

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

8 December 1999

(extract from Book 5)

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By authority of the Victorian Government Printer

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His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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

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

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

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

The Hon. D. V. NAPHTHINE

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

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

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, Alistair 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
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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	Warmambool	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, 8 DECEMBER 1999

PETITIONS

<i>Snowy River</i>	921
<i>Sunbury: late night transport</i>	921

PAPERS	921
--------------	-----

MEMBERS STATEMENTS

<i>ALP: fundraising dinner</i>	921, 922, 923, 924
<i>Friends of Woodlands Historic Park</i>	921
<i>Kool Skools awards</i>	922
<i>Electricity industry: Basslink</i>	922
<i>Liberal Party: fundraising functions</i>	923
<i>Coalition: ministerial conduct</i>	924

SMALL BUSINESS: COSTS	925
-----------------------------	-----

PARLIAMENTARY COMMITTEES (AMENDMENT)

BILL

<i>Introduction and first reading</i>	949
---	-----

APPROPRIATION MESSAGE	949
-----------------------------	-----

PARLIAMENTARY COMMITTEES (AMENDMENT)

BILL

<i>Second reading</i>	949
<i>Third reading</i>	953
<i>Remaining stages</i>	953

QUESTIONS WITHOUT NOTICE

<i>ALP: fundraising dinner</i>	954, 955, 956, 959
<i>Intergraph: royal commission</i>	954
<i>Mildura Base Hospital</i>	955
<i>Drugs: steroids</i>	957
<i>Planning: HMAS Lonsdale site</i>	957
<i>Schools: learning assessment project</i>	958
<i>Port Phillip Bay: environmental management</i>	959

CRIMES AT SEA BILL

<i>Second reading</i>	960
-----------------------------	-----

RAIL CORPORATIONS AND TRANSPORT ACTS

(MISCELLANEOUS AMENDMENTS) BILL

<i>Second reading</i>	961
-----------------------------	-----

GAS INDUSTRY (AMENDMENT) BILL

<i>Second reading</i>	961
-----------------------------	-----

FEDERAL COURTS (STATE JURISDICTION) BILL

<i>Second reading</i>	962
<i>Third reading</i>	978
<i>Remaining stages</i>	978

GOVERNOR'S SPEECH

<i>Address-in-reply</i>	978
-------------------------------	-----

ADJOURNMENT

<i>Leopold Primary School</i>	1006
<i>Schools: information technology</i>	1006
<i>Fun 4 Kids</i>	1007
<i>Kingston: Patterson Lakes library survey</i>	1007
<i>Gippsland Lakes</i>	1007
<i>Geelong-Colac road: upgrade</i>	1008
<i>Tullamarine: employment</i>	1008
<i>Walwa Bush Nursing Hospital</i>	1009
<i>Rail: Melbourne-Ballarat service</i>	1009
<i>Roads: traffic fines</i>	1010
<i>National Flower Centre</i>	1010
<i>Responses</i>	1010

Wednesday, 8 December 1999

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.34 a.m. and read the prayer.

PETITIONS

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

Snowy River

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

We, the undersigned citizens, have grave concerns about the health of the Snowy River. The legendary Snowy is in a severely degraded state, receiving only 1 per cent of its original flow from the Jindabyne Dam. Independent scientific panels have concluded that the Snowy River must have a minimum of 28 per cent of its original flow restored.

Your petitioners therefore pray that the state government ensure that the interstate water agreement for the corporatisation of the Snowy hydro scheme restores at least 28 per cent of the Snowy River's original flow to be released from the Jindabyne Dam, as recommended by the expert panel commissioned by the Snowy Genoa Catchment Management Committee.

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

By Ms LINDELL (Carrum) (1788 signatures)

Sunbury: late night transport

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

The petition of certain citizens of Sunbury, Victoria, draws to the attention of the Legislative Assembly that an increase in late night transport services are needed in the town of Sunbury. At present the services provided are severely inadequate, considering our growing young adult population. Due to very limited entertainment venues available in Sunbury, our young population find themselves bored, alienated and frustrated at the lack of suitable facilities. This increases the chances of them seeking less favourable forms of entertainment.

This is an urgent request to ensure that our young people have access to the same opportunities that youth from other areas currently enjoy.

Your petitioners therefore request the Legislative Assembly to take action immediately to improve public transport in Sunbury for the benefit of those seeking employment, education and entertainment in or out of Sunbury.

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

By Ms BEATTIE (Tullamarine) (3019 signatures)

Laid on table.

PAPERS

Laid on table by Clerk:

Austin and Repatriation Medical Centre — Report for the year 1998–99 (two papers)

Inner and Eastern Health Care Network — Report for the year 1998–99 (two papers)

Parliamentary Committees Act 1968 — Response of the Minister for Finance on action taken with respect to the recommendations made by the Public Accounts and Estimates Committee's Twenty-Eighth Report on Annual Reporting in the Victorian Public Sector

Vicfleet Pty Ltd — Financial Statement for the year 1998–99.

MEMBERS STATEMENTS

ALP: fundraising dinner

Dr NAPHTHINE (Leader of the Opposition) — In question time yesterday I asked very clear and succinct questions of the Premier about whether taxpayers' dollars were used to buy tickets to the now infamous \$1000-a-head Labor Party fundraiser. The Premier, on two occasions, said that no taxpayers' funds were used. Later, in a personal explanation in the dead of night, the Premier admitted that he had misled Victorians, and that City West Water and Victoria University of Technology had used taxpayers' funds to buy tickets for this infamous fundraiser.

That is consistent with the Premier's earlier recollection about this secret fundraiser. On 3AW yesterday morning the Premier could not even remember what he ate at the fundraiser and whom he was sitting with. He was asked, 'Who did you sit next to?'. He replied:

I sat next to David Morgan ... David is head of one of the banks, of course. Look I can't remember.

Can't remember sitting next to David Morgan, the head of the third largest bank in Australia and the husband of Ros Kelly, of infamous whiteboard fame. He cannot remember sitting next to Bruno Grollo, Jamie Packer and Mrs Packer. He cannot remember whom he was sitting next to. This Premier is asking the people of Victoria and the people of Burwood to trust him!

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

Friends of Woodlands Historic Park

Ms BEATTIE (Tullamarine) — I wish to praise the Friends of Woodlands Historic Park. This friends group, like most other friends groups, consists of

unpaid volunteers. It not only plants trees and keeps the historic Woodlands homestead in order but it also gives performances of what life was like during the 1930s and leading up to the Depression. Those people give up their Saturday evenings to share with the general public the fascinating story of that once great pastoralist Ben Chaffey and his household.

The moving performance with Sue Wright playing the part of Mrs Chaffey's companion Bess McPherson, and Sean Tiernan playing the part of real estate agent James Albard, certainly made for moist eyes among the audience. I encourage the Friends of Woodlands Historic Park to continue performing this wonderful show.

ALP: fundraising dinner

Dr DEAN (Berwick) — As honourable members know, the minority Labor government has announced it intends to hold a royal commission or judicial inquiry into matters associated with the ambulance service and in particular, Intergraph. Imagine my surprise when I looked at the guest list of the Australian Labor Party's \$1000-per-head bonanza dinner to discover that two of the guests were Intergraph officials!

Honourable members interjecting.

Dr DEAN — The government, which is about to launch what it claims is a serious and major judicial investigation into Intergraph, sent Intergraph invitations proposing that it come up with \$1000 for the ALP's coffers.

Honourable members interjecting.

Dr DEAN — It amounts to extortion; it's an offer you cannot refuse. But it is worse than that. Who sat at the table with Intergraph? The Attorney-General and the Minister for Health! Did they have a quiet word about the commission? At worst, this is a complete abrogation of the separation of powers. It is contrary to all principles of judicial impartiality and independence from government interference and breaches the integrity of the proposed commission.

Honourable members interjecting.

Dr DEAN — At best it is incompetence and shows a shabby arrogance, and it also shows that despite its rhetoric the minority government does not care two hoots about the integrity of the judicial process.

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

Kool Skools awards

Ms BARKER (Oakleigh) — On the evening of Saturday, 4 December, I had the great pleasure of attending the third annual awards night of the Kool Skools awards. Kool Skools was initiated in 1996 by Studio 52 and is an event in which secondary schools are invited to take part in a most exciting musical event. Studio 52 recognised that the future of Australia's music relies on the talents of the current generation, so it is imperative that opportunities exist to develop their music.

Each Kool Skool writes, rehearses and arranges its own music as well as designing its own compact disk cover art and multimedia. The schools have access to professional studios in which they record their CDs.

The awards night I attended last Saturday featured a selection from over 150 acts that had recorded more than 300 songs for the project, and over 30 awards were presented to acts that had been judged by leading figures in the Australian music industry and supporters of the project.

I was absolutely thrilled to be at Festival Hall to listen to the bands and performers; they are young people from secondary schools who show incredible talent, poise, energy and commitment. I offer congratulations to the schools in my region — Mount Waverley and South Oakleigh secondary colleges — for winning awards, and to Wangaratta High School, which was named the Koolest Skool 1999. Most importantly, I congratulate and thank the teachers who assist and work with these talented young people and who give their time generously. I suggest all honourable members visit the web site — that is, www.koolskools.com.au — to see what talent we have in our schools.

Electricity industry: Basslink

Ms DAVIES (Gippsland West) — I draw the attention of the house to a petition I presented directly to the Minister for Planning. It concerned the Basslink project and was organised by the group Community Action Against Basslink Pylons. The petition contained 4246 signatures. Along with the petition was a letter to the Premier, dated 29 November 1999, which states:

Dear Mr Bracks

Please accept these petitions addressed to the Premier in the spirit in which they were signed.

The residents of Gippsland who were signatories to these petitions wish to bring to the government's attention the

concern they feel about the Basslink proposal which, if implemented, will severely impact on their lives.

Our campaign commenced when the Liberal/National coalition was in government and the message we bring to you is the same message we sent the previous government — that is, that the concept of Basslink is admirable but the proposal to take the land leg through Gippsland on overhead high voltage powerlines is unacceptable.

The group will continue to communicate to the government that placing overhead powerlines through south-west Gippsland is not an option.

ALP: fundraising dinner

Ms BURKE (Pahran) — Last night the Premier announced that refunds of public money would be made by the authorities who attended the \$1000-a-head Australian Labor Party fundraising dinner. I also believe in transparency. Therefore, I call on all those councillors and staff who attended the \$1000-a-head dinner to release details to their communities on whether their municipalities paid for the dinner.

I am interested to know whether the payment of \$1000 per person was passed by each council or whether the money was paid through the mayoral discretionary funds. It is important that the community have that information: \$1000 a head amounts to a lot of money. Some of the municipalities I saw on the list of dinner attendees cover large areas of low-cost housing, with many pensioners living in the municipalities. A cost of \$1000 per councillor equates to more than a year's worth of Meals on Wheels — —

Honourable members interjecting.

Ms BURKE — I call on all councils to release to their communities information on whether the councillors and staff had their meals paid for by ratepayers; if so — —

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

Liberal Party: fundraising functions

Mr THWAITES (Minister for Health) — I raise a matter of importance on behalf of government members — that is, that the honourable member for Pahran has talked about transparency and asked for councils to release certain information. The honourable member, having previously been the Parliamentary Secretary, Planning and Local Government, would be keen to ensure that councils release all information. I am sure if they want to do it, they will do it. That is a matter for the councils, not for the government. However, if the honourable member genuinely supports

transparency she will call on those councils to release any information they have about the past seven years — —

Honourable members interjecting.

Mr THWAITES — I call on the Leader of the Opposition to release the names of all the people who went to seven years of functions held by the previous government.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. I point out to the honourable member for Mordialloc that his behaviour is unacceptable.

Mr THWAITES — I also call on the former Minister for Planning to release details of his planning — —

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. The honourable member's time has expired.

Honourable members interjecting.

Mr Thwaites — On a point of order, Mr Speaker, members of the opposition are deliberately trying to stop government members from having their say by rowdy and unparliamentary behaviour. They get a fair go when they rise to speak, but when government members wish to make statements opposition members use unparliamentary behaviour to stifle them. I can hardly speak now above the din. I call on you, Mr Speaker, to quieten them down. They are embarrassed because they do not want their seven years of corruption to be revealed

Dr Napthine — On the point of order, Mr Speaker — —

Honourable members interjecting.

The SPEAKER — Order! I ask the Deputy Premier to cease interjecting across the table. He has raised the point of order, which the Chair is currently considering. I also ask the honourable member for Cranbourne to cease interjecting. The Chair is growing intolerant of the behaviour in the house this morning. I will warn honourable members if I think they are misbehaving during the balance of the period during which members' statements are made. I ask the Leader of the Opposition to continue on the point of order.

Dr Napthine — On the point of order, Mr Speaker, I think this is clearly a case of the pot calling the kettle

black. A number of statements from this side of the house have evoked vigorous interjection from the other side and vice versa. The Deputy Premier is clearly being far too sensitive on the issue, perhaps because those on his side have been caught with their hands in the taxpayers' pockets on the issue. Clearly it is an important issue. It has been raised in a number of statements and there have been interjections on it from both sides of the house. Mr Speaker, you should rule out the point of order and call both sides of the house to order.

The SPEAKER — Order! I do not uphold the point of order. However, as I have indicated to the house on numerous occasions this morning, it is wasting its time by creating such a ruckus during the making of members statements. The Chair has tried to calm things down but the house continues to misbehave. As I said earlier, I will warn people and then use sessional order 10. I expect order to be improved dramatically for the balance of the day.

ALP: fundraising dinner

Mr DOYLE (Malvern) — For years the opposition has listened to Labor bleat about how much it hates privatisation. When it came to government its message was that privatisation was dead; it would not touch it with a barge pole. It is interesting that Labor's distaste for private operators does not go so far as to not take their money. When I read the guest list of the \$1000-a-head dinner I found on it Australian Health Care (AHC) — the hated private owners and operators of the despised Latrobe Regional Hospital. Talk about eating with the enemy! And it was not only \$1000. There were nine seats — \$9000!

Honourable members interjecting.

Mr Leigh interjected.

The SPEAKER — Order! I warn the honourable member for Mordialloc.

Mr DOYLE — Call me a cynic, but to me that looks like cash for comments — that is, the government's saying, 'You give us the cash and we'll listen to your comments'. Who was also there on the table? Was the Minister for Health or the Minister assisting the Minister for Health there? Was the Treasurer or the Minister for Finance there? It would almost be worth paying \$1000 to listen to them. And what did they talk about?

It is deliberate hypocrisy. The government wants to dismantle absolutely everything AHC does, but it will take its money. The government is opposed politically

to everything AHC stands for, but it will take its money. Labor's message to AHC is the sneaky part — that is, there is a back door to decision-making, so long as you pay up.

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

Coalition: ministerial conduct

Mr HULLS (Attorney-General) — The matter I want to talk about is the fact that in the seven years of the Kennett government's reign members on that side of the house became known as the Kings of Corruption on the basis that — —

Honourable members interjecting.

Mr HULLS — It is interesting to note about taxpayers' dollars that while credit cards were rorted the Leader of the Opposition sat by and watched; while minister after minister not only put their hands in the till but dived into it. They were swimming around in taxpayers' funds, whether by credit card rorts or the KNF scandal, whereby the former Premier used his own private business to line his own pockets. Members of the now opposition have the audacity to talk about a fundraiser. No-one would pay a dollar to see you, you goose!

Honourable members interjecting.

The SPEAKER — Order! The Attorney-General was using unparliamentary language. I ask him to withdraw.

Mr HULLS — The fact is that no-one would pay a dollar to see the — —

The SPEAKER — Order! I have asked the Attorney-General to withdraw. Will he do so now?

Mr HULLS — I withdraw. No-one would pay a dollar to listen to the Leader of the Opposition. Businesses are keen to hear what the Premier has to say, and the government is happy to work with business. The government believes it can create an appropriate business climate in Victoria.

The SPEAKER — Order! The honourable member's time has expired. The honourable for Cranbourne has 8 seconds.

ALP: fundraising dinner

Mr ROWE (Cranbourne) — Not only do we see a Premier with selective memory and memory loss, we see a Premier — —

The SPEAKER — Order! The honourable member's time has expired. The time for the making of members' statements has also expired.

SMALL BUSINESS: COSTS

The SPEAKER — Order! I have accepted a statement from the honourable member for Brighton proposing the following matter of public importance for discussion:

This house should note with grave concern the additional costs and burdens imposed on Victorian small business operators by the minority Labor government.

Ms ASHER (Brighton) — The minority Australian Labor Party government has been in power for only about six weeks, but already there are concrete examples of there being increased costs, impositions and burdens on small business. Not too many small business operators were at the \$1000-a-head dinner on Monday night, because the government is not doing very much for small business. In fact, its ministers are deliberately imposing additional costs on small business.

The implications for employment in this state of cost impositions on small business by the minority ALP government will be substantial. If one looks at the early six-week track record of the Minister for Industrial Relations, the Attorney-General, the Minister for Workcover and the Minister for Small Business, one clearly sees that the government is prepared to sacrifice small business and employment in the state and has already — in six short weeks — increased costs for small business.

I will go through Labor's six-week record of shame with small business. Firstly, the government has actively intervened to force small businesses to pay their staff more, yet at the \$1000-a-head dinner on Monday night the Premier said to business that he would treat business and unions equally. What a joke. The government has already indicated it is prepared to pander to its union mates to the detriment of business.

I will give a classic example of what the government has already done to small business. Last year the Shop, Distributive and Allied Employees Association, known as the SDA, allegedly put up a log of claims against 35 000 small businesses. The union wanted employees in small businesses who were not covered by federal awards to be covered by those awards. That means in effect that small businesses will incur significant additional costs, particularly in the payment of penalty rates. What sorts of businesses was the log of claims

served on? It was served on businesses at the small end of town — milk bars, small retailers, newsagents, hairdressers, nurseries and fashion retailers — who are not the sorts of people who were at the \$1000-a-head fundraiser on Monday night.

The Kennett government took the case to the Australian Industrial Relations Commission. It was prepared to argue on behalf of the small retailers that the log of claims would adversely affect the 35 000 small businesses and employment in those businesses. The previous government argued before the commission that there was no evidence of those 35 000 businesses having been served with notices of the claim, principally because in some circumstances the union sent them by ordinary post and not by registered mail. Furthermore, the previous government conducted a survey which showed that the majority of those small operators — people who were employing themselves and creating employment for their families and others — did not even know that the SDA was about to ruin their businesses. That was the position the previous government argued.

What has the Australian Labor Party done since coming to office to assist the small end of town? What has it done to assist the milk bars and newsagents in their fight against the SDA? Firstly, the Minister for Industrial Relations pulled the case out of the Australian Industrial Relations Commission. Even worse, the minister has directed that the evidence submitted by the previous government should be withdrawn from the commission. The ALP is clearly not looking after the interests of small business.

The Minister for Industrial Relations is clearly supporting the SDA on a log of claims that has the capacity to ruin the small end of town — the milk bars, newsagents and small retailers. The withdrawal from the case before the commission and the withdrawal of the evidence submitted by the previous government were two of the first actions of the Labor government.

The second example of the minority ALP government's shame that will have an impact on costs for small business relates to public holidays for which the government will make small business pay twice. Public holidays are determined under the Public Holidays Act. However, an additional complication arises at the end of this year because Christmas falls on a Saturday, Boxing Day falls on a Sunday and New Year's Day falls on a Saturday.

The previous government indicated that it was fair and reasonable for workers to get three public holidays — in other words, to ignore the fact that Christmas,

Boxing and New Year's Day fell on weekends and to have a substitute holiday for each of those three days. That is what the previous government gazetted. The complication occurs because under legislation governments can gazette either substitute holidays or additional public holidays.

It is critical for government to ensure that the number of public holidays is reasonable, and everyone would agree it is reasonable for workers to have a holiday over Christmas. However, the issue is who pays for the holidays and how many times business must pay for them.

Under the previous government's gazettal business would have paid for one public holiday for Christmas Day, one for Boxing Day and one for New Year's Day. However, under the ALP's gazettal, business will pay twice. It will pay for two Christmas Day holidays, two Boxing Day holidays, and two New Year's Day holidays. The big end of town — those who attended the \$1000-a-head dinner — can afford to pay twice. The small end of town cannot. Who lined up small business and imposed this cost on it? The Minister for Small Business was responsible for those public holidays being gazetted twice.

I move on to the issue of Workcover. The Minister for Workcover knows, as all honourable members do, that Workcover premiums will rise. The minister has refused to rule out a premium increase. Let me remind the house of the financial history of Workcover. When the Kennett government came to office in 1992, the ALP had left a Workcover deficit of \$2.1 billion, the scheme was only 45 per cent funded and premiums were 3 per cent of salary. Under the previous ALP government, premiums had peaked at 3.3 per cent of salary. When the Kennett government left office, the Workcover scheme had been transformed. It was 93 per cent funded and premiums were down to on average of 1.9 per cent of salary. The net effect of those adjustments and reforms to Workcover premiums by the Kennett government was that \$500 million to \$600 million per annum went back to business.

There is no doubt that under the current government Workcover premiums will rise. Any business in the state will tell you that, and the Minister for Workcover has refused to rule it out. The ALP has a bad track record in the mismanagement of Workcover. It has been responsible for significant increases in premiums, the burden of which is borne by business — in particular, business at the small end of town.

The fourth example of increased costs for small business is the increased local government rates that

Victoria is no doubt headed towards. Those increases will occur because of direct ALP intervention by the Attorney-General. I refer again to the Federal Court case relating to the transmission of business in which the previous government was prepared to argue the case for small business. However, the current government has said it will abandon the case argued by the previous government, to the advantage of its union mates and to the detriment of business!

Honourable members will recall that in September 1999 the Federal Court ruled in that case that former council employees whose jobs had been contracted out had earned an entitlement to have that money reinstated. The net effect of that ruling is that it would cost the businesses involved millions of dollars. The previous government had embarked on a High Court challenge to the ruling. The Attorney-General has already said he is considering pulling the government out of the High Court challenge. That will have two effects.

Firstly, the companies involved in contracting out will be forced to pay millions of dollars, which they did not know about at the time they put in their tenders. Of even greater significance, rates will rise, which will have an impact right across the business sector. The Victorian Local Government Association estimates that councils will now have to pay between 20 and 25 per cent more for wages. I remind the house that the previous government was going to mount a High Court challenge over the issue. The current government has abandoned those companies and is relaxed about rate increases. As I said, the Attorney-General has already said he will pull the government out of the High Court challenge.

A fifth example of increasing costs for small business concerns insolvency. Honourable members will be aware that the federal Minister for Employment, Workplace Relations and Small Business, the Honourable Peter Reith, has issued a discussion paper entitled 'The protection of employee entitlements in the event of employer insolvency'. The federal government has expressed its desire to do something for workers when a business becomes insolvent. It has mooted two solutions: firstly, a basic payment by government linked to state and territory funding through payroll tax; and secondly, a compulsory insurance scheme. Everyone — except the Victorian ALP — agrees that the scheme should be capped. The Minister for Industrial Relations in the other place has already said the scheme does not go far enough because it is capped.

I again draw the house's attention to the fact that one of the options is a linking in to payroll tax, possibly a

payroll tax levy. The Minister for Industrial Relations has already said she thinks the scheme should be more generous for workers at the expense of business.

I also refer to the fact that the Minister for Health recently announced a smoking ban in restaurants. The hospitality industry is one of the most vibrant sectors of the Victorian economy and an example of a sector completely dominated by small business. The costs and burdens of enforcing that policy, particularly as it was announced without any consultation at all with the Restaurant and Catering Association of Victoria, are dire.

Small business confidence in Victoria is plummeting and has plummeted in the three months since the last survey was taken.

Mr Haermeyer interjected.

Ms ASHER — You were in government when the survey was taken. In a recent survey on small business, 45 per cent of small businesses said the election was a bad outcome for Victorian small business. That is why I say the election of the minority Labor government is a bad outcome for small business. Small business has been lined up by the Bracks government; it has been lined up by the Minister for Industrial Relations, the Shop, Distributive and Allied Employees Association, the Minister for Small Business, the Minister for Workcover, and the Attorney-General. In six short weeks it has already experienced significant additional costs. Small business is reacting badly to the government.

Small business people were not present at the \$1000-a-head dinner. The Labor government is not interested in the small end of town. It is deliberately supporting its union mates. It is deliberately supporting policies that have already increased costs for small business and will increase costs in the future. It is of grave concern that the sector of the economy that generates more employment than any other already is being threatened by the government. As I said, in six weeks costs have already increased for small business. It is an absolute disgrace that small business is already bearing the brunt of the Labor Party's allegiance to the trade union movement. I note the Premier is now trying to back off from the trade union movement, but such cases illustrate that the government will always be prepared to back the unions and not support business.

Mr HAERMEYER (Minister for Police and Emergency Services) — I am a little perplexed by the motion. I am trying to work out whether it is driven by breathtaking hypocrisy or mind-numbing stupidity,

because the motion has been put by a former Minister for Small Business who presided over the most relentless assault on small business yet seen in the state. The honourable member's actions as former Minister for Small Business showed that she is anti-small business and anti-family.

I hark back to the debate about retail tenancies when small shops were trying to get a fair go from the big shopping centre landlords. The now honourable member for Brighton had to be dragged kicking and screaming to bring in some retail tenancies legislation to try to address some of the problems small businesses were concerned about. When the honourable member as the then minister eventually introduced the legislation it was clear that the former government basically caved in to all the demands of the Property Council of Australia and the big end of town. She would not act on the ability of landlords to force shops to open on a public holiday. Honourable members will remember Cup Day a couple of years ago when shops were forced to open, despite the previous government saying it would legislate to prevent that occurring. Still it did not legislate.

The former Minister for Small Business refused to provide small business owners and small shopkeepers with security of tenure in shopping centres. So far as she was concerned it did not matter if someone owned a hotel, a service station or a furniture store. A business cannot qualify as a small business if its premises are more than 1000 square metres.

The honourable member was part of the government that introduced open-slather trading hours in Victoria which forced many small businesses to the wall. Open-slather trading hours were not about creating more wealth or more spending. They were about spending the available funds over a greater number of days. It was all about the big end of town getting more market share over small businesses.

When the honourable member introduced her reforms to the Liquor Control Act she was keenly aware that she was allowing a loophole that allowed the Coles Myers and Safeways to get through the 8 per cent ceiling. The then minister was made aware of it but refused to close the loophole.

The honourable member's accusation that the government is anti-small business is mind numbing. When the former Minister for Small Business had to choose between small business and the big end of town, it was the big end of town every time. One might ask why? The opposition has been talking about \$1000-a-head dinners. Government ministers were not

out selling tables as the honourable member for Brighton did. She had to go to the big end of town and get them to take a table at one of the \$1000-a-head Kennett dinners. She was supposed to represent the interests of small business. She owes them, because she got them to take a \$10 000 table at one of those dinners. I find that extraordinary.

The honourable member spoke about costs on small business. Opposition members supported the goods and services tax when their Canberra colleagues introduced it. There is no more ruthless anti-small business legislation or greater cost on small business than the GST, not only because of the direct costs that will affect demand for their goods and services but also because of the costs they will have to absorb in the purchase of new cash registers, new software and new computers, as well as the time needed to administer the program. The GST was supported by the Kennett government and it was supported by the honourable member for Brighton.

Mr Baillieu — How will you get rid of the GST?

Mr HAERMEYER — It is a federal tax. The honourable member spoke about Workcover. Whose black hole does the government have to fill? It is the mind-numbing, baffling incompetency that has left Workcover in the mess it is in. It does not surprise me, because the opposition accepts no responsibility for anything. It was in government for seven years. The honourable member for Brighton talks about small business confidence in the last Yellow Pages *Small Business Index*. She was the minister during the three months the index referred to. That is breathtaking.

Ms Asher interjected.

Mr HAERMEYER — The ALP has not been in for those three years. If you can't count, do not put yourself up for Parliament — get numerate, get literate, and then run again.

The public holidays that the government has implemented will still leave Victorian shops open for more days than shops in any other state. It is still an extremely generous regime. It is a regime that has been supported by business and the Victorian public. If this is the opposition's big issue, it is a loser. I refer to the Voteline survey in the *Herald Sun* of 6 December which asked:

Do you agree with the state government's decision on public holidays?

The response was 94.3 per cent yes, and 5.7 per cent no. It is no wonder the Liberal Party is in opposition. It

really knows how to pick an issue. If that is the sort of thing it will run on, it will be in opposition for a long time. It has no idea.

What has business to say about the holiday period regime that the government has introduced? In a news release the Australian Retailers Association states:

Retailers have welcomed the government's decision.

Under the heading 'Balanced decision on Christmas–New Year public holidays', the Australian Industry Group's Victorian branch director, Mr David Whiting, states:

In light of the significant celebratory focus on the coming Christmas–New Year period, the government's decision — announced by the Premier today — to declare Sunday, 26 December, and Saturday, 1 January, as public holidays, was a balanced and reasonable decision.

There will be some cost impact for businesses trading on these two days because additional penalty rates will apply in accordance with award or agreement provisions. However, employers will have the discretion as to whether they require employees to work on these days.

He said, 'Industry is also heartened by the fact that the Premier has made it clear this is a one-off decision and the government will not be increasing the public holidays in Victoria on an ongoing basis, nor will it be changing the existing very flexible retail trading provisions'.

The United Retailers Association offers the greatest indictment of the honourable member for Brighton when its president, Ms Lisa Michael, says in its press release headed 'Getting an Even Break!':

Finally, with today's announcement by the new Bracks Labor government, Victoria's workers and retailers are getting the 'even' holiday break they deserve ...

Now, with the declaration of Boxing Day and New Year's Day as public holidays, employers and shopping centre owners cannot force opening of shops or work on these traditional days of family rest and recreation ...

That view is strongly supported by most small businesses, who want to close. Real small businesses are run by people who want to spend some time with their families.

Ms Asher interjected.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Hawthorn!

Mr HAERMEYER — The honourable member talks about the cost of business, but in reality the big traders have already said they will not be opening on New Year's Day and have already accounted for

increased wage costs on the day because of a need to attract staff.

The remark by the honourable member opposite shows an appalling lack of judgment. She says small businesses ought to be forced to work because if they don't they will lose market share. People who work in shops, according to her, ought to be forced to be at work on that day, too.

Where will the honourable member for Brighton be on those days? Will she be sitting in her office taking calls from constituents? I will ring up and find out. I bet she will be out there on those days sipping Bollinger, slipping down oysters and nibbling caviar. She is known to enjoy a good time, and she admits it. Yet she expects shopkeepers to open their shops and retail trading workers to work on those days. She reserves to herself the right to a good time. I find that extraordinarily hypocritical.

Honourable members opposite presided over government in the state for seven years, and over that period we had record bankruptcies. The interests of small businesses were compromised time and again. Every time small business had an issue and the big end of town arced up, the big end of town had its boots licked. That is how the previous government operated: 'The more you kick into the Liberal Party coffers the better we will look after you'. Small business would not have been kicking enough into those Liberal Party coffers, partly because they could not afford to and partly because nothing was done by the previous government for them. The former government pandered to the big end of town at every opportunity and small business was sold out.

Victoria is not the only state to implement this holiday regime. The Liberal government in Western Australia has granted six public holidays over the festive season — double the number granted in most other states. Victoria, as I have said, will have shops open on more days than any other state. It is small-minded of the honourable member for Brighton to begrudge shopkeepers and retail workers a public holiday. It is small-minded and anti-small business as well as anti-family.

With that policy members of the Liberal Party are on a loser. If they want to go into the next election with it they will lose, because 94.3 per cent of respondents to the *Herald Sun* survey said they supported having those days as public holidays.

Mrs Peulich interjected.

Mr HAERMEYER — The honourable member for Bentleigh interjects. I might ring her electorate office and see if she is working on those days.

Mrs Peulich interjected.

Mr HAERMEYER — She is working in a small business, is she? I thought the honourable member for Bentleigh was elected to be a full-time member of Parliament. Now it appears she will be out there earning an income on the side. The voters of Bentleigh, if they are to be at work on the day, will be interested to know whether their elected member is out there in her electorate office receiving deputations and talking to constituents. I look forward to seeing whether the honourable members for Bentleigh and Brighton will be working on the day — not to mention the honourable member for Hawthorn. All of them are very keen that we all work, work, work every day.

Ms Asher — They are public holidays!

Mr HAERMEYER — Are you going to work on the day or not?

The SPEAKER — Order! The minister should make his remarks through the Chair, not across the table.

Mr HAERMEYER — There you go! The honourable member for Brighton is hinting she will not be working on those days because they are public holidays. She must be very grateful to the Bracks Labor government for the public holidays. Goodness gracious! Little wonder that when she was the Minister for Small Business she was regarded by small business people as the Marie Antoinette of small business in Victoria.

Mr CLARK (Box Hill) — I rise in support of the matter of public interest raised by the honourable member for Brighton and specifically to address issues relating to Workcover and occupational health and safety.

First, however, I respond briefly to the claim made by the Minister for Police and Emergency Services that the Yellow Pages *Small Business Index* results quoted by the honourable member for Brighton relate to the Kennett government. If the minister looks at the document he will see in black and white that:

Interviews for this latest November 1999 survey were conducted over the period 26 October to 9 November 1999.

The survey was conducted after the change of government. Just to put the matter beyond any doubt, the report also says that almost half, 45 per cent, of

small business proprietors believe the election of the minority Labor government was a bad outcome for Victorian small business.

Only 17 per cent believe the outcome was good. The document points out that the negative assessment of the Bracks government contrasts with the strong, positive assessment of the former Kennett government. That definitely shows the attitude of small business to the new Bracks government, and I hope the minister will take the next available opportunity to apologise to the honourable member for Brighton.

In the area of Workcover the Labor Party seems determined to press on with the restoration of common-law legal actions, which the coalition government abolished for all injuries subsequent to 12 November 1997. As the honourable member for Brighton pointed out, that proposal is likely to result in massive premium increases. To see that one need only look at the fact that as a result of the common-law actions under the previous Labor government Workcare premiums peaked at 3.3 per cent. Even with premiums at the 3.3 per cent level unfunded liabilities reached a massive \$2.1 billion.

To compound the situation, on Monday at a seminar organised by the Victorian Employers Chamber of Commerce and Industry to look at the Labor government's proposal the Minister for Workcover would not even rule out the possibility of making the reintroduction of common-law actions retrospective. He gave no indication at that meeting of what the cost would be. More than 800 small business people were enrolled to attend that VECCI seminar, not because they were queuing up to the listen to the Minister for Workcover but because of their concern about the threat to their businesses if the changes to Workcover and occupational health and safety put forward by the Labor government are introduced.

Workcover premium increases will have a serious impact on the competitiveness of Victorian small businesses and their ability to employ people. If one looks at Australian Bureau of Statistics figures one sees that under the previous Labor government Workcare costs increased by 36 per cent from 1988–89 to 1990–91, which meant it was the most expensive compensation scheme in Australia — 58 per cent more expensive than the New South Wales scheme.

By contrast, the reduction in Workcover premiums since 1992 has been one of the factors that has contributed to Victoria now having the lowest unemployment rate since 1990. Reduced premiums have added to the attractiveness of Victoria as a place

for new businesses to locate and have made it easier for existing businesses to take on new employees. If common-law actions are reintroduced it will be harder for rural and regional Victoria to attract new businesses because the increased premiums will diminish their competitiveness compared to businesses that locate in rural and regional areas of other states.

In addition, union domination of the minority Labor government creates the risk of a return to the culture of rorts and rip-offs that prevailed under the previous Labor government. Under Workcare Victorian workers were spending three and a half times longer away from work than workers in New South Wales.

A further point that should be made is that in 1997 Labor's opposition to the abolition of common-law actions was an exercise in short-term political opportunism. When one looks at the history of Labor Party philosophy one sees that many highly regarded members of the Labor Party proposed exactly what the coalition government did in 1997 by eliminating common-law claims. I refer in particular to Brian Howe, and I doubt whether any honourable member opposite would question his integrity or his commitment to social reform. When the commonwealth Labor government eliminated all common-law actions from the commonwealth scheme, he said:

It is clear to this government that the common-law negligence action which bases its entitlement on proof of fault is a costly, inefficient and inappropriate mechanism for compensating injured workers. Delays in settling these actions act as a positive disincentive for employees to return to work and encourages them to maximise the extent and duration of their injuries.

That is reported at page 2194 of commonwealth *Hansard* of 27 April 1988.

A further observation about the commonwealth move to abolish common-law claims is that one of the people who voted in favour of it was the present Minister for State and Regional Development. He took part in the division and voted for the total elimination of common-law actions, yet he is now a member of a government that is proposing to reinstate common-law actions. If that does not show the humbug of members opposite when they complained about the unfairness of the measures the former government introduced, I do not know what does.

It should be added that the South Australian Labor government totally eliminated common-law legal actions in 1992.

The case made by members opposite against the elimination of common-law actions is totally unjustified. They have tried to claim that the recent increase in unfunded liabilities for Workcover is a result of mismanagement by the previous government, but the fact of the matter is that the increase in unfunded liabilities is almost exclusively the result of the blow-out in common-law claims pre-dating November 1997 — yet the present government is proposing to reintroduce them.

Mr Nardella interjected.

Mr CLARK — The honourable member for Melton is again being helpful by referring to the fact that it happened under the previous government, because the point I am making is that it is inherent in the nature of common-law actions that their costs get out of control.

The government has only three options — it can try to hoodwink the labour lawyers by bringing in a Clayton's common-law scheme that does not really do anything, it can let Workcover plunge back into the red, or it can introduce significant increases in premiums. Small businesses have every reason to fear that the government will take the line of least resistance and choose significant increases in premiums.

I refer now to occupational health and safety. The Victorian Workcover Authority had a first-class record in improving occupational health and safety under the previous government. On a standardised basis claims reported fell from 64 768 in 1986–87 to 31 340 in 1998–99, and those figures are only one of the many indicators I could refer to.

Inspection services were also substantially increased under the previous government. We should always be looking out for new ways to improve occupational health and safety, just as we are with the road toll.

However, small business is entitled to fear the union movement using occupational health and safety as a cover for increasing its militancy and extending its coverage. The union movement has proposed a no induction, no start rule under a construction industry safety compact. It sounds similar to the no-ticket, no-start rule. Small business proprietors are entitled to fear the union movement will use induction programs to enforce union membership in the domestic housing sector, resulting in massive increases in costs to consumers as well as substantial damage to small business.

The Minister for Workcover is supporting the compact. He must make clear that the compact and mandatory induction courses cannot be used by the union

movement to extend union coverage. It is vital for occupational health and safety that the rules and the inspectorate have the confidence of both employers and employees. The possibility of a return to the bad old days — when the inspectorate was separated from Workcover, brought back into the department and filled with former union officials as inspectors — will lead to a loss of confidence in the system. Rather than the decline in injury rates achieved under the former regime being maintained, safety standards will deteriorate.

Labor will not rush headlong into using common law if it is fair dinkum about the Premier's statements that the government is pro-business: it will allow the working party to run its course; have full public consultation and discussion; and allow the working party to recommend no common law if it proves too expensive.

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

Mr LENDERS (Dandenong North) — Today's matter of public importance is interesting because it states:

That the house should note with grave concern the additional costs and burdens imposed on Victorian small business operators by the minority Labor government.

In classic debating style it is necessary to dissect the words in the topic being debated. First, and for the record — this will probably excite the honourable member for Hawthorn yet again — according to Victorian Electoral Commission figures the vote for Labor across 88 electorates on a two-party preferred basis was 50.4 per cent. The figures from the Electoral Commission for the incumbent members who support the charter of good governance versus those who do not is higher. Leaving that aside, let us reflect on some matters affecting small business operators and the burdens and costs imposed on them.

Small business is a sector in the state that has suffered considerably over a long time, particularly the past seven years. The reasons for that — now history — include deregulation of shop trading hours and changes to the pharmaceutical and newsagency industries. I do not wish to go through it again, but it is hypocritical for members on the other side of the chamber to champion small business when for so long they have taken it for granted.

I and other members have mixed with small business proprietors and I have been a small business operator myself, so I understand the burdens imposed by the other side. I refer to one of the burdens that I dealt with

as a small business operator. As the employer of 14 staff for the past five years I suffered the vagaries of the previous state government's dealings with small businesses. The one example I will highlight is the sham and farce of the alleged payroll tax deduction scheme under the previous government. As a small business proprietor employing 14 staff on a payroll of \$700 000 over the past five years I can talk with confidence about the sham cut in payroll tax — an increased burden on any business that paid superannuation of more than a guaranteed levy. The government claimed to be reducing the payroll tax rate, but added it by stealth to superannuation and total wage costs, so most small businesses in the state — —

The DEPUTY SPEAKER — Order! Would honourable members cease yelling across the chamber! They can all add their names to the speaking list. At the moment we are hearing from the honourable member for Dandenong North.

Mr LENDERS — I will try to persuade members opposite of the errors of their ways. Opposition members should not believe their rhetoric when they say they were the champions of small business. Had they talked to small business proprietors like me or Dr Poggioli, they may have discovered that small business was suffering. The opposition parties thought they had cornered small business, that they were the only people listening to small business, but they were not listening, just like they were not listening to the people of provincial and rural Victoria.

The honourable member for Ballarat West reminded me of some comments of the Ballarat Chamber Of Commerce. I refer honourable members to a press release of 3 December by the United Retailers Association, which states:

Now, with the declaration of Boxing Day and New Year's Day as public holidays, employers and shopping centre owners cannot force opening of shops or work on these traditional days of family rest and recreation.

Members opposite ought to remember what small business is about. By definition, a small business is a small business. I state the obvious, but generally small businesses are family-owned businesses that have great difficulty competing with major businesses like Coles Myer or other large firms. The honourable member for Brighton is well aware that the former chief executive officer of Coles Myer was the federal treasurer of the Liberal Party during the 1980s. I invite the honourable member for Brighton to rebut this, but in the lead-up to a federal election when the issue of the goods and services tax was raised and large corporate interests

were at stake, a six-figure donation was made by Coles Myer to the federal and state Liberal parties.

