in the context of agriculture — he pointed out the social impact of the exceptional circumstances in the Mallee region. The honourable member for Mildura represents an area rich in diversity, colour, agriculture, industry and people. Unfortunately, the people on whose behalf the honourable member was speaking tonight are in dire circumstances. He illustrated a number of the problems that families are facing because they live in an area not declared an area of exceptional circumstances. The honourable member does a great job in representing his area and raising important issues for the people he represents.

In December 1998 members of the Rural Adjustment Scheme Advisory Council, or RASAC, visited and inspected the Mallee area at the request of the Victorian state government. The council was not convinced the whole of the area represented by the then state government was eligible to be declared an area in

exceptional circumstances, and in March it rejected the application. A further application developed for a smaller area of the Mallee to be declared in exceptional circumstances was submitted in July and accepted in August.

That situation has created tremendous local problems. On one side of the road a farming enterprise can be eligible for what is pretty meagre assistance while on the other side of the road people miss out because their land does not fall within the area deemed to be in exceptional circumstances. That is the sad aspect of the problem.

**Mr McArthur** interjected.

**Mr HAMILTON** — The honourable member for Monbulk interjects. He ought to know that the arrangement about exceptional circumstances was finally agreed to in March 1997 by a set of state ministers. Aid is provided for an exceptional event as defined by the set of criteria revised in March, which focuses on the impact of an exceptional event on farm incomes and makes no distinction between drought and non-drought events. I remind the honourable member that was in March 1999. The honourable member keeps on referring to Mr Keating. My recollection is that Mr Keating was not Prime Minister in March 1999 — the honourable member's recollection may be different from mine.

The criteria set out for an event to be classified as making people eligible for assistance under the scheme includes that the event must be rare and severe, result in a severe downturn in farm income over a prolonged period and not be predictable or part of a process of structural adjustment. It must also be demonstrated that the event is a 1 in 20-to-25-year occurrence. That makes it extremely difficult for areas to qualify. In effect the farmer has to be broke or nearly broke before assistance can come through and then, as described by the honourable member for Mildura, that assistance is meagre.

Earlier this year representatives of the Department of Natural Resources and Environment visited Mildura with me and we met with the Victorian Farmers Federation representatives in the area. The department asked that RASAC reassess the area but that has proved to be impossible. A new case has to be made. Officers of the department know it will be difficult to argue, but along with representatives of the Victorian Farmers Federation they are working on developing an urgent case.

This year's grain crop has failed because the rains came at the wrong time, so there are exceptional circumstances. The government, I hope with bipartisan support, will ask for another urgent review and examination by RASAC to see whether it can help people who are in dire circumstances. The government will do all it can to convince the federal government to play its part.

**Mr BATCHELOR** (Minister for Transport) — The honourable member for Gippsland South raised with me the issue of the South Gippsland Highway, and in particular the section between Cranbourne and Sale, which is a strategic link in Victoria's road network. It is an issue of importance to many, and the honourable member has sensibly raised it with me tonight. It is an issue that is also important to other honourable members, notably the honourable member for Gippsland West.

In response to the issues raised with me I advise the honourable member for Gippsland South that Vicroads has developed a strategy for the future development of the South Gippsland Highway. As a result of the strategy the government has identified $240 million worth of safety and capacity improvements required over the next 15 years to bring the highway up to an appropriate standard. I inform the house that the Bracks Labor government is committed to steadily and systematically working towards achieving that target within that time line.

The honourable member specifically raised with me matters of a more immediate and contemporary nature. In the context of the $240 million requirement over the next 15 years there are a number of key initiatives totalling nearly $28 million that have been identified for commencement in the current financial year.

The first is the duplication of the Berwick–Cranbourne road from the Princes Freeway at Berwick to O'Shea Road. It is the first stage of the duplication to the South Gippsland Highway at Five Ways, and its estimated cost is $7.3 million.

The second initiative relates to the replacement and restoration of the historic swing bridge at Longford at an initial estimated cost of $10.5 million. The other components include upgrading the highway between Lang Lang and Loch to what are known as Linking Victoria A-Road standards at a cost of $7 million and curve realignments at Grassy Spur at an estimated cost of $3.1 million.

Construction is already under way on the Berwick–Cranbourne road, and that is due to be

completed early next year. Design for the subsequent sections of the duplication has already commenced. A specification for the replacement of the swing bridge has been prepared, and details of a design and construction contract for the works are being progressed.

I point out that recent investigations of the foundation of the site have shown it to have extremely poor load-bearing capacities, which is directly associated with the confluence of the Latrobe and Thomson rivers in the flood plains.

I signal at this stage that it is likely that considerable cost variations may be required as a direct consequence of subsequent geological investigations about the replacements. The early estimates were for a cost of some $10.5 million, but as a result of further works it now appears that that might not be achievable. I will advise the honourable member for Gippsland South of the final outcome at a later date.

What this indicates is that the Bracks Labor government has a commitment to rural roads. We on this side of the house want to ensure that the important linking highways are made safe and that they are able to assist the economic and social development of people and communities in the regions they serve. I appreciate the honourable member for Gippsland South raising the matter with me, and I will keep him up to date with progress reports on this important project.

**The SPEAKER** — Order! The house stands adjourned until next day.

**House adjourned 11.16 p.m.**