

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**30 November 1999**

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



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**Tuesday, 30 November 1999**

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

## CLERK OF THE PARLIAMENTS

### Appointment

**The SPEAKER** — In accordance with the joint recommendation of the President of the Legislative Council and me the Governor in Council has been pleased to appoint Raymond William Purdey to the office of Clerk of the Parliaments from 4 December 1999 in consequence of the retirement of Allan Victor Bray.

## QUESTIONS WITHOUT NOTICE

### Unions: membership

**Dr NAPHTHINE (Leader of the Opposition)** — Will the Premier give his undertaking that the government will not discriminate against the 70 per cent of Victorian workers who are not members of trade unions and will the government take action to prevent such discrimination?

**Mr BRACKS (Premier)** — The government clearly enunciated and campaigned on the policy of a fair go all round. It will treat employers and unions with equal coverage on industrial matters. Where there are no unions the government will deal with workers on a fair and proper basis. It will not discriminate for or against employers. All honourable members on this side of the house support fairness and a fair go all round. It is the key tenet of the government's industrial relations policy.

### Virgin Airlines

**Ms BEATTIE (Tullamarine)** — Will the Premier inform the house of details of his meeting with Richard Branson of Virgin Airlines?

**Mr BRACKS (Premier)** — Given that Melbourne has such a fantastic 24-hour, curfew-free airport with a good road, the question from the honourable member for Tullamarine is appropriate. Further potential lies in the plans of the government to develop a fast-rail link from the airport to the city to ensure the best possible arrangement for a third airline competitor to come to Melbourne.

As honourable members will be aware, I met with Mr Branson last night to support his plans to introduce a new competitor to the Australian domestic airline market. I was the only state Premier to meet Mr Branson and was pleased to do so. That is further proof that the government is getting on with the job of ensuring further business opportunities to generate wealth and growth in Victoria.

Mr Branson's ambitious plan offers significant opportunities to travellers. If successful it will increase the domestic aviation market for the benefit of consumers and the domestic tourism industry. The government has been working behind the scenes with Mr Branson's Australian staff to ensure that Victoria is best placed to attract Virgin headquarters.

Should Virgin meet Australia's stringent safety requirements and overcome any foreign ownership issue, the Victorian government will do everything it can to ensure that Virgin chooses Melbourne as its future base. Significant employment benefits will include some 300 jobs for pilots, ground crew and support staff, as well as a call centre that could be located anywhere in regional Victoria. The government will pursue that opportunity with vigour.

The honourable member for Tullamarine would know that Melbourne Airport is rated in the top five airports of the world. Its new operators run a fantastic, well-placed airport. It has experienced growth of 7 per cent over the past two years, and its success means access to terminals is tight and competitive.

One of the key issues raised in the discussions I had last night with Richard Branson was terminal access, an issue the government will pursue actively with the private operators, Ansett and Qantas. The government will seek to accelerate works to make sure there is better access at the terminal for the new competitor.

I am confident Victoria can put a persuasive case to Virgin. Consumers and the domestic market account for some 75 per cent of the tourism industry in Victoria. The government is getting on with the job of seeking new business opportunities and delivering jobs; of being positive about Victoria and achieving what it can to grow the whole of the state, not just parts of it.

### Unions: membership

**Dr NAPHTHINE (Leader of the Opposition)** — I offer the opposition's bipartisan support for the efforts of the Premier in attracting Virgin Airlines to Melbourne and Victoria. In line with the Premier's previous answer, I refer him to the official ALP how-to-vote cards that indicate that Australian Labor

Party members must not employ non-union members. Does the Premier support this Labor Party policy of discrimination against non-union members?

**The SPEAKER** — Order! I will allow the question, but I remind honourable members that questions must relate to government administration.

**Mr BRACKS** (Premier) — Mr Speaker, I did not hear your ruling.

**The SPEAKER** — Order! I indicated that I will allow the question in so far as it relates to government administration.

**Mr BRACKS** — I wanted to clear that up.

Victoria faces significant issues, such as attracting a third air carrier to Melbourne, yet the Leader of the Opposition concentrates on a matter that is basically the same as a matter that was asked about earlier. It is a similar issue throughout Australia — where there is an affiliated union the preference is for the staff to be employed by the employer. It is not a matter that impinges on the administration of the state.

I reiterate and make crystal clear for the benefit of the Leader of the Opposition that the government's industrial relations policy is for a fair go all round.

**Dr Napthine** interjected.

**The SPEAKER** — Order! The Leader of the Opposition has asked his question and should allow the Premier to answer it.

**Mr BRACKS** — A fair go all round means that the government will deal with the industrial partners — industry, unions and non-unionists — to get the best possible deal to move Victoria forward with the agreement and support of all those in the workplace. That policy distinguishes the Labor government from the previous administration, which played on the divide-and-rule system.

**Dr Napthine** — On a point of order on relevance, Mr Speaker, in answering the first question the Premier clearly stated that the government would not discriminate between members and non-members of trade unions. My second question relates to whether the Premier supports the ALP policy that discriminates against non-union members, and the question was whether he supports that discrimination.

**The SPEAKER** — Order! The Leader of the Opposition knows the rules as well as any member of

the house — when the Speaker is on his feet he should resume his seat.

The raising of a point of order does not allow a member to restate his or her question, or ask it again. That is precisely what the Leader of the Opposition was doing. The Premier was answering the question when speaking about industrial relations and has been relevant to this point.

**Mr BRACKS** — The Leader of the Opposition related his question to his previous question about industrial relations. I was pleased that the Leader of the National Party, the Leader of the Opposition in the other place and the honourable member for Box Hill were present at the Australian industry group dinner attended by some 700 business people in Victoria. However, the Leader of the Opposition was not present.

**The SPEAKER** — Order! The Premier is now beginning to debate the question.

**Mr BRACKS** — If the Leader of the Opposition had attended he would have heard the resounding support from the business community for the government's plans for dealing fairly with the partners in industrial relations. It is a good lesson for the Leader of the Opposition: if he wants to learn about these matters he should make sure that in future he goes to such major dinners.

**Dr Napthine** interjected.

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

### **Knox hospital**

**Mr ROBINSON** (Mitcham) — Will the Minister for Health inform the house of the status of the previous government's plans to build a privatised hospital at Knox?

**Mr THWAITES** (Minister for Health) — I thank the honourable member for Mitcham for his question regarding the proposed hospital at Knox, because that proposal had a major impact on his electorate and the Box Hill Hospital.

Recently claims were made by the honourable members for Wantirna and Bayswater that somehow the proposed Knox hospital would proceed under the Kennett government and that the Bracks government had scrapped the proposal. Claims were also made that that would lead to a reduction in beds in the eastern suburbs. I had those claims investigated and looked at the departmental files. I was interested in what was

revealed. The supposed Knox hospital plan was a total sham. It did not exist — it was a phantom hospital. It was known by those in the know as the Box at Knox, because that is all it was — a box with no patients and no beds.

I remind the house of the timetable proposed by the previous government. The registration of capability was to be released in October last year; the project brief was to be released in April this year and the announcement of the preferred consortium was meant to take place in November this year. At the time of the election nothing had happened. Despite that, the previous government felt it was appropriate to send out throughout the eastern suburbs, at taxpayers' expense, glossy brochures claiming the new public hospital be built at Knox was in addition to the highly regarded William Angliss and Maroondah hospitals and that it was working on a new hospital profile and on clinical service planning, which would be completed by the end of this year.

When he was Minister for Community Services the Leader of the Opposition was keener to make statements in the house than he is now — Dr Doolittle! At page 455 of *Hansard* of 20 April he is reported as having said:

I assure the honourable member and residents of the eastern suburbs that the government is absolutely committed to the establishment of the Knox hospital ... so that the new hospital will be completed by 2000.

I have examined the files, which reveal that in November last year the department's Knox hospital project group that was planning the proposal was disbanded because of the embarrassment over the proposed cuts to the Maroondah and Angliss hospitals. The previous government claimed that bed numbers at the Maroondah and Angliss hospitals would not be cut. I have since ascertained that the proposal put forward by those responsible was to cut \$7.7 million from the Angliss hospital, a third of its casemix funding, and \$12.8 million from the Maroondah Hospital, about a third of its funding. The documents show that that would lead to significant reductions in acute services such as orthopaedics and so on at the Angliss hospital, and that general surgery and ear, nose and throat and cardiology services at the Maroondah Hospital would be slashed as part of the proposal.

The previous government's plan was to destroy the Maroondah and Angliss hospitals to get a privatised hospital. I am sure the shadow minister will be well aware of the attempt to cover it up. The proposal was also to hand over the Maroondah and Angliss hospitals to a private operator. The former government never told

anybody it would hand over management rights of those hospitals to a private operator, but that is exactly the proposal.

The only other option examined by the government, which I am sure the honourable member for Bayswater was never told about, was to close the Maroondah Hospital. By comparison, the Bracks government is committed to health in the outer suburbs, in particular the eastern suburbs. In the seven years of the Kennett government not one extra bed was built in the eastern or south-eastern suburbs. The government is committed to an extra 64 beds for the Maroondah Hospital and an extra 32 beds for the Angliss hospital. It is also committed to a comprehensive review of services in the eastern suburbs which is a lot more than members on that side of house did. The government is committed to placing health services where people live, not to shams and misleading conduct.

### **Unions: membership**

**Dr DEAN** (Berwick) — My question is to the Attorney-General. Noting that refusal to employ Victorians because they are not trade union members is a breach of the federal Workplace Relations Act and the Victorian Equal Opportunity Act and given that the Australian Labor Party demands that its members undertake such discrimination, will the Attorney-General fulfil his duty and investigate this blatant breach of Victorian law?

**Mr HULLS** (Attorney-General) — I thank the shadow Attorney-General for his first question. It is pleasing that he is keen to deal with the big picture. It is interesting to note that during the whole time he was on this side of the house when similar questions were asked of the former Attorney-General she said such questions were ridiculous because they showed a complete lack of understanding about the separation of powers. I shall not treat the shadow Attorney-General with such contempt, whether he deserves it or not.

The Premier has made it clear in answers to questions by the Leader of the Opposition that the government will treat employers and employees equally and fairly. The government does not hide from that policy and will not be involved in the trivia in which the shadow Attorney-General wants to become involved. Everybody will be treated equally under the Bracks government.

### **Teachers: freedom of speech**

**Mr HARDMAN** (Seymour) — Will the Minister for Education detail to the house what action she has

taken to lift the former government's gag on teachers speaking publicly about education policy?

**Ms DELAHUNTY** (Minister for Education) — I thank the honourable member for Seymour for his question and for his continuing interest in quality education for children in our state. It gives me great pleasure today to announce that the government has lifted the gag on teachers and schools. On behalf of the Bracks Labor government I signed an amendment to teaching service order 165, formerly the odious teaching service order 140. By doing so I repealed clause 3.12, which prohibited public comment by teachers. The former government interpreted that to also prohibit public comment about education by Principals and school councils.

Labor's election policy was to lift the gag on teachers so they could engage in debate about education. It is a fundamental principle of democracy. The mantra of the Bracks Labor government is that there will be open, transparent and accountable government. It will also foster debate in the community about quality education and every other aspect of public policy. It is understood that the minister and the government will not always agree on some of the opinions expressed publicly.

**Mr Bracks** interjected.

**Ms DELAHUNTY** — As the Premier interjects, that's life. It is democracy that is a new notion!

**Mr Thwaites** — They wouldn't know about it!

**Ms DELAHUNTY** — They wouldn't know. I don't think they know how to spell it.

Members of the previous government savaged education, and to protect themselves and their positions they promoted a climate of fear in schools. They targeted teachers, individuals and principals. Many principals are now jumping with joy because the government has lifted the gag. The Kennett government wanted to prevent the truth coming out about how little it spent on education. The Commonwealth Grants Commission's figures clearly show that the Kennett government spent less on education per head of population than any other state or territory in the nation. The second largest state in the nation spent less on education than any other state or territory!

It is with great pleasure that the government is lifting the gag. I have requested the Department of Education to inform all teachers, principals and schools that the gag has been lifted, in the same way that the previous government informed them that the gag had been applied — by fax.

## Snowy River

**Mr McARTHUR** (Monbulk) — I refer the Premier to the comments he made in the house on 25 November about environmental flows from the Snowy River. Does he accept the principle stated by Bob Carr, the New South Wales Premier, in his letter to him — which the Premier kept secret — that Victoria and New South Wales should contribute on an equal basis to providing water for increased flows from the Snowy River?

**Mr BRACKS** (Premier) — I congratulate the honourable member on asking a question of substance which is of great importance to Victoria and which requires a significant answer. The letter I received from the Premier of New South Wales, the Honourable Bob Carr, stated that there has been movement in achieving an environmental flow in the Snowy. The letter contained seven negotiating principles, and I can inform the honourable member for Monbulk that I will be able to provide him with a copy of my reply to the Premier of New South Wales, which I signed off today.

In the letter I stated that the Victorian government would be adhering to six of those principles but not the seventh. That was a negotiating point for the Premier, and I understand that. However, the government does not accept that there should be a fifty-fifty sharing in the cost between the New South Wales and Victorian governments when 75 per cent of the flow — —

**Mr McArthur** interjected.

**Mr BRACKS** — Just settle down.

**The SPEAKER** — Order! The honourable member for Monbulk has asked his question.

**Mr BRACKS** — The government does not accept that share in the costing when 75 per cent of the flow of the Snowy River is taken out on the New South Wales side of the border. It is therefore seeking a proper proportional representation in the environmental flow improvements, which is a 75:25 split.

As I have already said to the house, I am pleased that the government has achieved in 40 days what the Kennett government could not achieve in the previous seven years.

*Opposition members interjecting.*

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

**Mr BRACKS** — As the honourable member for Monbulk would know from examining the letter from

the Premier of New South Wales, the Victorian government has made significant progress in its agreements and negotiations with the New South Wales government. A minister-to-minister negotiating team has been established, and significant work has been done between departments across the border. We are now involving the commonwealth government: I have sent the Prime Minister a copy of the Victorian government's response to the New South Wales Premier.

The government is achieving what the previous government and the retiring Leader of the National Party failed to achieve. The National Party leader would only ever adhere to something like 15 per cent, but the current government is negotiating for a 28 per cent flow. It is working well with the New South Wales government and will achieve what the previous government did not have the heart to achieve in the past.

### **Parks Victoria: rangers**

**Mr HELPER** (Ripon) — Can the Minister for Environment and Conservation advise the house what steps will be taken to deal with increased visitor demand in the parks over the summer?

**Ms GARBUTT** (Minister for Environment and Conservation) — I thank the honourable member for his question and his ongoing interest in Victoria's parks. As honourable members will be aware, the summer season is the busiest time of the year in our parks, which places extra strain on services. In the past that has been to the detriment of environmental programs, weed control and trail fixing, and the firefighting commitments in the parks.

However, I am pleased to announce that this summer Parks Victoria will employ 40 extra rangers to ensure that during peak periods park visitors are able to enjoy a more extensive range of services.

**Mr McNamara** interjected.

**Ms GARBUTT** — You would not know a park if you fell over it! All honourable members know from its record what the previous government would have done to our parks — that is, sell them off, alienate large slabs of them and commercialise them, putting profits before parks. That is exactly what the previous government did. The current government will be establishing a program to employ summer rangers in our national parks, and the positions will be advertised in early December. The overwhelming majority of those rangers will be working in regional Victorian parks,

which will provide employment opportunities in rural Victoria.

Another sore point is that the opposition's record while in government was one of simply forgetting rural areas. Of all the jobs created by the previous government in its last three years, only 2 per cent were outside Melbourne! That is a disgraceful record. The government's parks initiative alone will probably better that record.

The previous government devalued Victoria's parks. It was intent on establishing commercial developments and large accommodation facilities and on alienating the parks for any other purpose it could find. The current government values our parks. It also values the services provided by the park rangers and will support their important work.

### **Vocational education and training: registered organisations**

**Mr BAILLIEU** (Hawthorn) — I refer the Minister for Post Compulsory Education, Training and Employment to a memorandum to registered training organisations dated 24 November and signed by the Director of the Office of Training and Further Education. Will the minister advise the house whether the memo imposing maximum apprentice trainee quotas was first approved by the State Training Board?

**Ms KOSKY** (Minister for Post Compulsory Education, Training and Employment) — It is good that the honourable member for Warrandyte has finally handed over the baton to the honourable member for Hawthorn, who has been allowed to ask a question. It is also good that the honourable member for Hawthorn has finally read the government's policy, which addresses the issue of freezing contestable funds for user choice.

The policy with which the government went to the election is clear and is in response to the bad system left behind by the previous government. The Bracks government inherited a system that lacked quality and had an unlimited commitment to funds that are simply not there. The previous government's record was about cutting costs and cutting corners. The Bracks government is not about doing that — it is committed to quality and sustainability.

The issue has been discussed with the State Training Board chairperson, Mr Ross Oakley. The government's policy commitment is to freeze user choice contestability at 99 levels.