Mrs Peulich — On a point of order, Mr Deputy Speaker, in an attempt to be caustic the honourable member for Dandenong North said that he ran a small business employing 14 people. The honourable member has not declared this interest in the interim parliamentary handbook. There is a significant gap in the honourable member's curriculum vitae.

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

Mr LENDERS — The honourable member for Box Hill referred to the deregulation of Workcover, among a number of other issues, when talking about caring for small business. I ask the honourable member for Box Hill and the honourable member for Hawthorn, who was president of the state Liberal Party, to explain why HIH Winterthur Insurance gave \$175 000 to the Liberal Party during 1995–96, as was disclosed in Mr Georgiou's financial return when Workcover was being deregulated. Insurance companies were doing extremely well in Victoria. Perhaps I am drawing a long bow, but the question needs answering.

I would be churlish to go through the whole list of disclosures issued by the Australian Electoral Commission for the past three years, but I refer to \$3.9 million of donations plus another \$6.4 million from undisclosed funds and foundations like the 500 Club, the Greenfields Foundation, the Liberty 2000 foundation and many other similar funds, that pop up with the same trustees. When the Liberal Party is short of money Ron Walker writes out a cheque for \$4 million. That is how the opposition helps small business.

I was a small business operator in that I employed 14 people as secretary of the state Labor Party. Members opposite may laugh, but I share with the honourable member for Wantirna some of the joys and burdens of running a small business, particularly under the difficult circumstances imposed by the former government. I refer honourable members opposite to the many small rural towns they abandoned. I note the honourable member for Warrnambool is laughing but I am sure many of the small businesses in Warrnambool and surrounding districts would not think highly of the callous behaviour of the former government and its disregard for small business. A small country town with a Coles Myer or another large retailer established in its town that can stay open 24 hours a day, 7 days a week, finds those hours are not conducive to family-friendly

businesses. Small retailers cannot compete with large stores.

While talking about caring for small business the former government deregulated until the cows came home. Whether it was compulsory competitive tendering or looking after its mates in the corporate sector, which skimmed the cream from the policies of the former government, or whether it was ideological obsession or a lack of concern for small business, the result was the same — members of the former government did not listen and did not learn. They did not pick up the message from rural and regional Victoria, whether it be from farmers, small business operators or retired people, who called for leadership to stop the drift. Although the government would like to believe it has the policies that support small business, virtue is not on one side of politics.

I understand a political party believing it represents its traditional constituency, but it should not get confused with the facts because the Liberal Party abandoned small business and courted the top end of town to look after its mates. It is now grabbing at straws to redeem itself, but it is accountable for so much pain and grief. It tries to stop workers having a public holiday by forcing small businesses to open on public holidays in large shopping centres where they cannot compete with large retailers. I hope the opposition listens and learns.

Mr WELLS (Wantirna) — It is with pleasure that I join the debate and support the matter of public importance raised by the honourable member for Brighton which expresses grave concern about additional costs being imposed on small business by the Bracks Labor government. The first cost small business has been hit with is the \$1000 a head for attending last Monday night's dinner. If people want to do business with this government they had to turn up on Monday night and pay their \$1000 before the government talked to them.

It may be okay for the top end of town to get access to the Premier and government ministers, but I do not know many people in Knox or Wantirna who could afford to pay \$1000 to speak to a minister of the Crown. It is a dangerous precedent and a message to small businesses throughout Victoria.

Honourable members on the opposition benches were amazed to hear the definition of small business given by the honourable member for Dandenong North. Many opposition members have worked as small business proprietors or in medium businesses before being elected to Parliament. It is amazing that the honourable member for Dandenong North can say he

was a small businessman during the past five years. My colleagues were going to give him some credit and assume that he may have known what he was talking about, but it was then made clear the honourable member was the state secretary and campaign director of the Australian Labor Party (ALP) from 1994 to 1999. We cannot wait for small business people to discover the honourable member's definition of small business.

Small business proprietors are proud to work in their businesses. They get up early in the morning, often getting their families involved, to earn a few dollars. For the past seven years the former government tried to give small businesses a break, but the honourable member for Dandenong North is demoralising the small business sector by saying he was a small business operator when he was state secretary of the Labor Party. It clearly demonstrates that the Labor government has no idea about small business.

I refer to the Yellow Pages *Small Business Index* survey and an article in *Business Review Weekly* about the Labor government's policy.

Members of the minority Labor government have problems with small business policy because not many of them have had the tough jobs members on this side of the house have had in previous occupations. Government members have been either union officials or electorate officers or have had other jobs along those lines. Opposition members were prepared to give the honourable member for Dandenong North some credit until they looked at the parliamentary handbook and discovered that he only thought he was a small business person! I imagine he went around the Dandenong North electorate saying to small business operators, 'I am a small business person like you. I understand what your problems are'. Little did they know that he meant he had been the state ALP secretary.

From reading the ALP policy there is little doubt that the government is trying to unionise the small business sector. That will impose incredible costs on small business because small business operators will lose the flexibility to work with their own people, to negotiate and find out the best way of running their own businesses. The minority Labor government is all about trying to unionise things. It will be what the unions want rather than what small business people want. The biggest ticket item that any small business wants is for the unions and government to get off their backs. They want to get on and be involved in their own business without outside interference.

I will give the house one very small example of what happened the year before last with the no-ticket, no-start rule that works so efficiently on construction sites. A small businessman in the Lilydale area was making big frames for construction sites. It was just a small family business. It was working under the no-ticket, no-start rule because the previous Kennett government just could not budge that rule at construction sites. The small businessman turned up at a site and said, 'Can you unload my frames on to this building site?'. The union rep said, 'Okay, we can unload them but we want to know where your TWU ticket is'. The driver said, 'I am the only person who can drive the truck in my small business. I do not have a TWU ticket. I do not need one'. The rep then said, 'I am sorry but you will have to take your truck back to Lilydale. We will not unload you'. That man was turned away because he was not a member of the Transport Workers Union!

That small business was absolutely crunched because the people who owned the site and those who were working on the site said, 'We will have to buy our products from someone else unless you become a TWU member'. How disgraceful! The story got worse because the Transport Workers Union did some investigating and found that the small business at Lilydale had non-union factory workers because it was a family business that did not want to be part of a union. Nevertheless, it could not deliver its frames to the construction site unless its factory workers had union tickets.

The small business sector is beginning to become very concerned about the new Labor government. The shadow Treasurer's news release of 25 November refers to the Yellow Pages *Small Business Index* for November 1999 and states:

Small business confidence in Victoria has slumped to its lowest level in 12 months, according to a key survey taken a month after the minority Labor government took office.

Previous speakers have said that under seven years of the Kennett government small business suffered. If that is so, it is interesting that the month after the minority Labor government took office the confidence of small businesses has suffered. The press release continues:

... the Yellow Pages *Small Business Index*, compiled by the respected economist John Marsden, found that business confidence had dropped from a net 54 per cent three months ago to a net 45 per cent, well below the net 52 per cent average ...

The survey found that 45 per cent of small businesses believe that the election of the minority Labor government was a 'bad outcome' for Victorian small businesses.

And no wonder, because small business rights will be squashed by union domination of the minority Labor government. Leigh Hubbard, the Victorian Trades Hall secretary, was referred to in an article in the *Business Review Weekly* of 5 November:

But Hubbard insists that the unions will want Labor to implement industrial policies that are pro-worker and pro-union. 'For the past seven years, we haven't been at the table. Now we're back. The employers have had it pretty good under a Kennett government. Now it's time to tilt the playing field back a bit our way'.

We would love to know what 'a bit our way' means. I would suggest that the small business sector will be flattened by the unions. The advice from that journal to Mr Bracks is:

Bracks cannot afford to repeat the mistakes of the Cain and Kirner governments. Needing the support of three Independents, it would be fatal for the minority government to be seen to be pandering to a sectional union interest. Just as the Kennett government paid the highest political price for its perceived Melbourne-centric interests, the Bracks government will fall if rural Victoria thinks it is too close to the unions.

I am also concerned that if a Labor member employs people they must be members of a trade union. That is harassment. It is discrimination against ordinary people who do not want to be members of a union. People will be forced to join a union just to get a job.

It is time that the Labor Party came into the 21st century and became part of today's world. I congratulate the honourable member for Brighton for bringing such a relevant and forthright motion forward, and I hope the minority Labor government will support it.

Mr HOLDING (Springvale) — It gives me great pleasure to contribute on the matter of public importance brought by the honourable member for Brighton. She asked the house to note with grave concern the additional costs and burdens imposed on Victorians. It is important that we talk about the costs and burdens imposed on small business and that we understand the costs and burdens imposed on it by the previous Kennett government and by the goods and services tax (GST) that will soon be imposed at the federal level.

I will commence with the costs and burdens imposed by the previous government. The difference between the rhetoric of the previous government, which claimed to be pro-small business and pro-business, and the reality of what it did in office is considerable. It said it was pro-small business. Everywhere it went it said it would look after the little person, the little trader. But

what did it do? The Kennett government dismantled Victoria's planning system, creating uncertainty in planning and local government about the outcome of planning decisions. It increased uncertainty in planning because of ad hoc ministerial intervention and planning decisions that were biased in favour of big developers, large traders and the big end of town. It did nothing to help small business people. In fact, everything it did in the planning area increased the level of uncertainty and the level of adhocery and increased business compliance costs because of the increased cost of accessing Victoria's planning system.

What else did the former government do in relation to small business? Tenancy and trading arrangements were unfairly structured in favour of large retailers. We saw the complete deregulation of shop trading hours throughout Victoria. That certainly did not support small business. Small business does not want deregulated shop trading hours. Small business does not benefit by an open-slayer approach to shop trading hours. It is big business that wants deregulation and open slather on trading hours.

It is big business that can force its employees to work unreasonable and unrealistic trading hours, often without penalty rates, often without full access to benefits for employees. Small business enterprises are often run by either the sole operator or by members of his or her immediate family. Small businesses copped it in the neck when shop trading hours were deregulated and protested loudly when the former government went down that path. Unfair tenancy arrangements resulted from the Kennett government's refusal to address important issues such as security of tenure and to acknowledge the uncertainty among small businesses about and their vulnerability to predatory behaviour by large retailers.

What else did the former government do to hurt small business? It went down the path of increasing the number of electronic gaming machines and expanding other gambling options across Victoria, thereby reducing the share of discretionary spending by Victorian consumers that goes to small businesses. It has also meant that in the area covered by my electorate of Springvale and the local municipality, the City of Greater Dandenong, there are over 1200 electronic gaming machines for a population of 125 000, 51 per cent of whom are classified as low-income earners. How many gaming machines are in the City of Boroondara? Does that city of 145 000 residents have anything like 1200 electronic gaming machines? The answer is no. The comparatively wealthy City of Boroondara has only 266 machines. What impact does

the presence of 1200 electronic gaming machines have on the discretionary income of people in my electorate?

What else did the former government do for small business?

An honourable member interjected.

Mr HOLDING — An honourable member interjects and asks, 'What will this government do?' This government has already introduced a cap on the number of electronic gaming machines — not only a cap, but a regional cap — which will ensure — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Springvale will address his comments through the Chair and opposition members will cease interjecting so frequently.

Mr HOLDING — The regional cap will ensure that some equity exists between different regional areas. The former government presided over a chronically unfair regime of an inequitable distribution of electronic gaming machines.

The previous government also deregulated essential services, which it said would deliver lower electricity costs to small business. It delivered lower electricity costs to the big end of town, but small businesses do not have any choice in who provides their electricity. Those businesses are labouring under increased taxes and charges because the previous government, which claimed to be the friend of small business, introduced the highest taxes and charges of any state or territory. It also introduced unfair tendering practices for government contracts and was responsible for the farcical situation with compulsory competitive tendering, where small businesses often faced ridiculous costs in tendering in unrealistic situations where private sector involvement was totally inappropriate.

What about the costs associated with the goods and services tax? Opposition members crow about compliance costs for small business, but I can think of no greater way to kill the small business sector in Australia than to impose a 10 per cent goods and services tax on everything small businesses sell and on all the services they provide. Currently 75 000 outlets are required to pay wholesale sales tax, yet under the GST every single small business in Australia — some 1 600 000 — will be required to obtain an Australian business number and register for the purposes of GST tax compliance. The impact on small business of that regime will be greater uncertainty, as has already been

created with the taxation arrangements for the charitable sector.

The federal government has provided no clear picture of how the GST will affect small businesses. Their questions remain unanswered. Tax office rulings remain totally inadequate, and officials are inexperienced and are unable to answer the plethora of questions from small businesses about how the tax system will work. Businesses will incur additional training costs for staff who will be required to comply with the GST provisions in line with Australian Competition and Consumer Commission guidelines, which will increase compliance costs.

An Honourable Member — That is totally irrelevant.

Mr HOLDING — Opposition members say it is totally irrelevant. That shows how out of touch they are. They do not understand that the GST will result in increased compliance costs for small business. They are silent on that issue. They have absolutely nothing to say about it to the small businesses in Victoria that will be hit with those costs and will have to pay for the transitional arrangements — for which they will receive inadequate compensation of, on average, \$300 per small business across Australia. Small business retailers are telling the government that GST compliance costs will run up bills of thousands of dollars and an average of \$300 or less will do nothing to compensate them.

The honourable member for Bentleigh interjected across the chamber during the contribution of the honourable member for Dandenong North. Don't worry about small business; they will come back — —

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

Mr STEGGALL (Swan Hill) — It boggled the mind to listen to the contribution of the honourable member for Springvale, and before him the honourable member for Dandenong North, with his 14-staff small business operation called the Australian Labor Party. The result he achieved as secretary of the Labor Party with branch stacking operations against Eddie Micallef in Springvale prior to the last election really worries me. I say to the honourable member for Springvale that as part of government he will now be able to work to compensate small businesses for their compliance costs relating to the introduction of the goods and services tax.

How you see these issues depends on your background. For example, people in country Victoria are looking forward to the relaxation of about \$4 billion worth of

taxes and charges on country industry and country life as the GST is introduced. The wholesale sales taxes and all the other taxes that country people have had to service over the years have been wrong. The honourable member for Springvale should not leave the chamber just now. It is sad that he is running away. People in metropolitan areas will argue about the GST, and although they say they listen to what is happening in the country, in truth they never do. The advantage of the GST will be seen in country Victoria, where the abolition of wholesales sales taxes, fuel taxes and transport taxes will create opportunities for people to compete.

I congratulate the honourable member for Brighton on moving the motion. It is interesting that after only a few weeks of the government's being in office there is a reaction to it by small business operators. The government is still trying to govern from opposition and has therefore done nothing to lift the confidence of the community following the euphoria of its election victory. It would be nice to think the government would grow the advantages the former government put in place, but it seems it is not intending to do so.

When considering the burdens and costs small businesses bear and the confidence levels they experience, it is interesting to recall that Victorians heard a lot about arrogance and about listening during the last election. The first thing the current government did to Victoria's country areas was to take away their self-governing schools — one of the biggest and most important breakthroughs they had had! The government talks about the importance of listening, yet without consultation it closed a simple service like the County Court at Kerang, which I am told has been whipped away for a year — and I hope it is only a year. It talked about the importance of country services, yet it gave the power catchment management authorities had straight back to Spring Street! The former government created the CMAs as spin-offs from the Landcare and salinity programs to counter the bureaucracy's dominance of the state's land management program. But as I said, the first thing the current government did was to take away the levy and give the power back to the bureaucracy.

The former opposition talked about country services, yet in government it has put at risk the \$760 million dairy deregulation program! The former opposition talked about country services, but in the 270 country towns in which the former government had introduced water and sewerage programs — —

Mr Trezise interjected.

Mr STEGGALL — You would not understand that in Geelong. You would not know what an unsewered town is!

The DEPUTY SPEAKER — Order! The honourable member will speak through the Chair.

Mr STEGGALL — The water and sewerage programs that were introduced by the former government have been a boon for small businesses in small towns. The current government talked about taking the up-front fees away from those programs, yet it replaced them with an instalment program that is already there! It took away the rights of people in country areas to pay their share of those fees up-front. The former opposition talked about listening, but in government it has given Victoria closed, union-controlled workplaces and taken away the rights workers enjoyed under individual workplace agreements. The former opposition talked about ridding the system of compulsory competitive tendering in local government, but in government it has replaced it with a similar system that will cause a lot of problems.

The rhetoric of the former opposition, which swayed so many, is now seen to have been hollow. The government talks about putting 28 per cent of the headwater flow back into the Snowy River, but it has no idea of how it is going to do that. I have grave concerns about the problems that will result from the implementation of that scheme.

The government is not showing Victorians that it has the answers; it is merely showing them that it can make a lot of noise. I am keen to see the government develop a far better attitude towards small business. One of the aspects of small business I will spend a few minutes on is the dairy deregulation ballot. It is interesting —

Ms Beattie interjected.

Mr STEGGALL — You will find that they are our small country businesses, madam. They are what small business in the country is all about.

The Minister for State and Regional Development will be hoping like billyo that the yes vote comes in on 20 December, having spent the past six months going around country Victoria telling everyone that small dairy farmers would be in a lot of trouble if the former government did what it proposed to do. However, as the Minister for State and Regional Development he will be saying, ‘Please, please, let it be that Victoria will have deregulation and get access to the commonwealth package put together by the Australian dairy industry’.

It is interesting that the Minister for Agriculture says the decision on dairy deregulation will not be made merely on the outcome of the ballot but also on the potential impact deregulation will have on regional communities in Victoria. He says that includes the implications for jobs in dairy processing and manufacturing and the future viability of the Victorian dairying industry, as well as the impact it will have at the national level. The dairy industry is not a mickey mouse industry, it is Victoria’s biggest primary export industry. The Australian dairy industry has put together a good package for the deregulation program. The Victorian government has put that program at risk, and the process it has instituted is causing a great deal of concern.

Mr Maxfield — Why can’t farmers have their say? You won’t let farmers have their say!

The DEPUTY SPEAKER — Order! The honourable member for Narracan!

Mr STEGGALL — He is hardly honourable, Madam Deputy Speaker. I am sure the dairy farmers of Narracan will want to have a chat with him when they lose their part of the \$760-million compensation package and when they start adding up their \$600-a-cow losses because the honourable member, his party and the minister he supports put the program up.

Mr Maxfield interjected.

Mr STEGGALL — It was the dairy farmers of Australia, and Victoria in particular, who put the program together! The program was not imposed on them; it was put together by the industry and agreed to by the federal government. Be careful as you go!

The government’s proposal is causing a lot of concern. If it backfires and Victoria loses the package, not only will the regional areas of northern Victoria, including Gippsland and south-western Victoria, lose \$760 million, but the state will lose some \$700 million in competition policy payments over the next eight years. Victoria is not playing for small stakes.

The matter of public importance proposed for discussion by the honourable member for Brighton states that:

This house should note with grave concern the additional costs and burdens imposed on Victorian small business operators by the minority Labor government

I warn the government to remember the dairying industry as it goes ahead with its proposal because it is playing with and putting at risk the biggest and best industry Victoria has. The government should beware!

Mr BRUMBY (Minister for State and Regional Development) — It is a pleasure to join the debate. I say at the outset that small business is a vital and dynamic part of the Victorian economy. It is the view of the Bracks government — I hope it is the opposition's view — that it will do everything it can within its policy settings to encourage the growth and expansion of and increased opportunities for small business in Victoria.

Small business operates in many sectors of the economy, including the manufacturing, retail and high-technology sectors. Its tourism operators are among the best in the world. Recently Outback Aussie Trails won a national export award. Small business in this state is something Victorians can be proud of. It is making its best efforts, using its enterprise and applying innovation to get ahead and to find opportunities, particularly in export markets.

As we look to the future it has been estimated that 60 to 70 per cent of the new jobs in the Victorian economy will be generated in the small and medium-sized business sector. That is different from the growth patterns seen in Victoria and Australia 20 or 30 years ago, when most jobs were generated in large businesses, particularly in the manufacturing industry.

The Victorian economy has changed dramatically: there are now more microbusinesses, more people are working from home and more people are working in the service industries. The Bracks government recognises that the dynamic of economic growth has changed. As the Minister for State and Regional Development I realise that and recognise that it requires policy settings that create an environment for growth, which is the major driver of economic activity in our community. I can assure the small business community that the government is totally committed to creating that environment of growth for small and medium-sized businesses.

In that context the matter of public importance is erroneously worded. Ideally, the last part of it should read 'by the previous Kennett Liberal government', so it would then read:

This house should note with grave concern the additional costs and burdens imposed on Victorian small business operators by the previous Kennett Liberal government.

I say that because if one looks impartially and objectively at the development of Victoria over the past decade, the reality is that a range of policies introduced by the former Kennett government worked against the interests of small business.

Starting with consultation with small business I will read to the house a briefing note provided by my department for the Minister for Small Business with a copy to me as the coordinating minister in the Department of State and Regional Development. Under the heading 'Minister for Small Business — Advisory Body: Small Business Round Table' the note states:

The round table was established by the previous Minister for Small Business to meet regularly and to consider small business owner/operators' issues. The round table operated as an informal sounding board and no agendas were issued or minutes taken. Members were appointed at the personal invitation of the former Minister for Small Business. Members had no defined term of appointment and were not remunerated.

The next sentence is underlined:

This round table has effectively ceased to operate.

Much lip service was paid by the former government to consultation with small business but not a lot happened. The worst thing that happened to small business was the massive increase in taxes and charges imposed in Victoria during the two terms of the Kennett government between 1992 and 1999.

If my recollection is correct, some 1500 separate increases in taxes and charges, including fees for licences and charges for waste water and effluent outlets, were introduced during that time. Every conceivable charge was dramatically increased. Every charge put in place by government departments to meet the costs of implementing additional regulations or approving a piece of paper submitted by a small business went up dramatically under the former Kennett Liberal government.

As I said, some 1500 separate increases were imposed. Those increases are the reason for the Labor Party in government finding that Victoria has a tax burden some \$300–\$400 million higher than the national average. That burden falls on small business and has a significant impact on its ability to do business in Victoria.

The former government failed to respond to concerns about retail tenancies expressed by small business. I was present at a public meeting in Melbourne attended by some 1000 small business operators who were furious at the failure of the former government to enact decent retail tenancies legislation.

Ms Asher interjected.

Mr BRUMBY — The former minister interjects, saying the law was changed. However, it took six and a half long years and public meetings organised by the

United Retailers Association all around the state before the former minister now sitting at the table changed the legislation. She was forced to the negotiating table by the efforts of small business and the then state Labor opposition.

Victoria also saw the unfettered expansion of gaming machines.

Honourable members interjecting.

Mr BRUMBY — The opposition says a cap was put in place. However, the number of gaming machines increased from some 14 000 to 27 500. I recall standing in the Parliament month after month calling for that cap. I recall campaigning in the strip shopping centres of areas such as Mitcham where small businesses were forced out of business by gaming venues setting up in those centres. The then government did absolutely nothing about it. It did something only during the Mitcham by-election when Tony Robinson was elected as the honourable member for Mitcham. Pressure by the Labor Party and the small business sector forced the government to respond.

The honourable member for Swan Hill, for whom I have some respect, talked a lot of hogwash today when he spoke about country Victoria. People can drive through towns in country Victoria, including his electorate — and I will not name towns because I am not in the business of talking them down — where 90 per cent of the shops are closed. They closed during the term of the former Kennett Liberal government because of the neglect of country Victoria, the tax burden, the effects of compulsory competitive tendering, and the cutbacks in spending on health and education. They closed because country Victoria was neglected totally.

The government has the job growth figures for the past two years that show that 98 per cent of new job growth was in metropolitan Melbourne, with only 2 per cent in country Victoria. Small business generates job growth — and small business in country Victoria was going backwards. Victorians saw the introduction of new water taxes, dividends, and the catchment management authority taxes. All those taxes were costs imposed on small business.

Let us understand the motion before the house. The Bracks government is unashamedly pro-business. It has a commitment to growing the small business sector in Victoria and a particular commitment to ensuring that small business operators throughout regional and rural Victoria are given the first opportunity in eight years to

share in the state's growth and prosperity. The motion of the honourable member for Brighton should read:

This house should note with grave concern the additional costs and burdens imposed on Victorian small business operators by the previous Kennett Liberal government.

Earlier speakers have mentioned the impact of the goods and services tax and the accompanying 118 pages of regulations for small business. It is extraordinary that the opposition supports the imposition of taxes of some \$9000 on a small business. The policy of the Liberal Party is to impose the GST tax on small business — and it will wear the political price of that policy!

Mrs FYFFE (Evelyn) — I reluctantly support my colleagues in wishing that the house would note the additional costs and burdens imposed on Victorian small business by the minority Labor government. I say reluctantly because how can the Labor Party be expected to understand what it is doing to small business when it has no genuine experience of small business

Of the current government ministers only one, the minister for both gaming and major projects and tourism, has small business experience. When examining the histories of all government members, one finds that only 2 of the 56 Australian Labor Party members of Parliament have had any association with real small business.

The Minister for Small Business in the other place says that she understands small business because her relatives are or have been involved in running them. Since becoming the minister she has issued three press releases but only one is about small business. Perhaps she is having too good a time enjoying the perks of office to spend time on small business. That is no substitute for the first-hand knowledge possessed by many honourable members on this side of the house. Apart from the additional burdens and costs the minority Labor government has imposed on small business, I question its commitment to the small business community. During the weeks the house has been sitting, apart from today, when it is debating a motion moved by the opposition, the words 'small business' have passed the lips of government members only six times. Small business is the biggest employer in Victoria, yet government members have mentioned it only six times during the sitting.

In case government members do not understand, running a small business is a seven-days-a-week proposition. You might open your business only six days but the seventh day is spent on bookkeeping —

filling in the necessary forms and doing the accounts. Having a small business means lying awake in the middle of the night worrying how you are going to pay the wages. Being in small business is not like being the manager of a unit of a large organisation; it involves the responsibility of providing money for your employees so they can feed their families.

Small business is the heartache of facing a loyal long-term employee and saying, 'I'm sorry, I cannot keep you on because Paul Keating said we had to have a recession'. It was known as the recession Australia had to have, and it was compounded by Kirner and Cain. It means lying awake between 2 and 5 in the morning knowing you have to get up, sell your product, cook meals or do whatever you are doing so that you can feed the people for whom you are responsible.

Government members would have no idea what it meant to be involved in small business unless they were involved in a small business, unless their houses were mortgaged to the hilt and unless they had personal loans and everything for which they had worked for 20 or 30 years was on the line because bills had to be paid and costs had to be met, all the time knowing they had a government that wanted everything to be controlled by rules and regulations to make it harder. The recession that Australia had to have meant that a lot of people in small business, such as me, woke up each day and watched their partners growing older with the burdens imposed during those horrific five years. It took five years of working 7 days a week, 16 hours a day to pull things back, and that is happening right across Australia.

The honourable member for Springvale placed some emphasis on gaming and seemed to lay all the blame for it at the feet of the former Kennett government. It surprised me because I distinctly remember \$700 000 being spent on the promotion of a new sunrise industry. Fantastic glossy advertising was used to promote the idea of 48 000 poker machines. It was said by Joan Kirner to be the saviour of Victoria. However, the state will probably end up like New South Wales under the Carr government with 75 000 poker machines. In its wisdom the Kennett government capped the number of machines at 27 500. The new minority Labor government is talking about capping regional poker machine numbers. What more controls will it introduce? The government does not understand that the former Kennett government had to repair Joan Kirner's legislation and reduce the cap from 40 000 to 27 500.

I turn to issues concerning the Minister for Small Business. In a press release published in the *Sunday Herald Sun* of 24 October, she is reported as stating:

It's a question of empathy and understanding the constraints that small business people have to work under ...

An opposition member interjected.

Mrs FYFFE — Yes, because your cousin Joe is running something or other down the street. Until government members spend time having to deal with the responsibilities of small business they will have no conception of what is involved. They do not understand because they have always had the security of receiving a wage each week, whether they worked for large trade unions, the education department or as electorate officers, as so many of them have done. They do not know what it is like to receive bills and be unable to pay them. They do not know what it is like to be responsible for employing people.

Mr Viney interjected.

Mrs FYFFE — The honourable member for Frankston East is the second person I referred to who has had experience in small business. I hope he will contribute to the debate, because I will listen to what he has to say.

I have several press cuttings that contain a lot of information, but I will not bore honourable members with the material because the government is obviously not listening to a genuine small business person who survived the recession we had to have and years of terrible financial mismanagement by previous Labor governments. The government is not prepared to listen to someone who worked seven days a week for seven years to overcome the damage those governments caused.

Mr VINEY (Frankston East) — I am one of the members on this side of the house who has had some experience in running a small business. The honourable member for Ripon has also run a small business in country Victoria. The logic of the honourable member for Evelyn, that unless one has actually run a small business one apparently has no authority to speak on it, is interesting. Many members have run small businesses or worked in them or have families, friends and associates who run them.

Small business is the engine room of employment in this state. The Labor government is proudly pro-small business. The logic of this ridiculous motion defies me. According to the logic of the honourable member for Evelyn the opposition spokesperson on small business

has no understanding of or authority to speak on small business matters because she has not worked in a small business. She seemed to be arguing that no member of this house can speak with authority on small business unless he or she has run one. The honourable member for Brighton has never run a small business: she has worked in political organisations and as a teacher. They are fine professions; I am not saying otherwise. However, I am simply saying that if members of the opposition intend to run with that logic in trying to attack this side of the house, they had better look through their own glass window!

The honourable member for Bentleigh made various accusations about the company I ran.

An opposition member interjected.

Mr VINEY — I am happy to get to that. I am happy that you ask.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member will ignore interjections. They are disorderly.

Mr VINEY — Members of the opposition want to know how many people my company employed in the past year. We started our business, like many small business operators, with not much more than a good idea, operating out of the spare bedroom at home. I am very proud to say that over 10 years we gave jobs to well over 100 people in the Frankston East electorate, and when I handed over the company in a management buy-out the company had 50 employees. That is something of which I can be justly proud, having created the business from nothing but a good idea. If the honourable member for Bentleigh wants to raise those matters in interjections, I suggest she first check the basis of her accusations.

The matter of public importance shows how out of touch opposition members are with the Victorian community and why they are now sitting on that side of the house. All opposition members have done is whinge and moan about giving families a couple of public holidays over Christmas and New Year. Despite all the problems involving the police, education and hospital services — all of which the Liberal government created — the opposition wants to bring up a minor matter of the government giving a couple of days holiday in a year of the sort that occurs once in a thousand years. It shows how out of touch the opposition is.

The matter of public importance supposedly raises a number of issues about additional costs.

Honourable members interjecting.

Mr VINEY — I hear interjections from the other side which, on your advice, Mr Acting Speaker, I will ignore.

The opposition has raised the issue of additional costs but has not been able to name any. Instead, members opposite have recited a long list of rhetorical statements about what might happen about costs. There is no substance in the argument that the government is adding to small business costs. I will examine the previous government's record. The Australian Bureau of Statistics released some data on small business for the 1994–95 and 1995–96 financial years that shows average annual business exits by state and territory. Despite all the rhetoric about the other side's great pro-business strengths, the figure for small business cessations over that period was 7.3 per cent.

It was the highest percentage in Australia and well above the Australian average of 5.9 per cent. That is the record of the previous government.

The honourable member for Brighton raised the matter of Workcover. As she did so I looked across the house to see whether honourable members opposite were blushing; I was staggered to find they were not. Their record on Workcover is nothing short of disgraceful. The former government cut benefits and put injured workers and their families below the poverty line. It removed the right to sue at common law and left a black hole in Workcover funding. The record of the former government on Workcover is shameful and should not be raised in this debate.

What further attack could coalition members make on small business in Victoria? They could deregulate shop trading hours. Deregulation was an extraordinary attack on small retailers that left them reeling under the pressure of big change. But why did it occur? Why did the previous government so eagerly deregulate shop trading hours against the interests of small business, which is presumably part of its constituency?

Before the period of financial disclosures — we have heard a lot today about fundraising — there were significant allegations that Coles Myer donated about \$1 million to the Liberal Party. Why did members of the opposition, when they were in government, want to deregulate shop trading hours against the interests of small retailers? Coles Myer has, over the past three years, paid \$60 000 to the Liberal Party's funds and \$18 000 to the Australian Labor Party (ALP). One wonders what might be behind those activities. It is a bit rich for honourable members opposite to have a go

at the Labor Party about donations. The previous government focused for seven years on big projects, big contracts and big business mates.

Why did it have that focus? The honourable member for Dandenong North mentioned the HIH Insurance group's donation of \$175 000 to the Liberal Party and nil to the ALP. Phillip Morris donated \$115 000 to the Liberal Party over three years and nil to the ALP. That is why the previous government had its focus on the big end of town.

With my background in small business I have some understanding of what it is looking for — namely, fairness, security and protection. Fairness means fair treatment, unlike the treatment meted out by the previous government, which had a bias towards the big end of town. Security does not mean the massive changes to regulations affecting small businesses and small business people and their families made by the previous government. Protection includes the protection against the predatory behaviour of big business that small business looks for. The previous government failed on all three counts.

The former government set up a regime of massive taxes. And now, in the same tradition, members of the opposition are supporting, through the actions of their federal colleagues, a massive impost on small business in the form of a goods and services tax. That tax will come back to haunt members opposite after it is introduced in June next year. It will cause massive problems in the small business sector, just as gaming has had a massive impact on the tourism industry in Victoria — something else I know something about.

As a result of the gaming legislation the annual revenues of many tourist operators in regional Victoria and the outer suburbs of Melbourne have been reduced by between 20 and 25 per cent.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member's time has expired.

Ms McCALL (Frankston) — What a pleasure it is to follow the honourable member for Frankston East. That is a challenge if ever I had one!

First, I wish to correct the honourable member for Frankston East about the identity of the shadow Minister for Small Business. It is the Honourable Bill Forwood in the other place, and Bill Forwood does have small business experience.

I will also clarify another matter concerning the honourable member for Frankston East. In his employment of so many worthy Frankston residents

over the past 10 years one would assume that not all of them were members of a trade union and that they were entitled to jobs on the basis of merit and equity rather than trade union membership.

I am pleased to stand in support of this matter of public importance because I, too, have small business experience and have come from a successful small business background that includes the manufacturing business run by my father and my grandfather in the United Kingdom and my own business in Victoria.

Following the excellent reminiscences of my colleague the honourable member for Evelyn, I now offer some of my own reminiscences of life as a small business operator. They are relevant to the matter being debated and will show that the level of understanding of small business is far greater on this side of the house than would ever be possible in the current government.

Why did I become a member of Parliament? On days like today I begin to wonder. I may seriously consider other employment if the temperature in this chamber — not only the heat of discussion but the air temperature — does not go down a bit.

I arrived in Australia in October 1981 — and before anyone makes any rude remarks, I paid full fare. I came to Melbourne because it had a temperate climate, or so they told me, it was a multicultural environment, which I liked, it had English gardens in the suburbs and it had great restaurants, and furthermore, it had great opportunities for small business.

Imagine my horror when in 1982 a Labor government was elected in Victoria. I am a qualified personnel manager by training and have a background in industrial relations. I fought members of the government on unfair dismissal procedures and the issue of trade union membership in the Industrial Relations Commission.

I understand the vagaries of small businesses and their ability to hire, fire, counsel and employ the people they choose. In 1984 I decided to run my own business. Rather like the honourable member for Frankston East, I thought it seemed like a good idea. It started from a discussion over what would today be a bottle of Mornington Peninsula Pinot Noir, and I soon made the decision.

My business was very successful, except for one thing. I noticed that the small businesses I dealt with had little voice in Parliament under the former Labor government. The Cain government, like this government, was run by ex-teachers, trade union hacks and a few people who had apparently run a business

similar to an Australian Labor Party branch where they employed 14 people — an interesting definition of a small business.

Some of us will remember the stock market crash of October 1987. From early 1989 small businesses in Victoria began to feel the pinch. One of the more noticeable comments at that time was that the Cain government made no attempt to step in and help small business operators because it had no understanding of small business. Big business began to pull up the drawbridge. Banks were charging 25 per cent on overdrafts, which had a staggering effect on those of us who were running predominantly cash businesses. Small business was struggling.

Many honourable members will remember that every week between early 1989 and 1991 small businesses went to the wall. They suffered from high overdraft costs, feral banks, over-regulation and the fact that they had no real voice in Parliament. By mid-1990 I made one of the hardest decisions I have ever made in my life — I pulled the plug on my business and went into liquidation. If you think you have fixed the costs the day you go into liquidation, think again. But I am proud to stand in this chamber and say that I am one of only 1 per cent of people who have gone into liquidation and have repaid every cent owed.

I stand in this place as someone who, like the honourable member for Evelyn, remembers the nightmares — the man banging on the door to deliver the summons, the threats coming from the mortgage company, the foreclosure and the bank that sells your house from underneath you. As the member for Frankston I not only represent 45 000 people of all types, shapes and sizes — 10 000 children, the old, the young, the native born and many UK born like me, and self-funded retirees; it is a broad base — I also represent the small business communities of Frankston and Mount Eliza.

Small business operators work very long hours in sometimes difficult circumstances. Councils make decisions to close roads around small businesses without any consultation with them merely because the councils think it is a good idea. They experience exorbitant increases in rent not only in big shopping centres but also because of the entrepreneurial small property owners who think they can make a killing. They experience bank foreclosures, changes in retail patterns and, of course, the problems faced by all of us in urban areas, crime, drugs and youth unemployment.

For those reasons I am disturbed by the recent moves by members of the minority Labor government to

impose further restrictions on small business, because many of them have never run a small business and are therefore ignorant of small business concerns. Small business is the lifeblood of the community. It generates employment and community prosperity, but the trade union hacks have got in the way, again. Some of those hacks are pushing for 500 per cent loading on New Year's Eve and increased penalty rates. It will cripple small business.

What happened with the change of government? The former government handed over a state that was booming; the economy was in great shape. The press often reports that Victoria has the fastest rising economy of any state of Australia. The former government handed over to the minority Labor government and the Three Stooges a bank balance that even the National Bank would be pleased to manage. What on earth will they do with that? At the first opportunity the Labor government has looked after its mates, who represent less than 40 per cent of the Victorian work force. The balance of the work force do not join the unions because they are terrified of what will happen. Three cheers for equity, fairness and equality! It is about as good as giving an honourable member for Chelsea Province, the Hon. Bob Smith, the responsibility for affirmative action in the Australian Workers Union or putting a paedophile in charge of a kiddies swimming pool.

In case honourable members may not have noticed, we are welcoming back the bad old days of Cain, Kirner and Kelty. I am worried about small businesses and the lack of representation they will have under this government. Although operating a small business is tough and hard, it is one of the most rewarding things one could ever do.

Mr TREZISE (Geelong) — My employment background is totally irrelevant to the debate, but I would like to say that my family and I ran a small retail business in Geelong for 30 years. In 1994, as happened with the honourable member for Frankston's business, it closed down. It closed down because of the introduction of the open-slather trading hours implemented by the Kennett government in 1992. It closed down for no other reason.

As the honourable member for Geelong I represent a town that relies heavily on retail and tourism, and I fully appreciate the importance of small business to Geelong during the approaching festive season. In understanding and appreciating the importance of small business to Geelong and its surrounding regions I find it totally hypocritical of members of the opposition, for their own political purposes, to suddenly try to be seen

as supporting small business. For seven years they did nothing but screw small business to the wall.

Small business operators in Geelong say the greatest burden in business is the open-slather trading hours introduced by Jeff Kennett and his government in 1992. Small business operators, especially retailers, say having to operate seven days a week, 365 days a year — over the Christmas and Easter periods and on every public holiday — is slowly but surely driving them to the wall. The open-slather trading hours were introduced as a result of the previous government bowing to major retailers — the big businesses — and agreeing to trading 365 days a year in Victoria.

Why did the major traders want open slather trading? It was to ensure the closure of small businesses, and unfortunately that has been achieved in Geelong over the past seven years. The masquerade by the opposition as the saviour of small business is hypocritical to the bone.

The effect of open-slather trading in Geelong is one example of small business being driven to the wall by the former government. I wish to give two current examples out of numerous others from the City of Geelong. The most current instance is the additional costs and burdens imposed on small food vendors in Geelong by the previous government under the provisions of the Food Act. Food vendors in Geelong who have contacted me in the past two weeks — perhaps a dozen or more — agree that amendments to the food regulations are needed. I agree in principle. However, vendors and the local council explain that in the usual way of the former government, there was no consultation. The amendments to the Food Act were imposed on small business: no consultation, no input.

The previous government would not listen to small business in Geelong. The regulations were imposed, like it or lump it. As a result, in recent weeks numerous food vendors have come to my office because the council has now imposed a levy of over \$300 on the traders. When the small food vendors ask why the levy has been imposed, the council points out that the legislation was imposed by the Kennett government and no additional funding was forthcoming. The council was expected, as usual, to foot the bill for the extra regulatory role.

Small business operators appreciate the position of the council in relation to the Food Act. They know the \$300 additional cost, to be paid by this Friday, was imposed by the previous government. Small business operators know the extra costs and burdens throughout the 1990s were imposed by the now opposition. In

recent weeks the Belmont Traders Association, representing the traders in High Street, Belmont have had a \$360 levy imposed on them. Admittedly, the levy was imposed by the City of Greater Geelong, but it is relevant to this debate for two reasons. The first is that the City of Greater Geelong has been strapped for cash for seven years because the previous government starved it of funding. It has to pass some costs on to traders and small business operators. Secondly, it is relevant — —

Mr Kilgour interjected.

Mr TREZISE — It is relevant, you are not, so be quiet. You are irrelevant.

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

Mr TREZISE — I am trying, Mr Acting Speaker. I am trying to speak of relevance and being interrupted by irrelevance to my right. Secondly, it is relevant because hundreds of Belmont traders have opposed the levy in recent days. What does the local member for Parliament do? The honourable member for South Barwon — who, typically, is not here — stands up in Parliament and supports the \$360 levy. I reiterate the point: the honourable member for South Barwon supports the \$360 levy in his own electorate while the majority of traders in his street do not support it and have not done so from the start.