**Mr Baillieu** interjected.

**Ms KOSKY** — The honourable member for Hawthorn, who is geared up because he has not been allowed to ask a question for a few weeks, is now getting a bit excited. He would do well to listen. The government's policy commitment is to freeze user choice contestability at 99 levels for a minimum of 12 months in order to assess the desirability of further competition in the training market.

Victoria is not the first state to do that. Similar freezes have been imposed in Western Australia, New South Wales, Queensland and Tasmania, and they have all been done within the national training framework.

**Mr McArthur** — Mr Speaker, my point of order relates to relevance. The question did not relate to policy, programs or interstate matters. It referred to a memorandum from the director of the office and to whether that memorandum had been approved by the State Training Board of Victoria. The minister should come back to the question.

**The SPEAKER** — Order! There is no point of order. I ask the minister to conclude her answer.

**Ms KOSKY** — The Labor Party went to the election with a clear political commitment. The policy has been clearly communicated to the State Training Board. The Bracks government is committed to sticking to its policies, unlike the previous government, which ran down the training system to the point where the Bracks government needs to come in and clean it up.

**Mr McArthur** — Uphold your position!

**The SPEAKER** — Order! I remind the honourable member for Monbulk, and all honourable members, that reflections on the Chair are disorderly, and I ask the honourable member to refrain from making them.

### Nursing homes: funding

**Ms DUNCAN** (Gisborne) — Will the Minister for Aged Care outline to the house the impact of the federal government's proposed funding cuts on Victorian nursing homes?

**Ms PIKE** (Minister for Aged Care) — Honourable members will know that responsibility for funding residential care for older people lies with the commonwealth government, which has begun to institute a policy technically known as coalescence that brings all states to a single funding level. I said it is technically known as coalescence because the real agenda of the commonwealth government is cost shifting and taking funds away from the states,

particularly Victoria. When the policy is calculated over a seven-year period it becomes clear that the real reduction in funding for nursing homes in Victoria will be approximately 6 per cent by 2004.

I have met with representatives of private sector nursing home providers, Victoria's public sector nursing homes and non-government organisations, and they advise me that what it really means is that approximately \$30 million to \$40 million a year will be taken out of Victoria's nursing home funding, of which \$9 million will be in the public sector. Clearly Victoria cannot afford to lose that money.

The implementation of the federal government's coalescence policy will mean that many existing residential care providers in Victoria, a large number of whom are in rural and regional areas, will be at risk. Providers have been aware that this cut has been on the federal government's agenda, so it is no wonder they recently expressed at the ballot box their concern at these kinds of heartless and ill-conceived policies.

If the policy is allowed to proceed the quality of care of our elderly citizens in nursing homes will be put at risk. To make matters worse, the commonwealth government has continued to implement the policy, despite the significant recommendations in the Productivity Commission report, which it has had for 10 months and about which it has failed to do anything. The question that may well be asked in the house is: what did the previous government do about the Productivity Commission report? What did the previous government do about funding for nursing homes? Victoria is now at the point of having to make significant representations — —

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

**Ms PIKE** — Because of the inability of the previous government to put pressure on the federal government about this issue, Victoria is now in a position — —

**Mr Perton** interjected.

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

**Ms PIKE** — The Bracks government will intensify its efforts to convince the commonwealth that the coalescence policy is not in the interests of elderly citizens in Victoria.

**Mr Maclellan** interjected.

**The SPEAKER** — Order! The honourable member for Pakenham will desist from interjecting. I ask the minister to conclude her answer.

**Ms PIKE** — I am pleased to say that many of the federal coalition colleagues of members on the other side of the house will be joining with the Bracks government in vigorously opposing the policy.

**Mr Maclellan** interjected.

**The SPEAKER** — Order! The honourable member for Pakenham shall cease interjecting. I remind the honourable member that, despite his seniority in the house, the Chair will not hesitate to use sessional order 10 if he continues to interject.

**Ms PIKE** — The Bracks government will ensure that a more appropriate mechanism for determining funding for nursing homes is implemented.

## PETITION

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

### Open-cut goldmining

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

The humble petition of Coalition of Communities against Open-cut Goldmining and the undersigned citizens of the state of Victoria sheweth that Victorian goldmining legislation allows mining companies to leave enormous open-cut pits in prime agricultural and housing estate land forever. These open-cut pits are permitted to be as close as 100 metres from houses, dams and waterways.

Your petitioners therefore pray that the law that allows permanent destruction of land and waterways through open-cut goldmining be changed.

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

**By Ms ALLAN (Bendigo East) (1579 signatures)**

**Laid on table.**

## PATRIOTIC FUNDS COUNCIL

### Annual report

**Mr HAERMEYER (Minister for Police and Emergency Services)** presented report for year 1998.

**Laid on table.**

## PAPERS

### Laid on table by Clerk:

Barwon Region Water Authority — Report for the year 1998–99

Central Gippsland Region Water Authority — Report for the year 1998–99

Central Highlands Region Water Authority — Report for the year 1998–99

Coliban Region Water Authority — Report for the year 1998–99

East Gippsland Region Water Authority — Report for the year 1998–99

Glenelg Region Water Authority — Report for the year 1998–99

Goulburn Valley Region Water Authority — Report for the year 1998–99

Grampians Region Water Authority — Report for the year 1998–99

Lower Murray Region Water Authority — Report for the year 1998–99

North East Region Water Authority — Report for the year 1998–99

Parliamentary Committees Act 1968 — Response of the Premier on the action taken with respect to the recommendations made by the Federal–State Relations Committee’s Report on The Register of Specific Purpose Payments Received by Victoria

Planning and Environment Act 1987:

Notice of approval of the new Yarriambiack Planning Scheme

Notices of approval of amendments to the following Planning Schemes:

Cranbourne Planning Scheme — No L241

Melbourne Planning Scheme — No C17

Melton Planning Scheme — Nos C6, C9

Monash Planning Scheme — No L53

Port Phillip Planning Scheme — No C13

Stonnington Planning Scheme — Nos L89, L90

Yarra Ranges Planning Scheme — No L114

Portland Coast Region Water Authority — Report for the year 1998–99

South Gippsland Region Water Authority — Report for the year 1998–99

South West Water Authority — Report for the year 1998–99

Statutory Rules under the following Acts:

Forests Act 1958 — SR No 122

Magistrates' Court Act 1989 — SR No 121  
 Subordinate Legislation Act 1994:  
 Minister's exception certificate in relation to Statutory Rule No. 121

Victoria Legal Aid — Report for the year 1998–99

Victoria Police — Report for the year 1998–99

Western Region Water Authority — Report for the year 1998–99

Westernport Region Water Authority — Report for the year 1998–99.

The following proclamation fixing an operative date was laid upon the table by the Clerk pursuant to an order of the house dated 3 November 1999:

Courts (General Amendment) Act 1995 — Section 4 on 1 December 1999 (*Gazette G47 25 November 1999*).

## APPROPRIATION MESSAGES

Messages read recommending appropriations for:

**Constitution (Reform) Bill**  
**Melbourne Sports and Aquatic Centre (Amendment) Bill**  
**Public Prosecutions (Amendment) Bill**  
**Water (Waterway Management Tariffs) Bill**

## BUSINESS OF THE HOUSE

### Program

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

That, pursuant to sessional order 6(3), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 2 December 1999:

Audit (Amendment) Bill  
 Regional Infrastructure Development Fund Bill  
 Local Government (Best Value Principles) Bill

**Mr McARTHUR (Monbulk) — Before the opposition commits itself to supporting the motion it seeks an assurance from the government about the private member's bill of the honourable member for Berwick listed in the notice paper as a general business notice of motion.**

During the debate on sessional orders and on many other occasions in the recent past the government made clear that it wished to improve the opportunity for members to have private members bills introduced and

debated. Although the sessional orders contain no provision for private members bills, during the debate on their introduction the Leader of the House said that time would be made available to introduce such bills.

Today is the first available opportunity for the Leader of the House to make good his word and the first test of the government's commitment to the Independents charter. The opposition seeks an assurance from the Leader of the House that time will be made available this week for two small general business items — namely, the first and second readings of that private member's bill. Only three bills, one of which was substantially debated last week, are listed for debate. The Leader of the House can hardly claim there is no time for debate on the private member's bill.

I remind the Leader of the House that the opposition has accommodated the government by allowing bills to be introduced despite the legislation not being fully prepared. The opposition has supported shorter adjournment periods than the two weeks that is normally allowed. In that regard I refer the Leader of the House to the Health Practitioners (Special Events Exemption) Bill, the Legal Practice (Amendment) Bill and the Essential Services (Year 2000) Bill. Last Thursday the opposition agreed to an adjournment of debate of only one week for the cross-vesting bill from the upper house.

All the opposition wants in return is an opportunity for the honourable member for Berwick to introduce and read a second time his private member's bill, which concerns the committee structure of the Parliament.

Last Thursday both the Premier and the Leader of the House said they were keen to have the constitution amendments widely debated in the community. To promote that debate the government agreed to the opposition's amendment to defer the matter for four weeks rather than the usual two weeks. The government can enhance the consistency of its position if it allows sufficient time this week for the first and second reading of the private member's bill. The bill will improve the structure of the Parliament and the way legislation is debated and reviewed and allow honourable members to use the committee structure to consider important issues.

The government both committed itself to and signed a response to the Independents charter. This is the first test of that commitment. It is a chance for the Leader of the House to allow the introduction and debate of a private member's bill as was promised.

**Mr LONEY** (Geelong North) — How times change! When he was in government the honourable member for Monbulk spoke time after time about how opposition members were not in control of the business of the house and how government business had priority. On several occasions the former opposition moved motions regarding government business but without success. At one stage 13 bills were listed for debate in one week! However, for opposition members it now seems three bills for the week is too much to deal with. The Leader of the Opposition finds one question a week too much.

The honourable member for Monbulk said that debate on the Audit (Amendment) Bill had commenced last week. My understanding is that the extension of the debate was at the opposition's request — it was done for them.

The other two bills on the program are extremely important, especially to members who represent regional areas. The Regional Infrastructure Development Fund Bill concerns regional infrastructure issues and is entitled to good and proper debate, with sufficient time being allowed to give every regional member an opportunity to speak. The fact that the honourable member for Monbulk sees no importance in that bill should not surprise honourable members — he was part of the previous government, which saw no importance in anything outside the metropolitan area. The Local Government (Best Value Principles) Bill concerns the abolition of compulsory competitive tendering (CCT). That policy, which was given effect to in the last Parliament, has been the subject of a huge debate outside and deserves a similar level of debate in this place.

The programming for this week is correct. It is designed to give to the scheduled bills the importance they deserve. The government is not doing what the previous government did — bringing 13 bills on important issues in a week and allowing only an hour or two for debate. I wish to speak on both of the bills that deal with the regional infrastructure and CCT issues. I believe a number of other honourable members would want the same opportunity. Those bills are about changing Victoria for the better. It is no wonder the opposition does not want to debate them or recognise their importance. The honourable member for Monbulk is simply asking the house to reduce the amount of time to be devoted them.

Private members bills will be treated better under this government than they were during the past seven years. However, the fact that the honourable member for Berwick wanders in and decides at the drop of a hat to

throw in a bill does not give that bill precedence over issues that are important to regional Victoria. The issue here is the importance of the bills. The bills introduced by the government deserve to be debated properly.

The issue of parliamentary committees is important and should be dealt with in the way it has been dealt with in the past — by agreement on both sides of the house — —

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

**Dr NAPHTHINE** (Leader of the Opposition) — I thank the honourable member for Geelong North for his passion on the issue; unfortunately he missed the whole point of the exercise. Nobody from the opposition is arguing against dealing with three bills this week — opposition members agree with the government's business program of three bills. The opposition seeks from the government agreement to do a little bit more — an extra 10 minutes in the government business program to allow the honourable member for Berwick to read his private member's bill — it proposes to amend the Parliamentary Committees Act — a second time. The honourable member for Geelong North completely misconstrued the opposition's position. The opposition is seeking that in addition to the time allocated to deal with the three bills, about 5 to 10 minutes be provided for a private member's bill to be read a second time. The opposition is seeking that time for a number of reasons.

Firstly, the bill is very important and will add value to the operation of the act. It would be inappropriate for me to canvass the contents of the bill in this debate — —

**Mr Hulls** interjected.

**Dr NAPHTHINE** — If the Attorney-General wants to challenge the opposition to bring the bill forward he should allow it to make the second-reading speech. The opposition will table the bill here and now. If he grants leave the opposition will move straight on to it.

*Honourable members interjecting.*

**The SPEAKER** — Order! The Attorney-General and the Leader of the House are not assisting with the debate. I ask them to cease interjecting.

**Dr NAPHTHINE** — I welcome the comments of the Leader of the House and the Attorney-General, because I gather — —

**The SPEAKER** — Order! The Leader of the Opposition should ignore interjections.

**Dr NAPHTHINE** — I gather from their comments they are suggesting the opposition could bring the bill on now. The opposition would be happy if the Leader of the House provided that opportunity in the government business program. If that were to happen the opposition would immediately move to the tabling of the bill and the second-reading speech. If the Leader of the House were to stand on his feet and say, ‘Proceed straight away’, the opposition would do so because it is ready with its bill.

The opposition asks for this opportunity in line with item 2.2 of the Independents charter, which suggests there should be revision of the operation of Parliament. It refers to:

... the opening up of opportunities to debate private member’s bills and petitions.

Early in question time in this house the Premier said that he and his government would adhere to each and every aspect of the charter. Here is an opportunity for him to do so. The Independents charter says more opportunities should be provided to debate private members’ bills. In his response to the charter Mr Bracks, then Leader of the Opposition, now the Premier, committed a Bracks Labor government to providing opportunities to debate private members’ bills, and it was agreed there ought to be opportunities for debating private members’ bills.

The opposition agrees the three bills on the government business program should be debated this week. In addition it is seeking assurance from the Leader of the House and the government that they will adhere to the spirit of the charter and to the government’s response to it by providing the opportunity for the honourable member for Berwick to bring forward his private member’s bill and allow it to be read a second time and debated.

**Mr HULLS** (Attorney-General) — The motion moved by the opposition is bogus, a sham and an attempt to abuse standing orders. After a motion in relation to sessional orders has been moved by the Leader of the House, the honourable member for Monbulk is seeking an assurance. He knows the forms of the house provide that if a motion has been moved by the Leader of the House, he may not speak further to it. He has already spoken on the motion, you goose! As a result — —

**The SPEAKER** — Order! I remind the house that the Chair does not tolerate reflections on other

members. I ask the Attorney-General to be temperate in his language.

**Mr HULLS** — I withdraw any implication that the Leader of the Opposition is a goose.

The Leader of the House is unable to contribute further to the debate because he has moved a motion. The honourable member for Monbulk is seeking an assurance from the Leader of the House about the motion, although he knows the Leader of the House has already made his contribution and therefore is unable to give such an assurance.

The honourable member for Monbulk also seeks an assurance from me. He originally sought an assurance from the Leader of the House knowing that he was unable to give it. That shows this motion is bogus and a sham — an attempt by the honourable member for Monbulk to undermine standing orders.

The honourable member for Monbulk says the motion seeking leave to bring in a bill to amend the Parliamentary Committees Act moved by the shadow Attorney-General is important. Why, then, is it no. 19 in the order of priorities for the opposition? It is not important.

The Leader of the Opposition is now calling someone else a goose. If that is the case I do not withdraw from calling him a goose. He is a big goose.

**The SPEAKER** — Order! The Attorney-General is going down the path of being unparliamentary in the way he uses words such as those he just used across the table. I ask him to withdraw.

**Mr HULLS** — I withdraw.

The honourable member for Monbulk knows full well that negotiations on setting up parliamentary committees are currently under way. If he were fair dinkum he would have approached the Leader of the House prior to raising this matter. He did not do that. No member of the government has seen a copy of the shadow Attorney-General’s alleged bill, which is now said to be very important. If it were so important we would have seen a copy of the bill well before now. If the honourable member for Monbulk and the Leader of the Opposition were fair dinkum they would have approached the Leader of the House. They are not fair dinkum, they are simply wasting the time of the house. The government is keen to get on with the real business of the house — amendments to the Audit Act and other statutes — instead of wasting the time of the house and honourable members.

**Mr RYAN** (Gippsland South) — This matter should be put in context, because it would take about 10 minutes for the second reading to occur. On my quick calculations Parliament has about 15½ hours of debating time available to it prior to 4.00 p.m. next Thursday, and we are talking about something that would take about 10 minutes.

This issue is of critical importance, because it involves not just the proposed legislation, which I do not intend to debate because that would breach the rules on anticipation, but also the fact that the government accepted provision 2.2 (e) of the all-important charter that the Independents delivered to both parties for examination. That provision relates specifically to private members' bills.