The decision in relation to public holidays over the festive season enjoys wide community support. On Monday, 94 per cent of readers of the *Herald Sun* supported the decision. The Australian Retailers Association supports the fact that business trading hours will not be changed over the festive season. Governments right across Australia support that decision and have similar arrangements. Even the Premier of Western Australia — probably the most rednecked Premier in this nation now that Jeffrey has gone — supports the decision. Western Australia has granted six public holidays and New South Wales has granted five. The decision has wide community support in Victoria and the nation. I commend the decision and congratulate the Premier and the government.

Mrs PEULICH (Bentleigh) — I have pleasure in supporting the matter of public importance submitted by the honourable member for Brighton. Most Australians would share the view that small business has traditionally been seen as the engine of the Australian economy. Certainly it is the employer of more than 50 per cent of the labour force. It is for that reason and the low level of unionisation in small

business that the Labor Party has no empathy with that sector. It grandstands, and occasionally effectively, about small business, but it has no understanding of the culture of small business or what it needs to thrive and succeed.

Any political party must support the sector that is the provider of the greatest number of jobs in this country. Time and again I have said that unemployment is the greatest contributor to poverty ever known in Western society. Most people in small business know the joke that was told about small business when Labor was previously in government. It went something like this:

How do you start a small business in Victoria?

The answer is:

You buy a big one and you wait.

The joke was told by many acquaintances and members of my family who owned and ran small businesses. They have never seen the Labor Party as the advocates of small business. Rather, it is the advocate only of employees who work in small businesses. It has no understanding of the operations of small business, and in a few short years many of the benefits enjoyed by small business in a strong economy will have been pilfered and wasted.

The Minister for State and Regional Development referred to the job growth in Victoria and said that 98 per cent of new jobs were created in metropolitan Melbourne and only 2 per cent were in rural Victoria. I will wait and see because 2 per cent is certainly preferable to a minus outcome. I make a prediction today that under Labor the job growth in rural Victoria will be in the negative, not in the positive, and people will rue the day they voted for the Labor Party, if they did. However, I believe the vast majority of the small business sector did not vote for the Labor Party.

Unlike the honourable member for Dandenong North, I started working in small businesses at the age of 12, and my very first job was selling ice creams at the Kerferd Road beach kiosk during the school holidays. Since then I have worked through every single term and summer holiday washing windows, mopping floors, and performing various tasks in the hospitality industry, which culminated in my family and I being able to run a business from the mid-1970s through to the mid-1980s. The reason we sold was that the prospects for small business diminished under Labor, and we sold at the right time.

Two years ago, as a result of a booming and thriving economy, my husband decided to go back into small

business. Unlike the honourable member for Dandenong North's interpretation, it is a real small business. If he thinks running a union is a small business, it would be interesting for him to clarify his position to the house. Honourable members would be interested to know, now that he has been elected as a member of Parliament, whether his union activities have ceased.

The Labor Party is the political arm of the union movement. The union movement overwhelmingly represents the public sector, which has the highest level of unionisation. The minority Labor Party would like to create an industrial relations monopoly with the no-ticket, no-start rule, and that would screw small business. It would destroy jobs, and the level of unemployment would steadily grow. I say to government members that when people realise you are not their friend but rather their enemy, you will get thrown out of office, and I look forward to being in Parliament when that occurs. The Labor Party has never been known for its capacity to manage the economy. It will work against small business and throw many of them to the wall.

The honourable member for Frankston East spoke about 7.3 per cent of Victorian small businesses going out of business and that that percentage was the highest in Australia. He failed to quote previous statistics relating to failed small businesses under the last Labor regime, which were very high. Unfortunately, one statistic shows that one-third of small businesses fold in their first year of operation. It is important for potential small business owners to do all the forward planning before they start operating. Unfortunately, many do not do that, and that is why they go out of business in their first year of operation. The honourable member for Frankston East was selective in quoting those statistics.

Victoria's AAA rating has been put on hold by Standard and Poor's Ratings Agency. Small business confidence is plummeting — it is 10 per cent lower than it was in August — and only 25 per cent of small businesses approve of the government business policy in Victoria. The reason they do not approve is the industrial relations agenda. The Australian Labor Party believes only unionised labour ought to be employed. That principle of discrimination is enshrined in the ALP's membership form.

I have raised this matter in the house before because it has been taken up with me by a number of small businesses and subcontractors who are concerned that this provision works against them. They say it discriminates against those who are not unionised, and until the Labor Party changes its ways the message it is

sending to the small business sector is that it is not its friend.

The Minister for Industrial Relations, the Honourable Monica Gould, said that the Labor government supports a single industrial relations system based on a national approach and with comprehensive standards. She believes such a system would give 700 000 Victorian workers protection, in excess of the core conditions that have been granted, over and above the four weeks annual leave, unpaid adoption, and paternity and maternity leave. She would like to see industrial relations deliver a further 16 conditions to 700 000 Victorian workers, and we know what that will do to the costs imposed on small business. Obviously the whole agenda of the Labor Party is to ensure that its unionised employees are better paid. It will acquiesce to its union mates as occurred with the public holiday issue.

The honourable member for Frankston East tried to make out that this was a paltry issue, but it will hurt small business. My husband is among many others who are fighting day in, day out to continue employing people in Victoria and to survive as a small business. The unemployment level in the electorate I represent had fallen from 12.5 per cent in 1992 to less than 6 per cent when Labor won office this year. It was more than halved as a result of the former government's policies.

The honourable member for Geelong spoke about local government costs as a result of the Food Act. However, the government will blow that away with one clean sweep in the rising council rates that will result from its best value practice bill passed recently, which will basically end compulsory competitive tendering. Council rates will continue to climb year after year. There will be no control over rates and small business will bear the brunt of cost increases. The number of services provided by local government bodies that small businesses enjoy is usually fewer than the number accessed by residential ratepayers.

I have also heard about what changes to Workcover premiums will do to small business. The Minister for Small Business in the other place said that she is concerned about Workcover premiums and will —

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member's time has expired.

Mr MAXFIELD (Narracan) — The house should note with grave concern the additional costs that were imposed on Victorian small business operators by the former disgraced Kennett government. The story of the effects of deregulated trading hours, changes to food

regulations, the introduction of a goods and services tax and the neglect of rural Victoria is a sorry tale.

The introduction of extra public holidays is a bonus for small business owners. Many small business operators have families.

Opposition members interjecting.

Mr MAXFIELD — Opposition members might not think small business operators have families but they do; and many of them do not want to trade on Boxing Day or on New Year's Day. Why does the opposition think small business operators do not deserve the right to spend time with their families?

I turn to the question of small businesses being forced to open against their will. Huge predatory shopping complexes put enormous pressure on small traders — the battlers and people trying to make a go of it and earn a living for themselves. You obviously don't care about small traders and small businesses.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member will direct his remarks through the Chair.

Mr MAXFIELD — Mr Acting Speaker, it appears that opposition members, some of whom were members of the former government, have no regard for small business operators who value a bit of time with their families. Trading hours have forced small business operators to work 7 days a week, 24 hours a day to try to survive. Opposition members do not give a stuff, they do not care. It is tragic for society and for their families.

The ACTING SPEAKER (Mr Lupton) — Order! I ask the honourable member for Narracan to refrain from using such language. It is unparliamentary, to say the least.

An Honourable Member — They don't give a hoot.

Mr MAXFIELD — Thank you, Mr Acting Speaker. Perhaps 'They don't give a hoot' is better. Why did the former disgraced Kennett government deregulate trading hours? Was it to help small traders be put out of business by large traders? Was it to stop families having Sunday get-togethers? Was it so that mothers would lose leisure time and have to put their children into child care on weekends because the only jobs they could get were in shops that traded on weekends? The government deregulated trading hours because it was looking after its rich mates.

Why does the opposition not support families? Many female workers are employed in the retailing industries — mothers, fathers, sons, daughters, grandmothers and grandfathers all work in retailing. It appears the disgraced former Kennett government did not care about workers. When will opposition members wake up to the fact that there is a community to consider? The test of a community is how people look after and care for each other. You believe in the Thatcher philosophy that there are individuals and no community. You just want individuals to — —

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Narracan will please refer his remarks through the Chair and not across the table. It is disorderly.

Mr MAXFIELD — I am sorry, Mr Acting Speaker. I will try to ignore the shame and disgrace of the former Kennett government and how it forced shop assistants to work on weekends and at nights when they wanted to be at home with their families and their friends.

Why must there be support for large businesses and multinationals making huge profits? A lot of money from huge corporations has left our shores and flown overseas. That is all you — —

Mrs Shardey interjected.

Mr MAXFIELD — At least we talk to them. However, but we will not do what you did, which is make rich mates. You only looked after small business — I mean — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Lupton) — Order! The interjections across the table are disorderly. For the third time I ask the honourable member to direct his comments through the Chair.

Mr MAXFIELD — I made a mistake, Mr Acting Speaker. I said the opposition only supports small businesses, but I meant to say that it only supports large businesses. I wish to correct the mistake.

Let us look at what small business operators say about public holidays being given to families who deserve them; businesspeople who do not want to work on Boxing Day, because funnily enough they want to spend it with their families.

An honourable member interjected.

Mr MAXFIELD — Workers in the retail industries want to spend it with their families, as do small

business owners. It is only the big corporate guys who do not care. The Deputy Leader of the Opposition will not work on Boxing Day or New Year's Day, yet she wants to force the little people — —

The ACTING SPEAKER (Mr Lupton) — Order! I ask the honourable member for Narracan for the fourth time to direct his remarks through the Chair and to not refer to the honourable member for Brighton as 'she'. Please refer your remarks through the Chair and use the proper decorum of the house.

Mr MAXFIELD — I am sorry, Mr Acting Speaker. I feel passionate about supporting the ordinary people in this country, who have been downtrodden.

The ACTING SPEAKER (Mr Lupton) — Order! If you get that passionate you will be in trouble.

Mr MAXFIELD — A press release of 3 December of the United Retailers Association Incorporated states:

Getting an even break!

'Finally, with today's announcement by the new Bracks Labor government, Victoria's workers and retailers are getting the "even" holiday break they deserve', said United Retailers Association president Lisa Michael.

'Now, with the declaration of Boxing Day and New Year's Day as public holidays, employers and shopping centre owners cannot force opening of shops or work on these traditional days of family rest and recreation', she added.

That is what small traders are saying. The press release continues:

'The United Retailers Association urges all workers, particularly shopping centre tenants, to take advantage of this hard fought and won victory for the little man'.

'If workers or shopping centre tenants feel threatened or intimidated they can contact us and we will "blow the whistle" as we have always done in the past', said Ms Michael.

'However, in spite of this step forward, the URA is well aware of the subtle intimidation used by shopping centre landlords against those tenants who don't open on public holidays. Melbourne Cup Day 1998 showed the level of intimidation. Many tenants were told by their landlords — "we are displeased that you did not open" with the implication that lease renewals would hinge on these considerations', she said.

Who does support small business in this state? Labor does! The press release concludes:

'What would you do? — you'd open, of course! What real choice do you have?', she added.

'Nevertheless, in its first action in the small business area, the Bracks Labor government has shown that the small end of town is just as important as the big end', she said.

'The Bracks government is to be commended'.

That is what small business is saying about the Bracks government. I am happy to table the press release if honourable members want a copy.

A media release of 3 December issued by the Australian Industry Group states:

The AI Group Victorian branch director, David Whiting, said, 'In light of the significant celebratory focus on the coming Christmas/New Year period, the government's decision — announced by the Premier today — to declare Sunday, 26 December, and Saturday, 1 January, as public holidays, was a balanced and reasonable decision'.

Honourable members interjecting.

Mr MAXFIELD — In case honourable members did not hear me, the press release says it was a balanced and reasonable decision.

What does the community say? The *Herald Sun* conducted a voter line, and the result was published on 6 December. I will be happy to table the article to assist any honourable members who did not see it. People were asked: do you agree with the state government's decision on public holidays? I had better make sure I get this right because I would hate to mislead the house. The *Herald Sun* reports that 94.3 per cent of respondents supported the decision on public holidays. However, opposition members will be pleased to note that those who support the opposition at the big end of town — the 500 club — have some support. They are not alone.

The survey shows that 5.7 per cent said no, they did not agree with the government's decision on public holidays. They should be pleased to know they are not alone and that they are supported by their rich mates.

The imposition of a massive array of food regulations has had an horrendous effect on small businesses not only in rural Victoria but in the metropolitan area as well. For example, the cost of complying with the regulations has resulted in the closure of pizza shops. Business after business in my electorate has complained. Small business owners approached the former member for Narracan and asked, 'Can you help us? The food regulations are ridiculous and appalling. They are causing us to close our businesses'. What did the former member for Narracan do? All he said was, 'In the Kennett government I don't rock the boat'. The members of the former government did not rock the boat. However, when those small business owners came to see me they found somebody who would listen to them. The Minister for Planning came along to speak and listen to them. When we held meetings they found

themselves speaking to people who shared their concerns.

During the election campaign my campaign team and I conducted a survey, personally visiting 360 — —

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member's time has expired.

Mr MULDER (Polwarth) — That is a hard act to follow. As I stated in my inaugural speech, I do not believe any other member of this place has the range of small business experience that I have. I started out as a one-man operation in 1978 and left that small business in 1999 to enter Parliament. I saw several governments come and go on the way.

There is no doubt that at the end of the previous Labor government's period in office, the confidence of small business operators had fallen to their boots — particularly in rural and regional Victoria. It reached the point where I and a number of other business people in my community started an organisation called the Colac Business and Retailers Association. That organisation had one goal — to lift self-esteem in business and to improve business outlook. When the coalition government lost power, business confidence in Colac was at its optimal. Shops were full, people were trading and everyone was happy with the outcome.

How quickly perceptions change. While riding into Melbourne in a taxi this morning I was talking to the taxidriver, who told me that his plates were worth \$292 000 under the coalition government but that, following the change of government, they are probably worth about \$220 000 — if he could get a buyer.

The Labor government is simply not seen by small business as user-friendly because it does not understand the sector. Government members do not have the capacity to take small business issues on board. They do not understand that even the smallest government action can sink a business — and I will talk about some of those actions.

The government's decision to declare additional public holidays has opened the floodgates and will result in the rape of small business. The government does not understand that most small businesses are tied to contractual arrangements. It is impossible for a small business to go back to its supplier and renegotiate a contract arrangement because the government has decided to hand its mates a few extra holidays. Who will pay for it? Small business always pays!

The Premier walked away from dealing with public servants on the issue and instead allowed them to negotiate with the departments.

Mrs Fyffe interjected.

Mr MULDER — The Premier of indecision — how right you are! He has obviously spent his life emptying pay packets. I doubt that he has ever had to try to fill one, because if he had he would understand the implications those decisions have for small business. Next year I would like to see the government attempt to take back those Christmas holidays. They will be there for good. The government will bear the legacy of the cost of that for small business.

Two of the greatest deterrents that face small business are unfair dismissal and Workcover. In 1992 the previous Labor government left Victoria with a Workcover deficit of \$2 billion. The government talks about the current \$176 million deficit, but it is a pittance compared with the disgusting state the previous Labor government left the Workcover authority in.

The Minister for Workcover keeps dodging the issue.

Mr Trezise — Why did you do nothing for injured workers?

Mr MULDER — I only have 3 minutes. I will leave a couple of points out and — —

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

Mr MULDER — I call on the government front bench to counsel the Geelong members, because the backbench is obviously out of tune with the front bench. All the Geelong members put their names to a petition seeking a ban on logging in the Otways catchment. Isn't it strange that the petition is not a Geelong or a south-western Victorian petition but a Victoria-wide petition, which gained the support of less than 1 per cent of the population! However, the Geelong members obviously saw the nice big pile of signatures and thought, 'This will do us. We will jump on board here'. They have leaned over into the seat of Polwarth, seen all those small businesses struggling away and said, 'We will dump on the lot of you. You are not in our area, but we will dump on you'. The lot of them have forgotten who put them there. They are not just Labor members for Geelong, they are Labor members for Victoria! They have dumped on small business and the people employed by small business. They should be ashamed of themselves!

I asked all the key players whether they had been contacted by the members for Geelong — the loggers, the workers, the employer groups — and the answer was no. Where did they get your information from? Why did they jump on board on this one? It is all very poor. Blue collar workers have been put out of work by Labor MPs. Isn't that a great effort! Every time there is an action such as this it undermines investment and job security. What we have here — —

The ACTING SPEAKER (Mr Lupton) — Order! The time for discussing matters of public importance has expired.

PARLIAMENTARY COMMITTEES (AMENDMENT) BILL

Introduction and first reading

Mr BRACKS (Premier) introduced a bill to amend the *Parliamentary Committees Act 1968* and for other purposes.

Read first time.

APPROPRIATION MESSAGE

Message read recommending appropriation for Parliamentary Committees (Amendment) Bill.

PARLIAMENTARY COMMITTEES (AMENDMENT) BILL

Second reading

Mr BRACKS (Premier) — By leave, I move:

That this bill be now read a second time.

As members will be aware, the government and the opposition have recently concluded fruitful but lengthy discussions concerning the parliamentary committee structure for the 54th Parliament.

As part of the agreed position, legislative amendments to the *Parliamentary Committees Act 1968* are required and this bill will make those amendments.

The principal elements in this bill are:

- to establish the Economic Development Committee as a committee of the Legislative Council for the term of the 54th Parliament; and

- to expand the role of the house committee.

Economic Development Committee

This committee is being established for the term of the current Parliament as a select committee of the Legislative Council. It will have a maximum of seven members and a quorum of four.

The functions of the committee will not alter, although it will not be empowered to report on matters which are properly the functions of the Public Accounts and Estimates Committee, namely:

- annual estimates or receipts and payments;
- other budget papers; or
- audit priorities for the purpose of the Audit Act 1994.

Members will note that the new provisions concerning the Economic Development Committee will sunset at the end of the 54th Parliament. Once the Legislative Assembly expires or is dissolved, the effect on the Parliamentary Committees Act will be as if these amendments to the principal act had never been enacted.

House Committee

To expand the role of members in the management of the parliamentary services, the bill makes a number of changes to sections 45 and 46 of the Parliamentary Committees Act in relation to the House Committee.

These changes:

- increase the number of members, other than the ex officio membership of the presiding officers, from 10 to 11. The additional member is to be appointed by the Assembly;
- increase the quorum of that committee from three to seven;
- provide the committee with an additional function: to advise the Speaker and, where appropriate, the President, on the management of parliamentary services, including matters concerned with information technology; and
- provide that the Department of Parliamentary Services and the secretary of that department are to provide the committee with assistance and services.

Other matters

The bill also makes a number of other changes to the Parliamentary Committees Act, the most significant of which are:

- to increase the maximum number and quorum of the Public Accounts and Estimates Committee from 9 and 5 respectively to 10 and 6; and
- to ensure that the Scrutiny of Acts and Regulations Committee can consider and report on acts passed by this Parliament before the committee is appointed.

I wish to make a statement under section 85(5) of the Constitution Act 1975 of the reasons for altering or varying that section by this bill.

Clause 9 provides that it is the intention of section 4U as applied to and in relation to the Economic Development Committee by section 41 to alter or vary section 85 of the Constitution Act. Section 4U provides immunity from legal action to joint investigatory committee proceedings, recommendations and reports and documents.

The reason for limiting the jurisdiction of the Supreme Court by clause 9 is to preserve the privileges and freedoms necessary for the conduct of parliamentary committees by providing those privileges and freedoms which are currently enjoyed by joint investigatory committees and their members to the Economic Development Committee and its members.

Failure to provide those freedoms and privileges to the Economic Development Committee may allow the committee or its members to be subject to litigation as a result of the activity of the committee and, thereby, impede the effective functioning of that committee.

I commend the bill to the house.

Dr NAPHTHINE (Leader of the Opposition) — The opposition supports the legislation. As the Premier said in the second-reading speech, the legislation was brought to the Parliament by successful negotiation between the opposition parties and the government. The result shows that the parties can work together in a constructive way in the interests of both the operation of Parliament and Victoria.

I particularly commend the people involved in the negotiations: the Honourable Mark Birrell in another place, the Deputy Leader of the Liberal Party and the Deputy Leader of the National Party from this side. Several members on the government side were involved, including the honourable members for

Geelong North, Ivanhoe and Werribee. I apologise if I have left anyone out.

It is important that the Parliament has an effective committee structure. Parliament works better with all-party parliamentary committees considering a range of issues of interest to Victorians. I recall during my first term in the Parliament from 1988–92 serving on the Social Development Committee under the chairmanship of the then honourable member for Box Hill, Margaret Ray. That committee did valuable work across party lines on important issues such as mental disturbance and community safety. Prior to that, the committee considered options for dying with dignity. They were testing issues for both the community and the Parliament. By working on an all-party basis parliamentary committees can deliver recommendations to the government and community which are generally based on deep research and provide a way forward.

The bill proposes establishing a public accounts and estimates committee, which was put forward by the then Liberal and National Party opposition and initially started in the mid-1980s as a committee of the upper house. Now that procedure has been adopted as standard for an all-party parliamentary committee.

A scrutiny of acts and regulations committee established by the first Kennett government worked extremely well under the chairmanship firstly of the honourable member for Doncaster and more recently the honourable member for Gippsland South, now Deputy Leader of the National Party.

The Scrutiny of Acts and Regulations Committee will provide a good base for the examination of every piece of legislation to go before Parliament. It will advise Parliament on relevant issues and look at regulations and redundant legislation. The Family and Community Development Committee will look at a number of social issues dealing with community concerns. The Environment and Natural Resources Committee will address a range of environmental issues, such as water management and the Snowy River.

The Drugs and Crime Prevention Committee will have a significant task — to look at law and order issues in our society, including the difficult area of the unfortunate rise in the number of premature deaths due to drug overdoses. The committee will examine ways to manage those issues in an attempt to ensure that the community is able to deal with drugs in an appropriate manner and that people are advised about the risks of drugs.

There will be a Law Reform Committee and a Road Safety Committee. An Economic Development Committee will be set up in the upper house to enhance the role of that place. The house of review will certainly be able to use that committee in a positive way in the interests of all Victorians.

The committees have been established through a constructive process. The opposition parties have been pleased to work in a positive way with the government on the matter and look forward to appointing a good group of members to the committees so they can operate effectively in the interests of Parliament and the people of Victoria. On behalf of the Liberal Party, I commend the bill to the house.

Mr LANGDON (Ivanhoe) — I support the Parliamentary Committees (Amendment) Bill. As part of the negotiating committee I can report that fruitful talks were held, and the huffing and puffing that took place on both sides was to be expected. Those involved got that off their chests and managed to get down to serious business. I commend the negotiators. After some initial concerns agreement was reached in a spirit of cooperation. The Leader of the Opposition did not mention the Honourable Gavin Jennings, a member for Melbourne Province in the upper house, on the list of people involved in the negotiations.

As a former member of the Road Safety Committee I can commend the committee structure to the house. In many ways committees leave politics at the door to deal with many of the social issues that befall the state and work out things remarkably well. I am proud to say that during my involvement with the committee it was chaired well by a member of the former government, never needed to call for a division and made recommendations to the former government.

The bill provides for the establishment of important committees, such as the Scrutiny of Acts and Regulations Committee, which deals with issues of public accountability that are clearly the responsibility of the government, and it has been agreed the government should chair them.

For the first time this decade a committee will be set up solely in the upper house to enhance the role of that place. The Independents charter provided for upper house committees as part of the process of reform it called for. Again there was some huffing and puffing because there was a desire to have Senate-style committees in the upper house. The government would also like to have such a system, but the upper house has to be reformed first. Because that reform has not taken

place the committee structure in the upper house has not advanced as far as we would all like.

I commend the bill to the house.

Mr RYAN (Gippsland South) — It is a pleasure to join the debate because it highlights one of the issues that many people outside this place would probably not realise — the significance of parliamentary committees to the conduct of the business of Parliament.

To echo the sentiments of previous speakers, there was a deal of discussion between the three parties before the result contained in the bill was agreed to. Parliament is an adversarial arena and part of the process of achieving worthy outcomes such as those represented in the bill is free and fruitful discussions over these sorts of issues. I am delighted a conclusion satisfactory to all concerned has been reached.

The Leader of the Opposition has already referred to the individual committees and I will not go through them again. However, I want to make a couple of points concerning those that have been established. I had the honour of chairing the Scrutiny of Acts and Regulations Committee (SARC) in the last Parliament. It was an enjoyable role because the committee was able to examine every piece of legislation that came into either house. As matters have evolved since the current sitting began that has not been able to be achieved to date. I do not say that in any condemnatory sense given the nature of the debate. It is just one of the things that spilled out of the discussion process.

Previously the Scrutiny of Acts and Regulations Committee undertook the important role of ensuring all legislation introduced was the subject of a report that was later tabled in Parliament not only for the benefit of the members but also as a mechanism for keeping Victorians at large advised on the issues that came before the committee. I am delighted to see that SARC is alive and well and will again be able to undertake its important role.

There has been a lot of discussion about the role of the Legislative Council, which will be discussed in future. It is laudable that a committee has been established in another place to enable members to undertake important work on behalf of Victoria. I am sure the Economic Development Committee will become integral to the functioning of this place and to Victoria at large. I am therefore delighted to see that reform agreed to on a bipartisan basis. Those involved can properly say it is an achievement of great significance to the Parliament.

I thank those who have been involved in the negotiations, including those who sat at the table as the days went by and those who assisted those who sat at the table. The significant contributions of various people around the Parliament have produced an outcome of which we can all be proud. With the re-establishment of the parliamentary committee system the crucial work of the committees can now get under way, for the betterment of this place and the people we represent.

Mr LEIGHTON (Preston) — I too am delighted that agreement has been reached. The role of the parliamentary committees and the work of the members who sit on them are among the unsung aspects of parliamentary work. I hope the committee system will be less adversarial in future, because committees give members from both sides the opportunity to work together away from the spotlight that is on them in the bear pit. As a result they have the opportunity to work through the issues they are examining.

During my time as a member of Parliament I have had the opportunity to revisit previous callings. The first committee of which I was member examined the mental health system. Sitting for two terms as a member of the Economic Development Committee enabled me to broaden my horizons by focusing on areas such as the export of traded services, which I suspect is an issue I would not otherwise have looked at.

As the debate is to be brief, I will focus on one specific committee — namely, the House Committee. I welcome the renewed commitment to the House Committee, which previously did not sit as often as it should have. I am delighted that the legislation gives the House Committee an expanded role in the area of information technology.

Several years ago when Parlynet was first introduced it was clear that the Victorian Parliament was leading the way with groundbreaking technology. Unfortunately things have sat still for the past couple of years. We should now be talking about Parlynet 2. Last week the honourable member for Doncaster and I met with Christine Haydon, the chief executive officer, and Michael Purdy, the head of the information technology unit, from the Department of Parliamentary Services to canvass a number of issues that members had raised. It is interesting that a lot of members have not only adapted well to information technology but also become so reliant on it that at times they have become frustrated with some of its limitations. There is a need for us as members to further develop Parlynet and to maintain the lead.

Finally, I say to those members who will sit on the House Committee, the only reason Parlynet exists is to meet the IT needs of members — its users. They must seize the initiative and drive Parlynet so that it meets the needs and aspirations of members of Parliament. I look forward to the passing of the bill and to the House Committee playing an active role in the information technology area.

Ms ASHER (Brighton) — I too strongly support the Parliamentary Committees (Amendment) Bill, which establishes eight committees that I hope will work constructively throughout the duration of this Parliament.

There are three key elements of the bill. The first, referred to earlier, is the historic creation of an upper house committee. As a former member of the Legislative Council I am pleased to see the formation and establishment of the Economic Development Committee in the upper house and look forward to a furtherance of the review role of the Legislative Council as a direct consequence of it.

The bill also makes some adjustments to the number of people sitting on various committees to accommodate the needs of the various parties and the Independents. In two cases there is an expansion, in others a contraction of numbers.

The third major change, already touched on by the previous speaker, is the role of the House Committee. The bill allows for an expanded role for that committee, in particular so that it can advise the Speaker and comment on information technology. There is no more important committee for the day-to-day administration of members of Parliament than the House Committee. I welcome the proposed amendments concerning that committee and look forward to seeing whether levels of frustration experienced on all sides of politics will dissipate as members of Parliament gain more control through the committee's augmented role.

I conclude with three brief comments. First, in recent times many honourable members have spoken in debates about the committee system and have, to a person, bemoaned the absence over several weeks of that system. In particular honourable members have referred to the absence of the Scrutiny of Acts and Regulations Committee, which has a brief under the Parliamentary Committees Act to comment on individuals bills as they come before the house. As a former member of that committee I know it has over the years provided a valuable resource for members and has made useful comments about the content of bills and about rights, and so on. The passage of the bill will

be warmly greeted by honourable members irrespective of party affiliation or independent status. All of us were disappointed that the committee system could not be established earlier.

My second point is that the Public Accounts and Estimates Committee and the Scrutiny of Acts and Regulations Committee, regarded as the two most powerful and fundamental committees of the Parliament, are both creations of the Liberal Party. The Public Accounts and Estimates Committee was originally established as an exclusively upper house committee and later became a joint committee. The Scrutiny of Acts and Regulations Committee — a very powerful all-party joint committee — was established in 1992 by the Kennett Liberal and National Party government.

My final point is that, as a member of this Parliament since 1992, I have had not very many constructive discussions across all parties. The chamber tends to be, of necessity, as the Deputy Leader of the National Party said, adversarial. I record my thanks to those who were involved in the negotiations on the committee structures. The starting point was not promising. I particularly thank the honourable member for Geelong North for the role he played in those negotiations. I acknowledge also the value of the enormous historical knowledge offered by the Leader of the Opposition in the other place.

The bill represents an agreement by the Liberal, Labor and National parties and is a good outcome. We have a finely balanced Parliament in the Legislative Assembly, and the committees reflect that balance. I wish the bill a speedy passage.

Motion agreed to by absolute majority.

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

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

The SPEAKER — Order! In view of the extreme weather conditions prevailing today, with the agreement of both sides of the house I intend to vacate the Chair for a luncheon break. The sitting will resume at 2 o'clock for questions without notice.

Sitting suspended 12.56 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

ALP: fundraising dinner

Dr NAPTHINE (Leader of the Opposition) — I refer the Premier to the personal explanation he gave last night in which he said that public servants and people associated with public bodies had tickets to Labor's meals-for-deals fundraising function that were purchased for them by private companies. I ask whether that is acceptable behaviour for public sector employees under the Bracks Labor government.

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. As I said in the personal explanation I gave to the house yesterday, I have instructed the head of the Department of Premier and Cabinet, Bill Scales, to review the matter and draw up guidelines for functions in the future. The reality is — —

An honourable member interjected.

Mr BRACKS — Just wait. There are no guidelines, but we will put some in place. The government will have a higher level of propriety for functions in the future.

I refer to the question asked by the Leader of the Opposition. Today on radio he said in response to a question similar to the one he asked me:

Is that an appropriate relationship, for the private businesses to be paying for tickets to a Labor Party function for senior public servants?

An honourable member interjected.

Mr BRACKS — I will come to that, just wait.

That was the comment made by the Leader of the Opposition this morning — similar to his question.

Yesterday, as the Leader of the Opposition knows, I indicated in a personal explanation to the house that the money paid by City West Water and the Victoria University of Technology, which I was not informed about yesterday but which I was subsequently informed about late last evening, would be returned, and it has been returned.

Discussions held between the head of the organisation and Labor Party representatives in returning the money indicated that representatives of City West Water had been guests at several 500 Club Liberal Party functions in the past. I make it clear to the house and to the Victorian public that the government will change

standards in the future; we will have proper guidelines — —

Honourable members interjecting.

Mr BRACKS — If the collective memory of the people who organise the functions is fading, contact with City West Water by the Liberal Party or by the Leader of the Opposition will confirm that representatives attended several functions of the 500 Club, and that was only the start. The government will have tight guidelines. Taxpayers' money was not used to fund these statutory organisations, but the standards have been set: we sent the money back. The onus is on the Liberal Party to match the government and send the money back also.

Intergraph: royal commission

Mr MILDENHALL (Footscray) — Will the Premier inform the house of action the government has taken to fulfil its commitment to establish a royal commission to inquire into the ambulance contracts affair?

Mr BRACKS (Premier) — I thank the honourable member for Footscray for the question and, as the parliamentary secretary to me as Premier, for his continuing interest in these issues.

The government has committed itself to conducting an inquiry into the ambulance contracts affair surrounding the award of the Intergraph contracts and the subsequent failure to disclose documents concerning the matter. The government made the commitment before and during the election campaign and in a joint commitment to the Independents charter — an arrangement between the Labor Party and the three Independents.

Victorians need to have confidence in the state emergency service system and in the way major contracts are let. They need to have confidence also that government officials and ministers have not been involved in the deliberate concealment or cover-up of documents that should have been released in the normal course of business under the Freedom of Information Act.

The former Auditor-General, Mr Ches Baragwanath, called for a judicial inquiry into the awarding of the ambulance service contracts because of the absence of documentation at the Metropolitan Ambulance Service. Today I announce to the house the appointment of Mr Lex Lasry, QC, as royal commissioner to investigate the awarding of the ambulance contracts and

related matters, including the allegations of the deliberate concealment of documents and information.

For the information of members of the house I point out that Mr Lasry is a Queen's Counsel in Victoria, New South Wales and Western Australia, with chambers in Melbourne, Canberra and Sydney. He has been a QC for almost a decade and a barrister for 26 years, and has enormous experience in the area of criminal law and in particular the prosecution of white-collar crime.

Mr Lasry was briefed in the Costigan royal commission into the activities of the Federated Ship Painters and Dockers Union, and has also worked for the National Crime Authority.

In 1987 he was appointed an investigator by the Victorian government to locate and recover the assets of the deregistered Builders Labourers Federation. Following that inquiry Mr Lasry was briefed in a special inquiry into the collapse of the Rothwells merchant bank and the activities of the late Laurie Connell.

Mr Lasry worked extensively in the area of white-collar crime, including cases involving multimillion dollar fraud and drug-related matters. He is a former secretary and vice chairman of the Victorian Criminal Bar Association, a former board member of Victoria Legal Aid, and an advocate member of the Legal Profession Tribunal.

The government believes he has the ideal skills to conduct this royal commission. The government is currently establishing the appropriate infrastructure for him to conduct his commission with a view to holding a preliminary hearing prior to Christmas or early in the new year.

The final terms of reference and an announcement of counsel will be released following consultation and final approval by Mr Lasry. However, the commission will inquire into certain matters cited in the Auditor-General's special report into the Metropolitan Ambulance Service, including those matters that were described by the former Auditor-General as at best serious mismanagement and at worst constituted corrupt activity; whether documents subject to freedom of information applications concerning ambulance-related matters were deliberately concealed; and also whether phantom phone calls were used to manipulate performance indicators to avoid penalties under the contract arrangement.

The government hopes the commission will be thorough, efficient and will do its work without substantial cost to the taxpayer. I have requested it to

report back to the government by the middle of next year. I wish Mr Lasry well in his inquiry.

ALP: fundraising dinner

Dr NAPHTHINE (Leader of the Opposition) — Will the Premier assure the house that the private company that purchased the ticket to Labor's meals-for-deals function for the head of the Department of Treasury and Finance, Mr Ian Little, has no financial dealings with Mr Little's department, nor with the government?

Mr BRACKS (Premier) — This is an absolutely grubby question.

Honourable members interjecting.

Mr BRACKS — I will tell you why, and I will inform the Leader of the Opposition and the honourable member for Brighton about this matter because it is material to what has just been said.

I had a phone call two weeks into the caretaker period by the previous Treasurer and honourable member for Brighton, Mr Stockdale. He implored me to recognise the qualities of Mr Little, who he said was one of the best public administrators in the state.

An Opposition Member — That is not the question!

Mr BRACKS — It is the question. The allegation is impugning the judgment of Mr Little.

Mr Cooper — No, it is not. Answer the question!

Mr BRACKS — That is the allegation. It is a totally inappropriate question and it is beneath the Leader of the Opposition.

Dr Naphthine — Who paid for the tickets?

Mr BRACKS — I have enormous faith and trust in Mr Little. He was on the table of another corporate entity. He has an enormous sense of propriety. I take offence at it, and I am sure Mr Little does as well.

Mildura Base Hospital

Mr SAVAGE (Mildura) — My question is directed to the Minister for Health. The newly privatised Mildura Base Hospital has reduced the number of paediatric beds from 14 to 10; midwifery beds have been reduced from 24 to 12, and the pharmacy staff has been reduced from 8 to 4.4. Will the minister now reveal the secret contract entered into by the former government, which has seriously diminished health services in Mildura?

Mr THWAITES (Minister for Health) — I am committed to releasing the details of that contract. The contract contains a provision entered into by the previous government, which requires the government to seek the permission of the privatised operator Ramsay Health Care before the contract is released. I wrote to Ramsay Health Care and sought that permission, indicating that I wish to table the contract in Parliament so that the public can see the truth about the contract. That is what this government is about — openness and publicising these contracts.

The contract was entered into after a great deal of delay and expense. Initially the government's preferred bidder was a company known as Alpha Health Care, which was subsequently found to be run by an American company under investigation for fraud in that country. However, that did not stop the then health minister, Mr Rob Knowles, and the project director, Anita Wood, from announcing the plans that the project was to go ahead.

The Leader of the Opposition also got involved in all this. He visited Mildura and said that the privatised hospital was an enormous opportunity for Mildura. The following statement, which shows the contempt he had for the people of Mildura, was reported in a local newspaper:

He said calls for the state government to fund a publicly owned hospital here simply didn't make sense. There was literally a huge list of hospitals in need of make-overs in Victoria, and although Mildura hospital was one of them, it would not be high on the list for public funding.

He then went on to say:

Mildura is not Robinson Crusoe.

Whatever that means.

Honourable members interjecting.

Mr THWAITES — That is what he said. I don't know what it means! Dr Naphthine, the honourable member who is now in favour of public openness, was then reported as having said:

... it was commonsense that the contract in its entirety could not be released. Other projects were under way in the state and future negotiations would be jeopardised if details were publicised.

The Leader of the Opposition is a new convert to openness. When he was in the position to do something about openness, he did nothing; in fact, he did the opposite. He covered up the contract. The government will be endeavouring to release it.

ALP: fundraising dinner

Dr NAPHTHINE (Leader of the Opposition) — My question to the Premier relates to a conflict of interest. Will the Premier advise which Docklands bidding company paid for members of the Docklands selection panel to attend Labor's meals-for-deals fundraiser?

Mr BRACKS (Premier) — I have already answered these questions. I want to get to one key point behind the questions from the Leader of the Opposition and from opposition members: they cannot stand the fact that the very same people who came to Labor's fundraiser also came to the Liberal fundraisers. They simply do not realise that these business people, who might support the Liberal Party, want to do business with the government of the day. That is what it is about.

Dr Naphthine — On a point of order, Mr Speaker, the Premier is debating the question rather than providing an answer. The question was quite simple: which Docklands bidding company paid for members of the selection panel to attend the meals-for-deals function? Who paid for them? Who paid for those tickets? The Premier should answer that question.

The SPEAKER — Order! Points of order do not allow the Leader of the Opposition to re-ask his question. The Chair is of the opinion that the Premier was beginning to debate the question. I ask him to come back to answering it.

Honourable members interjecting.

The SPEAKER — Order! I call the Leader of the Opposition to order, to allow the Premier to answer this question.

Mr BRACKS — Mr Speaker, what I did in the house as Premier late last night in a personal explanation was what the opposition would never have done when it was in government.

Mr Cooper interjected.

The SPEAKER — Order! The honourable member for Mornington!

Mr BRACKS — The standards that I have set in coming back into the house — —

Honourable members interjecting.

The SPEAKER — Order! I call the honourable member for Mornington to order and ask him to cease interjecting. He has been persistent throughout question time. I ask the Premier to continue.

Mr BRACKS — The simple answer to the question is contained in the personal statement yesterday, which identified those — —

Dr Napthine — Mr Speaker, on a point of order on the question of relevance, I applaud the Premier for making a personal explanation following his misleading of the house in question time yesterday. However, the question today had nothing to do with that. The question today was: who paid for the tickets for the Docklands selection panel to attend the meals-for-deals function? The Premier has to be relevant to that question, not the overall function. Who paid for the tickets for the Docklands selection panel?

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition has again used the point of order to repeat his question. The Chair will not tolerate that for much longer. In regard to whether the Premier was being relevant, as the Chair recalls it, the original question talked about conflict of interest. Therefore the remarks the Premier was making before the point of order was taken were relevant to the question. I will continue to hear the Premier.

Mr BRACKS — The personal explanation to the house last night referred to what needed to be refunded to the Victoria University of Technology and City West Water. The clear answer to the question is that there was no taxpayers' money involved.

Mr McArthur — On a further point of order, Mr Speaker, I again draw your attention to the issue of relevance and to the Premier's response to the question asked by the Leader of the Opposition. The question did not mention taxpayers' funds at all; it related to a conflict of interest. The Premier's answer related only to his personal explanation in the house yesterday, which had nothing to do with the question today.

Mr Brumby interjected.

The SPEAKER — Order! The first point I wish to make is that I do not need the advice of the Minister for State and Regional Development on these matters. There is no point of order. The Premier was being relevant in answering the question. The Chair has said to the house on numerous occasions that it is not in a position to direct a minister on how to answer a question. There is no point of order.

Drugs: steroids

Mr SEITZ (Keilor) — Will the Minister for Health inform the house what action has been taken to crack down on the illegal use of steroids?

Mr THWAITES (Minister for Health) — In view of the forthcoming Sydney Olympics it is important to provide disincentives for trafficking in anabolic steroids. Anabolic steroids were previously listed in schedule 4 of the Drugs, Poisons and Controlled Substances Act, which meant that a conviction for trafficking in steroids led to a maximum fine of only either \$1000 for illegal possession or \$10 000 for the sale of steroids. The penalties were considered a joke by traffickers. In one reported case a defendant stated, 'I'll make up the fine by the end of the day'. It was just a business expense. Trafficking in steroids, including veterinary steroids, is very dangerous to human health. It can lead to sterility, an increased risk of cardiovascular disease, abnormal liver function and the growth of breasts in males.

The Poisons Advisory Committee agreed with a recommendation of Victoria Police and the Department of Human Services that penalties should be increased and that these types of drugs should be classified under schedule 11 of the Drugs, Poisons and Controlled Substances Act. New penalties have been introduced. They provide for a maximum penalty of 25 years in jail or a \$250 000 fine for trafficking, and courts have a discretion to grant an adjournment for 12 months if a defendant agrees to undertake an approved drug course.

The regulations were prepared by the previous government but an announcement was not made because of the election. It is now appropriate to make the matter public. Details of the new fines will be forwarded to gymnasiums and other places where there may be an abuse of the rules. It is vital that in the lead-up to the Sydney Olympics, Victoria maintains its reputation for being drug free. It is vital to emphasise that anabolic steroids can be very dangerous. For those reasons the government is pleased to announce the tough new regulations.

Planning: HMAS Lonsdale site

Dr NAPHTHINE (Leader of the Opposition) — Did the Minister for Planning give design approval for a controversial high-rise development in his electorate, the HMAS *Lonsdale* foreshore project, before or after the invitation to Labor's meals-for-deals fundraiser was sent to the company? Did the same questions of conflict of interest arise with the Esplanade Hotel and Luna Park developments in his electorate?

Mr THWAITES (Minister for Planning) — I have to admit to being somewhat astounded by the question. The HMAS Lonsdale site is in Port Melbourne. It is interesting to know that there used to be a council position on that site; I think the council wanted 11 storeys. The then minister for planning set up a process for a planning committee for the site. That planning committee came back with a recommendation, which so far as I can recall was for 14 storeys. However, the then minister for planning, contrary to all advice, agreed to go to 18 storeys.

What makes the question so astounding is the hypocrisy in its being asked, because the developer and owner of the site was Hudson Conway. I find it absolutely astounding that the Leader of the Opposition would want to raise this most embarrassing matter. I am not aware that there has been any — —

An honourable member interjected.

Mr THWAITES — The opposition is presuming that somehow I have signed some design approval for this today, yesterday or on Monday night. The answer is no.

Schools: learning assessment project

Mr HOWARD (Ballarat East) — Will the Minister for Education advise what action the government has taken to fulfil its commitment to make public the results of Victorian learning assessment project tests?

Ms DELAHUNTY (Minister for Education) — I thank the honourable member for his question and for his continuing interest in quality education in this state. As has been outlined many times, the scaffolding for quality education under a Bracks Labor government includes respect for public education; resources — the government has already put \$50 million into school global budgets for next year alone and more is to come; educational infrastructure — the government announced funding of \$60 million yesterday, and as the media said, Santa has arrived early for education in Victoria; and finally, assessment — parents and students wanting to know how they are going.

The government is today releasing the statewide learning assessment project (LAP) results for students in Victorian schools. As you would know, Mr Speaker, Victorian primary schools receive their results in mid-October and distribute individual student results to parents as part of their regular reporting procedures.

As most honourable members know, this year's LAP tests were conducted in August, five months later than usual. I have been informed by the Board of Studies

that precise and reliable comparisons with previous years are not possible because of that delay. As members will recall, the previous LAP test was administered in March. The timing of the test was changed to bring Victoria into line with the literacy and numeracy benchmark testing in other states.

The government has recently signed off on new national literacy and numeracy benchmarks and has agreed to have Victoria's results published against those benchmarks. Notwithstanding the change in the timing of this year's LAP test from March to August, the results show that in 1999 25 per cent of year 3 students were reading at year 5 and 6 levels — that is, a quarter above their grading, which is excellent. However, 6 per cent of year 3 students showed basic literacy problems. The reading results from the year 5 students show that 23.6 per cent were achieving at year 7 and 8 levels, which is again excellent. However, the cautionary note is that 6.9 per cent were still working at year 1 and 2 levels.

All honourable members will be concerned to learn that the tests show that a small but significant proportion of students are experiencing difficulties with reading and writing. I assure the house that the government is committed to addressing that problem.

The Board of Studies and the Department of Education is now working on a comprehensive test to replace and expand the LAP test. The government wants a comprehensive test that involves assessment in context and the use of a richer array of data. It also wants to respond to any problems that the assessment raises; and most importantly, it wants regular and timely reporting to parents. At the moment, as we know the LAP test has been used out of context. It is fair to say that the test was used by the former government as an exercise in politics and public relations rather than as an attempt to address the problems identified by the assessment.

I assure the house that the government will allocate an extra \$5 million a year to address the literacy and numeracy problems identified by the assessment program. I have just identified for the house a small but significant proportion of students who have problems with reading and writing.

The difference between the previous government and this government is that the Bracks government is putting its money and time into addressing those problems rather than simply announcing a test and leaving it in the ether. The new assessment will be backed up by those extra funds. If there is a problem, the government will fix it. It will not just test and forget.

The government is intent on improving literacy and numeracy standards. The achievement of high standards for all Victorian students, regardless of where they go to school, is a key policy objective, and the government will deliver on it.

ALP: fundraising dinner

Dr NAPTHINE (Leader of the Opposition) — I refer the Premier to his personal explanation to the house last night regarding Labor's meals-for-deals fundraiser, during which he admitted that six tickets were purchased with taxpayers' funds. Is the Premier prepared to guarantee the house and the community that no other guests used taxpayers' funds to pay for their tickets?

Mr BRACKS (Premier) — I am glad that the Leader of the Opposition referred to my personal explanation. Clearly that explanation was given based on advice received that, despite the information I provided at question time yesterday that indicated that no taxpayers' funds were used, two organisations had used taxpayers' funds, and that has been refunded. To the best of my knowledge, that is the end of the matter.

Port Phillip Bay: environmental management

Ms LINDELL (Carrum) — I ask the Minister for Environment and Conservation what action the government is taking to improve the beaches and the water quality in Port Phillip Bay?

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for her question and her ongoing interest in Victoria's coastline. The government has given a clear commitment to protect Victoria's coastal and marine areas from pollution. The definitive Port Phillip Bay environmental study, which was released some time ago by the previous government, was carried out by the Commonwealth Scientific and Industrial Research Organisation at a cost of \$12 million. It concluded that the major pollution threat to the bay's beaches and water quality was drains and urban waterways, which were carrying all sorts of pollutants, including heavy metals, into the bay. Further improvement in the bay's water quality and beaches depends on our cleaning up stormwater drains and urban waterways.

Contrary to popular belief, urban sites are the major pollutants, not industrial sites: the major pollution comes from our everyday activities in urban areas. Every year more than two billion pieces of litter go through Melbourne's urban waterways and 3500 tonnes

of nitrogen are washed into Port Phillip Bay through stormwater drains.

The previous government relied on Melbourne Water and local government to find the money to address those issues, contributing very little of its own resources. Through its Greener Cities policy the government has promised real resources — up to \$22.5 million over four years — to undertake further improvements and to make a big difference to the quality of Melbourne's stormwater.

On Saturday I launched projects at Williamstown that demonstrate the connection between litter, stormwater and water quality. They include the beach report, to be undertaken by the Environment Protection Authority; the publication 'Is it Safe to go to the Beach Today?'; and another important publication entitled 'Urban Stormwater — Best Practice Environmental Management Guidelines'.

The beach report will be undertaken by a team of volunteers, who will visit 36 beaches around Port Phillip Bay every day to monitor the beach conditions. That initiative, together with the EPA's water-quality monitoring, will provide members of the public with daily up-to-date information on the EPA hotline or on its web site.

Guidelines for the management of stormwater will be a major part of the government's efforts to clean up Melbourne's stormwater. The guidelines include programs covering urban planning and design, community awareness and drainage system infrastructure, including building wetlands into new subdivisions to reduce the amount of pollution entering our waterways and stormwater drains.

Following successful pilot programs in the cities of Hobsons Bay, Brimbank, Port Phillip, Monash and Kingston the government will roll out stormwater management plans by local government right across Melbourne and in all major Victorian towns. A further 10 municipalities will have developed their own stormwater management plans by June of next year.

The government's commitment of \$22.5 million over four years will ensure the development of real programs to clean up stormwater and improve the beaches of Port Phillip Bay.

The SPEAKER — Order! The time for questions without notice has expired. The minimum number of questions has been asked and answered.

CRIMES AT SEA BILL*Second reading*

Mr HULLS (Attorney-General) — I move:

That this bill be now read a second time.

This bill is part of a new national cooperative scheme to apply the criminal law in waters surrounding Australia. The new scheme will give Victoria and other Australian jurisdictions a modern regime for dealing with crimes at sea.

The current crimes at sea scheme was developed in the late 1970s. This scheme is seriously flawed. The commonwealth, the states and the Northern Territory took different approaches to the scheme and enacted legislation with many gaps and inconsistencies.

At present, the destination of a ship and where it is registered largely determine the criminal law that applies to an offence. These rules are unnecessarily complex, difficult to understand and apply, and can give rise to overlapping laws. Even when the criminal law is clear, it may be difficult to determine who is responsible for enforcing the law and the procedural rules that apply to investigations. In addition, once the law is determined, the results are not always desirable. For example, in some situations Victorian police investigating an offence in Victorian waters but under New South Wales law are bound to follow New South Wales investigative procedures.

The Special Committee of Solicitors-General developed the new crimes at sea scheme to address these problems. The new scheme will be simpler, easier to understand and apply, and will result in more effective law enforcement. The commonwealth, the states and the Northern Territory have each agreed to enact uniform crimes at sea acts that will give effect to the new scheme and repeal current legislation. This bill will enable Victoria to give effect to the new scheme and will repeal the Crimes (Offences at Sea) Act 1978.

Under the new scheme, the criminal law of each state and the Northern Territory will apply in its respective adjacent area. The adjacent area for Victoria, as for the other jurisdictions, will comprise two areas. In general terms, the criminal law of a state or the Northern Territory will apply by force of its own law out to 12 nautical miles. In addition, the criminal law of a state or the Northern Territory will also apply by force of commonwealth law from 12 nautical miles out to 200 nautical miles or the outer limit of the continental shelf, whichever is the greater. In this outer area, although technically it is commonwealth law, the

criminal law will apply as if it were the law of the relevant state or territory.

The new scheme will not apply to the laws of a state or the Northern Territory excluded by regulation from the scheme. Where appropriate, this will enable certain laws to apply outside the crimes at sea scheme. Further, the new scheme does not concern crimes committed outside the adjacent areas of a state or the Northern Territory, although the commonwealth act does deal with some of these crimes. The written consent of the commonwealth Attorney-General must also be obtained to prosecute offences under the scheme involving the jurisdiction of a foreign government. This approach will enable the commonwealth government to consistently apply Australia's international obligations.

The new scheme will also be more effective because all jurisdictions will enter into an intergovernmental agreement to enforce the scheme. In general terms, under this agreement the states and the Northern Territory will have primary responsibility for investigating and prosecuting crimes committed in their respective adjacent areas. Nevertheless, the agreement will provide that jurisdictions should, wherever practicable, provide assistance to one another in investigating offences arising under the scheme. It will also provide that where more than one jurisdiction is empowered to prosecute an offence, those jurisdictions should consult to determine the jurisdiction that is most convenient for prosecution.

Under the new scheme the authority that is investigating or prosecuting the offence will do so in accordance with its own procedures. For example, Victorian police investigating an offence under New South Wales law will investigate according to Victorian investigative procedures. The New South Wales offence could be tried in a Victorian court according to Victorian procedural law.

In summary, the central aim of the scheme is to provide greater simplicity. The scheme will clarify how the criminal law applies to crimes committed offshore and will simplify investigation and prosecution procedures. In this way, the new scheme will be more efficient and will ensure that crimes do not go unpunished because of legal technicalities.

I commend the bill to the house.

Debate adjourned on motion of Dr DEAN (Berwick).

Debate adjourned until Tuesday, 14 December.

**RAIL CORPORATIONS AND TRANSPORT
ACTS (MISCELLANEOUS AMENDMENTS)
BILL**

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

In late August 1999 the previous government's privatisation program for public transport was completed with the transfer of the public transport businesses from the statutory rail corporations to the new private operators and, as it has always said, this government will continue to abide by its commitment to honour the contracts entered into by its predecessor.

Therefore the primary purpose of this bill is to abolish the five statutory corporations which previously operated public transport in Victoria and to transfer any residual assets or liabilities into the Public Transport Corporation. It is intended that the Public Transport Corporation will continue as the only public transport statutory body and will be responsible for winding up the affairs of the rail corporations to be abolished by the provisions of this bill.

The abolition of these five statutory corporations will secure the government cost savings by eliminating the need for boards and chief executives to be appointed as is required by the current legislation.

The other purpose of the bill is to amend the enforcement provisions of the Transport Act to enable officers of the Department of Infrastructure to be authorised to exercise certain enforcement powers previously only able to be exercised by staff employed in the Public Transport Corporation. It is intended to transfer certain enforcement staff from the Public Transport Corporation to the Department of Infrastructure to continue carrying out transport infringement enforcement functions and it is appropriate to enable departmental staff to be authorised if necessary.

In addition the bill makes amendments to two other acts of Parliament to delete references to the statutory rail corporations which are to be abolished by this bill.

I commend the bill to the house.

Debate adjourned on motion of Mr LEIGH (Mordialloc).

Debate adjourned until Tuesday, 14 December.

GAS INDUSTRY (AMENDMENT) BILL

Second reading

Mr BRACKS (Premier) — I move:

That this bill be now read a second time.

The principal purpose of this bill is to amend the Gas Industry Act 1994 to overcome the inconsistency between the announced timetable for retail gas competition and that which is currently enabled in legislation. The amendment will also enable new gas customers who meet the prima facie criteria of the announced timetable, but who have no relevant gas consumption history, to be given the benefit of retail gas competition.

The Gas Industry Act 1994 currently gives effect to four stages, or tranches, in the introduction of customer choice of gas retailer, commencing with the largest customers in September 1998, and concluding with the smallest customers in September 2001.

As a result of delays during 1998 in finalising the economic regulatory regime for the Victorian gas industry, contestability for the first and second tranches was deferred. A new timetable was released under which the first tranche was given retail contestability on 1 October 1999, and the second tranche was scheduled for 1 March 2000. As the timetable for the third and fourth tranches is unchanged, this amendment focuses only on the second tranche.

The bill amends the definition of 'non-franchise customers' to incorporate persons who have purchased not less than 100 000 GJ of gas in the 12 months to 1 March 2000 or, where the supply point is new, will purchase that amount of gas in a following period.

The bill is designed to address uncertainty in the previously announced gas retail contestability timetable, and therefore enables the necessary preparatory work by industry stakeholders to continue.

I commend the bill to the house.

Debate adjourned on motion of Mr PLOWMAN (Benambra).

Debate adjourned until Tuesday, 14 December.

FEDERAL COURTS (STATE JURISDICTION) BILL

Second reading

Debate resumed from 25 November; motion of Mr HULLS (Attorney-General).

The SPEAKER — Order! As the required statement of intent has been made pursuant to section 85(5)(c) of the Constitution Act 1975, I am of the opinion that the second and third readings of this bill require to be passed by an absolute majority of the house.

Dr DEAN (Berwick) — The Federal Courts (State Jurisdiction) Bill is complex proposed legislation that has run the gauntlet of a great deal of work and effort by the previous government that produced model legislation to get the federation, if you like, out of a very difficult spot as a consequence of the Wakim decision. This model legislation, which was extremely difficult to draft, was accepted by all the states as the best way to cope with a difficult situation.

The opposition will support the present minority Labor government's adoption of the legislation and ensure that it proceeds through the house as quickly as possible because, as I understand it, Victoria is the last state to enact legislation in this area as a consequence of a number of political matters.

I want to talk about what the legislation exposes about our federal system. This is a matter on which I have spoken many times and about which I am passionate, so when I get the opportunity to talk about the federal system and the evolution of a modern cooperative federal system I usually take it. The need for the bill is a clear example of what can happen if you take your eye off the ball in a federation, where you are attempting to ensure that all governments, state and federal, cooperate in a way that takes the national interest into account.

Federation — I will pin my colours to the mast — is a fabulous system that combines ingenuity, specialisation and local administration with the decentralisation of power. All round the world, particularly in Eastern Europe, the concept of federation is returning to replace the outmoded concepts of central direction. If you are going to have a modern, successful federation, the key point is cooperation. You are never going to have rules which are sufficiently detailed and which everybody can follow to ensure that the players will not cross each other when they are dealing with their separate areas of power. That means the essential ingredient to ensure that a federation survives and prospers in this complex modern community is the goodwill of its leaders.

Federation itself was produced by an almost magical combination of personalities and interests at a particular time in our history. If one thinks about how Federation actually occurred and how all the self-interest was put to one side, one has to marvel that our federation was ever created. In our modern federation, because of the way it was created, whenever one party seeks power at the expense of the other, the system starts to break down. Nothing can be done by force, because no one player has all the power. The best characteristics of human nature are required to run a federation. It falls apart when the worst characteristics of selfishly trying to promote power and self-interests come to the fore.

The next major surge in prosperity in this country will come about when we again have that magical combination of wise men and women — wise, statesman-like leaders of goodwill — who can ensure that the federation takes the next step in cooperation. When that happens the problems of duplication and specialisation, and the national problems that we face together of drugs, crime, and so on, will start to be solved.

We require men and women of vision because people can be easily frightened by federation. It seems so difficult to take the view that one's own self-interest should be put second to the interests of the country.

At the Standing Committee of Attorneys-General that I attended one thing was very clear to me: if ever there were a group of people from around the states and the commonwealth who could put selfish interests aside, it was the attorneys-general of the various states and the commonwealth. They have a unique capacity to see things not just from a political point of view but from an overall legal point of view. It was because of their cooperation in the past that the system of cooperation between state and federal courts eventuated.

To ensure that cooperation leads to an appropriate outcome for the courts it must be understood that there are not two types of people in this country. We do not have federal Australians and state Australians; there are no such differences between our people. The person in the street would look at you with perplexity, as if you had come from another planet, if you asked whether he or she was a federal Australian or a state Australian. He or she would say, 'I am an Australian, and I hope I will get the services I need regardless of whether the power comes from the federal government or the state government'.

I will be a little radical and say that in my view it was the competitive federalism model — the old-fashioned model — that spawned the division we have today

between courts. We have not only myriad state courts but also the Federal Court, including the Family Court, and now federal magistrates are coming. Sooner or later men and women of goodwill and vision will, I hope, understand that the people themselves do not appreciate the creation of separate facilities to undertake the one task simply as a consequence of different areas of power flexing their muscles and having their own institutions to make them feel good.

We, in Australia, need to look at the entire court system, and we have never been given a better opportunity than that presented to us now as a consequence of the *Wakim* decision. You would think, as we look across at our brothers and sisters in the United States, that we would see how the federal and state court systems have caused chaos in that country and that we would want to cut through those problems and come up with a solution based on cooperative federalism.

In the 1980s Australia had an outbreak of cooperative federalism over judicial jurisdiction, and the states conferred on the commonwealth their judicial power over specific state matters so that the commonwealth could, in turn, confer it on the Federal Court. That was an example of the states getting together with the commonwealth to try to distribute power among the many state and federal structures.

There is a great deal of state law, including law dealing with the administration of corporations. To diverge briefly, there is a head of power under section 51 of the federal constitution called the corporations power. Honourable members might ask why the federal government cannot simply legislate entirely in relation to corporations. The fact is that the interpretation of that power to date — even though if it were challenged today it would be interpreted much more widely than it has been — is essentially that laws about corporations can be made by the commonwealth, but the administration of corporations remains with the states. That is why each state has its own template legislation, mirroring similar legislation in the other states, to form the Corporations Law. All matters such as liquidation, the formation of companies, the powers of directors, and so on are still state matters.

Many other pieces of legislation are state acts exercised by the federal courts. Examples include the various agricultural and veterinary chemicals acts, the gas pipeline acts, the National Crime Authority acts, the civil aviation acts, the price exploitation codes, and a lot more.

When it is agreed that the states should give a power to the commonwealth to enable it to confer on the federal courts the authority to deal with those matters, there are always people who are a little nervous about it. Certainly, the federal government can divest its power to the states under section 7 of the federal Constitution. That presents no difficulty. The difficulty arises when things happen the other way. Chapter III of the federal constitution limits the power of the federal courts and the capacity of the federal Parliament to give power to the federal courts.

The question is and always has been, despite the willingness of the states to confer their judicial power on the commonwealth and thence to the federal courts, whether the constitution, which encapsulates and limits the power of the federal courts, would enable that to happen. The states have plenary power, but the commonwealth Parliament — much to its chagrin — is a creature of statute. Its powers are defined absolutely by statute and in particular by the federal constitution.

The question was always hanging there, and in 1988 it was tested in *Gould v. Brown*, in which the High Court brought down a 3:3 decision on whether it was possible for the states to give judicial power to the federal courts in certain areas. So there it hovered, and it was clear that someone would challenge it again.

In 1998 it was challenged again in *re Wakim*. This time the court looked at the federal constitution very closely and decided 6:1 that, although their hearts went out to the states, which had been cooperative in offering the power to the federal courts in the name of cooperative federalism, the states cannot give power to the commonwealth if it is not provided for in the commonwealth constitution.

Ten years of cases in the Federal Court that were based entirely on state law suddenly came under question. If a decision is made in a superior court of record but it turns out that the court did not have the power to adjudicate on the issue, the decision is voidable and not void. Luckily, that means the decision stands until it is challenged, but some 60 Victorian cases are sitting ducks waiting to be challenged.

Victoria proposed a way out by suggesting that people on whom rights and liabilities have been conferred under Federal Court decisions that are voidable are entitled to those rights and liabilities as if they had been conferred by a valid decision of the Supreme Court. It is a complex way of trying to save those decisions. The same argument had to be put forward in relation to enforcement — decisions made in the federal courts were treated as if they were decisions of the Victorian

court so that all the enforcement rights were retained. Victoria did not go down what is called the replication route; it was not deemed that the decisions had been made by the Supreme Court because it was feared that it would be contrary to Victorian law to deem that a Supreme Court had made a decision without there having been a hearing before the judges, and one can imagine the reaction to that.

Although we are doing the best we can, I suspect some people will say — in fact people have already said it — that because decisions have not been replicated some matters will be too difficult to deal with. The two courts take different routes when reaching decisions — the rules of evidence are different and certain documents that may be admitted under the procedures of the Federal Court may not be admitted before a state court. Federal Court decisions are effectively treated as if they have been made in a state court, but if an appeal revolved around certain documents and what happened to them what would the Supreme Court do?

There is no suggestion that a state court can view Federal Court procedures as its own, but it certainly has a wide discretion in making those sorts of decisions. However, it may be forced into the position of saying that a particular document received in evidence or evidence given by an expert witness cannot be accepted in the state court because the procedural rules are different in the two courts, and the appeal would succeed. That would be a difficult situation.

It could be argued that a Federal Court decision that has not been challenged is still on foot — that is, it is not void but voidable, so it confers the same rights and liabilities as would be conferred under a Federal Court decision. That would create exactly the same decision as one made in the Supreme Court. Pursuant to the legislation would that raise questions of estoppel? Should the Federal Court decision that is still hanging as a valid decision be dismissed by the Supreme Court? Will that cause difficulties?

The point I wish to make is that this is the best available solution in the immediate term. Some people are already looking at challenging the legislation in Western Australia, but we must do our best to uphold it. The central point is that we have to face up to the way federation will work in the modern world and come up with long-term solutions to the problem. It is not sufficient to have a bandaid solution for all time. The legislation will affect cases in the Family Court, where decisions are being made on the basis of state power. Decisions involving adopted children are also made under state power. Property disputes not connected with the marriage power under the commonwealth

constitution are decided under state law. De facto relationships are dealt with in the Family Court under state law. So the urgency of finding a long-term solution to the problem is important.

What possible solutions are there? One solution may involve an amendment to the commonwealth constitution. The federal Attorney-General strongly supports that process because although there are great difficulties involved in having a constitutional referendum passed, particularly for an amendment that is complex, at least all the states in the commonwealth would agree on the change because it would not give the various powers of the various states to the commonwealth but would simply give power to the commonwealth for federal courts to adjudicate on certain areas of state law. The states are giving up the least — they are only replicating what they have already been offered — and they would all agree to it.

Another possibility is for the states to give up power in the various areas, including the Corporations Law and aviation, to the commonwealth. Matters that come under commonwealth power could then be dealt with by the Federal Court. That is a different situation from the commonwealth having the capacity to adjudicate on various areas.

Because it is a commonwealth power, the Federal Court can legislate. That is a different matter from allowing the commonwealth to have the capacity to adjudicate on various areas — giving up the power itself — and Western Australia and one other state have already stated they will not do that. If not all states cooperate, that possibility will end. States can always take back powers and that may give them some guarantee, but a solution that says, in effect, ‘Give up the powers but, by the way, if it gets a bit hot you can take them back and we will go back to where we were in the first place’ is not a long-term solution.

I propose a radical suggestion tied in with my comments on cooperative federalism and the need for a modern approach to the way Australia should work if it is ever to evolve into the powerful force it should be in this part of the world. It is possible to enable courts to deal with federal matters if they are state courts. Consequently, it is time, if we have the men and women of goodwill who, like the founding fathers, were willing to say, ‘I will give up a bit if you will and we will come to a general solution’, to create a new court structure — a court that is not a federal court or a supreme court but is state based because it has state power. The commonwealth can give it the jurisdiction so it would have to be state based.

The commission of judges on that court would have to be equally shared by the commonwealth and the states; the funding and control of the court would be equally shared by the federal and state governments; and the federal Attorney-General and the state attorneys-general would have to satisfy themselves that they were not losing the power to appoint judges and fund courts so that each has a role to play in the court. At the moment the situation is a bit like that of two people living in the same house, working at the same place, driving separate cars to the same workplace every day and driving back again. Suddenly they are told, 'There is only one car park at your work'. They say, 'We will still drive the two cars in every day and the two cars back again'. One might say, 'Why don't we sell both those cars and come up with a new car that we both like? We can fit it into the car park, drive each other to and from work and everyone will be happy'. It is possible that something like that would happen and it would mean no more jurisdictional problems.

The state powers could be exercised in that court and the federal powers could be devolved to the court under the specific section in the constitution where the founding fathers had the foresight to say the federal government could have a special authority to devolve power to state courts.

The solution requires imagination, courage, foresight and the vision to change our judicial process forever and make it more worth while. At least this must be talked about. If you asked people in the street, 'What do you want?' they would say, 'We want to be able to exercise our rights in a court and we do not give a tinker's cuss whether or not it is a federal or state court so long as the people who run it and are appointed to it are Australians of great reputation and ability'. That would be a wonderful thing to see: cooperation that would take us into the new millennium in a way that would open up a great deal for this country.

I may be dreaming. It may be that we do not have the right people in the right places to take this decision, but the decision of *re Wakim* is a wake-up call for all of us. It is saying that the system we are operating under now with various levels of courts and so forth is not working. I will go further and say I do not believe the founding fathers would have thought, for one moment, that they would ever have a thing called the Federal Court. It was created at a time when we were in competitive federalism and the federal government said, 'You've got your Supreme Courts and we have federal law and we want to have a Federal Court'. You can understand that thinking but it is within a very limited scope, and I do not believe it is what the founding fathers intended.

The founding fathers gave a power to devolve federal powers to state courts but they deliberately did not give the commonwealth power to devolve state power to a Federal Court. That is what *re Wakim* says: you cannot have that power.

Mr Holding interjected.

Dr DEAN — Yes, and it is what the constitution says. The constitution says the commonwealth government cannot devolve state judicial power to federal courts. That is why it is a wake-up call. It does not bother me if people who do not have the same vision want to knock the concept of modern federalism — whether they say the founding fathers did or did not think of this. I am happy to accept the point that what the founding fathers thought is not relevant because it is an evolving constitution. I am happy to accept the point that the founding fathers did not envisage this — they did not even think about it. However, it does not alter the fact that this is a wake-up call.

Mr Holding interjected.

Dr DEAN — I love this. It does not alter the fact that the Premier has said to the public that he believes in cooperative federalism. I am saying we should use cooperative federalism to have a structure in this country that works, but what do I get from the narrow-minded members sitting behind the Premier? The Premier may believe in cooperative federalism, but they do not believe in it and the honourable member for Springvale does not believe in it because he is not interested in a vision.

To get a long-term solution we could have a go at altering the constitution and it might work. But we certainly will not get the transfer of powers because the states will not do it. Instead, we have to open our minds to the broad horizon. I have made one suggestion, and I am looking forward to the suggestion from the honourable member for Springvale. An overall solution has to be found by men and women of vision and goodwill, but what really disappoints me — and this demonstrates how difficult it is to get people to forget political considerations and say, 'Your idea might not be any good but let us examine it in an attempt to get the system to work better' — is that some people cannot get over the politics or the notion that you have to attack everything everybody else says. There is just no way they will agree to consider the various aspects of modern federalism in an attempt to get the situation right. That saddens me. The opposition totally supports the bill because it attempts to prevent what could be a calamity.

I am trying to look into the future and I hope government members, apart from the honourable member for Springvale, will also go down that path.

Mr WYNNE (Richmond) — At the outset I apologise to the house for just drenching the Minister for Police and Emergency Services with water. I assure honourable members that it was an accident!

This important bill requires a speedy passage through the house. The bill arises as a result of a High Court decision in *re Wakim* wherein the High Court considered the validity of certain provisions of the commonwealth Corporations Act 1989, the commonwealth Jurisdiction of Courts (Cross-vesting) Act 1987 and the related provisions of the state corporations acts and the state jurisdiction of courts cross-vesting acts. These statutes collectively provide for the cross-vesting of jurisdiction between federal, state and territory courts.

The majority of the High Court found that the vesting of state jurisdiction in federal courts is ineffective. The decision impacts on the general cross-vesting scheme introduced by the commonwealth and state jurisdiction of courts cross-vesting acts under which state and federal courts have reciprocal jurisdiction. Also affected is the jurisdiction of the Federal Court under the Corporations Law, which operates throughout Australia as state and territory laws and which is reliant on cross-vesting arrangements.

In addition, other state laws associated with commonwealth–state cooperative schemes apply certain federal laws as state law and also confer jurisdiction on the Federal Court. These cooperative schemes include, but not exclusively, the National Crime Authority, the agriculture and veterinary chemicals scheme, the competition policy scheme, and the price exploitation scheme associated with the goods and services tax. The effect of the High Court's decision is to render decisions previously made by the Federal Court and the Family Court relying purely on cross-vesting arrangements liable to be set aside for want of jurisdiction.

The bill was developed under the auspices of the Standing Committee of Attorneys-General by state and territory parliamentary counsel and solicitors-general over a lengthy period leading up to the High Court's decision. The main features of the bill are, firstly, that the rights and liabilities of persons affected by invalid decisions of the federal and family courts are declared to be the same as if those decisions had been valid Supreme Court decisions; secondly, invalid judgments of federal courts can be enforced in the same way as

Supreme Court judgments; and thirdly, matters on foot in the federal courts can be dealt with as though they had commenced in the Supreme Court.

The bill declares that in relation to state matters as defined, the rights and liabilities of a person affected by a judgment of the Federal Court or the Family Court, including an appeal judgment of one of those courts, are the same as if the judgment had been a valid judgment given by the Supreme Court. The bill specifically provides that such rights and liabilities are exercisable and enforceable as if they were rights and liabilities under judgments of the Supreme Court. Similarly, any acts or omissions in relation to such rights and liabilities are taken to have the same effect and consequences as if occurring under a judgment of the Supreme Court. The Supreme Court is given power to vary and otherwise deal with any such rights and liabilities.

I now turn part 2 of the bill. The intention of part 2 is to alter or vary section 85 of the Constitution Act. Part 2 does not in its terms deem invalid judgments of federal courts to be judgments of the Supreme Court. Rather, in clause 6 the bill declares the rights and liabilities of all persons to be the same as if the invalid judgment had been a valid judgment of the Supreme Court. That course has been adopted deliberately by the government to minimise the potential for a challenge to the bill on constitutional grounds.

Nevertheless, for technical reasons, clause 7 provides that for the purpose of an appeal an invalid federal court judgment is to be deemed to be a valid judgment of the Supreme Court. That deeming mechanism arguably alters the jurisdiction of the Supreme Court by creating by a legal fiction a judgment of the Supreme Court where previously there had been none. Part 2 amends section 85 of the Constitution Act purely for the purpose of making better provision for dealing with ineffective judgments of federal courts. In the absence of the bill many decisions of the Federal Court and the Family Court given over a period of more than 10 years would be liable to be set aside.

Such cases would potentially need to be relitigated, with all the attendant expenses, and in some cases misery and hardship, that might entail. Many litigants would find themselves out of time if forced to recommence litigation in the Supreme Court. The bill deals with that problem for both matters that have already been heard and matters that are still on foot. In the government's view the minor and theoretical variation in the jurisdiction of the Supreme Court is amply justified by the potential mischief that would be caused by the bill's failing to pass.

I turn to two clauses in particular. Clause 6 goes to the question of the rights and liabilities that are declared in certain cases. It declares the rights and liabilities of all persons to be the same as if each ineffective judgment had been given by the Supreme Court, in either the trial division or the Court of Appeal, depending on the status of the ineffective judgment. Prior to 7 June 1995 the equivalent of the now Court of Appeal was the full court of the Supreme Court. That is reflected in the clause.

Clause 3 defines the expressions 'ineffective judgment', 'rights' and 'liabilities'. To give a hypothetical example, let us say a person was appointed liquidator of a company by an order of the Federal Court given in May 1999 while the court was exercising powers purportedly conferred on it by the Corporations Law of Victoria. In that case the order appointing the liquidator would have been made without jurisdiction because jurisdiction was conferred on the Federal Court by a state act.

In the decision of *re Wakim* the High Court held that state parliaments could not confer jurisdiction on federal courts. The order would therefore be an ineffective judgment under clause 4 because it would have been a judgment of a federal court in a state matter given in the purported exercise of jurisdiction conferred by a relevant state act — which in this case is the Corporations (Victoria) Act. Clause 6 would validate the order by declaring the rights and liabilities of all persons to be the same as if the order appointing the liquidator had been a valid judgment of the trial division of the Supreme Court. Clause 3 defines the expression 'right' to include status. A person's status as a liquidator is therefore the same as if that person had been validly appointed by the Supreme Court.

Clause 11 goes to the question of certain proceedings being treated as proceedings in the Supreme Court. The clause provides a mechanism for current proceedings before a federal court in relation to state matters to be transferred to the Supreme Court. The clause requires a relevant order to be made by a federal court prior to the transfer mechanism taking effect. The term 'relevant order' is defined in clause 11(1) as a finding by a federal court that it does not have jurisdiction to entertain a matter. Once the step is taken it is safe for the Supreme Court to take over the matter.

Clause 11(2) provides that a party to a federal court proceeding in which a relevant order is made may approach the Supreme Court for an order for the matter to be treated as a Supreme Court proceeding. Clause 11(3) provides that if the Supreme Court makes such an order the proceeding is deemed to have

commenced as a Supreme Court proceeding on the day it was commenced in the federal court. That overcomes problems with limitation periods in cases where matters could no longer be brought in the Supreme Court because the appropriate period specified in the Limitation of Actions Act had elapsed. Clause 11(4) provides for ancillary orders to be made by the Supreme Court to assist in the process of transfer of proceedings.

I again refer to a hypothetical example. If a winding up application were commenced in the Federal Court relying on the Corporations Law of Victoria, and the Federal Court made a finding that it had no jurisdiction to entertain the application, the clause would permit any party to apply to the Supreme Court for an order that the proceeding be treated as a proceeding in the Supreme Court. Any time limits applicable to the winding up application would run as if the Supreme Court action had commenced at the same time as the Federal Court application. The Supreme Court could make any orders it considered necessary to treat the matter as a Supreme Court matter — for example, orders relating to the treatment of discovered documents or the Federal Court file generally.

The honourable member for Berwick gave an excellent overview of the bill. It is clear it enjoys bipartisan support. It was originally drafted — —

Mr Ryan — Another one?

Mr WYNNE — Indeed; the bill was originally drafted by the former government and has undergone extensive consultation in the legal and business communities. The government is aware there has been significant concern in the business and legal communities about the backlog of cases that are currently pending. There is certainly a great willingness and support for the bill to proceed with due speed. Obviously there is uncertainty but the bill will clarify that situation. As was pointed out by the honourable member for Berwick, the bill is uniform legislation that has been enacted by all states, except Victoria.

As I said, the legal profession, the business community and others repeatedly advocated the recall of Parliament last year to have the matter dealt with. Unfortunately, the government of the day did not see fit to recall Parliament. Such was the seriousness with which both the legal profession and the business community regarded the issue that they lobbied strongly for that to occur, but the government of the day was not of a mind to reconvene Parliament to address the question.

The bill has been open for public comment since June. A number of submissions were received and a number of modifications were made. The bill has bipartisan support. I welcome the contribution of the honourable member for Berwick, who gave an excellent overview and made some interesting observations on the question of federalism. I also welcome the contribution of the honourable member for Springvale, who will be putting a view — —

Mr Holding interjected.

Mr WYNNE — Indeed, who will perhaps be expanding on some of the points made by the honourable member for Berwick.

I wish this important bill a speedy passage, because it will bring some certainty to an uncertain situation that has been created by the High Court decision. It is an important bill for the business and legal communities, and I wish it well.

Mr McINTOSH (Kew) — Before speaking in support of the bill I congratulate the honourable member for Richmond on his outstanding contribution to the debate, not so much for what he said but for engendering a bit of life into an otherwise turgid debate on the Federal Courts (State Jurisdiction) Bill. I suggest that in future if he is going to throw water over the Minister for Police and Emergency Services he should do so with a bit more passion.

The system of cross-vesting of jurisdictions between the state supreme courts and the Federal Court of Australia has been operating cooperatively and effectively for the past 10 years. It is unfortunately based upon some substantially complex agreements and, most importantly, complex legislation. The 1987 Victorian legislation, which was adopted elsewhere in Australia by both state and commonwealth governments, does three things: it confers on the state Supreme Court federal jurisdiction — that is, the right to hear federal matters; it confers state jurisdiction on the Federal Court; and it confers jurisdiction on other state supreme courts to hear and determine other state supreme court matters.

The Federal Court has always had an ancillary power — that is, if an action is issued in the Federal Court dealing with a federal matter it can have tacked onto it some common-law or state jurisdictional matter. However, under the current legislative scheme a common-law claim or claim under state law can be initiated in the Federal Court.

The case of Wakim, which previous speakers have spoken about, dealt with a claim of negligence.

Negligence is a common-law claim that is traditionally dealt with by state supreme courts. I will not bore the house with a long and turgid analysis of the facts, I will simply say that in Wakim's case the applicants to the High Court sought to prevent the Federal Court from hearing and determining Mr Wakim's claim on the basis that it had no jurisdiction. Ultimately, although it did not accede to the appeal, the High Court by majority made a number of findings which were reiterated in a number of other cases that have already been referred to in the papers.

The High Court decision does three things. The first point is that judgments of the Federal Court in the exercise of exclusive state jurisdiction are voidable. It is important to note the difference between 'voidable' and 'void'. Those decisions are not void ab initio; they first require a party to seek to set them aside. The second is that all current proceedings in the Federal Court are subject to prohibition where the Federal Court proceeding involves merely state jurisdiction. The third and probably the most devastating thing is that every single case involving state jurisdiction that has been dealt with by the Federal Court, such as in the area of Corporations Law, is now open and subject to question.

Importantly, it has been a one-way street. There is no doubt that the High Court found that the conferring by federal Parliament of federal jurisdiction on the state courts is acceptable under the constitution. However, the reverse — that is, states conferring state jurisdiction on the Federal Court — is not permissible.

Other honourable members have substantially traversed what the bill does. Essentially, it does two things: it declares that the rights and liabilities arising under an ineffective judgment of the Federal Court are to be taken as rights and liabilities under the state Supreme Court; and it provides a mechanism to transfer any current proceedings in the Federal Court to the state Supreme Court.

Importantly, the bill does not provide the remedy for the ultimate vice that has been cured by the cross-vesting cooperative scheme. There is still no remedy to enable states to confer that state jurisdictional power upon the Federal Court.

Similar legislation has been adopted in every other Australian jurisdiction. That legislation has been the subject of substantial agreement in the lead-up to Wakim, which was anticipated by the legal profession. This similar legislation may not necessarily be a cure-all, and there are problems with it. It is a short-term solution to a complex issue. The problems arise from the fact that the legislation attempts to

indirectly confer on the Federal Court the jurisdiction which the High Court directly took away in *Wakim* and other cases.

I understand from the honourable member for Berwick that the jurisdiction in Western Australia is already subject to a challenge. The remedy will ultimately involve a referral, subject again to an agreement between all the states, of state powers to the commonwealth under section 51(xxxvii) of the Australian constitution, although I understand that that has been questioned by at least two Victorian Queen's Counsel, namely Hartog Berkeley and Nunzio Lucarelli.

The only solution that would bring the matter to finality would be by way of referendum through which the states were given the clear opportunity to confer powers on the Federal Court. That referendum, and even the referral, would take a substantial time to negotiate, and it would require a substantial bipartisan approach to get the matter adopted. Referendums are not easy by any stretch of the imagination.

I will raise a couple of other matters about the bill. The first is that with the bill the government is depriving some citizens of their declared rights. Sure, it was a technical decision by the High Court, but it was a technical decision based upon the law and the constitution. That decision conferred certain rights. Those rights were that a Federal Court exercising state jurisdiction was doing so without any jurisdiction and that any decisions made under that jurisdiction were voidable. They are still valid lawful rights conferred, and the bill is taking away those rights.