We are now engaged in a true test of whether the government is intent upon complying with what it signed when it told the Independents and the people of Victoria that it would accept the contents of the charter. We are all well aware of the absolutely pivotal role the charter played in this government being installed as a minority government. This is therefore a truly crucial test of the sincerity of the government and provides it with an opportunity to stand up to the mark and comply with what it signed.

The honourable member for Geelong said these sorts of events did not occur in the past. I accept his point, but the fact is that the position that applied previously has changed radically. That radical change is that the Labor Party, the current minority government, signed off on a document — the document was submitted for consideration by all of us and is a document that determined the nature of government in this state — that provides for this to happen. Mr Speaker, we now have an opportunity, because we are talking about only 10 minutes in around 15½ or 16 hours of debate, to enable this to occur.

I move to the next issue, which was raised across the table by some honourable members opposite — that is, the existence or otherwise of the bill. Mr Speaker, if that is seen as being an issue in this matter, I give an assurance on behalf of the partnership parties — the National Party and the Liberal Party — that the bill is prepared and is available to the house in the event that the minority Labor government sees fit to do what is now being asked of it.

Few issues are as critical as this one, and I remind the government that we are functioning as a Parliament without the benefit of the committee system. The bill would enable a solution to that all-important problem to

be found. So, it is all the more vital that an issue as critical as the one we are debating — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Werribee will get the call next.

**Mr RYAN** — When the first true test of its intentions is being put to the Labor government, when the second reading would consume something like 10 minutes and we have about 15½ or 16 hours of debate yet to come, and when we have before us legislation that is proposed to deal with a function that is critical to the operation of this Parliament, the minority Labor government has an opportunity to demonstrate its credentials. It could do so not only to the members on this side of the house but also to the three Independents, who unfortunately are not in the house at this time. The government could with good grace demonstrate to the Independents how sincere it is about the undertaking it gave in writing to the people of Victoria when it adopted the proposal contained in the charter.

**Mr CAMERON** (Minister for Local Government) — It is a pleasure to follow the honourable member for Gippsland South, who appears to be making a leadership speech. He is rushing to the table to be in the partnership, as he calls it — the de facto coalition.

**The SPEAKER** — Order! The Minister for Local Government should confine his remarks to the motion before the Chair, which is the government business program.

**Mr CAMERON** — In the process the honourable member did not get down to the nitty-gritty. He was long on what he said but short on the facts.

Let us go back and remind ourselves what happened after the election on 18 September when the opposition took a jolly good hiding.

**An honourable member** interjected.

**Mr CAMERON** — What has that got to do with it? Fourteen seats! It has everything to do with it, because the charter was debated very openly and publicly. The response of the present government was that it wanted to reform the committee system and the upper house as part of a package. It is entirely wrong for the opposition to say it wants to follow that part of the package but does not want to follow the other part. We said that as a government and as a party we wanted to do the two things together — we wanted to reform the committee

system and we wanted to reform the upper house. If the opposition were serious about keeping the government to the charter, it would come to us and say, 'Let's negotiate the whole lot. Let's pass Labor's upper house reform bill and reform the committees'. But that is precisely what members of the opposition are not prepared to do.

Parliamentary committees are a significant part of the workings of the house.

**Ms Asher** interjected.

**Mr CAMERON** — She says, 'Bring them on!'. Well, let us bring them on because — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The debate before the Chair concerns the government business program. The minister may not canvass issues concerning bills.

**Mr CAMERON** — The Parliamentary Committees Act is ready to go. If opposition members want to have committees, they are right there ready to go. They are the only people holding them back. The government remains prepared to have a committee system, and it is prepared to negotiate on the matter, which is what is occurring at the moment. This debate is nothing more than a tactic to waste time.

**The SPEAKER** — Order! I ask the minister to advise the Chair how his comments are relevant to the motion before the house.

**Mr CAMERON** — I have finished, Mr Speaker.

**Dr DEAN** (Berwick) — I wish to pick up on a few of the comments made by members on the other side, particularly by the Minister for Local Government. He said that the bill for the reform of the upper house in some way sets out a new committee system for this term of Parliament. I do not know whether he has read the bill, whether he has no idea what the bill is about or whether he just made it up on the spur of the moment because he was trying to fill in time. It is absolute nonsense to suggest that the bill dealing with the reform of the upper house, which is now — —

**The SPEAKER** — Order! The honourable member's time has expired. The time for the debate has also expired.

**Motion agreed to.**

## MEMBERS STATEMENTS

### CFA: region 9

**Mr RYAN** (Gippsland South) — I pay tribute to the Country Fire Authority, particularly region 9 under the guidance of Geoff Conway, the operations manager; his assistant, Ian Gibson, and that doyen of CFA activity, Jack Rayson, who was for many years the captain of the brigade at Leongatha.

I was at Leongatha on Sunday when a major exercise was undertaken by the authority. Some 300 CFA personnel, about 55 vehicles and many other individuals and people from other organisations such as the local shire and the State Emergency Service were involved. The intention was to test the communications system between the brigades.

It was a great day and a great success for all. I thank the many volunteers who participated, particularly Dawn Thomas, the captain of the Noojee brigade, who was able to gain an enormous amount from the day's activities.

### Gas: Longford bravery award

**Ms BEATTIE** (Tullamarine) — I pay tribute to Mr Jim Ward, who on 25 November received a silver bravery medal for his actions during the Longford gas disaster. On 25 September 1998 Jim Ward literally walked into the fires of hell without regard for his personal safety. The real hell, however, was still to come. His employer, Esso, in an attempt to shift blame for the inevitable disaster, sought to blame, vilify and demonise Jim Ward.

This is the real story. Although he saw his workmates burnt, he activated the fire alarm. He asked for ambulances, fire trucks and a rescue vehicle to come to the control room as soon as possible. He then initiated the emergency response by telephone. By this time Jim was inhaling invisible acrid fumes and his throat and lungs hurt, but with the aid of breathing apparatus he helped load an injured workmate onto a stretcher, checked to see if any other persons remained and only then left.

With others he continued to offer assistance. He checked that the canteen was evacuated, then went outside and watched from the car park as the biggest explosion occurred. Although he had been coughing and wheezing and felt faint, it was only then that Jim Ward sought help for himself.

Jim Ward is a true hero.

### Dromana Primary School

**Mr DIXON** (Dromana) — Over the past seven years millions of dollars have been spent on the urgent maintenance needs of all the schools in my electorate — and some of those needs were major. A number of schools that required only minor maintenance, therefore, had to wait years for their turn to come. I refer in particular to Dromana Primary School, which has outstanding maintenance needs to the value of \$129 000 and has been waiting patiently for them to be addressed.

The previous government made a commitment to complete the work over the next two years, given an independent audit and the availability of sufficient money. I ask the minister to assure the house that maintenance required and waited for so patiently by Dromana Primary School will be done during the forthcoming two years. I worry that the work may not be done because the minority Labor government has committed only \$10 million to maintenance and there is a \$130 million backlog, which at that rate will take 13 years to remove.

**Mrs Peulich** — Plus interest!

**Mr DIXON** — Plus interest.

I am worried for the schools in my community that have been waiting patiently. The Dromana community deserves to have its maintenance needs fulfilled.

### Geelong Football Club

**Mr LONEY** (Geelong North) — Recently I attended the Stand Up and Fight rally with about 4000 other people at Shell Stadium in Cardinia Park. The occasion was part of the Geelong Football Club's fight to reduce its debt and continue to be a strong and viable presence in the Australian Football League.

It is an important fight for the region and the community I represent, and I believe it is also an important fight for all football followers, particularly those who long for community-based football. Geelong is the only community-based football team still remaining in the Australian Football League. For that reason alone it is very important that Geelong survives and prospers. Geelong's survival is important also because it is one of the oldest teams in Australian football. It was involved, along with the Melbourne Football Club, in the first official game played about 150 years ago.

The club has produced such luminaries as Charles Brownlow, Polly Farmer, Gary Ablett and a horde of

others, including the current crop of players who, I am sure, will go on to greater successes. It is now time for every Geelong supporter and for every supporter of football — —

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

### Helen Newton

**Mr WILSON** (Bennettswood) — I draw to the attention of the house the magnificent contribution of Helen Newton, the principal of Roberts McCubbin Primary School in Box Hill South, who has announced her intention to retire.

Helen Newton has been principal of Roberts McCubbin since its establishment in 1994 following the merger of the Bennettswood and Box Hill South primary schools. Helen Newton brought an outstanding range of knowledge and experience to the position. Her academic qualifications include the degree of Bachelor of Special Education and a Master of Education. Her expertise in special education resulted in her making significant contributions at both the Caulfield and Box Hill special education units. Prior to her current appointment, Helen spent time as assistant principal of Ashwood and Waverley North primary schools.

As principal of Roberts McCubbin, Helen Newton has worked with the school community to create an outstanding academic and learning environment. Under her leadership the school has strived for and achieved academic excellence through a broad curriculum, with a unique emphasis on the arts. The school strongly emphasises the educational, social and physical development of the child. Roberts McCubbin Primary School seeks to develop lifelong learners, has a focus on children as independent learners and uses world-class educational practices.

Helen Newton strongly supports the development of a creative curriculum designed to meet the needs of the school's gifted and talented children, as do her teaching and administrative staff and the broader community of the school.

Many children have benefited from Helen Newton's wonderful contribution as an educator.

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

### Aspendale Gardens primary school

**Ms LINDELL** (Carrum) — Tomorrow I will table a petition organised by the Aspendale Gardens School

Action Group. It asks for the immediate construction of a primary school in Aspendale Gardens on the site purchased and reserved exclusively for that purpose.

The final payment for purchase of the school site was made in 1992. It has sat vacant and neglected for the ensuing seven years, despite the fact that more than 400 school-aged children leave the estate each day to attend 42 other primary schools; despite there being more than 450 preschool-aged children; despite continued rezoning to residential of land along Wells Road further swelling the number of school-age children; and despite the fact that the nearest primary school is unable to accommodate all the prep grade students from its zone for 2000.

Despite all that, the former government did nothing to provide a school for the residents of Aspendale Gardens. I am pleased to have the opportunity to work with the Aspendale Gardens residents through the school action group to see the Aspendale Gardens primary school become a reality.

### **Judge Robert Kent**

**Mr McINTOSH** (Kew) — I wish to acknowledge and pay tribute to a very dear friend of mine, Robert Kent, QC, who was recently appointed a judge of the County Court of Victoria. He was a senior criminal silk of the Victorian bar, whom I first met through the bar administration and the bar readers course.

His consistent attempts at teaching courtroom advocacy both locally and Australia-wide are legend. At one stage he was also a judge of the Supreme Court of the Republic of Vanuatu. He also worked in Cambodia with the commonwealth government to set up a system of law in that country. In particular I acknowledge the numerous hot weeks and months he spent in Papua New Guinea teaching advocacy to members of the profession and to students.

Robert Kent is a well-respected lawyer and member of the Victorian bar. A fearlessly independent lawyer, he has demonstrated both compassion and intelligence and has exercised complete political impartiality. He will serve the state with distinction. I wish him well.

### **Melton West Primary School**

**Mr NARDELLA** (Melton) — I thank the students of Melton West Primary School who raised \$160 at an optional dress day they organised at their school around Remembrance Day. Through the students representative council the students decided to donate that money, along with other funds raised earlier in the year, to the Melton Vietnam Veterans Association.

Yesterday I attended the ceremony to hand over the cheque. The ceremony was held in the schoolyard, and Mr Jim Fitzgerald of the Vietnam veterans accepted the cheque from a student. The veterans reciprocated by presenting a certificate of appreciation to the school.

The significant achievement of the Melton West Primary School community recognises the great welfare work the Vietnamese veterans perform in the community. It also recognises the sacrifices men and women undertook in the Vietnam conflict primarily, and other conflicts generally.

I am proud of the support the students of Melton West gave to the Vietnam veterans. Recognition of that support was shown on the faces of those at the ceremony. The parents are proud, as they should be, because those children represent the next generation, and they will be considerate, thoughtful and respectful of history. Melton West students deserve all the praise they are given.

### **Mount Evelyn Special Development School**

**Mrs FYFFE** (Evelyn) — I take this opportunity to praise the work being undertaken by the Mount Evelyn Special Development School through the reverse integration program. The program involved 12 year 9 Pembroke Secondary College students who were completing a civics and citizenship unit of their society and environment studies. They attended Mount Evelyn Special Development School for the first semester this year. Last term 16 Mount Lilydale College students undertook the program and this term a new group will participate.

Janet Taylor and Joan Smith of the Mount Evelyn Special Development School and Glenn Triffet of Pembroke Secondary College established the program, which commenced in March this year. It is especially pleasing to note that the work of Janet Taylor and the Mount Evelyn school were deservedly recognised in the recently announced Civic and Citizenship Teacher and School Awards.

One of the most pleasing aspects of the reverse integration program was that at the end of the unit all the Pembroke students who participated rated as high to very high their increased understanding of the Mount Evelyn school, their disability awareness and most notably a change in their attitude towards children with disabilities.

The program had the support of schools, students and parents, and the wonderful outcome for the students who undertook the unit was, I am sure, particularly gratifying for all involved. The program will continue

to expand and there is now increased interaction between the staff of both schools.

### **Community environmental park, Brunswick**

**Mr CARLI** (Coburg) — I congratulate the CERES Community environmental park in Brunswick on winning the 1999 environmental section of the National Community Link Award. The CERES environmental park is an area reclaimed by volunteers in the Brunswick area. It was an old dump that was turned into a major environmental park and city farm. The award recognises the value of volunteering to communities. It also seeks to promote excellence in volunteer management practices.

That CERES deserves such recognition is exemplified by the return of the Save the Kingfisher festival, which saw 1000 performers and more than 100 volunteers behind the scenes organising the props and materials. Thousands of families participated in the festivities. It is a deserved winner of an award that seeks to promote volunteer work and recognise the contribution of volunteers in the community.

### **Rail: Shepparton–Numurkah–Cobram service**

**Mr JASPER** (Murray Valley) — I refer to the reinstatement of the Shepparton–Numurkah–Cobram passenger rail service. Because I recognise the importance of the service and the concern of the Minister for Transport to return passenger rail services to country Victoria I seek his support for the reinstatement of that service. It could be implemented very quickly at minimal cost because of the high standard of the rail service that already exists between Shepparton, Numurkah and Cobram.

## **AUDIT (AMENDMENT) BILL**

### *Second reading*

**Debate resumed from 25 November; motion of Mr BRACKS (Premier).**

**The SPEAKER** — Order! I am of the opinion that the second and third readings of this bill require to be passed by an absolute majority.

**Mrs MADDIGAN** (Essendon) — I take great pleasure in speaking in support of the Audit (Amendment) Bill. Many Victorians will be pleased to see the introduction of the bill to re-establish the independence of the Auditor-General. The changes to the powers of the Auditor-General undertaken by the

previous government aroused the concerns of a very large section of the Victorian community.

People who had previously taken little interest in how government operates and even less interest in how the Auditor-General operates suddenly became aware of the importance of that role in safeguarding their rights and acting as the government's watchdog. I am also pleased that opposition members have decided to speak to the bill because in so doing they will probably reflect the views of their many constituents who were concerned about the changes made by the previous government.

I clearly remember a public meeting that was held at the time the changes were to be made. The meeting was held in West Melbourne when Parliament was sitting and it was addressed by the current Premier. The hall in West Melbourne was large and totally packed; people were spilling out into the street. At the conclusion of the meeting many people came to Parliament to listen to the debate. Groups were limited to 5 or 10 minutes in the chamber so that all those who wanted to hear the debate about the removal of the powers of the Auditor-General could be accommodated.

When people saw a basic tenet of democracy being removed they expressed their wide-ranging concern. I know many Victorians are pleased the Audit (Amendment) Bill is one of the first pieces of legislation being introduced by the Bracks Labor government. We look forward to the return of the independent powers of the Auditor-General.

I refer the house to a meeting held in 1997 in my electorate about the removal of the Auditor-General's powers, which followed a meeting in West Melbourne. Many of those who attended the meeting said they had not previously been involved in party politics or issues of a political nature, but their level of concern was so great they thought it important to come out at night and attend a public meeting to demonstrate their support for the then Auditor-General and his independent powers. It was also a significant issue for many Victorians when they cast their votes in September this year. During the election campaign many of my constituents asked me what the Labor Party would do about the Auditor-General and his powers if it won government. The issue has obviously stayed with the people for some time. Victorians felt strongly about it.

When preparing my speech for this debate I went through my files on the Auditor-General and was again surprised at the breadth of concern. I received many letters, not only from my constituents but also from people who signed the petition presented to Parliament,

as well as groups and organisations. Liberty Victoria conducted an extensive campaign highlighting the effect the removal of the independent powers of the Auditor-General would have on the democratic process and the scrutiny of government. The New South Wales Auditor-General, Tony Harris, and the New Zealand Auditor-General expressed concern about the reforms proposed to the Audit Act. It is unusual for auditors-general to speak out about public policy issues, but it is significant that people from other states and overseas who support the Westminster democratic system of government felt it necessary to raise their concerns.

The Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants expressed their concern. A media release of 21 November 1996 from the society states:

A hands-off approach by government to the role of the Auditor-General is the only acceptable way our democratic processes can be safeguarded.

That view was held by many Victorians. It is no surprise that governments find fault with the Auditor-General. It was not only the previous coalition government that found some of the Auditor-General's comments unwelcome. Governments often believe the findings of the Auditor-General are unwarranted. That is why it is so important that the Auditor-General retain his independence; his role is not mirrored by anyone else. The Auditor-General has powers to examine documents that are not available through any parliamentary process — for example, he or she can obtain documents that cannot be obtained by a freedom of information application. The removal of the independent powers of the Auditor-General helped people form the view that this was a secret state. Victorians are now delighted because the passage of this bill will mean that their interests are protected because there will be a watchdog overseeing government processes and administration. Performance audits will be reintroduced.

The information made available to government is extensive. I will not detail that range of information today because it has been discussed many times both during the previous debate on the Audit Bill and subsequently. Honourable members know that information covers matters that are of great importance to the community, such as the Crown Casino contract, Intergraph and so on.

Many of those who raised issues about the removal of the independent powers of the Auditor-General had legal or accounting backgrounds, but community and charitable organisations also expressed concern about

the loss of individual rights as a result of the Kennett government's legislation. Like many others, I received letters from the Good Shepherd Youth and Family Services, the Conference of Leaders of Religious Congregations in Victoria, the People Together Project, the Victorian Local Government Association, the Victorian Council of Churches and the Victorian Council of Social Service, just to name a few organisations that do not normally comment on issues relating to the independence of the Auditor-General. They believed it was such a major issue that they entered the political debate to put their views forward. Those organisations will be pleased that the Audit Act will be amended so that the Auditor-General's powers of investigation of government administration will be returned.

On behalf of the 700 or 800 people in my electorate who signed the petition and the many people who raised the issue with me, I am pleased to support the bill. I am relieved that once again the Auditor-General will have proper independent powers of investigation to ensure that government action is scrutinised on behalf of the people of Victoria.

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

**Mr DIXON (Dromana)** — In joining the debate on the Audit (Amendment) Bill I shall address some of the amendments proposed by the Leader of the Opposition, particularly amendment 1 concerning the dismissal of the Auditor-General. The bill provides that the Auditor-General can be dismissed by a motion moved by the Minister for Finance. That narrow dismissal process is open to abuse — for example, personal conflict between the Auditor-General and the minister could affect the way the Auditor-General does his job and get in the way of that relationship. The dismissal provision should not be compromised by personal relationships.

The Minister for Finance may have a disagreement with the Auditor-General. However, if the Auditor-General is doing his or her job that disagreement should not motivate the minister to move a motion to remove the Auditor-General from the job. The Auditor-General is not an officer of the executive; he or she is an officer of the Parliament. The government and the opposition agree that that is one of the underlying principles of the bill.

Opposition amendment 1 refers to the process of removal of the Auditor-General, which is similar to that for the Ombudsman. That clear process, which was

agreed to by both sides of the house, gives the Auditor-General the protection of the Parliament so that he or she can go about his or her work without fear or favour. It is a process, not a summary execution. The amendment allows any honourable member to move a motion to dismiss the Auditor-General. That power is not given just to the Minister for Finance or other members of the executive. It is a foolproof and sound process on which both houses of Parliament must agree.

The opposition's amendment 10 ensures that the Auditor-General has the responsibility of reporting to Parliament. All honourable members were elected by the people of Victoria to represent their views and to be accountable to them. It is important that the Auditor-General be in a similar position when reporting to Parliament because Parliament represents the people of Victoria.

The Auditor-General must report directly to Parliament, not through the media. The media can be selective about what it reports and can place a certain slant on its reporting. The facts are not always reported because they may get in the way of a good story.

The Auditor-General will not report to the Parliament through some obscure publication that is not read by Victorians. It is important that the Auditor-General report not only to the Parliament but that he or she is an instrument of the Parliament rather than of the government. The amendments make it clear that the Auditor-General must report back to all members of Parliament, which represents the people of Victoria.

The opposition's amendment 11 retains the objectives of the Audit Act. Other business organisations and community groups record their aims and objectives. They are an important statement of policy or set of rules that are a visible and constant reminder and provide benchmarks for those who are, for example, studying the Auditor-General's findings. It will ensure that the Auditor-General reports on those objectives and is therefore accountable to the people of Victoria who will be interested in any findings.

The opposition's amendment 12 provides that the Auditor-General must produce an annual plan. As part of the process a parliamentary committee must consider and comment on that plan. The parliamentary committees for the 54th session have not yet been appointed, but the relevant committee is the Public Accounts and Estimates Committee. When the committee is appointed it will have power to examine the annual plan and refer it back to Parliament and the

Auditor-General. The Auditor-General must have regard to the recommendations of the committee.

Amendment 13 provides that the Auditor-General must present an annual plan to Parliament before the commencement of the financial year. That excellent accountability measure was not provided for in the bill. It is important for Parliament to be informed of the Attorney-General's plans for the following 12 months so that the community has an idea where the Auditor-General is heading. It also provides an opportunity for advance comments to be made about areas the Auditor-General investigates. It will lead to more open, accountable and transparent government.

The bill allows the Attorney-General to make his or her own standards with no protection for those under investigation. That could allow inconsistencies to arise from year to year because departmental standards could change. It is appropriate that the Auditor-General have clear guidelines about his or her investigations. It is important that the standards are not set at the whim of the Auditor-General.

Although the Australian Society of Certified Practising Accountants supports the bill it expressed some concern. Its letter of 19 November states:

We do not support the proposed amendment to replace 'the general auditing standards as issued by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia' with 'audit standards set out in the report of the operations of the Victorian Auditor-General's Office'.

That concern has been addressed by an opposition amendment.

In conclusion, the Auditor-General is an officer of the Parliament, which represents the people of Victoria. The Auditor-General reports to the Parliament and not to any person or to the media.

I am concerned that the parliamentary committees have not been appointed. A scrutiny of acts and regulations committee should examine the bill. The government should come to terms with that over the next few weeks. The conventions of this place should be adhered to.

The Public Accounts and Estimates Committee should be chaired by the opposition, because that removes the executive from the work of the Auditor-General. The Auditor-General is an officer of the Parliament, and consultation with the Auditor-General in a dispassionate and independent way requires a member of the opposition to chair that committee, not a puppet of the government and the executive.

With those few comments I conclude my contribution, and ask that the amendments be part of the bill because they improve it immeasurably. I am sure both sides of the house will agree with them.

**Mr SAVAGE (Mildura)** — It is always a pleasure to follow the honourable member for Dromana because of an element of tolerance lacking in some other quarters in this place.

Although we are familiar with the role of the Auditor-General and its importance, it is worth reminding ourselves that the function of the auditor is not limited to checking the books at the end of the financial year to ensure that they balance and nobody has misappropriated funds.

An article in the *Age* of 19 November 1997 states:

... Mr Kennett said he expected full support when Parliament voted on the legislation. 'We are all part of one happy band,' he said. 'No government should be persuaded from doing what it believes to be right in order to gain short-term political or personal popularity.'

That was a break with 148 years of tradition, in which the Auditor-General lost his autonomous powers to audit. In the words of Abraham Lincoln:

You can fool all of the people some of the time and some of the people all of the time, but you cannot fool all the people all the time.

The recent state election proves that the community is intolerant of governments that fail to have open, accountable and scrutinised activities.

Many people do not understand performance audits and their importance in ensuring that money spent by or on behalf of government departments and public instrumentalities delivers the maximum benefit to Victorians in both the range of services provided and the quality of the services. An effective Auditor-General is critical to good and effective government. The auditor must ensure not only that the books are balanced but that the departments and authorities achieve the objectives governments set.

The bill comes before the house at a time when there have been two recent reminders of the importance of auditors-general. Less than a fortnight ago the *Australian Financial Review* reported on the federal Auditor-General's criticism of the failure of federal agencies to properly manage contracts with private contractors beyond their formation. The auditor said:

The audit ... observed policies were directed at the front end of the procurement and contracting process up to the point of signing the contract. Comprehensive guidance on the

management of contracts that reflected better practice was found in only a small number of organisations.

The federal auditor observed with respect to seven of eight agencies audited:

Contract management policies, an essential component of an effective control environment, were considered inadequate across the selected organisations, particularly in relation to ... risk assessment, the contract-management and performance-monitoring phase, and the contract-succession phase.

At the same time South Australians were being told that their Auditor-General thought that losing bids for the leasing of South Australia's electricity assets could leave the government open to legal action. The disclosure of the auditor's concerns about inconsistency, inappropriate bidding and possible perceptions of conflict of interest have been welcomed by both supporters and opponents of the privatisation of South Australia's electricity supply. The auditor's role is accepted as being critical to the maintenance of public faith in a process on which so much depends.

It is against this background that the government's initiative to strengthen the independence of Victoria's Auditor-General and restore his control over all aspects of audits conducted at his initiation comes before us. This is particularly pleasing to the Independent members of the house, who are committed to accountable, open and transparent government and for whom the role of the Auditor-General in that process is critical.

Other members have spoken about various aspects of the bill, the objectives of which I believe can be summarised as strengthening the independence of the auditor, increasing the accountability of the auditor to Parliament and restoring to the auditor complete control over all aspects of audits he initiates.

I welcome the insertion of provisions concerning the appointment, removal and tenure of the auditor in the constitution. While I am conscious of the fact that in recent years, at least, governments have had absolute majorities in both this house and the Council and do not want to exaggerate therefore the importance of this measure, I believe it strengthens the independence of the auditor and sends an important public signal about the importance of the auditor's independence to the Parliament.

I also commend the move to have the auditor appointed by the Governor in Council on the recommendation of the parliamentary Public Accounts and Estimates Committee. That proposal will reinforce the proposition that the auditor is an officer of the Parliament and not

the government. It is also a tangible sign of the Parliament's commitment to transparent and open government.

Increasing the accountability of the auditor is also important in that regard. Requiring the auditor to submit a draft program to the Public Accounts and Estimates Committee and to report to the Parliament, among other things, on the implementation of the plan and the audit standard he applies are important demonstrations of the willingness of the Parliament to discharge its responsibility to ensure the auditor is accountable to it.

Much has been said about the importance of restoring to the auditor complete control over all aspects of audits he authorises. I note that the auditor's power to delegate the power to report on the audit of financial statements of an authority is limited to statements that do not exceed \$1 million for any part of the financial year commencing on 1 July 1999. I hope the auditor will not delegate performance audits, even those not covered by that provision.

Related to the restoration of the auditor's control over audits is the expansion of his ability to report to the Parliament on any information he considers relevant to the subject matter of a report the inclusion of which is in the public interest. The current restriction on communicating conclusions, observations or recommendations of reports is too limiting and inhibits the capacity of the auditor to act as a watchdog and effectively exercise the degree of vigilance necessary, as demonstrated by the cases in the federal and South Australian parliaments to which I earlier referred.

The issue of open, accountable and transparent government is of great concern to the Independent members of the house. It was a high priority in the charter we drew up after the election, and we commend the government for its prompt action in honouring its promise to implement the charter.

Recently I received in the mail a card that has a rather attractive picture of the *Titanic* on the front. I can only conclude it was meant as a prediction of my demise in this place. On the back there was an uncomplimentary word.

I am proud to be a member of Parliament, and I am proud to have been instrumental in having the powers of the Auditor-General returned to the people of Victoria. It brought no credit on this place when those powers were taken away. Unlike the *Titanic*, the auditor's powers will not sink to the bottom of the ocean.

I put on the public record my admiration for the former Auditor-General, Ches Baragwanath, who was one of the heroes of the state public service, and a man whom we will never see bettered as Auditor-General in this state.

**Mr PLOWMAN** (Benambra) — I am pleased to follow the honourable member for Mildura, because I respect many of the things he said, particularly about the former Auditor-General. All honourable members share that respect for Ches Baragwanath.

Having served for four years on the Public Accounts and Estimates Committee — which was one of the most enlightening experiences I have had during my political career — I got to know the former Auditor-General well. I came to respect him, and I hope there was mutual respect between the former Auditor-General and the members of the Public Accounts and Estimates Committee.

I agree with the honourable member for Mildura when he says the Auditor-General's influence was beneficial during the 10 years of Labor reign and also during the reign of the Kennett government.

I also commend the Auditor-General for staying on after the changes were introduced to make sure that they were put into effect with as little disruption as possible. His actions ensured the continued success of successive audits.

The honourable member for Essendon did her best to continue the myth by suggesting that the former government had totally reduced the powers of the Auditor-General and caused Victoria to become a secret state. Anyone with experience of secret states would not take that suggestion seriously. To the credit of both the Auditor-General and his office, the auditing of government departments, the preparation of reports on ministerial responsibility and all the other responsibilities of the Auditor-General's office have been carried out without disruption since the changes.

The flamboyantly expressed concerns of the former opposition have dissipated. Over the past 12 months the number of newspaper articles on the performance of both the Auditor-General and Audit Victoria have been negligible. In other words, although the myth continues, both the audits and the work of the Auditor-General's office have been carried out satisfactorily.

I refer to auditing standards, the delegation of powers, performance audits, the relationship of the Auditor-General to a public accounts and estimates committee — or whatever the name of the parliamentary committee will be — the separation

between the office of the Auditor-General and the executive, the outsourcing of audits, and the Auditor-General's relationship with the Parliament.

I turn first to the Auditor-General's relationship with the Parliament. Proposed new section 1(b) provides for the provision of reports on audits by the Auditor-General. Nowhere does the clause say that those reports should be tabled in the Parliament. The tabling of all the reports of the Auditor-General should be mandatory.

It is pleasing that the government has retained the change made in 1997 to have Parliament rather than the Premier's office fund the Auditor-General's budget. It is to the government's credit that it sees the relationship between the Auditor-General and the Parliament as essential. Proposed new section 7A refers to the presentation of the Auditor-General's annual plan in draft form to the parliamentary committee, which I assume will be the public accounts and estimates committee. Proposed new section (7A)(5) states:

The Auditor-General must present the completed annual plan to the Parliamentary Committee.

You have to ask why, given that the committee will have had the opportunity to review the Auditor-General's plan in draft form. The proposed new section also says that after considering the draft plan the committee must return it to the Auditor-General, along with any comments. Having served on the Public Accounts and Estimates Committee for four years, I can imagine comments going backwards and forwards! For example, if there were something in the committee's comments that the Auditor-General wanted to question, he would ask the committee about it. I believe that plan should definitely be presented to Parliament.

The Public Accounts and Estimates Committee was a good committee.

**A government member** interjected.

**Mr PLOWMAN** — I am obliged for the interjection. Both the honourable member and I served on the committee for four years. The committee had an extremely good relationship with the Auditor-General. The provisions requiring both the Auditor-General to present his plan to the committee and the committee to respond to it will ensure an ongoing dialogue between the two. However, as I said the plan should come back to Parliament for its judgment.

Subsections (1)(c) and (2)(a) of proposed new section 7B refer to reports on the Auditor-General's

office being transmitted to both houses in compliance with section 48 of the Financial Management Act.

Proposed new section 7B(1) states:

As soon as practicable after the end of each financial year, the Auditor-General must —

- (a) prepare a report of the operations of the Victorian Auditor-General's Office during the financial year ...
- (c) cause the report of the operations and audited financial statements to be transmitted to each House of the Parliament.

It is of interest that proposed new section 7C requires compliance with the directions under section 49 of the Financial Management Act that apply to financial statements of departments, except to the extent determined by the parliamentary committee under the proposed new section. It states:

- (1) The Parliamentary Committee may, by resolution, vary any obligation or requirement imposed on the Auditor-General or the Victorian Auditor-General's Office by or under —
  - (a) section 7B(2)(a) or (3)(a); or
  - (b) the Financial Management Act 1994 or the Public Sector Management and Employment Act 1998.

Subsections (2)(a) and (3)(a) of proposed new section 7B relate to sections 48 and 49 of the Financial Management Act, which in turn relate to section 45. Section 45 of the act states:

- (1) As soon as practicable after the end of each financial year —
  - (a) the relevant Minister of a department must cause to be prepared, in accordance with this Part, a report of the operations of the department during the financial year ...

It strikes me as strange that under proposed new section 7C the parliamentary committee — the Public Accounts and Estimates Committee (PAEC) — can vary an obligation of the Auditor-General.

The second point concerns the outsourcing of audits. You may recall, Mr Acting Speaker, that during the debate in 1997 it was clearly stated that at that stage 80 per cent of all financial audits were being outsourced and it seemed appropriate that all performance audits should follow suit. I am pleased to note that although that part of the act relating to Audit Victoria is being repealed, proposed new section 7E allows for that to continue. It states:

The Auditor-General may engage any person or firm under contract to assist in the performance of any function of the Auditor-General.