The overwhelming public benefit is in passing the legislation quickly and expeditiously. The legal profession in Victoria and elsewhere and members of the business community have requested it, and other state governments have passed similar legislation. However, as legislators we must pause to reflect on the fact that the bill will deprive some citizens of their accrued rights. All honourable members should be aware that that is not a simple task.

I turn to the variation of section 85 of the Constitution Act, which in his second-reading speech the Attorney-General referred to as a technical provision. I am not certain about that. A person who goes to the Supreme Court to have a proceeding dealt with still has the right and opportunity to be heard. By legislation we remove that right.

Again, the overwhelming public interest is in passing the legislation. I am concerned that the section 85

statement referred to as merely a technical provision is not adequate. Earlier today the Parliamentary Committees (Amendment) Bill was introduced. Normally a scrutiny of acts and regulations committee would have examined the Federal Courts (State Jurisdiction) Bill. That committee would have had the responsibility of reporting to Parliament on the impact and effect of the variation to the jurisdiction of the Supreme Court.

Many honourable members on both sides have examined and debated the issue. The Parliament would benefit from a scrutiny of acts and regulations committee examining legislation to determine its precise implications and not have the statement dismissed by the Attorney-General as merely a technical provision.

The issue was the subject of much debate when I was practising at the bar. Regrettably, I have concentrated on other things such as elections since the decision in *re Wakim*. The tremendous assistance I have received from the honourable member for Berwick, including the provision of information and his ability to explain this complex matter, has enabled me to come to grips with the proposed legislation.

It was both interesting and edifying to have the opportunity of speaking with and reading the speeches of the Honourables Carlo Furletti and Peter Katsambanis in another place on this complex piece of legislation. I commend the bill to the house.

Mr HOLDING (Springvale) — I am pleased to contribute to the debate on the Federal Courts (State Jurisdiction) Bill. The legislation is not only a set of technical arrangements for the conferral of cross-vesting rights between states, territories and the commonwealth. It also lies at the heart of how cooperative federal arrangements are managed in Australia, how one can ensure that unnecessary duplication is avoided in federal-state relations and how one can ensure that the powers exercised by the state, territory and federal governments are conferred in an effective, cost-efficient, fair and equitable fashion.

Honourable members would be aware that on 17 June the High Court handed down its decision in several cases that collectively are known as the *Wakim* judgment. Those decisions were on the cross-vesting schemes established over the past 10 years between state and federal governments. The court held that chapter III of the commonwealth constitution does not permit the conferring of state jurisdiction on federal and family courts. The court also held that section 51(1) of the Corporations Act validly conferred jurisdiction on

the federal court in civil matters arising under the corporations law of the Australian Capital Territory.

The *Wakim* decision had broad implications for those issues raised by the courts. The bill applies to the general cross-vesting arrangements that have been in place over the past 10 years and to the jurisdiction of the Federal Court in Corporations Law and a range of other cooperative schemes established between state and federal governments. They include schemes applying to agriculture and veterinary chemicals, national competition policy, gas pipelines access, the National Crime Authority, and price exploitation — the scheme relating to the federal government's recently introduced goods and services tax (GST). The High Court decision affected all those decisions and cross-vesting arrangements.

The bill reflects legislation introduced in other states. Essentially, all those state validation acts ensure, firstly, that the rights and liabilities affected by invalid decisions of the federal and family courts are declared to be the same as if those decisions had been valid Supreme Court decisions; secondly, that invalid judgments of federal courts can be enforced in the same way as Supreme Court judgments for breaches both before and after the commencement of the legislation; and thirdly, that matters on foot in the federal courts can be dealt with as though they had been commenced in the relevant state Supreme Court.

As I mentioned earlier, other states have also been required to introduce state validation acts in relation to the cross-vesting scheme to ensure a national response to the High Court's decision. Royal assent was granted to state validation acts in other states as follows: New South Wales on 6 July, Queensland on 29 July, South Australia on 19 August, Tasmania on 27 October and Western Australia on 13 July. Victoria is the only state that has not validly enacted legislation to deal with the constitutional and other implications of the *Wakim* decision. It is important that the bill proceed expeditiously through Parliament so that effect can be given to the arrangements made between the attorneys-general of the various states to deal with the implications of that decision.

The honourable member for Kew said the bill is not a long-term solution to the issues raised by the failure of the cross-vesting scheme in Australia. That is true and the community must give consideration to the way it should respond to the various issues raised by the cross-vesting decision in *re Wakim*. I have a lot of concerns about the High Court's decision. In the majority judgment the court missed a great opportunity to assert constitutional validity because it had already

considered the validity of the cross-vesting scheme. Had it done so it would have ensured the continuance of a system of cross-vesting that did much to reduce duplication and unnecessary litigation in Australia.

I will refer briefly to the judgment of the Chief Justice of the High Court, Justice Gleeson:

However, the judiciary has no power to amend or modernise the constitution to give effect to what the judges think is in the public interest. The function of the judiciary, including the function of this court, is to give effect to the intention of the makers of the constitution as evinced by the terms in which they expressed that intention. That necessarily means that decisions, taken almost a century ago by people long dead, bind the people of Australia today even in cases where most people agree that those decisions are out of touch with the present needs of Australian society.

That statement misunderstands the essential function of the High Court and the opportunity it has to ensure that the constitution becomes a modern and relevant document that reflects the needs of Australia as it enters the 21st century rather than remaining a document trapped in the language of those who drafted it in the latter part of the 19th century. The language of the constitution in relation to the cross-vesting issue is not clear. A case can easily be made that the cross-vesting legislation was consistent with the provisions of the constitution. I will touch on that later when I refer to some of the comments made by Justice Kirby in his dissenting judgment.

In *re Wakim* the High Court found that what followed from the negative implications of chapter III of the Australian constitution is that it is not open to a state Parliament or a legislature of a self-governing territory to confer jurisdiction on a federal court and that it is not within the legislative power of federal Parliament to consent to the conferral of each state and territory jurisdiction on a federal court.

Justice Kirby's thoughts on that issue raise two important points. Although it is not fundamental to the bill, it is important in relation to the way in which the High Court approaches issues which it has dealt with in the immediate past and which it finds are brought before it again as a consequence of a change in the composition of the court. In his judgment Justice Kirby referred to the decision in the previous judgment of *Gould v. Brown*, which was published in February 1998 — there had not been a long effluxion of time between the decisions. Justice Kirby states:

A challenge to the constitutional validity of cross-vesting legislation was thereby dismissed ...

The judgment continues:

What has changed? The Australian constitution stands unaltered, resistant to formal change ...

Only the membership of the court has changed in the intervening year. Chief Justice Brennan and Justice Toohey, who favoured rejection of the earlier challenge, retired and were replaced. A new full court has been assembled. It is an old and wise maxim of the law, which courts usually strive to observe, 'to keep the scale of justice steady, and not liable to waver with every new judge's opinion'.

That is an important maxim of the legal system and constitutional law. Justice Kirby's judgment raises important questions about whether or not it should be possible to bring matters before a court following a change in the composition of the court when the court has already made a definitive judgment on an issue in an effort simply to play on the changing composition of the court, and possibly the changing opinions of the judges.

Justice Kirby raised more substantive issues that were the basis for his opinion that the cross-vesting legislation was a valid exercise of state and commonwealth legislative power. It hangs on the constitutional implications of what is known as the incidentals power in section 51 of the Australian constitution.

The incidentals power essentially gives the commonwealth government power to make laws on matters that are incidental to the execution of any power vested by the constitution in the federal judicature.

An important aspect of commonwealth constitutional law is that the commonwealth has the power to make laws on matters that are incidental to commonwealth legislative power. It is obviously important that the commonwealth's powers are not restricted to a literal interpretation of only those practical matters contained in section 51 and other parts of the constitution but rather that the commonwealth has the power to make laws on matters where they are incidental to the commonwealth's exercise of its various functions.

Justice Kirby had the following to say in his judgment on the implications of the incidentals power:

Cross-vesting legislation, with the facility of transfer from and to federal courts, was clearly necessary for the reasonable fulfilment of the legislative power which had given birth to the federal courts. Additionally, the efficient execution of the powers of the federal judicature is advanced by the adoption of sensible arrangements designed to remove the costs and other burdens, sometimes intolerable and usually inimical to the attainment of the objectives of that judicature.

In other words, Justice Kirby was saying that if the commonwealth has the power to make laws relating to

the establishment of a federal legal system and a federal court system, including the Federal Court, surely it has a power incidental to that to make laws relating to the cross-vesting of matters between state and territory and commonwealth courts.

I should have thought that is a reasonable interpretation of the constitutional position as it now stands. It does not require anyone turning the constitution on its head; it does not require things to be implied into the constitution that are not there; it does not require the intent of the founding fathers to be ignored; and it does not require any of the traditional maxims of Australian constitutional law to be reversed. It simply requires the ordinary language of the constitution to be interpreted in accordance with the contingencies of modern Australia.

In his majority judgment Chief Justice Gleeson missed a tremendous opportunity to ensure that the cross-vesting scheme in Australia was upheld and that its benefits were asserted by the High Court in a manner that is consistent with the provisions of the Australian constitution.

This goes to the heart of how we can ensure that a cooperative federal scheme operates throughout Australia. Cooperative federalism can work only when the states and territories work cooperatively with the commonwealth and where state and territory governments and the commonwealth can reach agreement on cooperative schemes without having them consistently subjected to challenge in the High Court.

Given the comments made by the honourable member for Kew it is appropriate that we consider the alternatives. He touched on some of them in referring to the establishment of a workable and constitutionally valid cross-vesting scheme throughout Australia. The first of those alternatives is obviously a constitutional amendment. By amending the Australian constitution, we can put beyond doubt forever the power of the commonwealth and the states to reach agreement on cross-vesting matters.

My understanding is that much thought has been given to the possibility of a constitutional amendment and that the commonwealth is considering conducting a referendum in conjunction with the next federal election. Time will tell as to whether that occurs and whether it has the support of the various state and territory governments, but obviously that is the most definitive way of resolving the cross-vesting issue in a long-term sense.

The other alternatives include using the referral powers either in relation to the referral of jurisdictional issues only or in relation to the Corporations Law itself. That is probably the most substantive part of the matters raised by the Wakim judgment and the cross-vesting scheme generally.

There are ongoing questions about the constitutional validity of jurisdictional referral. We do not want to keep facing the uncertainty brought about by the use of the referral power coming from the Wakim decision.

A range of other options have been canvassed by various legal practitioners and attorneys-general, particularly the former Attorney-General of Victoria, the Honourable Jan Wade. She wrote to attorneys-general throughout Australia outlining a proposal for the establishment of a new federal division of each state's Supreme Court to deal with cross-vested proceedings including civil matters under the Corporations (Victoria) Act and mirror acts in other states. Under that proposal the commonwealth was to invest the state supreme courts with separate divisions with federal jurisdiction. Time will tell whether alternatives of that sort will be considered and put into effect.

In conclusion, the reasons for the legislation are regrettable. The situation could have been avoided if the High Court had taken the opportunity to give meaning to the incidentals power in the Australian constitution and had given a wide and lateral interpretation to the cross-vesting schemes as they stood. That is particularly so given that it had upheld the validity of the scheme in an earlier judgment.

Although the reasons for the legislation are not good, as I understand it the bill enjoys the support of all honourable members and will be given a speedy passage through this house and the other place. It will help to bring Victoria back level with the other states on the issues raised by the Wakim decision.

I am pleased the legislation enjoys the support of all honourable members, and I commend it to the house. I hope it is the first of a range of measures that will establish a long-term response to the failure of the cross-vesting scheme.

The ACTING SPEAKER (Mr Phillips) — Order! The honourable member's time has expired.

Mr RYAN (Gippsland South) — It is my pleasure to join the debate on the Federal Courts (State Jurisdiction) Bill, which is important legislation for people affected by legal processes covered by the bill.

The contribution to the debate of the honourable member for Springvale was excellent. He expressed concern about the position the High Court has adopted on the distinction between policy development and the interpretation of common law and statute. We are looking at a classic case of the best laid plans of mice and men going, unfortunately, agley.

The pity of it is that the whole scheme of cross-vesting was a great example of the legal profession, particularly in its law-making capacity, keeping up with cultural change. The intention was to achieve the best outcome for the people being served by the system.

Historical intention seems to have become lost, however, among laws and lawyers until a couple of decades ago. A lot of work had been done over a long period in the various jurisdictions, but with the advent of the Wakim decision that work was substantially undone. It is pleasing to see the legislation now before the house, because it will address much of what occurred as a result of that decision.

The culture of the law has changed over the past couple of decades and the legal profession has managed, to its enormous credit, to adapt itself to the needs of the people. I saw a lot of that sort of thing as a legal practitioner working in country Victoria for a couple of decades before coming into politics.

I practised law in Sale, a jurisdiction heavily based on the circuit system. We had the County Court and the Supreme Court coming to Sale for varying periods through the course of any one year. During the late 1980s we had four months devoted to the County Court and three to the Supreme Court, and in that way the courts were made more available to people than had previously been the case.

Earlier this year I attended a function in Maffra to celebrate the presence of the Appeal Court of the Supreme Court of Victoria. By bringing the court to country areas of the state the President of the Court, Mr Justice Winneke, showed the people that the system was there to serve their needs, and at a level to which they could readily gain access without, for example, having to go to Melbourne to appear before it.

Similar improvements were made to the Family Court system. Although the lack of a circuit system over the past decade or so has caused difficulties the changes have enabled people to gain better access to the law.

The bill is aimed at redressing the problems that have arisen as a result of the Wakim decision, which struck at the heart of the structure the commonwealth, the

states and the territories had developed over some years.

The honourable member for Kew spoke about the Scrutiny of Acts and Regulations Committee. Today we have seen the passage of a bill that will enable that committee and other parliamentary committees to be re-established. It has received bipartisan applause. The fact that committees will again be functioning will be to the great betterment of Parliament. That has particular relevance to this bill because one of the issues the Scrutiny of Acts and Regulations Committee dealt with over the past three and a half years — prior to and during my chairmanship of it — was national legislation schemes.

Bills in similar if not the same terms as this bill have been passed in other jurisdictions. In the future a committee established nationally will be able properly to scrutinise legislation of this nature and ensure that the jurisdiction under which the bill is introduced is also subject to scrutiny. Jurisdictional issues have been an ongoing problem for Australia.

The honourable member for Melton was a member of the former Scrutiny of Acts and Regulations Committee and took a leading role in developing the notion of a committee that would scrutinise a national scheme of legislation. The new committee will benefit from the work undertaken by the previous committee, and it will have before it a recommendation that came from the conference held in Sydney earlier this year. I hope it can further that work and ensure that legislation of this sort is scrutinised on a national basis instead of being scrutinised only within each state jurisdiction, which is a cumbersome, time-consuming and most unsatisfactory way of scrutinising legislation. The scrutiny of legislation needs to be done on a national basis, and this sort of bill would lend itself to that process.

Others speakers have dealt with the detail of the bill, so I will not refer to it. I applaud the contribution of the shadow Attorney-General, who analysed the legislation very well.

I wish to refer to a point raised with me by a Sale solicitor, Mr John Allman, in a letter of 2 December. I have provided a copy of the letter to the Attorney-General, and I ask that he respond to Mr Allman's query, although I must say having listened to the discussion that his response may be apparent. The letter addressed to me states:

A cursory reading of the bill indicates that it deals with judgments or orders, and imbues the same with the efficacy of Supreme Court judgments or orders ... What is to happen to

the matters presently in the Family Court, grounded by *Wakim*, which cannot go anywhere? They just sit, without wheels, and the party seeking to avoid appropriate legal consequences is advantaged and the seeker of legal redress is denied access to the court ... These matters need to be addressed urgently.

That touches the issue that is at the heart of these sorts of bills, in that it is related to the basic provision of court services to people who are concerned about their rights. Concerns about the cost of litigation, let alone the worry of being involved in litigation are bound up in the issue as well. I would be grateful if the Attorney-General would address the issues raised by Mr Allman.

I am pleased to see the bill before the house. I thank government members who have paid due regard to the great work of the former Attorney-General and the former government not only in enabling this bill to be introduced but also in creating a situation in which the other states and jurisdictions were able to address the issue. Ironically, they have been able to address the issue sooner than Victoria was able to. I support the bill and I wish it a speedy passage.

Mr LENDERS (Dandenong North) — I join a number of other speakers in furious agreement that the *re Wakim* legislation ought to be passed expeditiously and probably retrospectively. I endorse the sentiments of the honourable member for Kew that the Parliamentary Secretary for Justice added a new dimension to the debate today when he spilt his glass of water over the Minister for Police and Emergency Services. In the context of *re Wakim* it is a good start to the debate, because *re Wakim* is the grenade the High Court lobbed into the Australian legal system. It is an appropriate visual metaphor for an important debate.

Seriously, *re Wakim* was a grenade thrown into the Australian legal system by the High Court doing what it saw as its duty. The honourable member for Springvale analysed the judgments and expressed his views on the majority judgment of Chief Justice Gleeson and his support for the minority judgment of Justice Kirby. Few honourable members would disagree with his assessment. A decision of the High Court is unappealable, and it is the responsibility of every legislature in the country to address the problem that it has left to us.

I shall refer to a number of newspaper headlines following the decision: the *Herald Sun* of 18 June — 'Legal disarray after court ruling'; the *Australian Financial Review* of 18 June, two headlines — 'Court puts company law in Crisis', and 'Australian system has been thrown into confusion'; and an article by Sally

Jackson in the *Australian* of 18 June — ‘Attorneys rally to restrict ramifications’. The theme continues in an article by Bryan Frith in the *Australian* of 18 June headed ‘Courting cases of contradiction’; on 18 June there was a note of bipartisanship in the *Age* article headed ‘Wade blast for the High Court’. An article in the *Australian* of 18 June — obviously the papers were full of it on these days — was headed ‘Decision cripples the courts: Family, company law in chaos’; the *Sydney Morning Herald* of the same day carried an article headed “‘Dark Ages’ ruling slammed’ and another on the same day headed ‘Federal court body blow a “shambles for business”’. On 7 June a *Sydney Morning Herald* article was headed ‘Tearing the heart out of corporate law’; and finally — the one that calls for what we are about here today — an article in *The Australian Financial Review* of 18 June was headed ‘Fast legislative action needed on Wakim’.

The business pages across the country carry a theme that the *re Wakim* decision caused grief and needed addressing. Honourable members before me today have spoken in detail about the respective clauses of the bill. They have addressed the consequences, some of the legal problems and the complexity of the solutions. The legislation is — as the honourable member for Berwick described it — a temporary means to get through the problem, but other action is required to fix it.

Why do we have the problem? The issue of federalism was raised by the honourable members for Berwick and Springvale. The concept has been challenged in the decision by a literal interpretation of the constitution by the majority judgment of the High Court. It made a dissimilar decision in *Gould v. Brown* several years earlier. As the honourable member for Springvale said, it was the change in composition to the bench that resulted in the decision. Regardless of the ratio decidendi of the case, we are now stuck with *re Wakim* and need to fix it.

During the transition period of the new Bracks government if there was one bit of lobbying from anywhere in the business community it was on where and in what order of priority — I am sure this came to both sides of the house — *re Wakim* would be dealt with to fix the legal problems inherited because of it.

As the honourable member for Springvale outlined, the last other jurisdiction to deal with *re Wakim* was Tasmania, which passed legislation some time ago and finally gave it royal assent on 27 October.

If Victoria did not have concurrent legislation with the other states, both it and the commonwealth would be placed in an unsatisfactory position. The concepts of

cooperative federalism have all been challenged. The commonwealth and state jurisdictions have adopted a companies code and other universal pieces of legislation. It is important that governments and parliaments reflect on relevant issues to avoid the logjam of legislation that can develop. The suggestion of the honourable member for Berwick about state-based courts having both state and commonwealth jurisdiction certainly warrants further consideration by Parliament.

Prior to today I had not heard in Parliament some of the terms used by the honourable member for Berwick. SCAG, an acronym for Standing Committee of Attorneys-General, was a new one to me. Another that does not fit parliamentary tradition was his reference to ‘a tinker’s cuss’. Apparently it is now acceptable parliamentary language, so I can say that I do care a tinker’s cuss for what the honourable member for Berwick said. I am glad we can add that to the lexicon of appropriate parliamentary language in this place!

I will examine the concept of commonwealth referenda to address the particular head of power that will allow dual jurisdiction of courts. The concept is not new. The commonwealth constitution was a very grand document in its time. It brought together six very separate and disparate jurisdictions, and at one stage it almost brought New Zealand and Fiji into the union as well. It is important that it be dealt with in a non-partisan sense.

Time after time the efforts made to introduce technical amendments have been overtaken by genuine fear or knocked off by political exploitation. This issue ought to come forward, as should some of those in *Sykes v. Cleary*, which deals with the eligibility of citizens to nominate for the commonwealth Parliament, or the whole general concept of citizenship which has come out in that case. Many of those issues are totally non-partisan, and they ought to be addressed at some future stage by the commonwealth government.

The honourable member for Richmond made an important contribution. I was impressed by his depth of knowledge and understanding of the bill. The honourable member will later be counselled by his colleagues and told that his dramatic introduction to his speech meant it took a while for the house to fully focus on his dulcet tones.

The honourable member for Kew was obviously familiar with this area of the law and competently described how the various provisions affected Victoria. He explained the bill in layman’s terms, which is a compliment to a barrister. I took minor exception to his quoting of the comments of two of his Legislative

Council colleagues on the pace of legislative reform and the direction Parliament was heading in. When I read the *Hansard* record of that debate in the other place I was disappointed to note an overemphasis on the role of the Scrutiny of Acts and Regulations Committee. Government members believe that committee plays a vital role in the parliamentary process, and when the bill is passed it will play an even greater role in Parliament. Given the amount of attention paid to the bill by both sides and by the legal profession, and given its bipartisan nature, honourable members do not need to be too concerned about the Scrutiny of Acts and Regulations Committee. The general principle is clearly that the committee needs to be in place and after today it will be in place.

There is no hidden agenda in the section 85 statement other than absolute prudence on the part of parliamentary counsel who drafted the bill. Given the uncertainty over many months relating to *re Wakim* and the number of decisions that could be appealed in the High Court or other courts, the last thing the government wants is further uncertainty about the bill. The section 85 amendment will remove that uncertainty once and for all so that the legal profession and the business community in this state and across the country can move along with a degree of confidence that this sad chapter is behind us.

Obviously the Competition Policy Reform (Victoria) Act and the New Tax System Price Exploitation Code (Victoria) Act require this bill to be passed promptly so that those acts can take full effect. That will be a very good thing.

The remaining issue is how long Victoria will take to deal with jurisdiction and other issues arising from that. Honourable members have had many discussions about legal aid, access to the law and related issues. This bill dovetails in nicely with most of those issues because a complex legal system that requires a bank of lawyers just to find out which jurisdiction you are in, let alone to argue your case, is not desirable by any standards. Although that situation would not normally apply to my constituents in Dandenong North, who would be more interested in immediate issues such as family law or access to legal aid, this one ultimately affects every business in Victoria. It would certainly affect a number of my constituents if they wished to pursue any complex matters further up the legal system. If we do not continue to focus on our constituents as important parts of every deliberation we have in this place, I suggest they will not care a tinker's cuss about what we say.

I commend the bill to the house. I welcome the bipartisanship, which is a pleasant change after the heat of the debate today. Perhaps that is what the honourable member for Richmond was attempting earlier — to reduce the heat and excitement with a dose of cold water!

Mr NARDELLA (Melton) — I support the Federal Courts (State Jurisdiction) Bill and say at the outset that I am not speaking as a lawyer. I will put forward a different perspective from those already given.

The High Court decision of 17 June this year states that state parliaments do not have the power to confer state jurisdictions on federal courts. That decision makes the constitution a difficult document to understand and one that is not relevant to the 21st century. Honourable members have debated the difficulties associated with reforming the constitution and using the referendum process set up primarily by the states to make it harder for their powers to be taken away by the commonwealth government. Over the years the commonwealth government has vested much more power in its own realm than the states have maintained.

The vesting in the constitution of taxing, foreign affairs and other powers has allowed that to occur. This case demonstrates again that the constitution is not flexible enough to deal with the day-to-day needs of the modern community.

I was greatly concerned that so much legislation and so many schemes were affected by the 17 June decision in *re Wakim*. They include the gas pipelines access scheme, the National Crime Authority, the agriculture and veterinary chemicals scheme, and the price exploitation scheme associated with the federal government's goods and services tax (GST) — a protection that will be absolutely necessary in the lead-up to the changeover midway through next year.

I applaud the honourable member for Dandenong North for referring legislation to his constituents, because ultimately honourable members are here to represent their constituents. Members of Parliament have a role to play either in government or opposition, but ultimately they represent their constituents. My constituents in Melton will certainly be affected if there is not in place legislation with the backing and authority appropriate to deal with exploitative prices that may result from the introduction of the GST.

Lastly, but importantly, I turn to the extremely difficult and specialised area of the Corporations Law. The legislation is part of the process to bring the law back into kilter and make it work properly following the

17 June decision of the High Court. The affected pieces of legislation are complex. The honourable member for Gippsland South correctly referred to legislation involving national schemes going through a long gestation period. Because the Corporations Law is extremely complex and affects legal and business systems at all levels it is absolutely imperative there be efficient and effective solutions for maintaining those systems.

One of the challenges for all governments and all parliaments is to deal with what honourable members have spoken about today — that is, to work through the issues involved with modernising the federal constitution. The great difficulty with that concept, especially to the more conservative people and institutions in society, is that it affects people's view of what Australia should be and threatens their perception of their place in both the commonwealth of Australia and the world. Those people will have great difficulty with coming to terms with living, breathing, working and doing business in the 21st century — in the next millennium.

A stage must be reached at which governments at all levels will sit down and work through the issues raised in national scheme legislation which protects society in general and my constituents in particular. Unless that happens numerous situations may arise that may put people in jeopardy. Those situations may arise as a result of the decision of the High Court, which has the responsibility of interpreting laws and the federal constitution. It would not have been easy for the High Court to reach the decision of 17 June because it would have involved factoring in and dealing with complex and intricate legal aspects of the constitution.

The colonies existed in a different era, and there are very few people left who were born last century. Today the house is discussing the views and ideas encompassed in the constitution that set up the states as a federation — and that constitution was established by an act of the British Parliament. Unfortunately that document is not flexible enough to deal with the circumstances relevant to the remainder of this century and the next century. The issues need to be worked through cooperatively, and I think the necessary cooperation exists in this house, in the other house and in other Australian parliaments.

Even though the legislation reflects the complexity of the Australian legal system it is a move forward. The legislation is important for all the reasons I and other honourable members have outlined today. It is important to ensure that the system of government and regulation in Australia is properly dealt with and that

appropriate powers are in place to meet the challenges the country faces as the new millennium approaches.

Mr CAMERON (Minister for Local Government) — The legislation is the result of a decision of the High Court. At the outset I must say that if the wheel were to be reinvented Australia would not have its current legislative and constitutional arrangements.

One of the problems is that as a by-product of its history Australia has both a federal system and state systems. During the debate in the 1890s on whether Australia should have a federated system people adopted the view that it should happen. The result was that Australia had six states and the federal Parliament was given only certain powers — and not general powers. Prior to Federation the colonies had power over almost anything. In the 19th century, provided they fitted within the framework of the British Empire laws could be made for all sorts of matters. The nation moved into the 20th century with a new arrangement — —

Mr Maclellan interjected.

Mr CAMERON — Regrettably the High Court did not, exactly. Australia ended up with the current federal constitution under which the commonwealth was given only specific powers.

Section 51 of the federal constitution sets out nearly all the matters on which the commonwealth Parliament can legislate — so unless it falls within one of those heads of power, it is out. The nation has had to grow up with and endure that restriction. Various federal governments at various times have found ways to overcome the problem and expand the jurisdiction of the commonwealth, particularly through the use of the external affairs power.

Victoria's legal system has developed based on a structure that was established prior to statehood. However, in recent decades the federal court jurisdiction has played an increasingly greater role in our legal system. That has meant that similar matters have sometimes been dealt with in the federal courts and sometimes in the state courts. A simple example of that concerns the Family Law Act. Prior to 1975 all family matters were dealt with in the state courts, but after 1975 disputes between married or formerly married people were dealt with in the Family Court. However, matters involving couples and children of de facto marriages continued to be dealt with in the state system.

Ultimately, the federal Parliament was able to extend its jurisdiction and take over general responsibility for all child support matters. Those arrangements have made life a lot simpler. However, disputes involving de facto couples who do not have children come under state legislation. So there are times when people come under federal legislation and times when they come under state legislation.

A system of cross-vesting has developed so that even if a matter relates to another matter being heard by a federal or state court, that court can hear and determine it, notwithstanding that, on its face, the related matter does not totally come within its jurisdiction.

Unfortunately that artificial cross-vesting arrangement, which was designed to overcome jurisdictional problems, has been cast to one side. As a result of the decision in the High Court in *re Wakim* Victoria has ended up in a situation in which some decisions that have been made by the courts are suddenly invalid. The bill has been introduced to overcome the problem and give certainty to those decisions. That means people can continue to go about their business knowing that those judgments will remain valid and not be cast aside.

However, another situation has to be addressed. Imagine having a claim before a federal court and the judge saying to you, 'Your claim could have been dealt with by me if the cross-vesting law were valid'. The bill deals with that by making it clear that a federal court has to certify that it is a state matter, thereby streamlining the means of getting it back before the state court. That will enable it to be dealt with in the best possible way, given the constitutional problems that the decision in *re Wakim* has created.

The former government, like all governments around Australia, had to deal with the consequences of the High Court decision. Submissions were invited and received, and as a result the bill is better than what was originally envisaged. Having made those comments, I wish the bill a speedy passage.

Mr HULLS (Attorney-General) — I thank all those honourable members who contributed to the debate — the shadow Attorney-General; the honourable member for Richmond, my parliamentary secretary, who made an excellent contribution, as he always does; the honourable members for Kew, Springvale, Gippsland South, Dandenong North and Melton; and the Minister for Local Government.

I am pleased this important measure has received such widespread support. It is a crucial bill that mirrors the bills on the matter that have been introduced in the

majority of states. I will briefly comment on an issue that was raised by the honourable member for Gippsland South, who alerted me to it prior to making his contribution. It relates to a letter he received from a firm of solicitors in Sale about the fate of matters presently before the Family Court which, because of the *Wakim* decision, cannot go anywhere else. The letter states, in part:

They just sit, without wheels, and the party seeking to avoid appropriate legal consequences is advantaged and the seeker of legal redress is denied access to the court.

I have taken the opportunity to ask for advice from my department, and I am happy to furnish the honourable member with a copy of it so he can take it to the solicitor who raised the issue.

My advice is that the Federal Court (State Jurisdiction) Bill deals with the problem of matters on foot in federal courts that may be outside jurisdiction in clause 11. The first point to make is that the matters are not many in number. However, Family Law Act matters will continue to fall within the Family Court's jurisdiction. State matters, such as property disputes between de facto partners, will also be within the Family Court's jurisdiction where they are within the accrued jurisdiction of the Family Court — that is, broadly where the matters are of the same controversy as a matter that is within the jurisdiction.

I am advised that for other matters clause 11 requires that a federal court make a relevant order finding that it does not have jurisdiction. Once that occurs, a party can seek an order from the Supreme Court that the matter be treated as a Supreme Court proceeding. If the federal court does not make such an order, the ability of a plaintiff to issue fresh proceedings in the same matter in the Supreme Court might be compromised.

The department advised me that the person writing to the honourable member for Gippsland South may be casting doubt on the ability of a plaintiff to seek an order from the Federal Court of Australia for which it does not have jurisdiction, so putting the plaintiff in the hands of the defendant. It is understood that there is no bar on a plaintiff seeking such an order or on the court making such an order of its own motion.

I am sure the situation is now clear to the honourable member for Gippsland South. As I said, I am happy to hand him a copy of the departmental advice so he can give it to the solicitor from Sale.

I thank all honourable members for their contributions. It is an important and urgent bill. When Labor was in opposition it called on the government to recall the

Parliament to introduce the bill — that's how important it is. I am glad the current opposition is now supporting the government's bill, and I too wish it a speedy passage.

The SPEAKER — Order! As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

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

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed from 11 November; motion of Ms ALLAN (Bendigo East) for adoption of address-in-reply.

Mr PATERSON (South Barwon) — I have pleasure in participating in the address-in-reply debate and pay tribute to the Governor, Sir James Gobbo. Recently Sir James opened the upgraded streetscape in Bell Street, Torquay, in my electorate. The new streetscape has pleased the traders and produced a friendly environment for people shopping and holidaying in Torquay.

It would take more than the 20 minutes available for me to recount the coalition's record in South Barwon. In one sense it is a pity my contribution is made on a day when the government is unravelling over the meals-for-deals affair.

The ACTING SPEAKER (Mr Kilgour) — Order! There is too much audible conversation in the chamber.

Mr PATERSON — I direct the attention of my constituents to the government's bizarre behaviour towards its recent fundraiser dinner. Legitimate questions are raised when names of people from organisations such as Intergraph, Australian Hospital

Care, City West Water and Victoria University of Technology appear on the guest list. To date the Premier's responses to those questions are feeble. The opposition is running a book on when the Premier will deliver his next correction to *Hansard* and his next personal explanation. I have gone for 9.53 p.m. this evening.

Today the Premier hid behind his departmental head, Mr Bill Scales, by saying Mr Scales would review what was appropriate for fundraiser functions. However, the opposition did not ask what Bill Scales thought; it wanted to know what the Premier thought. As the Premier was unable to express his view, he turned to Bill Scales to see if he could save him from the government's regrettable situation.

The opposition is also aware of the Premier's poor memory. Apart from a banker who was sitting next to him during the dinner he was unable to say who else sat at his table only the night before.

The Premier has been good at evading questions on this matter. The opposition parties will continue to ask the correct questions that need to be asked when such an event takes place. When a public servant, such as the head of Treasury, is seen at a fundraising dinner such as the one I have just mentioned, it would be interesting to know whether he was directed to attend or whether it was a lapse in judgment on his part. It will be revealed in time.

The spectre of the Docklands selection panel wandering around with the developers was not what the electorate had been expecting from the new government; its earlier-paraded commitments to great transparency and high ideals are both unravelling before our eyes.

The record of the former coalition government in the South Barwon electorate is excellent. As in other parts of Victoria, schools were upgraded to the tune of many millions of dollars. Currently in my electorate a new primary school is being built at Torquay and I hope the new government will come to the party with a small addition to the school's budget. Many millions of dollars have been spent on high schools in my electorate at Belmont, Oberon and Grovedale. They are examples of excellence in education. Due to the vision of the former Premier and the hard work of my former colleague, Bill Hartigan, a former member for Geelong Province in the other place, the International Fibre Centre at Deakin University is nearly ready to go full steam ahead.

The former coalition government made a significant commitment to roads. It is to be hoped that the new

government will continue that commitment. One area of concern is the highway to Colac. When in government the coalition committed \$9.4 million to a full upgrade and duplication of the road and opposition members look forward to some sort of commitment from the new government. To my knowledge the government has not committed to the project to date. That is of concern to my local coalition colleagues the Honourable Ian Cover, a member for Geelong Province in the upper house, and the honourable members for Bellarine and Polwarth because it is an important project. Although in recent years the former coalition government upgraded the road by adding overtaking lanes it now needs a full upgrade. It is hoped that the government will not disappoint the electors of South Barwon.

The honourable member for Geelong North can stop the witch-hunt he has been running in Geelong recently about how I came into the possession of a certain letter from Premier Bracks to the mayor of Geelong about the proposed Geelong international water sports complex. He has been accusing all sorts of people of having given it to me. The local Australian Labor Party (ALP) candidates, interestingly with the exception of the candidate who stood against me at the last election, campaigned against the project and it remains in jeopardy.

The Premier wrote to Mayor Jarvis on 22 November. The letter states, in part:

I am not convinced that a thorough investigation of all possible sites, both in Geelong and elsewhere in Victoria, has been carried out.

I see the honourable member for Geelong shaking his head. Perhaps he should read the *Hansard* report of what the sports minister said in the upper house last night. The letter continues:

I have therefore requested that the Minister for Sport and Recreation review the options for international rowing venues in Victoria.

I understand that you will be disappointed by this news.

I think in the short term that is correct. It continues:

You are however welcome to reconsider options in the Geelong region and liaise with the Department of State and Regional Development in relation to this.

It is a positive letter for the project. It is hoped that the project can get up and running again.

The honourable member for Geelong North wonders how I got hold of the letter. I have in my hand the covering letter for the letter I have just read. It is dated

25 November and is addressed to me. The word 'Paterson' has been crossed out and lovingly replaced by 'Alister'. The letter states:

Thank you for your letter of 2 November 1999 concerning the Geelong international water sports complex.

I have enclosed a copy of my response to Councillor Ken Jarvis, Mayor, City of Greater Geelong, as requested.

The letter is signed by Premier Steve Bracks. It should be made clear to the honourable member for Geelong North that perhaps a bit of communication on his side of the house might not go astray, because it was the Premier who sent me a copy of the letter that has been the subject of his witch-hunt over the past several days. He should rest easy and get onto more positive projects. Perhaps he could learn more about the water sports complex project. He should come on board and discover what a wonderful project it is.

A magnificent new health centre in the old Quiksilver building on the Surf Coast Highway at Torquay is much appreciated by the people of the region.

Of some concern is the status of the Belmont Community Health Centre project on the Princes Highway, for which the former coalition government committed around \$5 million. The opposition has heard nothing from the government about whether it will commit money to the project, which would be good for the people of Geelong. The project was well promoted — certainly by members on this side of the house — and I hope that as soon as possible the government can confirm that it will go ahead.

The centre will provide dental health services; community mental health teams; district nursing; allied health services such as physiotherapy, podiatry and occupational therapy; alcohol and drug counsellors; and diabetes management, which is becoming increasingly important in our society.

The other day a moving memorial service was held at the Geelong West Memorial Park for the five firefighters who were killed at Linton about a year ago. Many of my parliamentary colleagues from both sides of the house attended. I was therefore disappointed to read in the *Sunday Herald Sun* of 5 December, the same day that a further memorial service was being held in Linton, that the president of the United Firefighters Union, Pat Geary, had made some regrettable comments about volunteer firefighters. I hope his comments will be condemned by both sides of the house — certainly in light of the recent memorial service. They were part of an industrial dispute that has been going on for some time between the United

Firefighters Union (UFU) and the Country Fire Authority. Mr Geary referred to a certain memo that is allegedly in existence:

Mr Geary said the memo meant all rural fires would be fought only by volunteers.

'There will be a lack of leadership and competence,' he said.

That is a clear attack on the volunteers. It is most regrettable that the president of the UFU is using the union to attack the significant contribution tens of thousands of volunteers across the state make to fighting fires. I look forward to him retracting that statement.

I pay tribute in this address-in-reply debate to two former members of this place — Ann Henderson, a former minister and the former member for Geelong, and Bill Hartigan, a former member for Geelong Province in the other place, who made a significant contribution to Geelong and to the Parliament. They were my colleagues from 1992, when we were all first elected to this place. I am sure members from both sides will respect the contributions they made.

Another significant development in my electorate over the past few years has been the supply of natural gas to Torquay and Jan Juc. The decision to connect these areas to the natural gas pipeline was made while the gas company, which is now in private hands, was still owned by the government. I understand the government has committed some money to connect parts of the Bellarine Peninsula to the natural gas supply. Any money the government wants to spend in Geelong, on the Bellarine Peninsula and on the Surf Coast will be welcome. Perhaps the government could add to that list Barwon Heads, which would certainly like to be connected to the natural gas pipeline. I am sure government members would not want to discriminate against Barwon Heads! Natural gas is available in Ocean Grove, so the pipeline only has to go under the river, which would not be particularly expensive. I am sure government funding could be found for that purpose.

The Labor Party will learn soon enough about the Pandora's box it has opened up. In the meantime, I would appreciate any confirmation that the government will provide money for the connection of gas to Barwon Heads.

The ALP candidate for South Barwon was spectacularly unsuccessful at the election and drove the primary Labor vote backwards. I notice with interest that the honourable member for Geelong does not look very troubled by that remark. The candidate made a

commitment to the football and netball club at Barwon Heads about its relocation problem. The club had been given its marching orders by an earlier Labor government during the Cain and Kirner years. Then, during the Kennett years, the club was allowed to remain in its premises, the caravan park at Barwon Heads. The problem was that the park formed part of the coastal management plan that had been signed off during the Cain–Kirner years.

Nevertheless, perhaps due to a sudden rush of blood to the head, the ALP candidate committed his party to fair and reasonable compensation for the relocation of the football and netball club. A figure of perhaps \$600 000 or \$700 000 might be needed. Perhaps the promise was made in the belief that it would never have to be delivered. As we now know, however, the ALP achieved government.

It would be nice if, at its earliest convenience, the football and netball club could be told the promise by the ALP candidate will be honoured. It was a commitment after all, and its being honoured as soon as possible would be appreciated.

Local council officers proposed moving the Barwon Heads football and netball club to Ocean Grove. I believe that would be inappropriate; the club should remain in Barwon Heads, and the councillors now share that view. I am sure the councillors are also looking forward to the fair and reasonable compensation promised by the ALP candidate during the recent election campaign. That act would reassure the house that when the ALP puts up candidates it does not allow them to make blind promises but rather insists on promises that are meant to be kept. It would be important information for the house.

A further issue in my electorate, one being discussed in council tonight, is the Belmont traders levy. I understand the honourable member for Geelong referred to that today but got the wrong end of the stick as usual.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member's time has expired.

Mr LANGDON (Ivanhoe) — It is with great pleasure that I address the Parliament from this side of the house. I was a bit surprised that former opposition members moved over here as quickly as they did, but I assure the house that I am pleased by the surprise it gave honourable members opposite.