I remember the 1997 debate. It was one thing to do a financial audit where almost anyone could reflect the figures of a government body or department, but performance auditing became almost impossible unless one was able to draw on people with specific experience and expertise in given areas. When I was a member of the PAEC it looked at the performance audit of the zoo and of the botanic gardens. In both cases unless an auditor from the Auditor-General's office, which was the case, had specific knowledge of those two areas it would have been very hard for that person to do a performance audit. I am delighted that the proposed new section covers that requirement.

Another area I am concerned about deals with the separation of the Auditor-General from the executive. Proposed new division 2, which is substituted by clause 9, includes proposed new section 7C(1), which I have mentioned earlier. It states:

The Parliamentary Committee may, by resolution, vary any obligation or requirement imposed on the Auditor-General or the Victorian Auditor-General's Office by or under ...

It then refers to the proposed new paragraphs I mentioned earlier. If the government benches have a majority on the parliamentary committee and the executive wishes to influence the Auditor-General it is not inconceivable that the executive could act through that parliamentary committee. I wonder about the strength of the statement contained in proposed new subclause (1) — the committee will have that power under the proposed provision and it needs to be watched closely to ensure it is not abused.

The committee has not been re-formed so bills, including this one, have not been scrutinised. One of the particular responsibilities of a scrutiny committee is to ensure that delegation is not improper and that it does not take anything away from the officer responsible, whether it is a minister or, as in this case, the Auditor-General.

Clause 9 inserts proposed new section 7F, which relates to the delegation of functions and powers except those given under sections 15, 16 or 16A of the principal act. I question the power given under proposed new section 7E, which states:

The Auditor-General may engage any person or firm under contract to assist in the performance of any function of the Auditor-General.

The provision needs to be examined closely by the Scrutiny of Acts and Regulations Committee or

whatever committee takes its place, given that the Auditor-General has the power of delegation.

An incoming government may repeal the amendments proposed to the Audit Act and introduce its own amendments, but the opposition must diligently watch whether those amendments bring about changes to the separation of powers between the Auditor-General and the executive.

The honourable member for Dromana quoted from a letter from the Australian Society of Certified Practising Accountants in respect of auditing standards. The letter states that the set of standards the opposition wishes to have incorporated:

... reflects the professional requirements of the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants as stated in auditing statement AUS 702 'The Audit Report on a General Purpose Financial Report' issued by the auditing and assurance standards board ... The board membership has included representatives from the commonwealth, state and territories auditors-general.

The standards under which the Auditor-General should act cannot be disputed.

**Mr LANGDON (Ivanhoe)** — I am more than pleased to join the debate on the Audit (Amendment) Bill. I will do the house a favour and will not quote the bill clause by clause.

**An honourable member** interjected.

**Mr LANGDON** — It is suggested by interjection that that has already been done to death, and that is probably a fair comment. I will, however, speak on the bill's impact on the Auditor-General and the cutting of our democratic rights by the former government and the effects that had on my seat. Having been the member for Ivanhoe since 1996, I was a member of this place when the previous government brought in changes to the Auditor-General's office, and I can inform the house that my electorate did not like what the former government did and was not afraid of coming forward.

I tabled a petition in this house signed by over 1000 of my constituents who were against the proposed changes. While the Minister for Environment and Conservation is in the house, I will point out that a petition with a large number of signatures was also presented from the electorate of Bundoora, which she represents. The constituents of our areas were gravely concerned about what the previous government did to the Auditor-General, the Audit Act and the accountability of the government to the Parliament and the people. Obviously that concern was reflected in the last election result. My majority has been substantially

increased and, I am pleased to say, so has that of the honourable member for Bundoora.

A major campaign in my electorate focused on the cutback of the powers of the Auditor-General and what the previous government was doing to democracy. I launched a campaign in the Ivanhoe shopping centre at which the then opposition leader, John Brumby, spoke. He was supported by the honourable member for Williamstown, Steve Bracks, and the honourable member for Niddrie, Rob Hulls, who are now the Premier and the Attorney-General respectively.

Although the event was called at very short notice approximately 80 to 100 people attended outside the office of my upper house colleague, an honourable member for Templestowe, the Honourable Bill Forwood. Unfortunately, he was not to be seen anywhere. I had hoped he would come out and speak to the gathering, but he hid behind his door. He did, however, send out a minder to keep an eye on us. That attitude probably accounts for the demise of many members of the former government who would not speak out against what their government and the former Premier were doing to the Auditor-General's office.

Having listened to a fair number of speeches from members of the opposition, I say it is a shame that those people did not speak up earlier. They are doing it now and saying they are all for the Auditor-General and the powers the government is restoring to his position, but they said absolutely nothing in their own party room at the time. They failed to address the problem, and that has led to them sitting on the opposition benches — where they belong, I might add.

The campaign I ran in my electorate was very effective, and one of my favourite quotes from it comes from the former Premier. On 22 July 1993 he said:

We're going to be in government for a long, long time, and if not we'll legislate to ensure it.

He clearly endeavoured to do that. He tried to close down the operation of the freedom of information legislation, challenges to the Supreme Court and the Auditor-General's office. In a way, he tried to keep his word by legislating to ensure that his government would be in office for a long, long time.

**A government member** interjected.

**Mr LANGDON** — My colleague makes a very good comment: 'Another broken promise'. The former Premier was full of them. Despite the fact that the government could legislate all it wanted and do anything it wanted because it had absolute power as a

result of a huge majority in both houses, it did not take Victorians along with it. The former government treated the public with absolute and utter contempt. It ignored the fabric of the Westminster system. During the last election campaign I was very pleased to see that not only did the former Auditor-General speak out but the New South Wales Auditor-General, Tony Harris, also spoke out. In one article he said:

The Victorian Auditor-General model adopted by the Kennett government is unique in the Westminster system as it has weakened Parliament's capacity to hold the government accountable while strengthening the government's capacity to control its Parliament.

Obviously, the former Victorian Auditor-General and the New South Wales Auditor-General were gravely concerned about the situation because it is highly unusual that such people should speak out. When democracy is attacked people like that should be commended for speaking out, which they did. I emphasise that they brought to the attention of the public time and again the actions of the former government.

The former member for Frankston East was the only person from the opposite side of the house to take a principled stance on the issue. I commend him for that. Unfortunately, he is not here to see the results of the election. He may not have totally approved of them, but I know he would have approved of what the government is doing in the house today and what it will continue to do by strengthening democracy and restoring the power to the people of Victoria.

I commend the honourable member for Mildura for the comments he made to the former Auditor-General and for his campaign on this subject, not only prior to the last election but during the past two to three years when he attended many public meetings.

I was very proud that the Victorian public took a stance on this issue. People were so concerned that they did many hours of work, including letterboxing, despite the fact that they are not used to being a part of the political process in the way members are. Many members of the public had never stood up to be heard, yet they decided to take action on this issue. I commend their efforts.

One of the many questions often asked about democracy is: what does one vote count for? In Geelong one vote counts for a lot, because that seat was won by only 16 votes. I am pleased those 16 votes went the government's way. One vote here or an action there can affect the results. The outcome of the election in Victoria is a principled response to all the attacks that have been made on the state over the past seven years.

Yesterday I attended a school, the name of which I do not wish to mention, where I was pleased to hear the Minister for Education answer question after question about the public's right to speak out. One of the greatest concerns of members of the school community was that under the former government they did not have the right to speak out, which is a prime example of how democracy in this state was limited. The school had a fundamental problem that had nothing to do with government policy.

An incident meant that the principal had to seek a response from the department. He was terrified when he had to ring the department at 2.00 a.m., only to get a regional number up in the bush and some person telling him that he could speak out. But that did not involve a policy issue. An incident had occurred at the school and the principal had to do the right thing and go through the process. I am pleased to say that we have freed up that process.

The bill enshrines two basic principles: it ensures the independence of the Auditor-General and his freedom from executive direction, and it establishes a transparent and accountable framework for the Auditor-General. They are two important aspects of the bill. The previous government did not want any transparency of government at all. We witnessed that in opposition. Time and again I am amused to hear the hypocrisy of opposition members, particularly during question time, when they claim they are being restricted.

Over the past three and a half years in this place I have never experienced as much time and access being allowed during question time. The government wants to be transparent, and it is trying to open up the process like it has never been opened up before. It is reversing the undemocratic actions of the former government. I commend the government and the Premier for doing that, and members of the government party will work to ensure that it continues.

I will not speak for the entire time allocated to me, but I am pleased to join the debate. I am pleased to represent the electorate of Ivanhoe, where I know a large number of the constituents. I say to the opposition that more people in the opposition heartland — the conservative area of the electorate — were concerned about what the previous government was doing with freedom of information, the Auditor-General and other issues than in the Labor heartland. The opposition's traditional voters rebelled more than my traditional voters did. In the past two elections the biggest swings have occurred in the conservative heartland of Ivanhoe and not in the Labor heartland. The conservative heartland woke up to

see the damage the previous government was doing. I am more than pleased to welcome my new voters on board, and I hope they stay my voters.

In response to the words of the former Premier, who said his government would legislate to be in government for a long time, I say that that objective failed, just as the former Premier failed to represent everyone in Victoria.

**Mr LUPTON (Knox)** — I support the Audit (Amendment) Bill. The opposition will put forward some 20 substantive amendments, and the government says it will accept 19 of them. That shows the opposition is trying to be constructive and professional and is trying to ensure that the best possible legislation is put through the house.

I have a couple of concerns about the various amendments made by the bill. I will not go through all of them in detail, because many honourable members have already done so. The first of my concerns is the repeal of section 3A of the Audit Act. The minority Labor government is proposing to delete the objectives section of the Audit Act, which will mean that no objectives will be set out.

Members of the opposition believe the act must contain some objectives. It is an important oversight, and I hope it was not done for political gain. I hope it was merely an oversight, but I have my doubts.

I refer to the letter of 19 November from the Australian Society of Certified Practising Accountants, which was referred to earlier. The government is looking at changing the auditing standards under which the Auditor-General operates. The letter states:

We do not support the proposed amendment to replace 'the general auditing standards as issued by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia' with 'audit standards set out in the report of the operations of the Victorian Auditor-General's Office'.

The audit standards set out in the report are those in operation in the Victorian Auditor-General's Office. I would have thought the standards issued by the two eminent accounting bodies would have been appropriate for the Auditor-General in Victoria, New South Wales, Queensland or anywhere else to operate under. I cannot understand why the government is proposing to remove those standards and replace them with standards issued by the Victorian Auditor-General's Office. I find that strange and unprofessional.

The letter goes on to say:

The explanatory memorandum contains no explanation for this change. The existing legislative requirement reflects the professional requirements of the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants as stated in the auditing statement AUS 702 *The Audit Report on a General Purpose Financial Report* issued by the Auditing and Assurance Standards Board of the accounting bodies.

That board comprises a number of people eminent in a profession that has very high standards. They have said clause 15, headed 'Confidentiality and auditing standards', is nonsense, yet no reason has been given for repealing the general auditing standards provisions. I urge that the earlier statement of standards be retained. I fully support the comments made by members of the board. We must have the set of standards recommended by the two august bodies, the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants of Australia. Why would we want to chuck out such standards and adopt, instead, the standards set by the Victorian Auditor-General's Office?

I return to the question of parliamentary committees. At present there is no Public Accounts and Estimates Committee and no Scrutiny of Acts and Regulations Committee. The legislation before us should have gone before the SARC.

**Mr Nardella** interjected.

**Mr LUPTON** — I hopped into the honourable member for Melton last week, and I will get into him again this week. We are committed to having a parliamentary committee system. We want parliamentary committees. You are the government. Don't you know that?

**The ACTING SPEAKER (Mr Seitz)** — Order! The honourable member for Knox!

**Mr LUPTON** — Don't you realise you are in government? You should be able to control the parliamentary committee system, but you still can't get it up. You still have not woken up.

**The ACTING SPEAKER (Mr Seitz)** — Order! The honourable member for Knox will address his remarks through the Chair.

**Mr LUPTON** — I was not addressing you, Mr Acting Speaker.

The minority Labor Party is the government in this state — heaven forbid! — and should be able to determine — —

**Mr Nardella** interjected.

**Mr LUPTON** — Absolutely no way would I ever vote for you. Heavens above! I would never in a blue fit vote for the Labor Party. It is like a bad dream!

**The ACTING SPEAKER (Mr Seitz)** — Order! Interjections are disorderly. The honourable member for Knox will ignore them.

**Mr LUPTON** — I am trying hard, but I am tempted. Interjections from the honourable member for Melton and the Attorney-General tempt me.

I emphasise that the opposition is committed to a parliamentary committee system, and the earlier it is established the better. Members of the minority government should come up with some facts and figures to bring to the table, and members of the opposition will probably agree with them. The opposition wants a parliamentary committee system. The Drugs and Crime Prevention Committee, for example, of which I was a member, did magnificent work. Many people are being killed by drugs in Victoria, and that problem was being investigated by the committee. The minority Labor government has not had the guts to form a similar parliamentary committee. The situation with that committee is the same as it is with the SARC.

*Government members interjecting.*

**The ACTING SPEAKER (Mr Seitz)** — Order! Government members will get the call next. The honourable member for Knox, without assistance.

**Mr LUPTON** — We should have a parliamentary committee system, and it is essential to bring it in as soon as possible. The former government, which has been canned consistently by the minority Labor government during this debate, never once put legislation before the house that had not first been before the SARC. Never once! I say to the minority Labor government and its three Independent helpers, 'For heavens sake let us get down to taws and bring in the parliamentary committees'.

The bill should have been before the SARC for discussion and examination. If a bill is to be debated, it should be debated well. There has been an enormous amount of repetition and canning of the previous government. Let's get on with it. The opposition supports the legislation and the government has accepted the opposition's amendments, apart from one. We should now pass the bill and leave the minority government to go away and re-establish the parliamentary committee system.

**Debate interrupted.**

**DISTINGUISHED VISITOR**

**The ACTING SPEAKER (Mr Seitz)** — Order! I welcome to the gallery of the house Dr Zhang Wen Kang, Minister for Health, China. Welcome to this Parliament!

**Honourable Members** — Hear, hear!

**AUDIT (AMENDMENT) BILL**

*Second reading*

**Debate resumed.**

**Mr VINEY** (Frankston East) — It gives me great pleasure to address the house on the Audit (Amendment) Bill, which will serve to resolve one of the most vexed issues facing the people of Victoria in the past few years: the cutting by the previous government of the powers of the Auditor-General.

That act, and the way it was done, was of symbolic importance, as mentioned in this debate by the honourable member for Dandenong North. The people of Victoria saw in the decision to cut the powers of the Auditor-General a direct attack on democracy, decent government, openness and, in particular, accountability.

I was somewhat amused by the contribution of the honourable member for Knox, which was short and irrelevant. In particular the honourable member commented about the need for objectives to be stated in the bill. The objectives are absolutely clear. They are the objectives of open and decent government, transparency and democracy. Members of the opposition seem to have considerable trouble understanding that. The symbolic decision of the Labor government to introduce the audit legislation early in the parliamentary term to honour its clear commitment to the Victorian community is a demonstration of its commitment to those objectives and principles.

One wonders about the objectives of the previous government. All honourable members have come to understand that the former government was about gagging the community and cutting the powers of an Auditor-General who was doing the right thing by Victorians in overseeing the accounting and management of public funds in this place. The actions of the previous government were disgraceful and unfortunate.

Two electorates in Victoria were unusually aware of and focused on the powers of the Auditor-General. The first was Mitcham. I note the comments of the

honourable member for Mitcham about the previous government now serving a well-deserved penance on the other side of the house for its disgraceful actions in relation to the Auditor-General.

The second electorate was Frankston East. It is perhaps unusual for such a community to be so concerned about accounting. However, the former member for Frankston East, the later Peter McLellan, made such an issue about it that he decided to resign from the Liberal Party immediately after the passage of the bill that changed the role of the Auditor-General. I note that the honourable member for Gippsland West paid tribute to Peter McLellan in her comments to the house. It is interesting to note the following comment Mr McLellan made in the general election campaign:

You the electors of Frankston East said, 'Please, Peter, oppose the removal of the powers of the Auditor-General. Mr Kennett is doing the wrong thing by removing those powers. We want an independent Auditor-General to oversee the public purse'.

Mr McLellan went on to say that he had taken a stand on the issue and had listened to his electorate. That was done only by the former members for Mitcham and Frankston East. No other member of the opposition when in government took a stand against the Premier. They were prepared to kowtow and bow to the former Premier for his favours. They were prepared to follow the edicts and instructions of the former Premier without a sound. They were mute on the issue of the Auditor-General.

Many members of the community wrote expressing their concerns. Honourable members have already heard quotes from accounting organisations, various public commentators and about the dozens of public meetings around the state. A comment made by the former member for Frankston East that he was prepared to cross the floor of the house on the bill was widely reported at the time in both the local and metropolitan press. Unfortunately, he was not able to follow through on that public commitment, and I suspect that was because 12 other government members who he said were prepared to cross the floor with him backed down. Every one of them lost his or her spine and failed to demonstrate the courage to cross the floor. They left Mr McLellan with no choice but to resign as a member of the Liberal Party and to absent himself from the house when the vote was finally taken.

Many other signs should have indicated to the previous government that it was on the wrong track in attacking the powers of the Auditor-General. Following the resignation of Mr McLellan from the Liberal Party the Mitcham by-election recorded a 17 per cent swing

against the Kennett government. The former ombudsman, Mr Norm Geschke, made a number of public comments. I have known him for about 30 years since I was a teenager and have found him to be an admirable man of great principle. I am sure that all members of the Kennett government would have been well aware of Mr Geschke's principles. He stood up at a public meeting and declared that he felt the changes to the powers of the Auditor-General were a serious attack on the democratic institutions of the state.

The previous government could have taken note of many signs when considering changes. In my previous role of listening to and understanding the needs and concerns of the community, it became clear to me that the Victorian community viewed the decision to attack the powers of the Auditor-General as symbolic of a government that did not want to listen to critics but wanted to silence them. The Kennett government was not prepared to brook any sort of comment that might be construed as a criticism. For example, today the Minister for Education announced the removal of the gag on teachers. That was typical of the matters of principle on which the previous government failed.

In the lead-up to the last election and from my discussions with Victorians it became clear to me that a key issue was concern about the cuts to the power of the Auditor-General. People often could not say his name; they often confused him with the Attorney-General who now sits at the table or a different Attorney-General at the time. However, they understood that the role of the person holding that position was to protect their interests in the expenditure of public funds.

One wonders what the members opposite were doing when they visited their electorates. They were even warned by their own branches. Honourable members have heard quotes from the Mulgrave branch and from a member of the Red Hill branch. The house just heard an address from the honourable member for Dromana. A member of the Main Ridge-Red Hill branch of the Liberal Party wrote a letter in which he said:

It seems difficult for us to understand why the government is so frightened of a 62-year-old man called Ches Baragwanath and his modest number of staff. It is quite out of character!

Why indeed, Mr Acting Speaker? Was it to silence any potential criticism by the Auditor-General? It was not the actual criticism that was of concern to the previous government but the potential for criticism. One wonders what the honourable member for Dromana was saying to members of his party who were expressing such concerns. One wonders whether he was listening to those concerns and whether he

communicated them to his own party room. From all accounts that did not occur. Not only was the honourable member for Dromana not listening; no member from the other side was listening.

**A Government Member** — They gagged them.

**Mr VINEY** — They gagged them indeed! It is worth highlighting a few points from the bill, and clause 3 in particular, which inserts the position and role of the Auditor-General into the constitution. That demonstrates above all else the commitment of those on this side of the house to open and accountable government.

The bill will enshrine the independence of the Auditor-General in the Victorian constitution. That will ensure long-term certainty about the future position of the office.

I take this opportunity to commend the role of the Independent members of the house for their dedication, particularly the honourable members for Mildura and Gippsland West, who served in the previous Parliament. I also commend the honourable member for Gippsland East for ensuring this issue is a key part of the charter of good government. The Independents withstood considerable criticism from members of the former government, and particularly from the failed former Premier. They should be proud of their preparedness to stand up to that criticism to ensure the role and independence of the Auditor-General was restored as quickly as possible by the Bracks Labor government.

I commend the Premier for his strength. I recall when many public commentators took the view that the Kennett government would rule the state for 1000 years. The Premier, who was then the opposition's treasury spokesman, stood up to that challenge and recognised that the people of Victoria were vitally concerned about the Auditor-General's lack of powers. He made it a key plank and a commitment of the Labor Party that on winning government it would restore those powers.

I commend the Minister for Finance who, as the then Leader of the Opposition, was prepared to take up what he recognised was a serious issue in the community. He was prepared to listen to the people and guaranteed that both he and the now Premier would restore those powers.

I am proud to be part of a government that is restoring the powers of the Auditor-General and I am proud to support the bill. The Bracks Labor government is not just restoring the powers of the Auditor-General — it is

enhancing those powers and ensuring that the role of the Auditor-General will be enshrined in the Victorian constitution.

I welcome the opposition's support of the bill. Although I am highly amused at the backflips, I should have thought honourable members opposite would be prepared to admit that they made a strategic and tragic error. I am still waiting for them to apologise to the people of Victoria for their action. I am sure Victorians will recall that as one of its first acts the Bracks government restored the powers of the Auditor-General. I commend the bill to the house.

**Mr SMITH** (Glen Waverley) — In joining the debate I note that the contributions of government members have not been about the bill. They have been tirades against the previous government or its members. The Attorney-General did not refer to the bill. Instead he spoke about individual members of the opposition. I am sure he has not even read the bill. The honourable member for Frankston East referred to the provisions that would repeal Audit Victoria and talked about the enshrining of the powers of the Auditor-General in the Constitution Act.

I remind honourable members that the Constitution Act is a tool of Parliament, unlike the federal constitution, which can be changed only by a majority of states and the people of those states indicating in a referendum their agreement to such amendment. The enshrining of the powers of the Auditor-General in the Victorian constitution is tokenism because the act can be amended by a resolution of Parliament. It may sound good, but it is not much in practice. It is part of the propaganda of the Labor government.

The previous Auditor-General, Mr Ches Baragwanath, contracted out approximately 70 per cent of audits. I will be interested to know whether the new Auditor-General, Mr Rod Cameron, will use members of the Audit Victoria staff under his control or the private sector to conduct audits in the next 12 months. The fact that the previous Auditor-General contracted out almost 70 per cent of audits speaks volumes for the efficiency of the private sector.

The bill proposes compromising auditing standards. The issue has been canvassed by a number of speakers so I will not say too much about it, except that the government has not explained why it believes it is necessary to reduce auditing standards. I would welcome members of the government indicating why they want to change the accepted Australian auditing standards; instead they engage in tirades against members of the opposition. The Australian Society of

Certified Practising Accountants has indicated in a letter to honourable members that the proposed reduction in auditing standards is unwelcome.

According to the honourable member for Footscray, who has carriage of the bill, apart from amendments 17 to 26 the government has decided to accept all the amendments proposed by the Leader of the Opposition. That is significant because the issue of auditing standards needs to be explained. I am sure the new Auditor-General will not have a bar of the proposed auditing standards and will ensure that the staff of what is currently Audit Victoria or other people contracted to conduct audits will adhere to the auditing standards of the Australian Society of Certified Practising Accountants.

During a Commonwealth Parliamentary Association tour in 1993, I visited Westminster and the Ottawa and Toronto parliaments in Canada, where I spoke with representatives of audit committees. I was a member of the Public Accounts and Estimates Committee in a previous Parliament so I had a particular interest in the appointment of the Auditor-General. The members of that committee included the honourable member for Benambra, the then honourable member for Sunshine, the Honourable Theo Theophanous, a member for Jika Jika Province in the other place, the Honourable David White, a former member of Doutta Galla Province in the other place, and was chaired by the Honourable Graeme Weideman, a former honourable member for Frankston. It was a lively committee that took on board a number of issues. I remember on returning from my trip I told the committee that the Auditor-General in the Ottawa Parliament was appointed by the equivalent of the Victorian Parliament's Public Accounts and Estimates Committee.

Former Premier Cain and David White appointed Ches Baragwanath as Auditor-General. The bill provides that the Auditor-General will be appointed by the government on the recommendation of a public accounts and estimates committee. It is important that that appointment has bipartisan support. The current Auditor-General would want Parliament to have a say in the running of the committee given its task in the selection process. The time has long gone when governments appoint auditors-general. An opposition member should chair such a committee. It is a tradition in the Westminster system that such a committee is chaired by an opposition member. It does not go unnoticed by overseas visitors.

Unlike the way it is done in Victoria at the whim of the government of the day, in Westminster all recommendations of the Auditor-General, no matter

how minor, are considered and acted on by the committee. It is an all-powerful committee of the Parliament and a watchdog of awesome proportions. If the government wants open and honest government it should take cognisance of how that committee operates. I know the politics of it, and I am not trying to influence honourable members in any way.

The same process applies in Canada where its public accounts committee sits daily. The audits conducted by the Auditor-General are questioned by the committee, which is properly resourced. Its recommendations go before Parliament and, if they are not implemented, questions are asked by the media and become an issue of the day.

After having spoken with members of the public accounts committee in Ottawa I spoke to the equivalent committee in Toronto about accrual accounting. Victoria was the leader because of the speed with which it introduced accrual accounting. Public accounts committees and the like are of paramount importance. I have not followed up whether other countries were picking up on what Victoria was doing. Toronto was a highlight of my trip. The committee also visited the equivalent committee in France to see how it operated. At first blush it seemed similar to that of Westminster, but it was discovered that few recommendations could be incorporated into the new system.

If the opposition amendments are agreed to the bill could become a world best. The disallowed clauses will be vigorously debated while the bill is between here and another place. While the bill is between houses the government should examine whether the appointment of the Auditor-General should be done by Governor in Council or on the recommendation of a public accounts and estimates committee. It gives status to the parliaments in countries where it is working well by ensuring that the person selected to be the Auditor-General is the best person for the appointment.

I have spoken about the Attorney-General's tirade about the opposition's amendments. From time to time he is amusing and sometimes he is completely irrelevant. However, I gather his anger is because he is not the gaming minister in the Bracks government. I do not know whether the reported meeting between Premier Bracks and the Packer organisation would be part of the agreement. From his speech I detected nothing more than a slanging match against opposition members. His contribution added nothing of substance. If the opposition were not serious it would not be introducing 44 amendments. I counsel the Attorney-General to do his homework or give someone else the job. A 20-minute tirade on the peccadilloes of

various opposition members added nothing to the debate or the status of the Attorney-General.

It would not surprise me if the first casualty in the Labor cabinet were the Attorney-General because of his ill-chosen and sometimes ill-considered criticisms, which are not worthy of his high office as the Victorian Attorney-General.

The bill brings great credit to everyone involved with it — to government members for its proposal and to opposition members for putting up the incredible number of amendments. Victorians will be pleased with an act that will bring great credit to the people of Victoria, notwithstanding that the government tried to get away with not having appropriate auditing standards in the bill.

I reiterate my request to hear a member of the government explain why the government chose not to go with the Australian accounting standards as set out in the letter from David Edwards. Now that the error of its ways has been pointed out the government has decided to accept the amendments, but I would like to know why it chose not to include the auditing standards in the bill. One likes to give credit where it is due, but if there is no reason and the answer is another tirade —

**Mr Nardella** interjected.

**Mr SMITH** — If the honourable member for Melton chooses to spend his time attacking opposition members with the monotonous repetition we have heard to date, he will achieve nothing, but if he can provide an explanation of why the auditing standards were left out he will be making a beneficial contribution to the debate.

It is good to see the Premier return to the house for the debate. The Premier and his committee have had the sense to take on board the rest of the amendments, which are substantial.

I am pleased to support the amendments proposed by the Leader of the Opposition, and I wish the bill a speedy passage. I hope amendments 17 to 26 are also included, if not here then in another place, and that they are later voted on. The amendments go to the crux of making legislation of which we can all be proud.

**Mr NARDELLA** (Melton) — The bill should be called 'The Restoration of the Watchdog, not the Lap-dog', because it puts in place what the spineless members on the opposite side of the house could not and would not do when in government because they did not want to put the former Premier offside. Honourable members opposite have done a massive backflip,

because back then they knew that what they were doing was wrong. They had to follow the edicts of the Premier, because if they did not do that the only alternative was to take the Peter McLellan course — leave the party.

However, the spineless members opposite — who come in here and pontificate about how good the bill is and how good their amendments are, and how their amendments will strengthen the powers of the Auditor-General — were nowhere to be seen or heard when the Auditor-General was shorn of his powers. They were gagged under the previous government because they could not stand up to the Premier.

They are still trying to blame members of the present government, when we are implementing the policy we took to the people of Victoria. This is not a policy that we were forced into because we faced oblivion in opposition or had to agree with the Independents and not a policy that demonstrates a lack of any philosophical base other than a desire to go into government but a policy that we believe in and took to the people.

Time and again at meetings and public forums, in conjunction with Liberty Victoria, the Australian Society of Certified Practising Accountants and the Victorian community, Labor members debated the issues while coalition members were silent. They were nowhere to be seen. They were more embarrassed than anyone because they supported the amendments put through in 1997 to gag the Auditor-General.

Make no bones about it, honourable members opposite knew what they were doing. They knew that when they put the gag on the Auditor-General they were gagging themselves, because even during the last state election campaign they could not bring themselves to comment. They could not bring themselves to place before the Victorian public, other than through their Premier, the policies they were espousing to the Victorian people.

The policy they espoused did not contain the amendments they have now presented in the house. They did not propose a backflip. They were espousing the continuation of the gag their government imposed on the Auditor-General, and that is what would have happened if they had been able to get onto the government benches this time.

They are saying, 'Here are our amendments that will strengthen the legislation, which we really don't believe in. We don't believe in it because when we are in government we do not want the Auditor-General to look into our concerns. We do not want the

Auditor-General to look over our shoulders to ensure we are doing the right thing. We want to gag the Auditor-General by putting on restraints, just like we did with freedom of information, the Director of Public Prosecutions and teachers'. Here they are, back again in opposition with no policy and no philosophy. It is just a matter of trying to put themselves back in the game in Victoria.

Government members strongly support the bill, and many times have we gone to the people with our position on this matter. Every time we have done that we have been vindicated. The 1997 Mitcham by-election resulted in a 17 per cent swing towards the Labor Party, primarily on the issues of gagging the Auditor-General and how Victoria was being run. We were vindicated! We were also vindicated in our stance on Peter McLellan and his campaign against the Kennett government, which contributed in part to our winning government on 18 September. What a fantastic result! It also added to the excellent result in the Frankston East supplementary election one month later.

Again, it is part of the process where, repeatedly, the government has gone to the people on a policy in which it believes and which protects the assets of Victorians. The government wants to be accountable.

**Mr Leigh** interjected.

**Mr NARDELLA** — Don't talk about State Bank Victoria. When in government the opposition sold everything it could lay its hands on. The only things honourable members opposite could not sell were their grandmothers! It is a joke. Briefly, for the benefit of opposition members the sale of the State Bank was a policy decision. It was agreed that the State Bank be sold because the then Liberal opposition would not pass the Labor government's legislation through the upper house. Do not say it was only a Labor Party decision; opposition members were part of that decision.

**Mr Leigh** interjected.

**The ACTING SPEAKER (Mr Phillips)** — Order! The temperature in the house makes it hot and sweaty. I am unsure from where honourable members are finding their energy. Interjections are disorderly. The honourable member for Melton is doing well and needs no assistance. The honourable member for Mordialloc will receive the next call. I ask the honourable member for Melton be allowed to continue without interjection.

**Mr NARDELLA** — Thank you, Mr Acting Speaker. Several honourable members have spoken about not having a scrutiny of acts and regulations committee deal with the legislation. I agree that such a

committee should examine the bill. Unfortunately, the opposition will not negotiate with the government on the establishment of joint parliamentary committees. Fair dinkum! The opposition put its position to the government — that is, take it or leave it. It does not want to talk about the government's ideas; it wants to put in place an unrepresentative and non-negotiable committee structure totally controlled by the Legislative Council.

The government cannot be blamed for failing to finalise the joint parliamentary committees. Unfortunately, important bills such as the one the house is now debating are not going through the appropriate process of examination by a scrutiny of acts and regulations committee. The government is bound by the intransigence of the opposition. It cannot discuss the parliamentary committees any further unless the opposition shifts from its current position. It is false for the opposition to blame the government for not establishing the joint parliamentary committees.

The bill enshrines the independence of the Auditor-General. An opposition member said the bill was tokenism. It is correct that a resolution, a motion or a bill could change the placing of the Auditor-General under the state constitution. However, the government today places before honourable members a position of principle. Although the opposition may consider it tokenism, it is an important symbol of where the government sees the Auditor-General in the system of parliamentary democracy. The government wants to demonstrate to Victorians that it is serious about the independence of the Auditor-General. The government believes its symbolism is critical. Compare it to the symbolism of the former government under which the Auditor-General could not undertake performance audits but had to contract them out. He was hamstrung by Audit Victoria, the board and by other means in the previous legislation that really — —

**Mr Mildenhall** — He was gagged.

**Mr NARDELLA** — The honourable member for Footscray is correct; he was gagged. Honourable members opposite supported the gagging of the Auditor-General yet they criticise the government's symbolism — not only symbolism but also fact — that the Auditor-General is placed under the protection of the constitution. Interestingly, the opposition supports the government's position. It has done a backflip not only on that provision but also on other provisions encompassed in the bill.