I welcome with pleasure the large number of new members on this side of the house, all of whom are making excellent contributions, and I commend them

for it. The election of 18 September seems very long ago, although by the end of the week it will have been only 50 days.

The election campaign in the electorate of Ivanhoe was interesting, and I am sure that was the case in many other electorates around the state. The principles of the previous government were put to the test, including, for example, principles of democracy and the privatisation of hospitals and of local government services. The electors of Ivanhoe turned those principles down in a very big way. I am pleased to report that my winning margin of 1.6 per cent from the previous election was increased to 5.43 per cent, despite the huge amount of money spent on what the Liberals thought was an outstanding candidate.

I am pleased to report to the house that the Liberal candidate was far from outstanding. He had previously been elected to council as an Independent. During the council election campaign he told people emphatically everywhere he went that he was independent and did not like party politics on council. That claim characterised his whole campaign.

An opposition member interjected.

Mr LANGDON — His name was Don McLean. He told everyone that he was above politics and that his representation of Ibbott ward would be above reproach and without politics. He joined the Liberal Party earlier this year and it is clear that he has now thrown those principles out the window. His result at the state election flows from that. How can the electors trust someone who, a mere two and a half years ago, promises to be independent and then returns as a Liberal candidate with a new set of promises?

Many issues faced the electorate of Ivanhoe, the largest being the Austin hospital. In the 1996 election campaign the previous member for Ivanhoe, Vin Heffernan, made vain attempts to convince people that the hospital would not close or be sold. I saw through that false promise at the time and advised the electorate that I believed 'will not close' meant 'will be privatised'. I was accused of running a typical ALP scare campaign. What flowed from that? The Kennett government tried for four years to privatise the hospital and, to make matters worse, to close the Austin hospital site.

The Austin hospital has been at that site since 1881. The previous member and the candidate in the last election were obviously putting forward a set of falsehoods to the electorate, and it responded in a big way!

I am pleased to advise the house that the incoming government's first action was to stop the privatisation of the Austin hospital. I commend the Minister for Health on that action. I was at the hospital when the announcement was made and witnessed the relief of the cleaners, the nurses, the board and the chief executive officer. Everyone was absolutely relieved. More importantly, the patients were exceptionally relieved.

During my discussions with the hospital it became apparent that no-one believed privatisation would work. However, the former government was hell-bent on privatising the hospital. Given the typical approach of the previous government that did not surprise me. No-one in the hospital network was game to speak up. All honourable members know that under the previous regime people who spoke to the government or to the public about what they believed to be wrong were immediately beheaded — they lost their jobs.

Mr Cameron interjected.

Mr LANGDON — The minister made a good point. The Liberal upper house colleagues were remarkably quiet on the issue. For the record I will name them — the Honourable Bill Forwood and the Honourable Carlo Furletti. During the campaign they tried to promote the notion of building bigger hospitals. They put up banners and employed trucks with huge displays to drive around the electorate. They parked them illegally, but that is another story. They spent a fortune. In my time as the local member I am aware of only two leaflets on the hospital having been circulated to the electorate. Strangely enough, one of those leaflets was released in March 1996. Honourable members can guess the other date.

An honourable member interjected.

Mr LANGDON — Yes, it was earlier this year. Not just before September, but a little bit earlier. Two leaflets went out to the world at large claiming that the Austin hospital was a brilliant institution and that the previous government was doing an outstanding job. Clearly, the public did not believe it. The public could see through the cynical exercise of producing leaflets within months of the election. That was a typical approach of the former government. This government has promised not to engage in such sordid exercises. It will honour its commitment. The money wasted on producing those leaflets could have been spent on nurses and patient care.

The Austin hospital has been saved once and for all. The government has committed \$55 million for works at the hospital and the establishment of a steering

committee. The committee is yet to meet to work through the issues. Again, I acknowledge the fantastic job the Minister for Health has done for the Austin hospital.

Another issue in the electorate concerns one of its pillars, the Colosseum Hotel. The site was to be used for a police station. At the time of the proposal the then member and the then Deputy Premier, who is now the retiring Leader of the National Party, promised the electorate of Ivanhoe that in 1996 new police headquarters would be built on the site.

Mr Nardella interjected.

Mr LANGDON — The honourable member for Melton made a good point. When the commitment was made the site was purchased by a subsidiary of a company owned by Mr Bruce Mathieson. For the past three and a half years I, and many members of the public and the City of Banyule, have fought against the Colosseum Hotel becoming a poker machine venue. At a recent Liquor Licensing Commission hearing Mr Mathieson said the hotel was expected to have a turnover of \$2750 per machine per day. That is \$80 million a year in turnover. For the life of me I cannot figure out where that money would come from because I do not believe the hotel would be able to compete with the Crown Casino. As much as I like West Heidelberg its views across the Darebin Creek do not quite compare to the views along the Yarra River from the Crown Casino. If Mr Mathieson expects a turnover of \$80 million per annum where will the money come from? The project is clearly designed to fleece the residents of West Heidelberg. It is typical of the owners of gaming machines to try to fleece money from people in working-class areas.

The council rejected the town planning permit but the decision was overruled by the Victorian Civil and Administrative Tribunal. I attended the Liquor Licensing Commission hearing and I am pleased to report to the house — I have also done so by way of a 90-second statement — that the Liquor Licensing Commission overruled the granting of the liquor licence.

An honourable member interjected.

Mr LANGDON — My upper house colleagues have been remarkably silent during the whole process. When the subject of the Colosseum Hotel site was being debated not one comment was made on the issue in the Legislative Council. Not one leaflet was put out, and nothing was done. My upper house colleagues

remained silent on the issue and were more interested in being power brokers within their party.

The remarkable effort of Ivanhoe residents during the election campaign to save the Austin hospital and to keep the Colosseum Hotel free of poker machines is a credit to their community spirit and their commitment to working for what they believe in without giving up.

One of the prime examples of not giving up is the Colosseum Hotel site. Many wondered how Mr Mathieson could be stopped. How could a battler in West Heidelberg stand up against Mr Mathieson — he would surely win, but so far he has not. My advice to those who reckon you cannot win by working the electorate hard and getting people together is that you can, and the Colosseum Hotel is a prime example.

Another issue before the electorate of Ivanhoe is town planning. The electorate is diverse and includes West Heidelberg, Ivanhoe, Heidelberg, Viewbank and Rosanna. The Eaglemont and East Ivanhoe areas have been inundated with applications for permits to build units and destroy the heritage of the area. To members on the other side of the house I say this: this was your heartland and you betrayed the people and let them down time and again. The largest swings toward me were not in the Labor heartland but in the conservative heartland — constituents were fed up with the government policy on town planning and the council's right to control that area. The Minister for Local Government is in the chamber, and I know local government will have that right restored. The previous government took away local government rights and treated that sector as a department of the state government. It should not be treated that way: it is a third tier of government. It was a tragedy in this country when in 1988 the majority of states voted against referring to local government in our constitution. That is always a puzzle to me because everyone has a local council.

Another issue facing my electorate is traffic management. The previous state government — again this is an example of the way it worked — wanted to widen Lower Plenty Road between Greensborough Road and Rosanna Road. Instead of telling Vicroads to send a brief outlining the needs, the then government gave Vicroads \$5.3 million and told it to do the work within the budget. Its consultative skills left a lot to be desired. I turned up to one of the meetings and was taken aside and told, 'You are not welcome here.' My response to the Vicroads official was, 'I did not win the seat by doing what the government wanted and I am not about to do what it wants now.' So I stayed. I have

never received any other invitations — they are always lost in the mail.

The issue of traffic in Ivanhoe, particularly the north-south traffic flow through the electorate, is a major concern. The Ivanhoe electorate was once an outer suburb but is now a middle suburb. I live about 20 minutes from the city and there is heavy traffic flow in all directions. The only time work was done in the Ivanhoe electorate was during the years of the Cain–Kirner governments. In the recent history of the state, no government other than the Labor government has spent large sums of money in the electorate on traffic issues. The east-west traffic flow problem was largely solved, though traffic is always increasing, and now the north-south traffic flow is to be addressed. The previous government repeatedly promised a traffic study but it never delivered. Where were my upper house colleagues then? They were silent on the issue. The honourable member for Bundoora and I attended a public meeting of 450 people and my upper house colleagues were not to be seen anywhere. They ignored the concerns of the electorate.

The former government was worried about whether it would win back the seat of Ivanhoe. The Liberal candidate declared in local newspapers that he would win the seat and that I was ‘gone’. He was so confident. However, former government members must have been a bit worried because in the last two weeks of the campaign they started running around the schools, making promises left, right and centre about what they would do. I raised the former government’s promises last night on the adjournment debate. During the last weeks of the Kennett government East Ivanhoe Primary School was promised \$500 000 and told that it would be given immediately, but it was not in the estimates for the following year or the year after. I now have to ensure that the Bracks government fixes up the problems left by the previous administration.

The other interesting case reported to me this week by an official within the education system — not the minister’s own staff — was that one school had been promised \$70 000 but the funds had gone to the wrong school! Departmental officers said the schools had similar names and they were in such a flap that they promised the amount to the wrong school. That is typical of the Kennett government and shows how scared it was of the whole issue.

I refer the house to the Yarra Valley Hockey Club, which was being given the shaft from its grounds in the John Cain Memorial Reserve in Northcote because the previous government was intending to announce a new velodrome for the site. The club has a long history of

association with the reserve. Having been shafted from the ground the club wanted to know what it could do, but the former government gave no commitment to the Yarra Valley Hockey Club.

I have been working behind the scenes since then, and last night in the upper house, on the adjournment debate, the Bracks government said it would not force the club to move; it would be left there for another 12 months. I am pleased the department has come to its senses. Obviously the new Minister for Sport and Recreation inherited the previous government’s problems, but the Yarra Valley Hockey Club will be protected for another 12 months.

In closing, I welcome new members to the house. One group of unsung heroes within Parliament are the attendants and staff behind the scenes. I thank them for all their work and effort. They do an outstanding job. Without the attendants Parliament would not be running, and I commend their efforts.

Mr JASPER (Murray Valley) — In joining the address-in-reply I firstly congratulate the Governor of Victoria, Sir James Gobbo, and Lady Gobbo for the excellent work they are doing in representing Victoria and upholding the highest traditions of the office.

I thank the electors of Murray Valley for their continued support for me as parliamentary representative in the Legislative Assembly since 1976. We have developed a great rapport in Murray Valley over a long period, and I believe my constituents recognise that I have one clear objective — to get the best results for the people I represent.

Enormous development has been achieved in north-eastern Victoria over a long period. I was extremely concerned when I heard some of the comments made during the election campaign and since by the Labor Party, particularly when I heard Mr Bracks, now the Premier, say during the campaign that the Labor Party would rebuild country Victoria. I suggest that the Premier and other government members who have not been to north-eastern Victoria visit that part of the state so that they can achieve a true understanding of what is happening. There is no doubt that we always want more support from governments, as everybody does. I need not tell you, Mr Acting Speaker, that as country members we face special difficulties and problems living in country Victoria. Despite the fact that criticism has been taken on board about the state of country Victoria, a lot is going on that has not been recognised, and I want to ensure that the house recognises it.

When I spoke last week on the Regional Infrastructure Development Fund Bill I pointed out that from 1996 to 1999 the electorate of Murray Valley had received more than \$41 million for capital works and programs, including education and roads. During the election campaign an opponent of mine representing the ALP made the statement that only \$300 000 had been allocated to the electorate of Murray Valley from the Community Support Fund that year. That was absolutely wrong because more than \$1.5 million had been provided from the Community Support Fund for particular projects.

There has been criticism of the health services across country areas. Again I highlight the Wangaratta District Base Hospital, which has had a \$15.4 million redevelopment approved: it was agreed to by the previous government and will continue under the present government. It is a great hospital servicing north-eastern Victoria, and the specialist services provided from Wangaratta are well recognised. It will continue into the future as the best hospital servicing that area of the state. The hospitals at Yarrawonga, Cobram and Numurkah are in surplus and operating very efficiently, delivering high-standard health services in their areas. Other health services include Glenview Community Care, one of the great health services provided to people living in Rutherglen and surrounding areas.

Criticism has been made of police services, but we have new or near-new police stations right across the electorate of Murray Valley. Mr Acting Speaker, you will be aware of that fact because you grew up in the small township of Katamatite in the Murray Valley electorate. A new one-man police station has just been completed in Katamatite. It will be officially opened early next year by the Minister for Police and Emergency Services, and I will welcome him to my electorate. When he visits I will show him the services we have. Funding for roads and bridges was also provided during the last Parliament, with \$8 million being spread across the electorate.

Honourable members must keep reminding themselves that in 1992 Victoria's debt was approximately \$32 billion, and that that debt has been reduced to between \$5 billion and \$6 billion. That is a tribute to the coalition government and the work undertaken between 1992 and 1999. Victoria's interest bill was \$1800 million in 1992 but has been reduced to about \$500 million today. The new Labor government will certainly benefit from the changes made by the previous government. In the 1992-93 financial year the budget deficit was over \$3 billion, yet the current budget will be in surplus.

Today Victoria's growth rate is approximately 6 per cent — the fastest in Australia and a tribute to the work of the previous government. Such information needs to be repeated and put on the record so people understand how circumstances changed between 1992 and 1999. It should be remembered that in 1982, when the change from a Liberal to a Labor government occurred, Victoria's debt was \$10 billion. In the 10 years from 1982 to 1992 the debt grew from \$10 billion to \$32 billion. When it came to office in 1992 the coalition government had been left with an enormous debt.

I was interested to hear the comments of the honourable member for Bendigo East in her contribution to the address-in-reply debate. I wrote down her words. She said the coalition in opposition — it is now the partnership in opposition — had a new-found interest in education. I resent that comment because there are 35 schools in my electorate of Murray Valley and between 1992 and 1999 they all benefited from capital works funding and the introduction of new programs. They are great schools. They range from the smallest school at Youanmite, with 12 students, to the Wangaratta High School, which has over 1200 students.

An honourable member interjected.

Mr JASPER — I suggest to the honourable member who is interjecting that he should visit north-eastern Victoria, particularly my electorate of Murray Valley.

Mr Nardella interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Murray Valley is handling the debate adequately without the support of the honourable member for Melton. I ask the honourable member for Melton to cease interjecting.

Mr JASPER — I would be happy to listen to any comments made by the honourable member for Melton, but when he interjects will he ensure that I can hear his comments and respond to them, instead of using some gabble that I cannot understand and cannot put into the context of the debate? Again I remind the honourable member for Melton that if he wants a true experience he should come up to north-eastern Victoria. If he does so I will show him around that part of the state and demonstrate to him that there is activity going on. People there want more development; and there is no doubt I will seek more.

I mentioned education because it is important. Recently I visited one of the primary schools in Wangaratta.

During discussion the principal of the school raised a couple of areas of concern with me. I said, 'Look, I'll follow those through and see what action I can get'. He said to me, 'For every criticism of the education system we have now, I can produce for you at least three or four items in response showing where there has been an improvement in education in the past few years'. I should like to think that in government the Australian Labor Party would at least recognise that major progress has been made in the provision of education in Victoria, particularly in my electorate. Since 1992 more than \$12 million has been provided to schools for capital works programs, and a number are currently in the pipeline.

The government should move forward and approve those projects. If that were to happen about \$7 million would be committed to schools in my electorate during the current Parliament. I expect the ALP to deliver on the capital works programs that are in the pipeline for the schools in the Murray Valley electorate. I hope the Minister for Education will recognise that major progress has been made in education in Victoria. I agree more funding and improvements are always needed to raise education standards. However, surely a balance can be struck. Surely the minister could say, 'We recognise that although there are still shortcomings, work has been done in the past'. The minister does not acknowledge that the urgent need for \$700 million or so of capital works programs in Victorian schools that existed in 1992 has been addressed and that the figure has dropped to just over \$100 million.

I again point out that there are programs in the pipeline in my electorate about which I will make representations. I trust that the Minister for Education and the other ministers will honour their ministerial obligations to carry out their duties without fear or favour by ensuring that funding is provided across Victoria. I have heard the Premier speak along those lines, and I believe he will act sincerely in trying to get balanced development across Victoria.

I was interested in the recent comments about Workcover. A number of questions have been put to the Minister for Workcover and it has disappointed me that he has criticised the current situation strongly without recognising the background. Throughout the 1980s workers compensation was in a bad way because it was difficult for businesses who had to pay high workers compensation rates to also provide appropriate support for injured workers. I remember that a committee chaired by the now Labor Senator Barney Cooney reviewed the workers compensation scheme, and I represented the National Party at meetings on

proposed changes throughout the 1980s. Senator Cooney recognised that major changes needed to be made to the system not only to make it cost effective but also to enable it to deliver appropriate support services for injured workers.

Honourable members need to look at the facts and figures relating to Workcover to understand the position. When the coalition came to government in 1992 workers compensation debt was \$2.1 billion, yet in response to questioning in the current sessional period the Minister for Workcover has criticised the fact that the current debt is approximately \$176 million. The minister should recognise that there was an enormous debt in 1992 and that the whole Workcover scheme was funded only to 45.2 per cent, whereas currently it is funded to approximately 93 per cent.

Honourable members should look at the position in other states. The New South Wales scheme is funded to 77 per cent; the figure in South Australia is 89 per cent; in Queensland it is 102 per cent — the scheme there is working extremely well; and the commonwealth scheme is operating with funding of approximately 100 per cent.

There has been talk of major changes being made to the Workcover scheme, including the reintroduction of common-law claims. In going down that track the government needs to be careful about to what extent it reintroduces the right to claim under common law. In the commonwealth jurisdiction most of the common-law access was removed from the statutes from December 1988. I remind honourable members of comments made by the Deputy Leader of the Liberal Party in this morning's debate on a motion concerning small business, that when the current Minister for State and Regional Development was a federal member of Parliament he supported legislation that removed most of the common-law rights at the commonwealth level.

In New South Wales common-law rights have been modified since June 1989. In South Australia they were abolished in 1992, and in the Northern Territory in 1987. It should also be put on the record that the changes to Workcover introduced by the coalition government have saved Victorian employers between \$500 million and \$600 million a year. That has made employers more profitable and allowed them to expand their businesses and provide additional employment.

That is the bottom line. The wealth of the state is created not by governments or government employment but by private enterprise. I remind the house that many members of the Labor government have never been in business and therefore do not

understand it. One needs to have been in business to be able to adequately represent the views of business people and to govern in a way that assists business to develop, expand and employ.

One of the big pluses for business between 1992 and 1999 was the great support it received from the coalition government. I highlight the improvements made to Workcover, which resulted in reduced premiums. In 1992 the average Workcover premium was 3 per cent; by 1999 that had come down to 1.9 per cent. I am fearful that unless the Labor government is careful about the legislation it introduces, Victorians will see the reintroduction of common-law claims and increases in the protection provided for workers, who are already adequately covered, all of which will result in increased premiums for employers. The easy way to cover increased costs is to increase premiums. Instead of looking to make efficiencies to cover the shortfall, the government will make employers pay more. Labor should be looking at ways to make the system more efficient, which is what the coalition government sought to do.

I quote what the annual report of the Victorian Workcover Authority has to say on the funding ratio:

The funding ratio is the ratio of net assets to net claims liabilities. Workcover was 93.2 per cent funded at 30 June 1999, with an accumulated deficit of \$295.6 million. The major influence on the authority's funding ratio has been the financial impact of the run-off from common-law settlements. Common-law liability accounts for 22 per cent of the net claims liability.

That sums up the Workcover issue. I repeat that the ALP government needs to be extremely careful about any changes it makes to Workcover.

I close by informing the house that I will continue to represent the people of Murray Valley to the best of my ability to ensure that they get their just share of the funding provided by the ALP government. I will be putting to the government the concerns that the people in my electorate have about ensuring that development continues to take place in north-eastern Victoria. My electorate is in the heartland of rural production, and I want to ensure that it gets the support it needs to continue to grow.

Mr CARLI (Coburg) — I am pleased to speak in the address-in-reply to the wonderful speech made by the Governor, Sir James Gobbo, in outlining the reform program of the new Bracks government.

The government has already started to implement its reform program, which clearly demonstrates that it is keen to get on with the business of achieving the

objectives outlined in the Governor's speech. That can be seen from the important bills that have been introduced in and passed by this place. They are all designed to achieve the reforms outlined in the Governor's speech, and they represent the strongly held views of Victorians.

The Audit (Amendment) Bill will restore the independence of the Auditor-General. Concern about the fact that the Auditor-General had lost his power resonated throughout the community. Labor raised that concern while in opposition, and in government it has got on with the job by introducing the bill that the house recently passed.

Only this week the house has amended the Freedom of Information Act to restore the community's right to have access to government documents. The government is clearly implementing an important reform package that will restore openness and transparency to government, which Labor campaigned for when in opposition.

Labor has taken up the issues that confronted the electors of Coburg and is carrying them forward. During the election the electorate of Coburg swung solidly to Labor. It was a safe Labor seat that became even safer after the election.

Mr Hulls — Because of the honourable member.

Mr CARLI — There is no doubt about the hardworking local member! It is also due to the issues we confronted and the battles we fought in the electorate — including, for example, the toll on the Tullamarine Freeway. Historically the western side of the electorate, comprising Pascoe Vale and West Coburg, was the weaker side in terms of the Labor vote — but not anymore! It is now solidly Labor because people in that part of the electorate saw a road that they used daily and had paid for with their taxes being taken away from them and privatised!

The issue continues to provoke strong reactions. I have already raised it in this new session of Parliament and I will continue to raise it in an attempt to obtain compensation for the people on the western side of the Coburg electorate — or at least some reduction in the cost of their using the Tullamarine tollway. Those people who have used the freeway daily as a local road are being denied access to it by the imposition of a toll.

My electorate of Coburg was particularly combative in stopping the closure of schools. No longer do they have to be fearful of a government making arbitrary decisions to close their schools. They now live in a situation characterised by cooperation and the sharing

of resources. They are no longer in a cutthroat battle, competing one against the other for resources. They can now look forward to better education outcomes and increased retention rates.

Coburg is one of the areas that has been badly hit by the reduction in the retention rate, and we are keen to reverse that trend. The government is committed to ensuring that people in working-class communities like Brunswick and Coburg have a chance to further their education and get good jobs afterwards, whether they be trade or technical jobs or jobs in the professions or in business. They should have the opportunity to do whatever they want, and they should not have to put up with cutbacks to the knowledge base of the area. This government and the previous government have talked a great deal about our knowledge-based society and economy. Yet the previous government cutbacks in education and training had a detrimental impact on the state, and they were keenly felt in the electorate of Coburg, which was a further reason why the people of Coburg voted so overwhelmingly for the Labor Party.

Competitive compulsory tendering (CCT) was disliked because of the impact it had on the provision of services, particularly those available to the most vulnerable in our community. Immigrants, refugees and people who are doing it hard find it difficult enough to access services without that access being further restricted by CCT, so it is good to be getting rid of it. The Bracks government has introduced a model which has a decent system of monitoring and benchmarking and which allows for competition and tendering where that is appropriate, strategic alliances where they are appropriate and in-house services where they are appropriate. The new system will involve the community, service providers and their clients and will include those people who felt and were excluded by the previous top-down, extraordinarily bureaucratic approach. If anything came out of the CCT experience it was the emergence of an ever more powerful bureaucracy staffed by ever increasing numbers of pen pushers and paper shufflers, all at the expense of the people who delivered services on the ground.

Again, the people of Coburg reacted against those changes and further entrenched the Labor Party's vote in the electorate.

The honourable member for Murray Valley also raised the Workcover issue which has greatly impacted on my constituents, particularly with the loss of their common-law rights. Many of them work in dangerous occupations and have been injured at work. The loss of their common-law rights was strongly felt and the

government is committed to the restoration of those rights.

Throughout his life Sir James Gobbo has contributed much to human and ethnic services, particularly in his work with Co.As.It, the Italian welfare agency. He actively promoted multiculturalism and saw the importance of communities pulling together not only in cooperation with government but in finding their own resources to build support structures for the needs of their people.

The needs of aged people in the Italian community are increasing. The Bracks government sees multicultural affairs and the provision of services as critical. In many ways views on those areas were shared with the former government, which often had good policies but the performance did not match the rhetoric. The necessary resources were missing, there was a failure to monitor and control the situation and badly-thought-out contracts impeded the needs of minority groups and their ability to access services. For all the instances where the former government's policies worked well there were many instances where they failed badly.

The Bracks government has a whole-of-government approach. It is committed to ensuring the monitoring of its policies and that every government agency acts effectively. The people form a diverse community, some 24 per cent having been born overseas, with 17 per cent coming from countries where English is not the first language.

My electorate of Coburg has a large ethnic community and cultural and language barriers often exist. With more than half the population with an ethnic background it is no longer a question of providing resources for minority groups.

For many years my electorate has confronted the increasing number of people from non-English-speaking backgrounds who need aged care. Some 25 per cent of my constituents are aged pensioners of Italian background. As those people age they often lose part of their facility to speak English, and services must be appropriate to their cultural and language needs. Government as a whole will be accountable to meeting those needs. The public service will reflect the community it serves. The government has major commitments to language and communications policies and will carefully monitor the impact of those policies.

The former government's policy of 5 per cent of the advertising dollar going to the ethnic media was a good

initiative. Unfortunately the policy was not monitored as to how well it performed.

Best practice principles must be put in place to drive a cultural change through the entire public service. Victoria has been a multicultural community for a long time, and the government is committed to the promotion of cultural and ethnic tourism.

The diversification of Victoria's original population of indigenous inhabitants began with the early settlers and continued during the gold rush. During that period people came from various parts of the world such as China, Europe, and North and South America. In the latter part of the 19th century there were large settlements of people from Switzerland and Italy in central Victoria and other large pockets of migrants. There was massive migration following the Second World War. The government wants to ensure that those early settlements are part of its tourist strategy by promoting them and emphasising their heritage. It hopes to encourage people to rediscover the whole mosaic of Victoria's population, including its Aboriginal communities. The government hopes to create an awareness of Victoria's diversity and build a multicultural identity promoting its cultural heritage.

The government is committed to racial vilification legislation, which has been discussed for well over a decade. It wants to ensure there is an impediment to racism — if you like, a stick to use against those who would use racism against any other member of the community. The government will seek bipartisan support on that issue. Unfortunately in recent years ethnic division and racism has been re-emerging in the world and there have been incidents in Victoria of racism against particular groups. The government does not support racism and it has a longstanding commitment to do everything necessary to ensure it does not take root in our society. The government's policy will be a whole-of-government approach to ensuring the collection of the right information — data — to ensure disadvantaged individuals have access to and are able to use necessary services.

Victoria is fortunate to have good interpreting and translating services — among the best in Australia, if not the world — and the government wants to ensure they are available where they are needed so that language will no longer be an impediment to the provision of services. That is a big issue in country Victoria, particularly with ageing communities in certain regional centres, and there are particular service gaps that the government will seek to cover. Services should be available based on need. Disadvantaged

groups have enough problems without having language barriers impeding their access to services.

The government is committed to communication and wants to ensure that in all areas of government service delivery it is able to communicate with those who require the services, where necessary in different languages. The government also wants the ability to target particular groups to ensure its programs are known about and are effective. To ensure proper coordination and monitoring of that objective the government will establish a multicultural affairs cabinet committee.

The government will take a whole-of-government approach to drive proper cultural and organisational change because at the end of the day the issue is how organisations think and act. Already there are some good examples in existence, but there are others that need to be driven. Society should learn from those examples to determine how organisations change and learn, what the agents of change are and how they act, how to benchmark against best performance and how to ensure that the whole of the public service is driven towards best practice, although not necessarily in unison. It is an area the government will ensure is coordinated at the highest level — —

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member's time has expired.

Mr RICHARDSON (Forest Hill) — I am pleased to commence my contribution to the debate on the address-in-reply by reaffirming the loyalty and affection of myself and the people of Forest Hill to Her Majesty the Queen, and our admiration for His Excellency the Governor and Lady Gobbo who serve this community with dedication and considerable distinction.

We are facing the end of the century and the end of the millennium, and it is useful for us to contemplate what lies ahead. The future will be created by the young people of today: the sons and daughters, the grandsons and grand-daughters of honourable members. The 21st century environment into which they will step will be far more competitive than the one we have experienced for the past 100 years. The world will be a much tougher place. The barriers of nationality are being broken down. The tyranny of distance no longer exists. The globalisation of this small planet is racing ahead, and for my grandchildren and the children and grandchildren of other members to be able to not just survive in the intensely competitive 21st century but to succeed against all of the competition that will come

from other parts of the world, they will have to be not just as good as but better than our competitors.

Australia, which now has a population of 19 million, will remain a small nation numerically. It will never match the populations of the Asian countries to our north, nor will it match the populations of North America and Europe. Therefore the skills, particularly the technological and inventive skills, of our people will have to be honed, re-honed and honed again. As I said, Australians will not just have to be as good as our competitors, they will have to be better — and the key to achieving that is education.

The electorate of Forest Hill has done remarkably well in education matters. I am very proud of the government and private schools, including the Catholic schools, in my electorate. Over the past seven years the previous government recognised the need for the continuing development of those schools. The government schools I am privileged to have in my electorate would match those anywhere in the world. A lot of money has been well spent.

Schools have been rationalised — there were too many and there are fewer now. The proceeds from the schools that were closed have been poured back into education. The result is that capital works grants from 1992 to 2000 were made to the following schools: Burwood East Primary School, \$493 158; Burwood Heights Primary School, \$522 549; Camelot Rise Primary School, in excess of \$123 000; Forest Hill Secondary College, which is one of the beacon schools in the state, over \$5 million; Glen Waverley Secondary College, another leading secondary school in the state, nearly \$8 million; Glendal Primary School, \$525 282; Highvale Primary School, nearly \$143 000; and Highvale Secondary College, a developing secondary school, almost \$2 million. Others to receive grants were Livingstone Primary School, nearly \$340 000; Parkmore Primary School, nearly \$329 000; Vermont Primary School, nearly \$500 000; Vermont Secondary College, another great school, \$2.5 million; Vermont South Special School — I have a great affection for special schools and it is one of the happiest schools anywhere in the state — over \$154 000; and Weeden Heights Primary School, almost \$16 000. A total of over \$20 million has been injected into capital works grants alone for schools in the Forest Hill electorate.

Sitting suspended at 6.30 p.m. until 8.02 p.m.

Mr RICHARDSON — Before the suspension of the sitting I referred to education as the rock upon which the future of the state and the nation must be built. I mentioned the excellent work done and the

substantial capital works funding granted to schools by successive ministers for education in the previous government, for which the electors are most grateful. I especially referred to schools in the electorate of Forest Hill which reflect the attention given to them by the previous government.

Given that education is the rock upon which the future must be built, it is with some pessimism that the opposition observes the performance of the new Minister for Education. She surprised many people by making her first major announcement as minister about her plans to install condom machines in government schools. What an earth-shattering educational issue! After all the hype, that was her first announcement. The educational significance of condom machines escapes me, and the minister has never explained it. I have been waiting with bated breath for her to inform all honourable members, but it seems we wait in vain.

The minister has staggered from crisis to crisis and has made herself a laughing-stock. She says, 'Are we going to cap class sizes? No, we are not. We are going to put ceilings on them. No, not ceilings, averages'. And so on. She has been caught out. The minister said a cap of 21 would be placed on all prep, grade 1 and grade 2 classes. Then, the next day, her leader modified that by saying, 'No, it is an average'. When asked what really was the case, the government told us there would be a ceiling.

Later, when the Labor Party policy was examined, the document declaring that Steve Bracks has a new style of leadership — yes, a fumbling style — we found the government was to cut class sizes for grades prep, 1 and 2 to 21 or less through annual savings of \$40 million in cuts to government waste and advertising. Then we looked at the Access Economics statement, found it talked about average class sizes, and compared it with the policy document that referred to a cap on class sizes in the early years of learning.

Ms Lindell interjected.

Mr RICHARDSON — Here comes the shrill fishwife voice from the other side. I have no idea where it is coming from but it is most disconcerting and is putting me off my shot.

The minister said the government would reduce class sizes to 21 students in prep to grade 2 — and, if you can believe her, it will.

The Labor Party said, 'We have already announced expenditure of \$25 million to reduce class sizes across the state to 21 or less and that will address the legacy of neglect left by the previous government'.

Ms Lindell interjected.

Mr RICHARDSON — I can still hear that voice, and it is not Joan of Arc.

The DEPUTY SPEAKER — Order! The honourable member will return to his speech.

Mr RICHARDSON — I am doing my best, but I am being provoked all the time. It is most disconcerting!

I took the trouble of gathering the 1999 primary class size data as it relates to Forest Hill. The fact is that average class sizes do not mean a lot. Some classes in primary schools at Forest Hill — —

Mr Cameron interjected.

Mr RICHARDSON — Calm down. You do not even know what you are interjecting about.

At some primary schools — for example, at Vermont Primary School — the maximum class size is 31 students.

An opposition member interjected.

Mr RICHARDSON — You do not know anything about it.

Mr Leigh interjected.

Mr RICHARDSON — He does not know.

The DEPUTY SPEAKER — Order! I ask the honourable member for Forest Hill to hold himself — —

Mr RICHARDSON — Madam! I am not going to hold myself. Good grief!

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Forest Hill will continue, without assistance.

Mr RICHARDSON — At Vermont Primary School the minimum primary class size is 20 students. At Weeden Heights Primary School the maximum primary class size is 33 students and the minimum is 15 students. You do not have to be a Rhodes scholar to work out that if one class has 33 students but another class has 15 students, something is being done about the arrangement of class sizes and the deployment of teachers so that some classes with larger numbers have two teachers and other classes with smaller numbers

have only one teacher. That is something that has been glossed over.

The Minister for Education blazes away about class sizes but she knows absolutely nothing about the way schools organise themselves. School organisation and student-teacher ratios are the important issues. As I said before, the maximum class size at Weeden Heights Primary School is 33 students and the minimum class size is 15 students. The student-teacher ratio is 17.9 to 1 — well below the figure of 21 dragged out of the air by the functionaries of the Labor Party who are feeding information to a minister who does not know anything about the subject.

In every one of those primary schools the student-teacher ratio is lower than the magical figure of 21 to 1 that the Minister for Education plucked out of the air. The student-teacher ratio at Burwood East Primary School is 18.1 to 1, and at Burwood Heights Primary School it is 16.2 to 1. Camelot Rise Primary School — —

An honourable member interjected.

Mr RICHARDSON — You should get the figures. They are available to you, so you should look at them because they will probably show a similar picture in your electorate.

At Camelot Rise Primary School the student-teacher ratio is 19.2 to 1; at Glendal Primary School, 19.6 to 1; at Highvale Primary School, 18.5 to 1; at Livingstone Primary School, 17.8 to 1; at Parkmore Primary School, 19.1 to 1; at Vermont Primary School, 17.6 to 1; and at Weeden Heights Primary School, 17.9 to 1. They are the relevant figures, not some artificial figure of 21 to 1 that was plucked out of the air and used for political — —

Mr Hamilton interjected.

Mr RICHARDSON — It was plucked! Plucked! I want you to say that 13 times backwards quickly.

That shows the reality of the class size debate. The Minister for Education is totally out of her depth. She is causing havoc. She announced that the self-governing schools project would be abandoned, then she found she could not do that because contracts had been signed and she had already said that all of the contracts would be honoured. She then said the contracts would not be honoured. Then she said they would have to be honoured. She is walking around in ever-decreasing concentric circles that will lead to the inevitable result.

I do not want to wish the woman ill, but I should have thought she would be the one most likely to go. That is simply an observation of mine. She is continually contradicting herself. She was railing against the injustice of the self-governing schools program, but when asked how she would bring down class sizes to fewer than 21 students she said the schools would be given a wad of money and they could run themselves as they wished.

What is the difference between that proposal and a self-governing school? The difference is, of course, that self-governing schools make life more difficult for the Australian Education Union than a centralised employment system. The minister's education policy was written by the union and the portfolio is being run by the union. Inevitably, it will lead to the sort of chaos and educational disaster we saw in the Cain–Kirner years.

At that time Robert Fordham and later Joan Kirner were education ministers — captives of the teacher unions. The government needs to stand back and get rid of the Australian Education Union: think not about the union; think about the children.

Mr HAMILTON (Minister for Aboriginal Affairs) — In addressing the house as Minister for Aboriginal Affairs I acknowledge the Kulin nation, the traditional owners of the land on which we meet and pay respect to the elders. I expect the house to give my reply to the Governor's address the respect it deserves. Those in the house who do not respect the indigenous peoples of Victoria deserve to be treated as they are.

This is a serious time in the history of the nation. The need for reconciliation and for the people of this nation to walk together with indigenous peoples is being addressed at federal and state levels in a fair and bipartisan manner.

Mr Leigh interjected.

Mr HAMILTON — The honourable member for Mordialloc is being most disrespectful and shows his ignorance of a serious matter. His continuing interjections will simply reinforce the fact that he has no respect for traditional owners of this land or for the problems we face. I am disappointed he is so ignorant. Unfortunately, he does a disservice to his party, which in most cases in this state has adopted a good attitude and policy direction towards indigenous affairs.

I am pleased that members of the house on all sides have shown respect and care for the indigenous peoples across Victoria. My learned friend the honourable member for Forest Hill gave an address — —

Mr Leigh interjected.

Mr HAMILTON — If the honourable member for Mordialloc has drunk too much at dinner it would serve all of us well if he would shut up!

The DEPUTY SPEAKER — Order!

Mr HAMILTON — I was remarking on the address by the honourable member for Forest Hill on education, often associated with the three Rs. The three Rs are critical in addressing the problems of indigenous peoples in Victoria. The first R stands for recognition that the indigenous nations were the original inhabitants of the state; the second R stands for respect for the culture, the tradition and the elders; the third R necessarily following from the first two stands for reconciliation.

Reconciliation has to be more than a word, it must be an action. The mood in Australia as we near the end of the century is one which I believe will give us a chance to move forward in achieving reconciliation.

It is common knowledge that we are talking about the most disadvantaged sector of our community, and it is the responsibility of governments to address that disadvantage. I am proud to say that the Bracks government has adopted a whole-of-government policy in addressing indigenous issues. In fact, one of the aims of the government during this term is to establish an Aboriginal affairs committee of cabinet that will be chaired by the Premier. That is not just a symbolic gesture. The committee being chaired by the Premier gives it an authority which will ensure that the whole of government addresses the issues which are so vital for all of us.

The government recognises that improvements can be made on a number of basic key points. Those key points, by and large, have been addressed by governments probably since the 1967 referendum. However, we still have a record of which we are all ashamed, demonstrating the failure to achieve a common goal.

The government recognises that within this state are something like 38 or 40 different Aboriginal communities, and indeed one of the planks of its policy is to recognise that it is not dealing with an homogenous group of people but with a number of separate and different groups each with their own particular needs. The government has decided to allow each of those communities to apply to the government for a grant to determine in their own way and through their own channels how that money will be spent. Because there are so many different groups I would

expect that each of them will adopt an entirely different way of deploying those funds within their own communities. No strings are attached to the types of projects that will be addressed through the fund. Strings will, of course, be attached to accounting and auditing of that public money, and the processes are set up within government to ensure the wise expenditure of those funds. But that is one of the first steps in dealing differently with issues that affect the Koori peoples in Victoria.

The Minister for Aboriginal Affairs has probably the smallest ministry in terms of budget and staff. I put on record tonight that in the short time I have been minister — something less than 50 days — the staff within the Department of Human Services have shown that they are dedicated, committed and very talented people, and I want that on record because it is always easy to criticise public servants. In most cases that is very unfair because the public servants that I have known over many years have all been very dedicated people committed to implementing the government's policies.

The staff of Aboriginal Affairs are wonderful people who are committed to the job in front of them. That is not to underestimate the task and the challenges they face, but their enthusiastic dedication will enable the government to make some changes.

A number of attempts have been made to address what was commonly called land rights and which has subsequently become known under the term native title. The matter was addressed by the Keating government and again by the Howard government, and that is still an area where I believe we have a great deal of distance to go to achieve some worthwhile aims. It is the intention of government to take the land rights issues out of the courts and the formal processes and establish among groups within the state what will be called indigenous land use agreements. It is a legislation-enabling requirement, and it has proved successful in some other states. There is none in Victoria at the moment, but there are opportunities for us to make some achievements.

At an event earlier this week I sat between a member of the Victorian Farmers Federation and a lawyer who had represented that organisation in the current native title case for the Yorta Yorta people in northern Victoria. During the course of conversation it was very evident that organisations like the VFF, which seem to be very strong objectors to native title, believe there are other ways in which we can go forward on land rights and land use issues. I was pleased to hear that farming and business organisations across the state are willing to sit

at the table together with indigenous people and address those issues positively with a great desire to achieve successful outcomes. If we can start with the parties who are often seen to be in dispute displaying goodwill and the willingness to address this basic issue of land rights or land uses, we can face the biggest difficulty for most of us brought up under the Westminster parliamentary system — that is, the nature of the relationship between indigenous people and the land.

Our concept of freehold ownership and Crown lands and the various other titles that our legal system has set up over many centuries of British law was adopted on the settlement in Australia. The relationship of indigenous peoples with the land is quite different because it is a spiritual relationship, with the indigenous peoples believing they are part of the land. They come from the land, they return to the land, they are indeed part of it. We must recognise that spiritual relationship because it is an extremely important part of achieving some success in the way land rights are dealt with.

The wealth of this nation has been built on the land. If we are to achieve what I will colloquially call economic independence for indigenous people it has to start with the right to use land as a base for that economic independence. That will then build the respect of the non-Aboriginal community and, just as importantly, the self-respect of indigenous peoples. It would be great if they could say, 'We can do something. We can actually contribute and educate non-Aboriginal people in the wise use of our very precious resources of land, water and air'.