Why is it now supporting the bill? It had the opportunity to oppose earlier legislation: when the

former Auditor-General, Ches Baragwanath, demonstrated his independence and reported on the corruption in Intergraph under the previous government and on the previous government's favourable treatment of its mates at Crown Casino — Uncle Ron and Uncle Lloyd. When they wanted extra poker machines and gaming tables the previous government granted what they wanted — but they did not have to pay extra money for the licences because it was looking after them. The Kennett government wanted to keep those underhanded deals and issues quiet, but the Auditor-General investigated them.

In exposing the actions of the previous government the Auditor-General also exposed the \$33 million that went into the pockets of the mates of those corrupt officials who advised previous Kennett government ministers — —

**Mr Leigh** — Who were they? Name one!

**Mr NARDELLA** — The Tyrrells of the world — your mate. Mr Tyrrell was one of the blokes that the previous Kennett government looked upon as a mate. Opposition members cannot deny it. In a corrupt way the Tyrrells of the world ripped \$33 million off the good taxpayers of Victoria, and back then it was the role of the Auditor-General to expose that corruption in the Victorian government.

Have opposition members learnt from that experience? Do they really believe in this legislation that will enshrine the independence of the Auditor-General? Yes, but only if it is introduced when a Labor government is in power — only if it is anyone but them who is scrutinised by the Auditor-General. They have no feeling for and no sincere position on the legislation — and it will be proved time and again on other government legislation. Philosophically opposition members do not believe in an Auditor-General who is independent of the executive and can report to Parliament without fear or favour because such an officer could expose their corruption.

The bill is important. It is part of the government's commitment to democratising Victorian society again following the seven long, dark years during which, speaking metaphorically, the policies and mechanisms needed to expose the corruption of the previous government were hidden under a rock. The government strongly supports the bill.

**Mr LEIGH** (Mordialloc) — I am delighted to follow the honourable member for Melton because the diatribe and rubbish that he came out with suggests the

best place he could go is back to the upper house — if they will put up with him there.

However, it is important for me to comment on some of the issues he raised. I will go back in time to the 1980s because the Auditor-General was, or should have been, involved in some of the issues that arose. When the Cain–Kirner government was in power during the 1980s it spent in excess of \$213 million for consultants, massively increased the public service, bureaucratized the state and became obsessed with process, but in the course of doing that forgot a couple of things. The honourable member for Melton talked about the former State Bank. He might not know that I remember the issues surrounding the loss of the former State Bank Victoria, because I was in Parliament when the relevant bill was introduced.

At the outset I will answer some of the honourable member's allegations about corruption. If the act was perfect in its previous form why was it that during the period of Labor's administration Victoria lost in excess of \$20 billion of taxpayers' money? That period included the former Victorian Economic Development Corporation, State Bank Victoria and Tricontinental fiascos. I recall as chairman of the waste watch committee investigating some of the issues and often having meetings in hotels with Labor Party sources, who were handing over documents and all sorts of things.

The case of the State Bank, which the honourable member for Melton mentioned, was interesting. He was right when he said the opposition of the time supported State Bank Victoria legislation. It was not so much supported as not opposed. More importantly, the then Premier, Ms Kirner, came to the then opposition leader, Mr Kennett, and the then shadow Treasurer, Mr Stockdale, and said that there would be a problem if something were not done about the bank, and done quickly. Mr Kennett and Mr Stockdale told the party room that there was a problem with the State Bank and that it would be necessary to pass legislation to deal with it. Members of the party room asked Mr Ward-Ambler, the then chairman of directors, and the chief executive officer to discuss the matter with them.

If Parliament had not passed the legislation at that time there would have been a run on the bank, which had got itself into a mess under the Cain–Kirner government. The then government had wanted the bank to expand and deliberately set in place processes to achieve that end. In effect it said, 'Look, here's a great opportunity to reduce taxes, if State Bank Victoria and Tricontinental can raise money and make money'. But

the state bank lost an awful lot of money. During the course of those years various auditors-general occupied the office. The Auditor-General at the time signed off on the Pyramid Building Society, and within months the organisation had collapsed. The honourable member for Albert Park was a ministerial adviser in the lead-up to that collapse. The state had a process with that act, the way it was before the Kennett government — —

**Mr Mildenhall** interjected.

**Mr LEIGH** — You lost the money; you were here. The honourable member for Footscray was one of those who helped play the games. There are a lot of former Cain–Kirner government advisers in this chamber who played a relevant — —

**An honourable member** interjected.

**Mr LEIGH** — It is relevant because the previous legislation under which the Auditor-General worked was in place and the Auditor-General could have exposed all those corrupt activities. He did not do so.

In 1982 the people who sat on the other side of the chamber smiling happily became saddened because \$20 billion went down the drain. Mr Farrow and company were signed off by the Auditor-General of the time. Parliamentary members of the Labor Party — many advisers or branch members — pretend nothing happened, but money was lost. Ms Kirner sold the bank to the then Prime Minister, Mr Keating, and got nothing for it. It cost us \$2 billion and took five or six years for the debt to be paid out.

The honourable member for Melton raised the matter of Intergraph. The Honourable Rob Knowles, the Minister for Health at the time, went to the Premier when problems with Intergraph came to his attention and asked him to conduct an audit, but the Auditor-General did not pick it up.

Loose claims are made by the honourable member for Melton about corruption — in awarding the tender for the casino, for example. His party, in government, established the process and, except for one person who was sacked for taking a flight in America, every one of the people who awarded the tender had been appointed by the Cain–Kirner government.

In the past few weeks it has been rumoured that something will be found on the casino and that it will all blow up in our faces. The only people with red faces are the government members because they have found nothing. Even members of the media, wanting to do as they did in the 1980s and follow the circus, accept that

there is no corruption; there is no case. The *Herald Sun* and other commentators are saying, 'You are being ridiculous; you are believing your own rhetoric. Don't get carried away. You are the government at the moment conducting — —

**Mr Savage** — On a point of order, Mr Acting Speaker, the honourable member for Mordialloc has been speaking for 7 minutes. His comments have little relevance to the bill. I ask you to bring him back to the bill.

**Mr LEIGH** — On the point of order, Mr Acting Speaker, I was speaking about the Audit Act. The Auditor-General was involved in the State Bank, Tricontinental, and the Pyramid Building Society, which are all part of the history of the bill. The honourable member for Melton spoke for over 8 minutes, and I was answering his comments. I did not notice the honourable member for Mildura make the same point during the honourable member for Melton's comments. If he is going to be independent he might have done so. I am speaking on the bill.

**The ACTING SPEAKER (Mr Phillips)** — Order! I do not uphold the point of order on the basis that one of the privileges of sitting in the chair is that of listening to the debates. There has been some straying on the bill. Members must direct comments to the bill, but the honourable member for Melton was straying, talking about watchdogs, backflips of the government, gagging, and spineless members of the opposition, and some tolerance was exercised. The honourable member must now come back to the bill.

**Mr LEIGH** — The honourable member for Melton used to belong to the jellybacks faction: that of former Prime Minister Hawke. As one of the members who was allegedly gagged — and I was not gagged — I point out that people should understand the history of the bill.

*Honourable members interjecting.*

**Mr LEIGH** — You are like a rabbit on a road at night with the light coming at you. The honourable member is saying the job is past him. We know that.

When the original bill was introduced by the former Premier I was one of those who did not agree with it.

*Honourable members interjecting.*

**Mr LEIGH** — I am on the public record as being one of those who did not agree with aspects of the bill. If honourable members opposite had bothered to look at what the Premier said at the outset and where that bill

got to at the end, they would know there was a great deal of discussion and at times disagreement. There will come a time when members of the government will face exactly the same circumstances, so they should think carefully before they jump too fast on this matter. I, along with other members of my party, disagreed and argued with the then Premier.

*Honourable members interjecting.*

**Mr LEIGH** — I wasn't gagged; there was no gag. That is rhetoric the Labor Party made up. If members of the government want to believe their own nonsense, they can go ahead. The fact is that the Liberal Party had a healthy debate about what should happen with the legislation. If one compares the original bill proposed by the Premier and the bill that actually went through the Parliament, one can see a number of differences. If the Auditor-General wanted to investigate a body, he simply had to say to the parliamentary committee some months down the track, 'I went off to investigate this because I needed to look at it quickly'. He could have done that under the act — that was not a problem.

If the government wants to revert to the original act that is fine, but the opposition has put forward amendments to improve the bill. Parliament must be careful not to allow circumstances to exist where an independent body that is ultimately not accountable to anyone can make decisions that affect people's lives, including those of members of Parliament. The New South Wales Independent Commission Against Crime was involved in a case against Mr Greiner, the then Premier. It was subsequently proved that the case against him was false, but he had lost his job as Premier and had no recourse. That body did what it wanted and was not accountable to anybody. Ultimately those sorts of organisations, like auditors-general, should be accountable to the Parliament. Parliament must also be careful to ensure bodies such as a public accounts and estimates committee do not become the faithful lap-dogs or servants of the government of the day.

During the years of the Cain administration the government backbenchers were a pack of neutered poodles! Where were they during the loss of \$20 billion? Nowhere. They had all been to the vet and been neutered. Ultimately I do not have a problem with the changes in this bill; it is not that big a deal.

**An Honourable Member** — You've been to the vet!

**Mr LEIGH** — No, I have not, but I know where you have been and it is grubbier than where I have been, son!

I do not object to the bill. I hope the reform process will enable the Auditor-General to investigate what happened under the last Labor government when the losses mounted. The honourable member for Melton and others spoke about corruption. Despite the rhetoric of honourable members opposite, so far no case of corruption has been found against the Kennett government. Let them prove it! It is easy to make allegations in this place without proof. There will always be people who do the wrong thing, but they should be called to account. The last time the Labor Party was in government that did not happen. Government members have smiling faces now and think it is terrific at the moment, but they will find that the day will come when one of their ministers will do something wrong. They will not look so happy then.

**An Honourable Member** — Naive.

**Mr LEIGH** — I do not think they are naive; I repeat that I think they are neutered poodles. This government has been handed the healthiest position of any administration in history.

*Honourable members interjecting.*

**Mr LEIGH** — Financially, that is a fact: the budget is \$1.7 billion in front compared with a deficit of \$2 billion when the Kennett government took office in 1992. The government and the Auditor-General have a big responsibility to ensure the losses of the past do not occur again. Interventionists permeate the Labor Party. I note that the Premier now says he is not a socialist. I know many honourable members opposite are, but their leader is not. If he is not a socialist presumably he is bordering on being some form of capitalist. I hope he is not an interventionist capitalist with other people's money — that is, taxpayers' money. He should remember things such as the Victorian Economic Development Corporation.

I give a warning that auditors-general must be much more conscious of what happened during the reign of the last Labor government and ensure that it does not happen again. Victoria will not again have the ability to take the financial losses that occurred under Labor in the past. The Liberal government was able to get the state back on a solid financial footing, but it will not be so easy next time. If the Labor Party guys muck it up the levies that will need to be imposed on all Victorians will be massive. It will be like South Australia where Labor spent 20 years destroying the state. If we are not careful the same thing will happen here again.

As I said, I have no problems with the changes. It is good that the opposition has put forward what I regard

as healthy amendments which, for example, empower the Governor in Council to remove the Auditor-General from office if he ever does the wrong thing. That is good, and I presume that is one of the amendments the government will accept. It will make the Auditor-General accountable to the state and will also mean that if the government of the day ever wants to remove the Auditor-General from office it will be accountable to the Parliament. When Labor was last in government, its members and advisers acted in arrogant abandon to destroy the taxpayers of this state. They may laugh, but I suggest that, rather than laugh, they should read the *Hansard* record of the time so they will not make the same mistakes again. Victoria cannot afford it.

**Ms ALLAN** (Bendigo East) — One of the refreshing changes at the last state election was that many tolerant, moderate people were elected to this place, unlike the honourable member for Mordialloc!

It is with great pleasure that I speak on the Audit (Amendment) Bill, which enshrines and entrenches the independence of the Auditor-General. Until the previous government embarked upon its campaign to bring down Victoria's independent watchdog, very few people even knew the state had an Auditor-General let alone knew his name. As they came to understand the importance of his role and its importance in parliamentary democracy they were appalled at the changes the previous government firstly proposed, secondly supported in the party room, and thirdly voted for in this chamber.

Many members have already spoken about the importance of the role of the Auditor-General as a watchdog, casting an eye over members such as the honourable member for Mordialloc in their dealings in the Parliament and casting an eye over governments of both persuasions and the fair and independent way they have acted in their roles.

**Mrs Peulich** — On a point of order, Mr Acting Speaker, the honourable member for Bendigo East is reflecting on another honourable member by suggesting that he is in need of some sort of scrutiny by the Auditor-General. I suggest that sort of reflection is unparliamentary and I ask you, Sir, to ask her to withdraw.

**The ACTING SPEAKER (Mr Phillips)** — Order! As has been indicated, I suggest honourable members should be careful that they do not object to everything that is said. My understanding is that a general reflection is reasonably acceptable, depending on what it is. However, if a reflection is made on an individual

member and that individual takes objection, he or she can ask to have the reflection withdrawn. Is the honourable member for Bentleigh individually taking an objection?

**Mrs Peulich** — Mr Acting Speaker, the standing orders you refer to relate to the process of finding something offensive. If an honourable member finds a reference offensive he or she can ask for its withdrawal. That is not the case. I am referring to a reflection on a member, which is in the standing orders. I suggest, Mr Acting Speaker, you rule it out of order.

**The ACTING SPEAKER (Mr Phillips)** — Order! Is the honourable member for Bentleigh taking an objection as an individual?

**Mrs Peulich** — It is a standing order — —

**The ACTING SPEAKER (Mr Phillips)** — I appreciate that.

**Mrs Peulich** — It is a standing order of this place not to reflect on individual members of the house. It is different from finding something offensive and asking for its withdrawal.

**The ACTING SPEAKER (Mr Phillips)** — Is the answer no, that the honourable member is not individually taking an objection?

**Mrs Peulich** — It is not the same point of order.

**The ACTING SPEAKER (Mr Phillips)** — On the other point of order, I was not aware of any reflection that was disorderly or covered by any standing orders. Perhaps it is something I have missed. All honourable members would be aware that reflections on honourable members are disorderly and should not occur. It has been pointed out that there may have been such a reflection but I am not aware of it. I do not uphold the point of order simply because there is not an individual objection. However, I ask the honourable member to confine her comments to the bill.

**Ms ALLAN** — As I was saying, the Auditor-General issue was raised with me as I doorknocked throughout the electorate of Bendigo East. It was seen as another example and signal of the arrogant manner of the former government and its secret state operation of Victoria. It also illustrated the former government's contempt for open and accountable government in Victoria.

The Labor Party supported the Auditor-General against the vicious attacks on his office and supported the community in its campaign for the reinstatement of the

Auditor-General's powers. Labor formulated a clear set of policies on the Auditor-General, and called for open and accountable government. That policy was endorsed by Victorians, particularly those in my electorate of Bendigo East at the last state election. The Bracks Labor policy clearly states that it will restore the full powers and independence of the Auditor-General, the Director of Public Prosecutions and other key public office-holders. I am pleased to say that today that is what we are moving towards.

With the public outcry that greeted the former government's changes, members of the Liberal-National coalition blithely ignored the Victorian community. I turn briefly to comments that were made by a member for the North Western Province in the other place, the Honourable Ron Best, because they illustrate the former government's overlooking of the community outcry on the issue.

**Ms Asher** — You talk about him more than I do!

**Ms ALLAN** — We both have a vested interest. The Honourable Ron Best has a record of not listening to his constituents on important issues. The huge outcry on the catchment management tax and the City Link tolls come to mind. However, when dealing with the Auditor-General, while the community was in uproar, Mr Best was running the party line, albeit a Liberal Party line. He is reported in *Hansard* of 9 December 1997 as saying:

Our starting point caused a lot of conjecture in the community, but the legislation means we have finished by enshrining the independence of the Auditor-General and preserving his ability to conduct audits.

That flies in the face of what the electorate was saying to him and all former government members. Mr Best did not appear to repeat such statements in the public domain, nor did he raise the concerns of his constituents in Parliament.

The bill is another example of the Bracks Labor government getting on with the job. It illustrates the high regard in which government members hold the office of the Auditor-General. We believe the changes to the Auditor-General's office need to happen quickly. The proposed legislation has been introduced as a matter of importance. I am proud to be a member of the Bracks Labor government which is reinstating the independence of Victoria's chief watchdog, the Auditor-General. I commend the bill to the house.

**Mr ASHLEY (Bayswater)** — I congratulate the government on one thing — it is not what it imagines I am congratulating it for. The government has won a

victory, but it is a victory of rhetoric and propaganda over reality. Labor took this issue to the people of Victoria and created a whirlwind out of it, which blew up into a hurricane. The hurricane rolled over the state and a deluge of rain flooded Victorians in such a way that many came to the conclusion that there were things fundamentally wrong with the Audit (Amendment) Act 1997. That illusion was simply made up along the way and became fact by virtue of being repeated so often.