The fact those who first came to Australia after 60 000 years of indigenous ownership and use of the land found the land in such a great state indicates that Australians can learn a lot about protecting the value of the land and conserving its productivity and ability to support the nation. Opportunities exist for there to be more respect and a great exchange of learning in dealing with land issues.

I turn to comment on the department's work in establishing a proper basis by which to support indigenous businesses. By and large small business operators, whether Aboriginal or non-Aboriginal, do not have a great success rate. A number of Koori businesses have been established and have failed — and perhaps they would have failed regardless of whether they were conducted by Aboriginal people or not. However, it is important to recognise, as the government recognises, that talented people — craftspeople, storytellers or people who are talented in cultural aspects — do not necessarily have the skills and support necessary for them to succeed in business.

One of the real difficulties facing indigenous businesses is that they are seen as part of the tourist industry and not as part of the mainstream industrial and small business communities. The department is working on a project through which will be provided not just a business support mechanism but also a business plan and all the other things that go to making a successful business. I hope it will be completed not long after Christmas. The establishment of networks is an important part of the way business works, especially in smaller communities. All successful businesspeople have networks with other people and other business operations to identify markets and suppliers. Those sorts of systems have to be put in place systematically to ensure that Aboriginal people in Victoria can succeed in business. That is very much part of the reconciliation process. It is the responsibility of the government to ensure that such processes and support mechanisms are put in place to ensure success.

The education and training of Aboriginal children is the area in which people have failed most miserably in Aboriginal affairs, not just in this state but all over Australia. I commend the previous government for its establishment of the Koori Open Door Education (KODE) schools. I know intimately the one in Morwell and the success it has been. I understand that the KODE school in Mildura is starting to get on its feet. I am not sure of the current state of the Glenroy KODE school. The concept is wonderful because it builds on an important part of Koori culture — the care of the younger ones by the older members of the community. It gives young Koori people an opportunity to develop self-confidence and find they can be just as successful through the educational system as any other student. The KODE school has been a very good model. The government recognises the efforts of the first Minister responsible for Aboriginal Affairs in the former government and will support the model.

However, that will not allow the government to opt out of making sure that systems are in place to ensure that the Koori kids in mainstream schools are given the support that is provided to Koori kids in non-government schools. The wonderful things the non-government school sector has done for kids in the Koori communities must be recognised and supported.

The government faces a major, whole-of-government challenge. I am confident that in meeting that challenge it will have the support of the opposition, the National Party and the Independents.

Mr STEGGALL (Swan Hill) — I rise to join the debate on the motion for the address-in-reply to the Governor's speech. I have previously congratulated

Mr Speaker on his appointment. I also pass on my congratulations to you, Madam Deputy Speaker, on your appointment and the work you have been doing in the role. I congratulate the Governor on his work and the wonderful manner in which he carries out his tasks.

The 54th Parliament is throwing up many challenges for honourable members. Tonight I will speak about only one — that is, the challenges Victoria faces in relation to water resources and the Snowy River. However, before commencing I want to honour a person who has been severely belittled since the election and the commencement of this Parliament — the former Premier. As Mark Antony said of Caesar in Shakespeare's *Julius Caesar*:

The evil that men do lives after them,
The good is oft interred with their bones;
So let it be with Caesar.

It seems that is the way many people in this Parliament wish to view the role of the former Premier. He was a giant in Victorian politics for many years, and the past seven years have been among the most productive times in the state. It is true to say that the former Premier was seen as a very good leader in tough times, but as a tough leader in good times.

During that seven years Victorians crossed the barrier from tough times to good times, but had some difficulty with the politics that went with it. Honourable members have come back to a house in which a balance exists between the two sides and there is a new Independent to accompany the original two. The challenges for each honourable member are strong and severe. I trust that honourable members will make Parliament and the government work hard and will hold the government to account for its actions.

The Snowy River environmental flows issue has brought an Independent into this place. It has also allowed people to see a party that was desperate for power and to be asked to govern floundering on an issue it does not comprehend. Tonight I will run through a few issues, some of which the government may pick up. Honourable members would know there is no entitlement for the release of water from the Snowy Mountains hydro-electric scheme to the Snowy River and no rules governing the release of such water. However, some honourable members would like to achieve both in a proper and reasonable manner without pain or angst being caused to anyone.

New South Wales receives three-quarters of the water from the scheme and Victoria receives a quarter. Currently New South Wales is saying it will help to ensure water is supplied to the Snowy River in equal

shares. I hope Victoria is saying — the Minister for Environment and Conservation may be able to help — it will look at supplying the current 25 per cent it receives as its share. There is a feeling about in Canberra and in some areas of New South Wales that the water is there and that all you have to do is throw money at the problem to solve it. That is wrong. There are many outstanding issues relating to the Snowy River for both New South Wales and Victoria. The size of the problem should never be underestimated.

For Victoria, restoring up to 15 per cent of the headwater flows of the Snowy below Jindabyne is possible, and for New South Wales a flow of between 10 and 13 per cent is within the range. The New South Wales government is currently telling the Victorian government that it wants Victoria, New South Wales and the commonwealth to each pay a third of the cost. The opposition does not know what the Victorian government's response will be, but I trust it will be that it will look after its own.

South Australia, which is a key player in all this, has not had much to do with the debate in Victoria and so seems left out. However, I can inform honourable members that irrigators in the Sunraysia, the mid-Murray and the Murray Valley are all interested in where the discussions are heading. South Australia has a legal agreement on volume and quality and should therefore be part of the discussions. If not, it will make its attitude clear, and the people of northern Victoria will support South Australia if the quality of water in the Murray is threatened. When people take up adversarial positions, resolution is hard to achieve. Unfortunately, that is what seems to be happening. But achieve a resolution we must to address the nervousness that is developing throughout northern Victoria.

I believe the flawed Snowy Hydro Corporatisation Act, which Parliament passed in 1997, is relevant to the issue. The act is flawed because it puts control over a valuable Victorian water resource entirely in the hands of a monopolistic electricity generator. I recommend that the Snowy Hydro Corporatisation Act not be proclaimed. Instead the dams should be retained under the management of the Murray Darling Basin Commission and only the generators should be corporatised.

The multipurpose Snowy Mountains hydro-electric scheme was built to capture and divert water for irrigation and electricity generation. The original documents reveal a clear intention to maximise power generation while not prejudicing downstream water supply interests. The main focus is now primarily on

energy generation in a competitive energy market. Less regard is paid to the associated water releases because state and commonwealth treasuries value electricity generation more than they do irrigation water.

The value of electricity power is declining, and as the value of the scarce water resource rapidly rises it is conceivable that water released for irrigation and the environment will soon be far more valuable than electric power. The Snowy Hydro Corporation now has a monopoly over stored or over-target water, which it keeps as insurance against long periods of low rainfall. The stored water is also classed as opportunity water for hedging contracts should power generators fail.

Irrigators in the southern Riverina in New South Wales have recently sought access to 300 000 megalitres from the hydro corporation to compensate for water allocation problems in New South Wales. This exposes an issue of great concern. The water being purchased by New South Wales is its secure water right for 2000–01. New South Wales irrigators have paid for the right to bring the release of that water forward by one year.

There is no proposal to release any of the 600 000 megalitres held above target and therefore fully under the control of the electricity interests. That illustrates what can be expected should the proposed legislation be proclaimed. Victoria could be confronted with having to buy from a monopolistic supplier the right to change the timing of water releases. Although the New South Wales water distribution system needs overhauling, the same problem may well beset the Victorian irrigation industry in the near future — as soon as next year, if the current three-year dry period continues.

If the government proclaims the Snowy Hydro Corporatisation Act, all control over water, dams and power will be put into the hands of the energy industry via a complicated series of contracts. I propose that the legislation be allowed to lapse and that all the states begin negotiations for the corporatisation of generators alone, leaving the management of the dams with the Murray Darling Basin Commission, a precedent for which already exists in the operation of Dartmouth Dam.

During the debate on the Snowy Hydro Corporatisation Bill I made the point that Victoria would not agree to corporatisation if the outcomes for water users were unreasonable or inappropriate. Those comments are reported in *Hansard* of 4 December 1997. In my submission to the Webster inquiry I also expressed my disquiet about water pricing regimes by seeking the

appointment of a regulator with the power to set the price for water releases.

I believe the situation New South Wales irrigators now find themselves in, which will one day apply to the Victorian irrigation industry, is both unreasonable and inappropriate. A modern multimillion dollar irrigation industry cannot be soundly based if it depends on a resource that is in the hands of a private monopoly.

The Snowy Hydro Corporatisation Act will not be finally settled until agreement is reached on the volume of the Snowy River environmental flow. In the second-reading speech of 18 September 1997, then Minister Gude said on behalf of the then Treasurer, Alan Stockdale:

Corporatisation does not occur unless and until there is agreement on the outcome.

He was referring to the Webster inquiry, a joint inquiry conducted by New South Wales and Victoria on the allocation of water to the Snowy. Any increases in the flow in the Snowy will be at the expense of flows in either the Murray or the Murrumbidgee Rivers. Putting aside direct trade-offs in environmental values and issues associated with greenhouse gas emissions, if additional water is to be made available to the Snowy it should come from a reduction in losses. If it does not, there will be either a direct shift in capital value from irrigators or a decision to trade off the Murray and Murrumbidgee environment for the Snowy. I am sure that is not what we want. If we are to pursue water savings, there has to be a clear auditing of the savings and progressive implementation of any environmental flow.

Letting the Snowy Hydro Corporatisation Act lapse would have several benefits. The ownership of water — not the power over the release of the water — through the releasing mechanism would remain with the two upper states, New South Wales and Victoria, and would be shared along the Murray River in accordance with the Murray Darling Basin agreement.

Governments would also avoid creating a private commercial monopoly trade in water, as occurs with the hydro corporation. By making no commitment to a long-term water licence of 75 years, the government would have the capacity to respond to changes in community values or climatic conditions. Costs associated with any correction to a 75-year water licence, which would inevitably be transferred to governments, would also be avoided. The proposed operation would provide the flexibility to adjust to inevitable changes in the electricity industry. The 50-year-old Snowy Mountains scheme is an Australian

icon and should remain in public ownership. There would be no public benefit in corporatising the whole of the Snowy scheme.

The proposal would make it easier to provide water for the Snowy. It would also make it easier in drought periods to provide extra water from the Snowy system for New South Wales and Victorian irrigators. The Snowy Mountains Council, which still exists, provides the mechanism for sorting out the water and electricity pressures. It has the power to sort out all water issues — including water for environmental release, for electricity generation, for South Australian requirements, for irrigation requirements and for the Snowy River.

Settling on a 10 per cent headwater flow from the Snowy for Victoria is achievable. What has not been ascertained from the government or the Snowy Mountains scheme people are the exact objectives they hope to achieve by the release of water into the Snowy River system.

The government should work with scientists to determine how the water would be released, measured and monitored to attain an achievable improvement. The Webster report states that a 6 per cent release of water is required at Jindabyne to maintain the status quo of the Snowy River environment. If 10 per cent were achieved over the next five years the situation would be improving and the current aim would be gaining ground. If Victoria, in conjunction with New South Wales, South Australia and the commonwealth, were able to negotiate an agreement a good day's work would be done. If the results were monitored and further understanding could be gained of the Snowy system, we could move on — if that were the desire of the next generation.

The Webster report recommended that up to 15 per cent of water be made available. Victoria would have no trouble meeting its share of 15 per cent flows but New South Wales would have enormous difficulty in finding its share. Therefore, the figures should reflect an achievable target. I suggest that the commonwealth, which has played a major role as the instigator and driver of the Snowy Mountains scheme, should take the lead. It should broker an agreement between New South Wales, Victoria, South Australia and the commonwealth by discussing with those governments the methods and means by which up to 15 per cent of the actual flow can be achieved. That would be dependent on the willingness of New South Wales to contribute that much and as I think it would not, perhaps 10 or 11 per cent might be realistic. South Australia must be brought into the agreement.

I have a criticism of the implementation committee put in place last week by the government. South Australia is not included and I consider the committee is not meeting for the right purposes. It is meeting to find a political solution to a problem that needs to be sensitively tackled from a production, environmental and practical point of view.

The issues for agreement are interesting. For Victoria they are cost and water share and I consider they can be achieved. I am sure that state governments will happily pay their share of the costs. For New South Wales the issues are also cost and water share, but the difficulties with its water distribution system have contributed to a shortage of water. For South Australia the issues are the quality and volume of supply and its legal right under the Murray Darling agreement for the supply of water. For the commonwealth the issue is debt reconstruction. It is not necessary to achieve debt reconstruction through the sale of dams and generators. However, I suggest that the corporatisation and sale of the generators alone — similar to what happened at Dartmouth with Southern Hydro — would be a proper and acceptable way to resolve that issue.

The corporatisation bill should be torn up. As Victoria sets out to tackle the issues I have outlined, events have gone beyond what existed in 1997.

The Premier should treat with the honourable member for East Gippsland who will be assured of achieving part, but not all, of what he asked for. What he asked for is not achievable. The opposition does not know the commitment made by the Premier to the honourable member for East Gippsland. He was sold a pup but I do not know how much he paid for it.

Ms GILLETT (Werribee) — I have pleasure in contributing to the address-in-reply debate. Madam Deputy Speaker, I congratulate both the Speaker and you on your accession to glory. I heard with great pleasure the Speaker accurately describe himself as a reasonable man. His performance and yours, Madam Deputy Speaker, during a difficult and challenging period have more than endorsed the confidence the Labor Party has placed in you both. I hope that you will continue to manage the chamber as fairly, equitably and with as much respect shown both ways as you have in the past couple of weeks.

I congratulate the Governor on what I consider to be his best speech since my election in 1996. I congratulate the intelligent, tough, faithful and utterly indefatigable supporters, staff and members of the Labor Party who helped to create the policy foundations that are beautifully enunciated in the Governor's speech.

It makes me proud and confident that the government can move forward with such a positive agenda. I am grateful for the wonderful people who supported the Labor Party through thick and thin, in feast and in famine. Their faith, courage and intelligence has not wavered one bit.

I will talk about the outcome of the election in Werribee. Over the course of the past three and a half years — almost four — there have been significant issues in Werribee. Perhaps the most significant one was an environmental and conservation related matter known colloquially and locally as the toxic dump. Shortly after the 1996 election the Werribee community became aware that CSR had formulated a proposal that a prescribed waste facility should be placed in the area. The community considered that utterly unacceptable. Although Labor was returned in the seat of Werribee at that election the margin was a mere 558 votes — a sobering experience. Many honourable members on both sides of the house are experiencing that feeling now. However, it is not necessarily a bad feeling. The honourable member for Geelong, who currently holds Labor's most marginal seat, has taken over the important position from Werribee and understands more than anybody else just how hard one has to work.

Toxic dumps make life extremely difficult. The proposal challenged the Werribee community in a very real way. You hold your breath with a challenge like a toxic dump, look at the community and say, 'How do you feel? What do you think? What are we going to do?' Then you hold your breath again, because it is their call. A community campaign cannot be created when there is no feeling, thought or commitment to the issue at hand. However, the thoughts, feelings and commitment of the Werribee community were absolutely outstanding.

The issue of the toxic dump invigorated the community. I have the privilege to represent in a way that no other issue could have done. It taught us how to fight again. The community needed that invigoration, although I can think of other more positive ways of encouraging it to find a way of learning how to stand up for itself and understanding that self-esteem was critical to the way a community operates.

Beggars cannot be choosers and the community fought the fight. Members of that community are not beggars now, they are choosers. The fight was conducted in an extremely intelligent, passionate and tough way. Members of the Werribee community took the view that it was not simply the proponent, CSR, they had to confront because the then government had allowed it to happen. It had allowed the situation to arise because of

its lack of responsibility, lack of understanding and incapacity to listen. It thought along the following lines: commercial decision equals commercial decision; CSR equals an appropriate company; Werribee equals a compliant community — and the stuff has to go somewhere. Above all else the former Kennett government was lazy. It abdicated responsibility on the issue in a particularly poor manner.

When the committees first started the Werribee Residents Against the Toxic Dump was formed. Its members were passionate, committed and intelligent people. At first the meetings were very small, but bit by bit the passion, the intelligence and the commitment grew, and so did the numbers. Tiny meetings progressed to medium-sized meetings, and eventually hundreds of people attended them. To everyone's mutual astonishment the meetings eventually grew to thousands of people. Finally 15 000 men, women and children from a community of 80 000 met at the Werribee racecourse on a freezing cold, damp night. Their breaths could be seen, and without their uttering a syllable their breaths said, 'Not here. Not anywhere. Not ever again.' The community of Werribee won because it was a community.

Although the community did not manage to convince the Kennett government, it managed to convince CSR. If you were going to take a bet on who was going to be more difficult to convince you would have thought a government that wanted to stay in power and was utterly convinced it would stay in power for a long time would at least have had a few buttons that could be pushed; but there were no buttons the community could push. When the Werribee community pushed CSR's buttons, CSR understood the commercial reality of the situation — unlike the failed Kennett government — and it withdrew. There were enormous celebrations in the community, but the community will remain ever vigilant.

I take this opportunity to congratulate the Minister for Environment and Conservation for her wisdom, diplomacy and ability to re-establish the hazardous waste committee. The committee is very important to the Werribee community because the people feel that the commitment they demonstrated needs to be understood by the government.

That committee is important. My community was the first to see Labor's comprehensive plan for the whole-of-life treatment of waste. I am proud of the Minister for Environment and Conservation, who has delivered on that commitment to my community. I am proud to be part of this government.

The seat of Werribee was won by 558 votes at the election before last, but it was won by a lot more this time. I am not being foolishly self-effacing, but I think an enormous part of that swing was due to my community feeling first hand the arrogance of the Kennett government. After CSR had the wisdom to withdraw because it understood that its business was being severely damaged by the campaign ran by my community, the former Premier called it gutless.

My community took a deep breath and said, 'You have got to be joking. Who do you think you are?'. That single question — 'Who do you think you are?' — translated itself into an 11.5 per cent swing. Some very kind people have said, 'Mary, you had a part in it too'. That might be so, but if you are arrogant and ignorant and do not take people with you and walk them through decisions, regardless of whether they are from Victoria, Queensland or New South Wales, they will say, 'On your bike, Mike, go away. This isn't what we believe in, and we are not putting up with this for one minute longer than we have to'. I should give credit where credit is due: a lot of my constituents say, 'Well, he did do some good things'.

An Honourable Member — What?

Ms GILLET — I have upset my colleagues. I should take into account what the honourable member for Swan Hill said with some feeling during his speech, that the good that men do dies with them. Although I too struggle to represent my community, I acknowledge that some good was done. But from what I saw in this place, more harm was done than good. As I said, some people in my electorate think Mr Kennett did some cool and groovy things. That's fine; they are entitled to their view. That is what democracy is about. If Mr Kennett, the former Premier, had understood the notion of a fair go, which most Australians hold dear, I have no hesitation in saying to the house that he would still be Premier. It is a fatal flaw, which Shakespeare understood and represented in many of his plays and which was often revealed in this place.

I refer to the outcome of the last election. If anybody had tried to explain to me — and this is something new members may not understand, even if they represent the Otways very well —

Honourable members interjecting.

Ms GILLET — You do well. Trying, indeed — for the working class?

Mr Mulder interjected.

Ms GILLETT — Come over this side. You are more than welcome.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Polwarth is going to extremes. I ask him to desist from interjecting.

Ms GILLETT — The outcome of the election, while it is stressful for many of us and not as clear cut as we would have liked, is a victory for democracy. Whether we like to or not, we have all been forced to talk to one another. Honourable members must seek to reach agreement with one another and not strut around the place lording it over one another expressing the thought that someone is in charge and someone is not.

Mr Trezise interjected.

Ms GILLETT — Yes, but he is a bit of a recidivist. He certainly belonged in the last government and I do not know what he is doing here now.

Although the results of the recent election might result in some tiredness and stress for honourable members, it is a great result for democracy. I have heard it said in the corridors and in both quiet and busy places around this building that people of all different shapes and sizes are relieved, smiling and now able to be who they are. They can talk to members of Parliament as normal people in a way that was not possible when the previous, failed government was in charge and lording it over everyone else around the joint. This place is now a more effective working environment because people feel they can be who they are. They can be straightforward in their work and they can talk to each other — because they have to. They can work cooperatively, not only in committees where talking is crucial but also in the chamber where it is even more crucial. Every day we must understand that we are all fundamentally equal.

Ms McCall interjected.

Ms GILLETT — Yes, men and women as well as opposition and government members.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member will address her remarks through the Chair.

Ms GILLETT — All honourable members have the privilege of representing people and we should respect each other because we all do the same difficult job. If we do not understand one another and cannot accommodate one another's philosophical differences we are setting a pathetic example for the rest of the community.

I have spoken briefly of the outcome of the change of government for Victoria. Even though the job is stressful I am extremely pleased and proud about the change. I will probably age more quickly now than I would have done if the government had achieved a huge majority.

An opposition member interjected.

Ms GILLETT — Oh, I think so. It is a great outcome, nonetheless.

I express my thanks and surprise that the Independents have thought carefully about what they believe in and in whom they are prepared to invest their trust. It is my fervent hope and my complete commitment that they will be listened to, understood and treated with respect and not treated as they were by the former Kennett government. That treatment was enormously distressing to some honourable members, probably from both sides of the house. However, I do not seek to speak for honourable members on the other side. Worthy people representing worthy communities were treated with contempt. It will have come as no surprise to the past Premier and to a number of other opposition members that the two Independents who suffered so badly decided to invest in the new Bracks Labor government.

I say a quick thank you to all the staff of the Parliament — the Clerks and all the others. This has been an extremely stressful time, administratively speaking. However, the smiles, the good cheer and the patience — particularly during the trying period of reaching agreement about parliamentary committees — are much appreciated. I make special mention of the Clerk, Mr Ray Purdey, and those who support him, and place on the record my sincere thanks. Without such people, for whom Parliament is a way of life and who remind honourable members of their duties and responsibilities from time to time, it would have been impossible to make the difficult transition so happily and harmoniously and with such dignity.

Ms McCALL (Frankston) — As one of the younger, equal members of the opposition I am delighted to join the debate. I begin by congratulating and thanking the Governor, Sir James Gobbo, for doing such a professional and stylish job and for representing Victoria so ably. I also ask that you, Mr Acting Speaker, pass on to Mr Speaker my view that he is clearly demonstrating that he is a worthy successor to your brother. In the spirit of multiculturalism within this chamber I choose to make a short statement in the other language I speak:

Je vous souhaite de la bonne chance à l'avenir.

Ms Gillett interjected.

Ms McCALL — Merci!

As I begin my address-in-reply I also express my deep and profound thanks to the people of the Frankston electorate who re-elected me to this chamber. I suspect many of them did not expect me to sit on this side — but then, neither did most residents of Victoria. Never mind! I remind the government of a statement made by a former Canberra journalist by the name of Pryor about election promises:

Election promises are self-destructing statements made during election campaigns. Following the election, the promises self-destruct because either the promise becomes inoperative 'due to changed circumstances' or the promise is found to have been so cunningly worded that it did not mean what it said and careless voters misunderstood the terms of the original promises.

I would like that to be a reminder to members of the government.

In deference to the honourable member for Werribee who spoke before me I advise that I am proud to be one of the women in this Parliament. All of us, particularly the women on this side of the chamber, like to reinforce the idea that while we may not match the men in quantity we clearly match them in quality. I shall quote from Rosemary Brown, a member of the Canadian democratic party:

It is not the quantity of women in politics that will change things, but rather it is the qualitative philosophy that those women bring to politics which will decide whether change will occur.

The honourable member for Werribee can rest assured we will be doing our best.

I will now focus on the issues concerning my electorate, which is a wonderful area based around Port Phillip Bay, about an hour's drive from Melbourne. The journey would have been shorter if the government had not scuttled the public on issues such as the widening of the Moorooduc Highway and the Scoresby freeway proposal. It is still early days, but the people of the Frankston electorate will continue to remind the government about those important projects. I will read to the house a statement I issued to the people of the Frankston electorate after my re-election:

As your elected Liberal member of Parliament for Frankston I would like to place on record my commitment to you all even during our time out of government.

I am very proud to have been part of the most visionary and reforming government this state has even seen and I have no doubt that Jeffrey Kennett will be remembered as one of the best premiers in this country. I am proud to say that I am a

Victorian, that I live in the best state in Australia and in the best part of this state. This state has been handed to the incoming minority Labor government in excellent shape. We are all responsible for ensuring that it stays that way.

I have always undertaken to do my best. I have never made promises I am unable to keep and I will remind the minority Labor government forcefully and constantly of any promises they have made if they are unprepared to honour them.

The people of Victoria deserve the very best and the people of the Frankston electorate deserve the best representation possible. I undertake that task willingly.

The issues in the Frankston electorate are obviously similar to those in many electorates. I will go through the issues in some detail. The first issue concerns health. Much to our consternation the poor old Frankston Hospital made the headlines during the election campaign. Anyone would have thought it never treated a patient, that patients were left sitting in the car park, that there was not one nurse along the Mornington Peninsula and that the government had not given any money to the hospital over the past 50 years. I shall place on record how much funding the former government had allocated to the hospital since 1996 to enable the wonderful Peninsula Health Care Network to treat 45 per cent more patients than it did before the Liberal-National Party government came to office in 1992.

In July 1997 a new accident and emergency unit worth \$4 million was opened. In April 1998 the hospital received funding for the emergency department and X-ray room upgrades. Some \$3 million was allocated to establish the ambulance training centre at the Monash Peninsula campus. Some \$1.2 million was allocated for a new nurse training facility at the Chisholm Institute of TAFE. In 1998 the Peninsula Health Care Network received \$20.75 million for the establishment of inpatient palliative care services and an integrated day care centre, which was the highest percentage of funding in the budget for any hospital network.

Funding was increased for the Mount Eliza Centre and the Frankston Community Health Care Centre and an additional \$10 million was allocated to assist with elective surgery waiting lists, infection control, discharge planning, new technology and maternity services. It did not slacken in February 1999 when the hospital received \$47 000 in assistance for nurses' back injuries. Capital funding was allocated for a new coronary angiography laboratory and five extra psychiatric beds. A contribution of \$1.8 million was made for palliative care units to be built and extra colonoscopy treatment was made available. Magnetic resonance imaging equipment was installed for the treatment of cancer patients.

On top of that in 1999 it was the first hospital to win the national quality award for excellence. The total of that funding is just under \$30 million. It is downright criminal for anyone to suggest that the Frankston Hospital was underfunded under the previous government. It is a fabulous hospital.

My father is no longer sitting in the gallery because he had to return home to Mount Eliza. Two years ago he was a patient of the Frankston Hospital. I would not have allowed my father to be given life-threatening treatment if I did not have faith in the hospital. The Frankston Hospital does a fabulous job, and on the eve of its annual report being released to the public I would like to congratulate it.

I will now refer to education.

Ms Delahunty — Oh, goody!

Ms McCALL — Oh, goody. The Minister for Education is sitting in the chamber. I will be very nice when referring to the 16 schools in my electorate. There are 10 state schools and 6 independent schools. Of the six independent schools, three of them are Catholic primary schools, one is an independent primary school and two of them are independent secondary schools. On Monday night I attended an awards night at one of the independent secondary schools, Toorak College. I am delighted to inform the house that Claire Westcott, a daughter of one of the Clerks of the chamber, received an award — and I was very pleased to see Mr Westcott there. The other independent secondary school is the Peninsula School.

I place on record the grief felt by the communities of Mount Eliza and Frankston over the death of the boys killed in the car accident that occurred 12 months ago in Bangalay Avenue, Frankston. The tragedy was an indication that the community is not serving its young people. After borrowing the keys from a friend of the mother of the driver and despite the fact that the driver had a history of stealing keys, six young people got into a car and went to a skateboard ramp. For the rest of his life that young man will have to face the fact that he killed four of his friends. Given that the anniversary of that accident is coming up, I place on record the grief of the Peninsula School and the community.

I hope the Minister for Education is awake and listening. Between 1992 and 1999 the coalition government did a fabulous job with schools. It did a great job upgrading the seven primary schools and the three secondary schools. Frankston High School is now a leading technological school. Mount Eliza Secondary College is in the midst of a major proposal for a new

performing arts and drama centre, and I hope the Minister for Education will see fit to sign off on the finalisation of that proposal given that the school has an excellent tradition in the area of rock eisteddfod.

The other school in my electorate is Mount Erin Secondary School. I am happy to inform the house of a conflict of interest. I sit on the Mount Erin school council.

To many in the chamber it was known as the Baxter Technical College, and my predecessor, the Honourable Graeme Weideman, was responsible for steering it from a technical college to one of the best secondary colleges in the area. Not too far from me in the electorate of Frankston East is a self-governing school, Karingal Park Secondary College. The catchment area for Karingal Park stretches into my electorate and I congratulate the school on being a centre for excellence, particularly in athletics, and a proud example of a positive move by the coalition government towards self-governing schools.

Last weekend I was fortunate enough to take part in issuing the southern metropolitan sports awards, of which I am a sponsor. The schools in my electorate were well represented. It is gratifying to see the state and independent schools working side by side in the overall achievement of sports awards.

I also wish to place on record my congratulations to the secondary school students in my electorate selected to play in the bands at the opening ceremony for the Olympic Games. It is a credit to all the music programs in the schools that these young people have been so acknowledged.

The next issue is transport. A standing joke on the Mornington Peninsula used to be, if you wanted to get your kids a job, buy them a car and allow them plenty of time to get off the Mornington Peninsula because the roads were so bad. The previous government did its best to start improving the roads, but those projects have been scuttled. Stage 1 of the widening of the Moorooduc Highway — the stretch from the Frankston Cemetery to Golf Links Road, a particularly difficult area — was finished on time by the previous government and, I am told, within budget. Stage 2, including installation of a set of traffic lights at the corner of Robinsons Road and the Moorooduc Highway, was due to commence. Unfortunately that project has gone on the backburner, and I say to the people of the Frankston electorate: I will not cease in my efforts to ensure the traffic lights are placed at the end of Robinsons Road within my lifetime to ensure we do not lose another young life on that corner.

Major upgrades have also been made to the Frankston railway station, and I place on record my thanks to the former Minister for Transport. Included in the upgrade at Frankston station is a \$30 million project due to begin early next year through the Reading Cinema Company, an American company investing substantially in Victoria. The construction of cinemas across a railway station will be the first project of its kind and will require the employment of 300 local workers to construct it and 300 to work on the project on completion. I believe there is an undertaking that all employees will be local.

Railway stations the world over are difficult areas where less desirable people congregate. The construction at the railway station will go some way to tidying up the area of Young Street, Frankston. Mr Acting Speaker — the honourable member for Benambra — is familiar with the area and will understand what I am saying.

Let me move on to safety. Frankston boasts the most effective and efficient needle exchange program in Victoria. Whether needle exchanges should exist at all is a controversial issue, but for people living close to Port Phillip Bay they have a tremendous impact on the removal of needles from public places. I place on record that the needle exchange program in Frankston has a 93 per cent exchange rate — the highest in Victoria. I commend the Sharps organisation and the community for introducing the program and making sure it is as effective and efficient as possible.

Some people may be unaware that Frankston is the home of Neighbourhood Watch in Victoria — it started there some years ago. The Frankston Hospital — that dreadful, nasty, dirty, underfunded hospital — was the first hospital in Australia to be registered as a Neighbourhood Watch location. I commend the hospital for doing such a good thing.

The next area I would like to touch on is the environment. I live in a bayside electorate — yes, I live in my electorate, as do my parents — and I live on the beach. Port Phillip Bay is one of the most beautiful, unsung, unrealised assets and I commend the previous government for introducing the Bring Our Bay to Life project. I hope the incoming government will maintain the momentum and move towards the resolution of issues such as the completion of the bike trail around the bay; the safe boat harbour development recommended in an environmental effects statement for the base of Olivers Hill, and limiting the use of jet skis on Port Phillip Bay.

I move to the issue of sport. I am one of these people who spent most of her life keeping a healthy distance from sport, but I acknowledge that in the Frankston community sport plays an enormous part in people's lives. We have a thriving football team which they keep telling me gets to the finals but never manages to win. Never mind, one year the Dolphins will do really well!

We have a basketball team, and I sponsor them. They had a rough trot with the local council recently. There were some political shenanigans going on in the council, but we are working through that issue. We are also on the brink of gaining an aquatic centre, which will be located in Frankston East, as mentioned by the honourable member for Frankston East and recorded in yesterday's *Daily Hansard*. I, together with my upper house colleague Cameron Boardman, have some difficulty with that concept. With the bay so close to our doorstep one wonders why one would need an aquatic centre within 3 kilometres of the beach.

I also commend the local communities of Frankston and Mount Eliza on their local community events. They have some great initiatives such as a major Australia Day function held at Ballam Park and a flag-raising ceremony in Mount Eliza.

The communities in my electorate are very different. Mount Eliza is predominantly an older community, with many self-funded retirees. It records the highest percentage in Victoria of persons born in the United Kingdom. Frankston, on the other hand, has the commercial district, the activities district, small business and a higher percentage of medium to high-density dwellings. It makes for an interesting challenge. One of the things I said in my inaugural speech was that my electorate is very interesting. There is a brothel near the northern boundary and a nudist beach near the southern boundary. And at some point during the past three years I had the misfortune to have a tabletop dancing venue as well, but I am extraordinarily grateful to say, very carefully in this chamber, that someone accidentally torched it so that tabletop dancing venue is no longer a blot on the community's landscape.

The future of the Frankston electorate looks very bright. We have some excellent local representation in the community groups. I currently chair three of them. One is the Community Round Table, which is made up of people from both Frankston and Mount Eliza. It recently introduced an initiative for the International Year of Older Persons called the Angels and Treasures Project, angels being young people and treasures being the older members of our community.

An Honourable Member — Which one are you?

Ms McCALL — A young angel, of course — or an angel of mercy, perhaps! I also chair a business forum comprising members of the business community in the chambers of commerce, and our role is to kick-start some of the business initiatives within the local community, but also to boost the morale of the local community, which has been dogged for many years by a negative local press and a negative daily press, which seemed to assume during the Frankston East supplementary election that there was no crime in Victoria anywhere except in Frankston, which we found peculiar. It seemed odd that no-one else in the state had had his or her handbag snatched, his or her car broken into or — perish the thought! — any serious crime committed.

The final community group I chair is the Youth Council, which, dare I say it, is a forerunner of a youth parliament and an opportunity for young people in secondary schools, both state and independent, to learn leadership skills — how to chair a meeting, how to participate in decision-making, and how to find a direct channel to the decision-making at the heart of what is this great Victorian democracy.

I am proud to stand in the chamber representing the people of the Frankston electorate, and I have every intention of so doing for the rest of the time that I choose to stand for the seat.

Ms DELAHUNTY (Minister for Education) — It is with great pleasure that I join the address-in-reply debate. This is my first address-in-reply; I came into this place after a by-election a little more than 12 months ago, so I have not had the pleasure of responding in the past to the Governor's speech.

I congratulate the Governor, Sir James Gobbo, on his speech of vision and eloquence. He outlined in great detail the essence of the democratic contract between the government of the day and the citizens. If words build bridges between ideas, some of the ideas in the speech delivered by the Governor are timely, and have been wanted — yearned for — by the people of Victoria for more than seven years.

The idea of a democratic government whose time has well and truly come was evidenced in the election result and, indeed, in the supplementary election at Frankston East. 'Enough is enough', said the people of Victoria. Enough of the autocratic fundamentalism of the Kennett government; enough of not being consulted, not being considered but simply being told. The people

of Victoria were told not only what they would do but also what they would think.

In his speech the Governor outlined what the people of Victoria voted for, and I will remind the house of some of the key tenets. They voted for a government that will promote open and accountable government, improve the democratic operation of Parliament — and haven't we already seen that! A number of speakers have commented on the mood in Parliament now.

They also should acknowledge — and implicitly do acknowledge — just how many more opportunities there are for honourable members to engage in debate and raise matters of public importance and issues within their electorates. Honourable members did not have those opportunities when I came to Parliament a little more than 12 months ago. Parliament was not the people's house. It was simply a very crude rubber stamp for an autocratic executive.

As the Governor outlined, the people of Victoria voted for a government that will establish clear planned strategies and targets to address the urgent needs of rural and regional Victoria; a government that will introduce an improved code of conduct between government and all other members of Parliament; and a government that will defer any further privatisation of public assets or long-term contracting of government services until an independent inquiry has assessed the value to the community of those privatisations or contracts.

The Governor also said that the key to the Labor government's approach will be inclusiveness. The government believes Victoria is more than an economy. It is not just a market. The market does not drive everything in our lives, and it should not. We are a society. Economic prosperity is not some abstract goal — it is also a social objective.

The Governor said in his speech that the government will seek to share the benefits of prosperity among all Victorians. Indeed, that was the motivation for a project that my colleagues and I in the Labor Party set up not long after I came into government, building on the work of John Brumby, the then Leader of the Opposition, and a number of senior Labor politicians. We set up a project called Democracy 2000. The subtext of that was to benefit all Victorians. We wanted to revive the civic culture in this state so that all citizens could share in the benefits of being Victorian, not just benefits that were held within the city of Melbourne or enjoyed by the big end of town or by Kennett's mates, but across all citizens.

We said in this project that in Victoria we have witnessed a contempt for the citizen, a silencing of the critics and a disdain for discussion and debate, which are the lifeblood of democracy. The corporatist view of government has replaced the civic model and our communities are the poorer for its passing.

It does not seem so many months ago that people thought the cries for a more inclusive government, a government that actually engaged in a continuous conversation with its citizens, was almost a hopeless goal. It clearly was not. In the past six months or more the Labor Party has tapped into a subterranean hope that there was another way of doing business in this state — a better way of running government.

It does not hurt to remind people of what it was like under the Kennett government, why people voted for the Bracks government and what it had to overturn. I remind honourable members of what they have turned their backs on.

Victorians witnessed the sacking of the former equal opportunity commissioner, the sacking of local councils, attacks on the independence of the judiciary, attacks on church and other community groups, the silencing of student organisations on university campuses through legislation, the hounding from office of the then Director of Public Prosecutions and the then Children's Court Chief Magistrate, restrictions of access to the Administrative Appeals Tribunal and the removal of legal rights of appeal to the Supreme Court. They have also witnessed, to our great shame, the nobbling of the people's watchdog, the Auditor-General.

That is a pen portrait of what the Bracks government has had to overturn, but there is more. People were feeling powerless about the poor planning and development in their streets and feeling impotent about having a say or at least knowing what was going on in their own streets and communities. They were frustrated that the government silenced the citizen, so that the citizen — the teacher, the nurse, the public servant — was gagged from speaking out about what was truly going on in schools and in hospitals.

I have already mentioned the deep anger over the people's watchdog, the Auditor-General, being nobbled. Victorians also felt cheated and undermined by and uneasy about the previous government's mantra of commercial in confidence.

Commercial in confidence shrouded business deals, shut the books on public projects and denied citizens the right to know how public money was being spent. It

should also be remembered — and it was a mere few months ago — that Victorians had to confront and deal with the removal of common-law rights of injured workers. The government will restore those rights.

The Parliament was not the people's place for debate or analysis of laws under which all Victorians must live. Parliament was denied the right to fully debate laws and was just a cruel rubber stamp for the executive. Under the Kennett government Victorians were not citizens but clients and customers who, unless they could afford to pay, had no right to any service.

That was the situation before the election of the Bracks Labor government and that explains why people said in the privacy of the ballot box — regardless of what the polls told them they were supposed to do — 'Enough is enough! We want a government that will listen, that will learn and that will make a difference'. That is precisely what they will get.

I must say that as a result of that election I was returned as the honourable member for Northcote. It is — —

Mr Honeywood interjected.

Ms DELAHUNTY — Only just. The honourable member for Warrandyte is absolutely right; I achieved only a 7.6 per cent swing on the by-election result of less than a year ago! Yes, I did have a spot of luck in the election. I am very aware of the weight of responsibility and challenge involved with representing the people of Northcote.

In my inaugural speech I described Northcote as a microcosm of modern Australia. It represents the whole multicultural spectrum of society. It represents the manufacturing industries, which in many cases have been struggling in the past 10 years. It also represents the highly educated professional classes that drive so much of the state's professional and intellectual strength. More importantly, it represents a great belief in and tradition of respect for Labor values that will drive this government — that is, respect for each other, respect for diversity of opinion and respect for a different background. People take that respect seriously in Northcote. I am conscious of the responsibility involved in representing such a proud electorate in Parliament.

I will continue the round table that I established when I first became the honourable member for Northcote. It is an informal gathering of concerned citizens in the Northcote electorate by which I can be kept informed about what is important in the electorate. More importantly, it is a way for citizens to share ideas with

other citizens whom they might not readily come across in the course of their daily work.

I will also proudly continue a tradition I began when I first became the honourable member for Northcote — that is, to salute school children, particularly young leaders within schools. I decided to do that to honour a great Australian and to remind people that our children are our future. I instituted the Catherine Helen Spence award for school leadership in all schools in my electorate, both government and non-government. Catherine Helen Spence was a great Australian. In her prime 100 years ago she was Australia's first female professional journalist, Australia's first female political candidate, a great orator, a great reformer, and also one of the architects of proportional representation. She was as in demand in the literary salons of London as she was in the legislatures of America. She was a magnificent Australian who has fallen through the cracks of history. However, when my work and the work of others is finished everyone will know who Catherine Helen Spence was. I have given her name to the awards for school leadership prizes.

That brings me to the matter of education. Education is a high priority of the Bracks Labor government. In fact, in his speech the Governor said that the Bracks government:

... will take a new approach to education — giving every Victorian child the best possible start in a world-class education system in which every parent, teacher and student can take pride.

Already we have begun to overturn the cruel legacy of the Kennett government in education, a legacy that is summed up by the Commonwealth Grants Commission figures. The figures show that Victoria spent less on education per head than any other state or territory in the nation. What a tragedy, what a shame. It was the Scrooge of the nation — and as he was one of the ministers, the honourable member for Warrandyte should hang his head in shame, as he does.

Mr Honeywood interjected.

Ms DELAHUNTY — Oh, no, let's not make it personal; it's too late, Phil.

The honourable member for Murray Valley raised the issue of education in the country. I listened carefully to the honourable member's comments. He usually makes a lot of sense. However, I challenge his basic premise tonight. He said that education in the country was doing exceptionally well under the former government. I will refer to the Auditor-General's last report, dated May 1999, to give a clear and unambiguous illustration of

how there were winners and losers in education under the Kennett government, and that among the losers were country children.

I refer to the grossly unfair funding formula for computers introduced by the previous government under which school communities had to raise \$3 through sausage sizzles and lamington drives before the government would deign to give them \$1. What did the Auditor-General say about the effect that funding formula had on country students? He said that:

... by 1997–98, significant differences in amounts spent were apparent. For example, the average expenditure per school —

that is, on computers in the Eastern Metropolitan region —

was \$48 000.

He said:

This can be contrasted with the Central Highlands Wimmera region —

the honourable member for Wimmera will be interested in this statistic, although I am sure he knows it already —

which experienced a decrease in IT expenditure from an average of \$20 000 per school ... to \$18 500.

The Auditor-General said that schools in the Eastern Metropolitan region were spending \$48 000 per year while schools in the Central Highlands–Wimmera region were spending \$18 500. What a massive discrepancy! Under the Kennett government, some of the losers in education were in country Victoria. The Bracks government will redress that.

The honourable members for Forest Hill and Frankston were entertaining when they came to speak on education. They displayed the sort of schizophrenia that has been evident on that side over the past 54 days. Virtually every night during the adjournment debate one member of the opposition or other asks me as Minister for Education, 'Please fix my school'. Members opposite had seven years to do it, but they ask me to please fix their schools. Suddenly during the address-in-reply debate there has been a metamorphosis. In their eloquent and entertaining ways the honourable members for Forest Hill and Frankston delivered panegyrics on the things that are happening for the schools in their electorates.

Opposition members cannot have it both ways. They cannot expect the government to fix their schools every second night and then on the alternate nights insist that all is well. They should make up their minds!

I remind honourable members that all is not well in education. As I told the house today — —

Opposition members interjecting.

Ms DELAHUNTY — We have plenty of time to fix it! The honourable member for Berwick knows full well that we have four years at least. To remind honourable members of the great challenges in education that face the new government I refer again to my report on the LAP results, which show that unfortunately — this is not a matter to play politics with — a small but significant number of Victorian children are experiencing severe difficulties with literacy and numeracy.

If our society is to exploit the emerging information technologies, all our young people must be proficient in literacy, numeracy and computer technology, as I am sure the honourable member for Doncaster would agree. That is the challenge. The government has already set out to meet that challenge by putting back into Victoria's schools some of the respect and the resources that the Kennett government removed.

Mr Perton interjected.

Ms DELAHUNTY — The honourable member for Doncaster is absolutely right — we need to be a bit more bipartisan. We do not want to play politics with our children: they are too precious to us, and they are too precious to Victoria's future.

It is with great pleasure that I conclude the first opportunity I have had to join the debate on the address-in-reply to the Governor's speech.

Mr HONEYWOOD (Warrandyte) — It is a pleasure and a privilege to join in the debate on the address-in-reply to the Governor's speech. It is a particular pleasure that by sheer happenstance I follow the Minister for Education.

Ms Delahunty interjected.

Mr HONEYWOOD — The Minister for Education says by way of interjection, 'Let's go down the yellow brick road together'. I may not take her up on the invitation because the minister is fast becoming known among her colleagues on the other side as a honeymoon breaker. No government has had a shorter honeymoon than the Bracks government, and that is all due to one person — the Minister for Education. She has the unique ability to turn a good-news story into a bad-news story within 24 hours and then keep it going as a bad-news story for the next week at least.

First I pay tribute to His Excellency, the Honourable Sir James Gobbo, because the state of Victoria could have no better Governor. I am proud to count His Excellency as a personal friend. I am also proud to say that during the many years of my involvement in multicultural affairs, both in opposition from 1988 to 1992 and subsequently as the parliamentary secretary, His Excellency provided national leadership on multicultural policy as well as genuine support for the 27 per cent of Victoria's population who come from backgrounds in which a language other than English is spoken. You are one of that number, Sir, and a proud one at that.

Mr Speaker, I am pleased that you have been elected by the Parliament to serve in your distinguished role because I know you to be a gentleman and a man of honour.

Speaking of tributes, the one tribute the house will not hear is a tribute from the other side of the house to a great man who provided genuine leadership across a range of national social policy initiatives. Despite the impression the Minister for Education gives, the Labor Party does not have a mortgage on diversity. The Honourable Jeff Kennett was a genuine national leader and the longest serving multicultural affairs spokesperson in Australian political history.

At a time when the federal opposition leader, Kim Beazley, could not be bothered standing up to Pauline Hanson, and at a time when politicians on all sides of the political arena refused to state any public opposition to her One Nation party, Jeff Kennett provided national leadership.

Ms Allan interjected.

Mr HONEYWOOD — It is easy for the new members of Parliament to suddenly reinvent Labor Party history. They would have us believe that Gough Whitlam was the greatest Prime Minister this country has ever had! Some of us remember what Gough did to Australia, losing by the biggest margin in history to boot. The house will not hear much from the other side about the former member of Burwood. We will not hear anything about his social policy initiatives on drug reform and multiculturalism and his support for education.

When we talk about diversity, we talk about choice. A moment ago the Minister for Education spoke of the Labor Party as the party that supports diversity. I thought a diverse model of education included the right of school communities such as the three in the electorate of the honourable member for Mildura to

stand up for themselves, to have parents, teachers and principals involved in a collective decision-making process, and to decide their destinies within the overarching framework of an education system. I thought it included the five schools in the electorate of the honourable member for Bendigo East having the same right as well.

'Diversity' is a nice word, but Labor governments often do not support it in practice. Self-governing schools were about exactly that — diversity. They were about schools being given the same amount of funding as any other government school while being given the chance to use it in the context of a world-class education curriculum for purposes that benefited them and their communities. I notice the honourable member for Bendigo East carefully choosing not to interject, because she was not there to support those five school communities in her electorate. Her local media —

Ms Allan interjected.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The SPEAKER — Order! Under sessional orders the time for the adjournment of the house has arrived. The honourable member for Warrandyte can continue his remarks when the debate is next before the Chair.

Leopold Primary School

Mr SPRY (Bellarine) — I refer the Minister for Education to the Leopold Primary School and its overheated classrooms. Having regard to the current weather conditions the subject is a topical one. The matter was brought to my attention by the president of the Leopold Primary School, Mr Peter Fisher. The minister may recall that the school has planned for an increase in numbers over the coming years and is developing a master plan to cope with that anticipated increase.

In addition to its permanent infrastructure the school currently operates in portable classrooms, which are unbearably hot.

I recently received a note from Mr Fisher that states:

On the three days from Tuesday, 30 November to Thursday, 2 December, a total of 125 students were taken home early and parents collecting them cited the heat as the reason ... The temperature in one of the relocatables at Leopold on Thursday, 2 December was recorded at 42 degrees.

Honourable members would agree that is distressingly hot.

In March the former Minister for Education, Phil Gude, announced that all relocatable classrooms in Victorian schools would be airconditioned, and an amount of \$10 million was allocated for that program. Mr Gude confirmed that announcement during a visit to the Leopold Primary School in September.

Will the minister honour that commitment and relieve the Leopold Primary School of the burden of applying some of its hard-earned funds for that purpose, or will students be forced to suffer through another hot late-summer period? School holidays commence on 17 December and the school resumes on 27 January, which leaves six weeks for the work to be done.

Led by a good school council the Leopold Primary School is one of the most active and conscientious schools in my electorate. It caters for one of the most rapidly growing populations on the Bellarine Peninsula and deserves the specific attention of the minister.

Schools: information technology

Mr LANGUILLER (Sunshine) — I refer the Minister for Education to an article in the *Age* of 30 November under the heading 'Technology is new class gap'. I ask the minister to have her department examine the findings of that report to develop strategies that ensure that students in public schools are not disadvantaged in gaining access to computer skills and information technology.

A recent national university survey conducted by Monash and Griffith universities raises serious concerns about an emerging technology divide between government and private schools and the equity of computer skills in the nation's schools. Technological advancement in the new millennium poses the threat of a society divided into information rich and information poor. Victorians do not want information-rich students and information-poor students in their schools.

The survey entitled 'The Real Time: Computers, Change and Schooling' involved 400 schools and was reported in the daily press last week. It showed that teachers and students not in private schools but in public or Catholic schools are severely disadvantaged in their access to information technology because of the high cost of computer hardware. Teachers are also disadvantaged due to lack of adequate training. My constituents wish to have the same level of opportunities as other citizens.

Fun 4 Kids

Mr VOGELS (Warrnambool) — I refer the Minister for State and Regional Development to a major initiative in the regional City of Warrnambool. The Warrnambool international children's festival known as Fun 4 Kids has created an attraction in what is traditionally the off-peak winter season. In its first year the festival delivered more than \$1 million into the economy and that amount is realistically expected to grow to more than \$4 million over the next three years.

By linking an eight-day international festival with the southern right whales Warrnambool is encouraging Victorian families to holiday in their home state. The festival is leading the way by providing high-quality artistic and cultural experiences for children in a safe environment. It also leads the way in creating partnerships with schools across the state and providing hands-on experience for the tourism, hospitality and music industries and the human resources sector of TAFE, which has partnered the event by rescheduling its annual holidays to fit in with future festivals.

The festival is pursuing its international focus with its promotion by Present Australia in South-East Asia, Taiwan, the United States and Japan. Its international patron is Archbishop Desmond Tutu.

It has proposed and instigated the International Federation of Children's Festivals by linking the Warrnambool festival with Seattle, Vancouver and the Edinburgh children's festival. In another first for regional Victoria the inaugural meeting is set to be held at Warrnambool in 2000. Given that the government is committed to supporting regional events, I believe the festival should be targeted as an event with vision that is worthy of support.

The Warrnambool international children's festival requires serious financial support. It is brilliantly planned, extremely professional, and clever with its timing and programming. I urge the minister to consult with Warrnambool City Council to ensure the festival reaches its maximum potential by delivering to rural Victoria another jewel in the state's major events calendar.

Kingston: Patterson Lakes library survey

Ms LINDELL (Carrum) — I refer the Minister for Local Government to a promise made by the former government to provide funding towards a library survey in the Patterson Lakes area in the City of Kingston. Unfortunately, as happened with many commitments made by the former government prior to the state

election, there was no real money attached to the commitment. The money was committed after a lengthy campaign by the Patterson Lakes library support group to have a library established in the Patterson Lakes area.

I have recently received correspondence from Cr Dalene Salisbury, the councillor for the Patterson River ward, seeking confirmation that the funds will still be made available. Today I spoke to the convenor of the library support group and discovered that the group was unaware that the promise of funding had not been approved by the former minister. Although it is aware of recent correspondence to the City of Kingston from the Department of Infrastructure advising that the funds are forthcoming, there is some urgency about the matter. Certainly the group did not believe the commitment was made in the context of the election campaign. It is understandably concerned that the funds for the library survey have not been secured. The City of Kingston has allocated \$10 000 for the library survey, which is to be matched by \$10 000 from the state government.

I ask the minister to reassure Cr Salisbury, the City of Kingston, and especially the Patterson Lakes library support group that the additional state government funding for the library survey will be made available as expeditiously as possible.

Gippsland Lakes

Mr INGRAM (Gippsland East) — I refer the Minister for Environment and Conservation to an issue concerning the restoration of environmental health to the Gippsland Lakes.

The Gippsland Lakes system is the largest inland waterway in Australia. The catchment for the system is huge — about 21 000 square kilometres — and extends across Gippsland from the Latrobe Valley and into the mountains around Omeo in the east. The lakes are not only an important natural resource for East Gippslanders but are a favourite holiday destination for many Victorians. Lakes Entrance, Metung, Paynesville and Eagle Point are but a few of the holiday towns in my electorate. The electorate of the honourable member for Gippsland South also includes part of the system.

There are many ongoing problems with the environmental health of the Gippsland Lakes. Not only are the problems at times patently obvious — the algal blooms and declining fish populations — but they have also been well documented. The government bodies responsible for the maintenance and health of the lakes have been aware of the problems for many years, and a

stack of reports, action plans, action statements and strategies document the problems and the declining health of the lakes. There is concern that the same people have been sitting on boards for too many years and nothing has been done. The minister is well aware of the case where an outspoken advocate for saving the Gippsland Lakes was sacked from a local catchment management authority.

There is passionate concern about this issue in East Gippsland. East Gippslanders want action. At a recent community meeting at Bairnsdale there was a fiery and impassioned discussion on the poor state of the lakes. Tonight the Australian Conservation Foundation is holding a meeting about the same issue. Last night a community-based organisation to be known as Watermark was established to generate community action for the restoration of the lakes.

Will the minister tell the house how the government intends to implement a program that will ensure genuine progress is made towards the restoration of the Gippsland Lakes? The restoration of environmental health to the lakes is essential if they are to remain an important Victorian recreation and tourist centre and a unique and sustainable natural ecosystem.

Geelong–Colac road: upgrade

Mr MULDER (Polwarth) — I raise a matter with the Minister for Transport. On 7 December I was invited by the Fox group and Toyota to open the new facility of the Toyota Anglesea proving ground, which will enhance the region's economy. Test engineers from Japan, indeed from throughout the world, will come to Anglesea to prove new products and components. Most importantly the complex will improve the quality and safety of the cars and trucks that use Victoria's road system.

It was ironic that one of my first official tasks as a member of Parliament was to open the worst road in Victoria — the test road built at the Anglesea complex is designed to duplicate the worst road conditions in Australia.

A program of road improvements undertaken by the former coalition government in the past five years has brought significant gains in improved driving conditions throughout Victoria and has led to reductions in road trauma. The minister recently confirmed in the house that the government would support the decision made by the previous coalition government that as a joint venture between the state and the commonwealth governments it would commit to a major upgrade of the Melbourne–Geelong road.

The coalition government committed a further \$175 million over 10 years for the upgrade of the Geelong–Colac road.

I am concerned about the failure of the Minister for Transport to confirm the government's intention to honour that commitment to upgrade the road. Without consistent road improvements the Geelong–Colac road could well be a worse horror stretch than the test road I opened in Anglesea itself.

Over the past decade Toyota has made a massive investment in Australia. Its state-of-the-art manufacturing plant in Altona is a model for medium-density world production. One should remember that Toyota made its decision to site its plant in Australia based on the promise of ongoing infrastructure reform and benchmarking by government and utility suppliers. It is imperative that those who partner Toyota in the venture remain constantly vigilant of the need to meet their commitments.

The need to upgrade the Geelong–Colac road has been further highlighted by the recent decision to construct a \$1 billion technology park in Portland, as well as a commitment from the previous government to increase agricultural output to \$12 billion by 2010. It should be noted that the south-west is a major fibre and agricultural producer in Victoria.

The SPEAKER — Order! The honourable members time has expired.

Tullamarine: employment

Ms BEATTIE (Tullamarine) — I ask the Minister for State and Regional Development to provide details on what the government is doing to create employment opportunities in my electorate of Tullamarine, which borders the minister's electorate of Broadmeadows. I am particularly interested in future job growth in the electorate as I am a member of the Jobs for Hume task force, which seeks to promote business development in the north-western region with the aim of providing jobs for local residents.

I am happy that the Premier has been talking to Virgin Airlines about locating at Tullamarine airport. I am fortunate to have the gateway to Melbourne, the curfew-free Melbourne International Airport, in my electorate, as well as that great federal Labor initiative, the Western Ring Road. Given the Bracks Labor government's commitment to a very fast rail link to the airport, I am anxious that businesses are given every opportunity to take advantage of a great location with great infrastructure and great prospects for the future.

There is plenty of available land in the area. Just this morning at a breakfast organised by the Hume City Council the chief executive officer of the *Age*, Mr Steve Harris, told of his newspaper's moving into a new facility in the municipality. Many businesses have already taken advantage of opportunities available in the area, which include access to industries involved in air freight, telecommunications, warehousing, trucking and logistics.

The previous government was more interested in building monuments in the inner city, depriving the outer suburbs of any opportunity to participate in the growth of the state. With proper development planning, the advantages available in the area abutting the electorate, including the proximity of the ring road, will lead to the creation of jobs not only for people in my electorate but also for many other Victorians.

Walwa Bush Nursing Hospital

Mr PLOWMAN (Benambra) — I raise for the attention of the Minister for Health an issue affecting bush nursing hospitals right round Victoria, particularly the Walwa Bush Nursing Hospital and the Chiltern Bush Nursing Hospital.

Last night a meeting held in the township of Walwa was attended by 300 people.

Mr Pertton interjected.

Mr PLOWMAN — The honourable member for Doncaster knows the community well.

Walwa is a little township of fewer than 100 people, but 300 people crammed into the little hall — standing room only — to demonstrate that they are desperate to keep their hospital. The two hospitals are doomed to close unless the government changes its policy on recurrent funding. The Walwa Bush Nursing Hospital serves a community of about 1500 people.

The community has shown a real sense of self-help and until now has kept the hospital alive. Because of the reduction in the number of people opting for private health cover, the hospital is now faced with closure, as is the Chiltern hospital, which will probably be closed by about June next year. Unless the government provides assistance to the Walwa Bush Nursing Hospital it will close its doors at the end of February.

An article in the *Border Mail* of 7 December outlines the need for a major change in government policy to win a reprieve for the hospital. Mr Ace Coughlan, chairman of the hospital board, is quoted as saying:

We need government recurrent funding, and that hasn't been done before ...

The minister knows what would happen if the hospital is forced to close, he knows the impact that would have on our town and the community.

Will the minister reconsider his position on recurrent funding? When he met with hospital board members he definitively said the government will not consider recurrent funding for bush nursing hospitals. Unless the minister and the government show some of the compassion shown by the honourable member for Northcote in her speech just a few minutes ago, the community of Walwa will lose its hospital, its doctor, its pharmacy and its major employer. It will lose its lifeblood.

Government members interjecting.

Mr PLOWMAN — What is the government doing about looking after country communities? What does the government really want — —

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

Rail: Melbourne–Ballarat service

Mr HOWARD (Ballarat East) — I refer the Minister for Transport to the fast rail link between Melbourne and Ballarat and ask what action the government has taken and is planning to take to improve the rail service between the two cities.

Honourable members may be aware that over recent years there has been much consultation in Ballarat on this important issue. Many people have expressed the view that the rail service between Ballarat and Melbourne is one of the most important sources of increased economic potential for Ballarat and the whole western region. At present the train takes more than an hour and a half to make the trip and it should be possible to make the journey in an hour or less.

The Western Region Forum established by the previous government expressed similar views, saying that a good rail service that would reduce travel times was vitally important for Ballarat and the western region. Since that statement was made public meetings have been held to reiterate community concern and to demand major works be commenced on the line to make the journey quicker.

In the lead-up to the recent state election the former government, in response to our request, promised to carry out a feasibility study to find out what could be done and how. People in my electorate were, however,

much more interested in the news that the then Bracks Labor opposition, if elected to government, would not only conduct a feasibility study but would commit \$25 million to support the work by National Express and thereby bring actual results forward.

Along with upper house members whose provinces fall within my electorate, neighbouring electorates and the whole of western Victoria, I am keen to hear how the government is progressing in its talks with National Express and what efforts are being made to commence real construction work on the ground. We will all be very pleased to hear a response from the minister to the effect that a much quicker rail journey will be possible between Ballarat and Melbourne.

Roads: traffic fines

Mr PHILLIPS (Eltham) — As a matter of urgency I raise with the Minister for Police and Emergency Services the payment of a speeding fine by one of my constituents. I spoke briefly with the minister on the matter yesterday, but I do not know whether he has had an opportunity yet to look at the whole situation.

In brief, a speeding offence was committed on 19 January this year by a constituent of mine, Mr Edgar Sakers of Reynolds Road, Research. The due date for payment was 11 March. Payment was made in full by cheque and sent on 22 February, well before the due date. There is no argument about the speeding offence or about the correctness of the \$165 fine imposed.

For some unknown reason, however, Mr Sakers's cheque was lost by the payments branch and he received a reminder notice asking again for the \$165 payment, this time adding a penalty payment of \$16. The notice also said that if the two amounts were not paid he would have to go to court. He explained to the branch by phone that he had already paid the money, but was told it had no record of payment and asked him to send a statutory declaration, which he did.

Later he received another notice indicating that payment had still not been received and that the statutory declaration he had sent could not be located. Similar events went on for many months. The matter is now due to go to court on 10 December. Recently, an officer of the department contacted him to say that his original cheque for \$165 has been found but, because it was \$16 short, it was being returned to him! The whole affair has become a bureaucratic nightmare.

As a matter of urgency will the minister look into the matter prior to Friday because attendance at court would be an unnecessary and unfair burden on Mr Sakers, especially since the department has already

admitted that it lost his paperwork and has since found it and the cheque.

National Flower Centre

Mr ROBINSON (Mitcham) — I ask the Minister for Agriculture to intervene in a matter concerning the National Flower Centre and access for retired flower growers to that centre. I raise this matter on behalf of Mr David George, a recently retired violet grower who happens to be my father-in-law.

Honourable members interjecting.

Mr ROBINSON — I put it on record because I do not want another scurrilous attack on an outstanding Victorian.

Mr George has attended the National Flower Centre and its predecessor markets for 50 years and 7 months, and he assures me that other growers have attended the centre for even longer. The current arrangements are that when the licences of retired growers expire they are no longer permitted access to the market. It was pointed out to me that if it is good enough for former members of Parliament to be entitled to access to Parliament House during their retirement it should be good enough for flower growers, who rise at about 2.00 a.m. to do their daily work in difficult environments to serve us all well, to be entitled to access to the market.

I understand the National Flower Centre administrative body has not been cooperative in modifying the arrangements for visitor access to the centre. I seek the assistance of the minister to see whether a more fair-minded policy could be implemented for the sake of Mr George and other flower growers. That does not seem too much to ask, and I trust the Minister for Agriculture will be able to facilitate this modest request.

Responses

Mr HAERMAYER (Minister for Police and Emergency Services) — The honourable member for Eltham referred to a constituent who was issued with a speeding fine. As I understand it, the constituent paid that speeding fine on 22 February, which was before the due date of 11 March. He has been mucked around consistently since then. The honourable member for Eltham raised the matter with me earlier, and I asked the department to do some checks. I am now able to advise that the matter has been resolved. The \$16 administrative charge has been withdrawn, and there is no reason for the matter to go any further.

I must say that the lost paperwork is of concern to me. It was suggested to me by the honourable member for

Eltham that that situation is not unique. The management of the traffic camera office was privatised last year, and if the problem is systemic I want it fixed. I do not think people should be mucked around as was the constituent of the honourable member for Eltham. The problem concerning this particular constituent has been fixed, but if it is a systemic problem I will try to have it fixed.

Mr CAMERON (Minister for Local Government) — The honourable member for Carrum raised with me the funds that were promised but not delivered by the former government for a survey to be conducted of library needs in the Patterson Lakes area. The honourable member for Carrum is an active local member, and on behalf of Cr Salisbury of the City of Kingston she raised the matter with me in preliminary discussions I had with her prior to today. She presented a strong case to me, and I am pleased to say that my department will allocate \$10 000 for the City of Kingston to undertake a survey of the library needs in the Patterson Lakes area.

Ms DELAHUNTY (Minister for Education) — The honourable member for Bellarine referred to the temperature in the portable classrooms at the Leopold Primary School. The honourable member gave the details of a disturbing case involving 125 students being taken home from school early on 2 December when temperatures in the relocatable classrooms reached 42 degrees.

The honourable member for Bellarine claimed that in March this year the previous Minister for Education, Mr Phil Gude, promised — I believe that is the word the honourable member used — \$10 million to fix the airconditioning at Bellarine.

Mr Spry interjected.

Ms DELAHUNTY — Was it \$10 million?

Mr Spry interjected.

Ms DELAHUNTY — It was to fix the airconditioning across the state. If my notes are correct the honourable member for Bellarine said that the proposal was confirmed by Mr Gude in September 1999.

I was not given warning of this inquiry so I have not been able to confirm with the department whether the claims are true. However, I am very disturbed that children are in relocatable classrooms where the temperature rises to 42 degrees. I will investigate the matter to see whether some assistance can be given.

It is fair to say that during the election campaign the previous government made dozens and dozens of promises about upgrades and improvements to schools. It must be asked whether they were core promises or simply election confetti.

The Labor government has examined many of the promises its predecessor made during the campaign and found they have been allowed for in the budget forward estimates, and therefore we will honour them. If no money has been put aside for them, the government cannot produce it from the ether. However we will investigate to see if we can help the students at Leopold Primary School.

A further matter was raised by the honourable member for Sunshine concerning the information poverty line developing in our society between students who have access to information technology, specifically computers, and students who do not. Computers and email are not an excuse for education but are certainly part of the modern educational repertoire. The government believes access to computers should be provided according to need, not the ability of the school community to raise funds.

An information poverty line is developing in Victoria because of the unfair funding formula, as indicated by the Auditor-General in his last report of May 1999. He outlined the disparity between schools in the Eastern Metropolitan region, which in 1997–98 had been able to spend on average \$48 000 per school on computers. In contrast, the Central Highlands–Wimmera region expenditure had reduced to \$18 500 per school. The difference is clear. The Auditor-General went on to say the difference is:

... in part, a reflection of the difficulties experienced by schools in rural regions in raising funds from local communities.

Under the previous government school communities had to raise \$3 before the government gave \$1. That was unfair. The Bracks Labor government will overturn the unfair funding formula and fund according to need.

I assure the honourable member for Sunshine that the government will not allow the information poverty line to continue. We have already begun the process of funding according to need with the announcement of \$12.5 million for computers and IT support to go into school global budgets in 2000, to be followed by more.

The honourable member referred to a report that said there was also a disparity between government and non-government schools. The computer-student ratio in some needy non-government schools is extremely high.

The Bracks Labor government will put extra money into needy non-government schools so, over the four years of the term, we will begin to raise the state investment in non-government schools to the national average.

Ms GARBUTT (Minister for Environment and Conservation) — The honourable member for East Gippsland raised the issue of the Gippsland Lakes. The lakes, which are central to the economy of East Gippsland, also have a range of major problems, including pollution, salinisation, blue-green algae, and carp infestation. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) recognised many of the problems in its 1998 environmental audit commissioned by the Gippsland Coastal Board. The board found that high nutrient inputs from rivers flowing into the lakes, coupled with the altered saline balance, were largely responsible for the algal blooms. It also identified a significant internal store of nutrients locked up in the sediments of the lakes, meaning that the problem could go on for many years.

The government made commitments in its policies to the Gippsland Lakes in particular. A policy was released during the campaign undertaking to develop a lakes action plan to tackle the increasing levels of nutrients and the various problems identified by the studies.

The government is also committed to healthy rivers and catchments throughout Victoria. Two weeks ago I visited Bairnsdale and met with a large number of organisations, all responsible for the Gippsland Lakes. They included the catchment management authority, the Gippsland Coastal Board, the Gippsland ports and the East Gippsland Water Authority. I met my good friend and former colleague Robert Fordham, who works on the tourism authority and the regional development organisation as well as Forestech, and I also met with local councillors. They are all important contributors in the issues surrounding the Gippsland Lakes.

The visit demonstrated clearly the full range and complexity of the issues and their long-term nature, but overwhelmingly it demonstrated the need for coordination between the organisations and priority setting for full commitment to achieving the goals. I am currently considering how best to achieve the organisation, and I invite the honourable member for Gippsland East to meet with officers of my department to discuss how this can best happen and what involvement he could have in the exercise.

While I was in Bairnsdale the funding for a further CSIRO study into the Gippsland Lakes that has just been commissioned was featured in the local papers. The Gippsland Coastal Board has just negotiated a partnership with the CSIRO to computer-model the water nutrient input to and movement through Gippsland Lakes. The model will then be used to assess management options to improve water quality in the lakes. It will find a nutrient budget for the lakes and then use the new data on water movement to construct a three-dimensional hydrodynamic model of the system. Scientists will then use that, together with an ecological model, to predict improvements to ecosystems arising from different management actions. The estimated total cost of the modelling is \$600 000, of which the state agencies will fund \$356 000 and the CSIRO the balance.

While I was there a story appeared in the local papers following a press release by a member for Gippsland Province, Mr Philip Davis, in which he claimed there was a funding shortfall for the project. I assure the honourable member for Gippsland East and the house that that is not so. The Gippsland Coastal Board has available to it \$1.5 million over three years for the implementation of the Gippsland Lakes coastal action plan, and \$600 000 of that is available this financial year. It is a priority action of the Gippsland Lakes coastal action plan, and the coastal board is able to fully fund the project. The government recognises the major difficulties that lie ahead, but I invite the honourable member for Gippsland East to meet with the government and discuss how we can push that forward quickly.

Mr THWAITES (Minister for Health) — The honourable member for Benambra raised the issue of the Walwa Bush Nursing Hospital. That issue concerns the government because it wants to ensure that citizens right around the state get access to health care. The honourable member would be aware that on a recent visit I committed an extra \$20 000 to the hospital to try to tide it over — it was in a state of imminent collapse — until the government developed some options for the future.

Mr Honeywood interjected.

Mr THWAITES — The shadow Minister for Education laughs that off, but it is what the people in that community wanted. They requested some time to look at the options, which is a lot more than they got from the previous government.

I am getting a bit sick and tired of the approach of the honourable member for Benambra. He is damaging the

case of the Walwa Bush Nursing Hospital because he is a hypocrite, coming into this place and saying that somehow the government ought to suddenly give recurrent funding for a bush nursing hospital when for seven years his government never once did that. He even quoted tonight from an article in the paper where a hospital representative said:

We need government recurrent funding, and that hasn't been done before.

I compare the approach of the honourable member for Benambra with that of some other members opposite, such as the honourable member for Murray Valley or the honourable member for Gippsland South, who at least gave me the courtesy of indicating the matter they would raise. I will endeavour to assist them, but their approach is in contrast to that of the honourable member for Benambra.

When I came into this job the Walwa Bush Nursing Hospital was in a financially critical state. The honourable member had been warned about that in 1998 and not one penny of recurrent funding was given to the hospital under the previous government. As soon as I got into government I did what I could to assist and to develop a forward plan. The honourable member for Benambra came to me outside the chamber at 3 o'clock one afternoon and said, 'Can you meet a delegation from Walwa? They happen to be seeing me tonight. Can you meet them at 6 o'clock?'. I said that I couldn't because I had something else on. I then read in the paper, 'The Minister would not see us!'.

I later visited Wodonga and specifically made time to see the Walwa Bush Nursing Hospital. Not only did I do that, but unlike the previous government I invited the opposition member to come to the meeting and try to work through the proposal. What did I get out of that? Over the next three weeks in the local press the honourable member for Benambra hypocritically says the Labor government ought to be able to do what his government did not do once in seven years. He said that we should somehow provide the hospital with recurrent funding.

I believe we have to work through these issues, but we ought to do it constructively, not in this hypocritical, dishonest and damaging way. The honourable member is damaging the case. Opposition members turn around and start criticising grants in other areas. I recently made available a grant from the Department of Infrastructure to assist the honourable member for Rodney in Echuca. It was for a good project relating to the Echuca railway sheds. It was a one-off capital grant of \$300 000. I rang the honourable member and advised him so that he could get a run in the press. But

what do I see a few days later? The honourable member from the north-east is criticising that grant and saying that somehow it ought to be going into nursing homes!

Mr Plowman — On a point of order, Mr Speaker, first of all the minister called me a hypocrite. I did not call him to order on that point but then he said I was responsible for complaining about the grant he made to a group in Echuca. That is absolutely and totally untrue and I ask him to withdraw because it impugns my character to suggest that I would do such a thing.

The SPEAKER — Order! I do not uphold the point of order raised by the honourable member for Benambra. However, I ask the minister to moderate his language and to complete his answer.

Mr THWAITES — Thank you, Mr Speaker. As I indicated, the statement was made by an honourable member from the north-east, Mr Baxter of another place. I make the point that if members opposite want to do something about the bush nursing hospitals they ought to do it in a constructive way. No government in this state has been prepared to take on recurrent funding of bush nursing hospitals because they are not Victorian public hospitals. They are private hospitals and therefore are the responsibility of the commonwealth private health insurance system.

However, I believe bush nursing hospitals and the people in the communities in which they are located deserve assistance from the Victorian government. That is why immediately on coming to office the government committed to continue every penny of the money the previous government had committed to bush nursing hospitals through the \$6 million allocation from the Community Support Fund. The government is committed to that and will assist the Walwa hospital, through either capital or other grants. However, the government is not prepared overnight to reverse the policy the other side had in place for seven years and fully take on the responsibility for bush nursing hospitals.

If he were really genuine the honourable member would be putting a bit of pressure on his federal Liberal colleague in the area, who has responsibility for private health insurance. He has done nothing about that, yet the federal Liberal member for the area, Mr Lieberman, has access to hundreds of millions of dollars. In fact, the federal government has just spent \$1.8 billion propping up private health insurance through subsidies. That is the system the honourable member agreed to and supported, and that sort of money should provide assistance to bush nursing hospitals such as Walwa. I

urge the commonwealth government to step in and assist in the matter.

I must say that I am a bit sick of the honourable member for Benambra's misleading the public about reports that have been prepared. A report on the Walwa Bush Nursing Hospital was prepared by Kerr and Associates. I would like the honourable member for Benambra to honestly state whether he supports the recommendations of that report.

Mr Plowman — Of course I do.

Mr THWAITES — The report supported the closure of the acute beds at Walwa. Is that what the honourable member is suggesting?

Honourable members interjecting.

Mr THWAITES — The honourable member is suggesting that he wants to close the acute beds at Walwa. That is why it is difficult, that is why you can't make these decisions — —

Honourable members interjecting.

Mr Plowman — That is totally dishonest.

The SPEAKER — Order! The honourable member for Benambra!

Mr THWAITES — The Kerr report into the Walwa Bush Nursing Hospital stated that the future of the hospital ought to be in community-based services. It did not support bed-based services at the hospital.

Mr Plowman — Yes it did.

Mr THWAITES — If the honourable member for Benambra is prepared to say he wants to close the acute beds, let him do that. However, I believe there are problems with that. I believe the government has to look at ways to protect and preserve the services. I think the Walwa and Chiltern communities would be a lot better served if the honourable member for Benambra instead of being hypocritical and negative acted in a positive way to try to find a solution.

Mr HAMILTON (Minister for Agriculture) — The honourable member for Mitcham raised with me a matter concerning the National Flower Centre. All honourable members would know that the honourable member for Mitcham is a tireless worker for his constituency and represents his constituents without fear or favour. It is nice to know that he is also a tireless worker for his family, because the matter he — —

An honourable member interjected.

Mr HAMILTON — There is nothing wrong with that; I think the honourable member should be commended for his courage and honesty in raising the matter.

The case involves a Mr David George, a retired flower grower — I understand he grew violets — who attended the flower market over some 50 years and 7 months. That is not a bad record, given that he would get up at 2.00 a.m. to do it. Many honourable members would not be able to handle those sorts of working conditions. The honourable member also indicated that a number of other retired flower growers had attended the market for more than 50 years.

The problem is that once their licences run out those loyal and long-serving members of the flower growing community are no longer allowed into the market. Members of Parliament who have given Parliament many years of service keep their gold passes and the privileges that go with them. They have continued access to Parliament because of their long service and a recognition that service to the public and an organisation is important.

I will ask the department to investigate the matter with the board of management at the National Flower Centre to see if there cannot be an equivalent of a gold pass membership for that organisation. I believe it would encourage and assist former growers to enjoy their retirement if they had access to their friends and to the environment in which they were happy for many years. It would be a good gesture, and I do not think it would interfere with the proper running of the market.

The board of the market should think seriously about the matter. I hope it will take up the suggestion on behalf of not only Mr David George but also other long-serving members of the industry.

Mr BRUMBY (Minister for State and Regional Development) — The honourable member for Warrnambool raised with me the international children's festival in Warrnambool, and among other things asked the government to consider additional support for the festival to elevate it to a truly statewide event and to ensure it reaches its full potential in promoting not only itself but also the region.

As the honourable member knows, in mid-November I visited Warrnambool and opened the first stage of the beach front promenade and Lake Pertobe development, towards the second stage of which the government has contributed some \$50 000. During my visit I met with the local council and announced a grant of \$25 000 to assist it to develop an economic strategy, particularly in

relation to its strengths in information technology and multimedia. I also announced that the government will sponsor the regional business awards, which do a sensational job in promoting excellence in local regional businesses.

The honourable member is fortunate to represent Warrnambool. It is a magnificent part of Victoria. It is built on a strong industrial base and a strong agricultural heartland, built particularly around the dairy industry, which has experienced extraordinary growth.

Two years ago I was fortunate enough to attend the Grand National at Warrnambool with the honourable member for Mitcham. The honourable member for Mitcham might remind me of the name of the horse that fell in the straight but recovered shortly after and ran well the next year. However, the Grand National is a sensational event that puts Warrnambool on the map. Tens of thousands of people from around the state attend the meeting each year.

I note from a discussion I had earlier with the Minister for Racing that the government will address ways in which it can assist the Warrnambool Racing Club to support the Grand National and further infrastructure investment. The Parliamentary Secretary for State and Regional Development, the honourable member for Mitcham, is currently working assiduously on that project.

Warrnambool is also going ahead economically. The All Seasons Warrnambool Waters hotel complex, which has recently been approved, is a \$30-million investment that will deliver a world-class resort hotel and conference centre for regional Victoria. I am advised that construction work on the development will start in March 2000.

The Minister for Tourism has advised me that Tourism Victoria has been working closely with the local tourism committee to develop a strategic plan for the Warrnambool seafront, including a major whale-experience centre and the refocusing of Flagstaff Hill to celebrate the fascinating history of shipwrecks along the coast. The foreshore development I mentioned earlier has been well planned, for which I congratulate the Warrnambool council and the tourism industry. It will help draw the tourism buses, which currently carry about 2 million visitors a year along the Great Ocean Road to Warrnambool.

That project and the others I have mentioned have the potential to create thousands of jobs in the region. I could go on about the Warrnambool Visitor

Information Centre, the Great Ocean Road and the Shipwreck Coast strategy, which the Minister for Tourism mentioned to me today, but I will not. The Warrnambool international children's festival is an excellent event. Although I have not been fortunate enough to attend the festival in the past, the council has raised the matter with me. That festival, together with the Port Fairy Folk Festival, could be the nucleus of some powerful statewide festivals that have the potential to draw people from right across the state.

I will refer the honourable member's comments to the Minister for Tourism. I assure him that the government will examine every option available to it to support the festival and further promote tourism in the area.

The honourable member for Tullamarine referred to the potential for growth at Melbourne Airport. She mentioned the breakfast at which Mr Steve Harris, the editor-in-chief of John Fairfax, described his company's \$250 million investment in a printing facility in her area, which is a sensational development for the region. Both as a candidate and a local member she has been a tireless supporter of economic development in her area, in particular maximising the potential of Melbourne Airport to generate new jobs and growth opportunities.

Two weeks ago I was delighted to announce jointly with the major international company DHL Worldwide Express a new \$7 million state-of-the-art air export facility at Melbourne Airport. The Bracks government contributed to that investment, and I signed off the papers as Minister for State and Regional Development.

Mr Leigh interjected.

Mr BRUMBY — We have been getting on with the job of building opportunities in the state.

I will tell honourable members about DHL, which, as I said, announced that it would invest \$7 million in a state-of-the-art facility that will act as a pipeline into Asia for fresh food in particular. It will also cater for what the company calls bonded warehousing, with an in-house customs clearance. The company will put fresh seafood, fruit and vegetables onto freight planes that fly out of Tullamarine airport just before midnight and land in Asia with the product still fresh and ready to hit the market. As I said, it will act as a pipeline to Asia, generating opportunities, exports and new jobs, particularly in the electorate of the honourable member for Tullamarine.

I direct to the attention of honourable members a matter that was raised with me on another occasion by the honourable member for Tullamarine. As more use is

made of e-commerce and e-business and as more purchasing is done over the Internet, customers will be looking for the efficient and speedy delivery of their product. If people order products locally or over the Net from interstate — for example, from New South Wales or Queensland — or overseas, they want to know they can get the product within 24 or 48 hours. Which airport and which state is best placed to deliver those products efficiently, quickly and within that time frame? The answer is Melbourne Airport, Tullamarine, Victoria can do it!

The honourable member for Tullamarine has directed to my attention the 250 hectares available at Melbourne Airport. The government is keen to see that 250 hectares developed in partnership with Melbourne Airport and freight and industrial distributors. Given the growth in information technology and a curfew-free airport with significant capacity, Victoria has the potential, with the strong support of the honourable member, to grow industries in Tullamarine that export product interstate and overseas and generate new opportunities for Victorians. That is the vision the government shares with the honourable member for Tullamarine. I congratulate the honourable member on her support.

Finally, the honourable member for — —

Mr Honeywood interjected.

Mr BRUMBY — This is one of your members. The honourable member for Polwarth referred to the Geelong–Colac road. I can assure the honourable member that I will refer that matter to the Minister for Transport for his consideration.

The honourable member for Ballarat East directed to my attention in his usual persuasive way a number of transport issues in Ballarat East. I am pleased to see that the honourable member has been one of the most regular attendees of the adjournment debate, regularly raising matters on behalf of his constituents. Recently he referred to my attention the submission made by BRACE, the adult and further education centre in Ballarat, for assistance with the community kitchen. I was able to commit a substantial sum to that project to enable it to proceed. Tonight he has raised matters for the attention of the Minister for Transport, and I will ensure those matters are referred to the minister without delay.

The SPEAKER — Order! The house stands adjourned until tomorrow.

House adjourned 11.08 p.m.