Labor made the point that the Auditor-General's powers were being taken away. The reality was that one part of the Auditor-General's functions up until that time was taken away but not entirely. The rest of those powers remained and continued. They included improvements to the Auditor-General's office by his becoming a statutory independent officer of the Parliament, whose office was to be funded by Parliament and not the Department of Premier and Cabinet, as had been the case until 1997.

Under the 1997 act the Auditor-General had statutory protections against directions which included complete discretion in performance or exercise of his functions or powers. The Auditor-General was not subject to direction from anyone about whether a particular audit was to be conducted, the way in which an audit may be conducted, or the priority which was to be given to any matter. Those were in the Auditor-General's hands, and his hands alone.

Under that act the Auditor-General had control over the audit program and had the staff to carry out his management and control functions. The Auditor-General was to report directly to Parliament. He could control the tender process of all audits and choose to bypass the tender process if he believed the situation was sufficiently sensitive to warrant that. The Auditor-General could make that case and carry it. He had sole authority to engage all auditors and to act as their principal. The Auditor-General decided whether to sign the audit certificate on each and every report as it made its way through. He and his staff were to supervise all contract auditors and all auditors, whether they were to work in the private or public sector, were to be bound by professional ethics.

The Audit Act is not so much a revolutionary but an evolutionary act. The 1999 bill is two steps forward, one step back. It is evolutionary. It does not restore the Auditor-General's powers because they were never removed. If it is two steps forward why is it one step back? It is one step back because the legislation, as with the Local Government (Best Value Principles) Bill, sets aside the rigours of competition policy and the

understandings that have developed in the purchaser-provider model in the delivery of services.

Competition policy is not unimportant for a whole series of reasons. The essence of the Hilmer report goes as much to Paul Keating as any other individual. Paul Keating roped in the other states and the commonwealth to ensure that national competition policy became a main focus in the future of this country. Victoria varied from the other states on the significance of national competition policy by including a review of the Audit Act instead of leaving it aside for a later date. That may well be the reason for its failure — it was before its time. It might have been better if it had been left for a few years down the track when the results of competition policy and the testing of the purchaser-provider model were more clearly understood.

In 1995 Hilmer said:

Over the last decade or so, there has been a growing recognition, not only in Australia but around the world, of the role that competition plays in meeting these challenges —

that is, the challenge of making states more prosperous.

Competition offers the promise of lower prices and improved choice for consumers and greater efficiency, higher economic growth and increased employment opportunities for the economy as a whole.

Hilmer defined competition as:

... the striving or the potential striving of two or more persons or organisations against one another for the same or related objects.

That definition brings us to an understanding of the purchaser-provider model of exchange and transaction, which asserts that in drawing clear boundaries between demanding and supplying and buying and selling the real interests of those involved are separated and clarified. In the case of public sector audits the Parliament's interests are highest quality and lowest price. That is hard to achieve through the same officer — the Auditor-General — supplying what he or she is demanding on behalf of Parliament, because one set of those conflicting aims would inevitably be compromised. In other words, the Auditor-General would not be able to hold the supplier to account if the supplier was the Auditor-General.

Essentially, that is what David White was alluding to and what the honourable member for Sandringham brought to the attention of the house when he said that it seemed to him that the Auditor-General was quite effective in bringing small matters to notice, but when it came to the huge issues such as the State Bank going

off the rails he had nothing to say. If the only role the Auditor-General played was that of a purchaser on behalf of the Parliament he would be in a position to take a much more rigorous stand and would not need to defend his office or his staff over any failure to bring the audit process to his attention.

The problem becomes apparent in fining tram service providers. If the service providers are not at certain tram stops on time to deliver people into the city, they are now liable for fines. No government anywhere in the world would impose a fine on itself.

When conflict occurs in the provision or purchase of services, there is room for things to be done in a slipshod way. I am not suggesting that the former Auditor-General was slipshod; all I am saying is that, when a person has to balance two things and play two roles instead of a single role, that person is in danger of having to compromise. The essence of the 1997 act was simply to separate the role of providing the service to the Parliament from the role of purchasing the service.

We have to ensure that the essence of the 1997 act is not lost in the bill, because unless a public accounts and estimates committee has a more up-front role in giving advice to the Auditor-General or has a role in choosing the Auditor-General, there is a real possibility that Parliament will fudge its responsibilities on behalf of not only the taxpayers but all the citizens of Victoria.

The Audit Act is more evolutionary than revolutionary. It has taken two steps forward and one step back. We can live with the one step back, because that is the will of Parliament at this time, but a few years further down the track we may revisit that one step back and say that there is good reason for separating the purchasing role of the Auditor-General from his providing role. If the Auditor-General had a single role, that would be all he or she would have to deal with, professionally.

I am told that our contributions to the debate are limited to around 10 minutes, so having made those points I shall quietly take my seat and allow the call to pass to another.

**Mr INGRAM** (Gippsland East) — I strongly support the proposed amendments to the Audit Act and the restoration of the Auditor-General's powers. The amendments will improve the democratic structure of both the Auditor-General and the Parliament.

I quote from the Independents charter:

The aim of this charter is to provide for stable, open and accountable government, which is able to work productively for the people of Victoria.

The Independents believe ensuring that the Auditor-General is a truly independent officer of the Parliament is fundamental to providing stable and accountable government for Victoria.

The Independents charter deals with promoting an open and accountable government, and it lists two priorities concerning the Auditor-General. They are:

... to restore the role, function and resources of the Auditor-General by repealing the Audit (Amendment) Act 1997;

to have future appointments to the position of Auditor-General made on the recommendation of the joint parliamentary Public Accounts and Estimates Committee.

Both of those priorities are met by the Audit (Amendment) Bill. I take the opportunity to thank the government for making the amendments and for doing so at the earliest possible opportunity.

The coalition also supported the proposals in the charter for the restoration of the Auditor-General's powers. I am pleased to note that the Liberal-National partnership has approached the bill in a positive way by seeking to make amendments it believes will improve the bill and by not engaging in opposition for the sake of opposition.

I am pleased that both the Liberal and National parties have put forward the amendments and that the government has seen fit to accept most of them. One might be optimistic enough to hope that the opposition's approach is symbolic of the new democratic process in this Parliament and that we can reach agreement on many bills, thus providing a good, working Parliament.

Unfortunately I cannot support all the amendments proposed by the Liberal and National Party partnership, particularly amendment 3, which would give either house the ability to remove the Auditor-General and would be likely to reinforce a system of adversarial politics. The risk, given the approach of all parties to government, is that the proposal would set the scene for power plays and would destabilise the position of the Auditor-General. That is not in the best interests of the stability of the position of Auditor-General or the stability of Parliament.

Legislation that made unfortunate changes to the Audit Act was passed in the last Parliament. That the changes were unfortunate was borne out during the recent election campaign, when a lot of people said that the matter should be one of the priorities of any new government. I believe that is one of the reasons an Independent was elected to the seat of Gippsland East. I

will share my thoughts on the contribution of my predecessor in the Gippsland East electorate to debate on the previous bill. He stated:

The bill is in the public interest, for the good of all Victorians and will have the support of all Victorians.

The events of the past few months have demonstrated just how wrong he was. By abolishing the changes now Parliament will be taking a step that is truly in the interest of the public — not only my constituents but all Victorians.

In conclusion, the Audit (Amendment) Bill is an important step in achieving open and accountable government for Victoria. I strongly support it.

**Mrs PEULICH** (Bentleigh) — I am pleased to rise in support of the Audit (Amendment) Bill and the amendments moved by the Leader of the Opposition.

When the previous legislation was introduced I spoke about and took an active part in internal debate on it. I again draw the attention of the house to my special commitment to the themes in the bill, having had a father who was an auditor in a communist regime and who was imprisoned for undertaking his role. I reiterate that as a legislator and member of the house I would never support anything that I could not morally agree with or support with my integrity intact.

The bill is neither a restoration-of-powers bill nor a repeal bill. The sad story of the coalition government is that its handling of the issue was possibly the worst of any I can think of. The Labor Party ran a successful grassroots campaign, which employed effective rhetoric and emotive arguments. I have spoken about smoke and mirrors previously, and I will speak about them again. The truth was very much the victim, with people jumping on bandwagons and running with lines that were run by the media without an appreciation of the full facts.

The full facts are that the report of the Audit Act review, chaired by Maddock, Dahlsen and Spencer, which was initially presented by the former Premier, was vehemently opposed by many in the then coalition. It would have been an absolute outrage if some of its recommendations had been adopted, and a vigorous internal campaign took place to ensure they were not. For example, the report spoke about ministers being able to commission their own audits, about the Auditor-General being subservient to the estimates committee and therefore to the government of the day, and a whole host of other outrageous things that a number of coalition members could not abide by and about which they ran an effective internal grassroots

campaign with the support of many branch members. There was correspondence on the matter — some of which the honourable member for Footscray read — and there were state council resolutions.

There is no doubt there was a huge difference between the recommendations made in the Audit Act review and the bill that was passed — thank God, because I would not have supported the proposed recommendations. The casualty was truth, and truth sometimes is neither black nor white — it is often grey, and is often to do with perceptions. After there had been a vigorous internal debate and everyone was finally in agreement about what was to go through, a perception was created by media reports that the backbench was falling into line. In fact there had been what was probably the biggest cave-in ever by the Premier of the day. The media reports should have been that Jeff Kennett was caving in, but were instead that backbenchers were falling into line. That was sad for democracy.

I have heard a lot of hyperbole and one-line grabs, but the truth is very different. My Labor opponent at the last election kept running the line that I campaigned vigorously on the issue but was spineless for not voting against it. There was no need for me to vote against the legislation that was finally introduced.

**An honourable member** interjected.

**Mrs PEULICH** — He was wrong again. Cartha Maloney was very wrong. Many simplistic arguments have been heard from those on the benches opposite. One is about the former member for Mitcham, but he used the previous legislation as a mask and a reason for exiting this place. Never once did he speak about it before that. I do not recall that happening at any time either at committee meetings or in the party room.

Essentially the bill is about the elimination of the compulsory tendering out process that was established through Audit Victoria and the splitting of the office — yet all the powers in the current bill are very much the powers that were provided in the previous bill. I am delighted to hear that the Premier will support some of the amendments to be proposed by the Leader of the Opposition. Under both the previous and proposed legislation the Auditor-General decides what is to be audited, commissions all the audits, appoints and pays the auditors and rejects the audits. He has always had all the powers necessary to determine what he wanted. None of the business about the independence of the Auditor-General being savaged was true. It was just a line that gained an enormous amount of momentum and cost the coalition greatly politically.

Under the previous changes the Auditor-General retained the capacity to initiate audits and to bypass the tender process. The reality is that prior to those reforms he had contracted out 75 per cent of the audits; and the present occupant of the position will probably contract out even more under the current arrangements. Under the previous reforms 100 per cent of the audits were to be contracted out, but the Auditor-General retained some capacity to initiate them. Following those reforms the Auditor-General had complete discretion in the exercise of his or her functions and powers and was not subject to direction by anyone in relation to them. That preserved the independence of the office then, and that will continue under the new arrangements.

Under the previous reforms no audit was to be completed or presented to Parliament without the full scrutiny, approval and endorsement of the Auditor-General. As I mentioned, the major change was to the tendering out process. Under the previous arrangements the only person to report to Parliament was the Auditor-General — and he or she was empowered to conduct any investigation considered necessary for that purpose. In that way the independence of the Auditor-General was assured.

The previous opposition speaker, the honourable member for Bayswater, spoke about the purchaser-provider split. Unfortunately debates often end up getting tangled in the ideological jargon that sometimes fails to capture the imagination of the public at large. I used a couple of more down-to-earth metaphors in trying to come to terms with it at the time of the previous debate. My thoughts turned to what happens with a head chef. My mother is a chef and ran a restaurant for many years. I have not seen a head chef of any respected eating place roll up his or her sleeves, cook all the meals and do absolutely everything. That is a bit like what happens with a musical conductor.

A conductor does not get out there and play all the instruments; he or she conducts and is in charge of the integrity of the score being performed. That is basically what the coalition government achieved in the previous bill on the Auditor-General. If that was destroying the integrity of the Auditor-General, obviously I have lost the argument somewhere. And we did lose the argument — we lost the public argument, which was centred on perception. I am delighted that the truth does finally come out.

The bill is neither a bill of repeal nor different in any substantial way to the previous arrangements, with the exception of the tendering out of audits. I am very happy to support the bill and look forward to

monitoring the rate of tendering out of audits under the new provisions. I commend the bill to the house.

**Sitting suspended 6.31 p.m. until 8.03 p.m.**

**Mr BRUMBY** (Minister for State and Regional Development) — The Audit (Amendment) Bill does three things. First, it meets the government's election commitment to reinstate an integrated and independent Victorian Auditor-General's Office. Second, it brings on stream many improvements discussed among government members and the former Auditor-General to enhance the efficiency of Victoria's auditing function. And third, it introduces an accountability regime for the Auditor-General to balance the independence enjoyed by his office.

The new Auditor-General has become a valued participant in the development of the proposed amendments to the Audit Act. He is a person of some experience, and he has been able to draw the government's attention to innovations in the audit function.

The bill not only puts things back the way they were, it also creates a best-practice audit site to assist the Parliament and the Victorian public sector. As the Minister for Finance I have an unusually strong interest in how the Auditor-General conducts his business. He audits against directions and bulletins issued under the authority of the minister, including accounting bulletins, annual reporting standards and the framework for the preparation of the annual financial statement. In a sense, therefore, the Minister for Finance is the principal customer of the Auditor-General, both as a member of the executive responsible for setting standards for financial reporting and as the minister responsible for responding to the Auditor-General's major report.

The Minister for Finance has another important connection to the auditing function. Properly handled, auditing can be a powerful tool for management improvement. The government strongly believes the Audit (Amendment) Bill will give the Auditor-General unprecedented opportunities to contribute to better management practices in this state. The enhanced scope of the legislation covers financial and non-financial matters and will contribute to enhanced accountability.

The old management adage, of which members on government benches are acutely aware — what gets measured gets done — is true. The Minister for Finance has a stronger interest than most in measuring what has been done and then receiving an assurance that the measurement has been done accurately. In modern

public management the Auditor-General should play a strong role in moving agencies towards excellence along the performance spectrum of measurement and management. The bill provides such an opportunity.

In respect to the budget, the quality of financial and performance information before the Treasurer and Cabinet, and particularly before the estimates review committee, is critical to extracting value for money. In an indirect manner the Auditor-General will, through the reinstatement of his powerful audit role, contribute to the process of improving the information base on which resource management in the state is based.

It is more than a little ironic that opposition members are proposing a number of amendments to this legislation, given that when in government they were responsible for the neutering of the office of the Auditor-General. After the election the former Kennett government, in a cheap and tawdry attempt to hang on to political power, attempted to do a backflip on its position on the Auditor-General. That manoeuvre flew in the face of its rationale for its previous position. I remember clearly the former Premier saying in 1997:

Governments are about making changes for the right reasons that are intellectually based and obviously based on commonsense. No government should be persuaded from doing what it believes is right to gain short-term political or personal popularity.

That was the former Premier on 18 November 1997.

Members of the government are practising what the former Premier attempted to preach. We are legislating along lines we have always maintained to be correct for the office of the Auditor-General. The Labor Party has been completely consistent in its approach to the Auditor-General's role and function, while members on the other side of the house have performed extraordinary backflips of gargantuan proportions in their attitude to the bill. Speaker after speaker joining the debate has displayed a level of hypocrisy — —

**Mr Perton** interjected.

**Mr BRUMBY** — Yes,— unparalleled and unprecedented in this Parliament.

**Mr Perton** interjected.

**Mr BRUMBY** — It is a triple backflip of gargantuan proportions, one never before witnessed in this Parliament.

I remember when two years ago one speaker after another seated on this side of the house spoke on matters of public importance and in grievance debates,

question time or debates on legislation in favour of neutering the Auditor-General, nobbling him and totally destroying his independence. The same honourable members, who today are sitting on the other side of the house, are now singing a totally different tune. That is the reverse triple pike of gargantuan proportions. They expect the media and the public, along with their party supporters, to treat them as though they have some credibility. The opposition is a laughing-stock.

Political life is about doing what one believes in, about integrity and about decent public policy. The Labor Party, now on this side of the house, has always held a view about the independence of the Auditor-General and has never deviated from that view. Now in its first few weeks in government Labor is taking up the opportunity to put into practice what it has always believed in — namely, the independence of the Auditor-General. Of the rabble opposite the worst defender, the shadow minister for hypocrisy, the honourable member for Doncaster, sits on the front bench. Anybody who cares to go back through the *Hansard* record — —

**Mr Perton** interjected.

**Mr BRUMBY** — Someone might care to remind the shadow minister that the so-called doyen of civil liberties and basic freedoms in previous terms in opposition, when promised a spot on the front bench by the former Premier two years ago if he toed the line on the Auditor-General, sold out on every basic principle in which he believed, every fundamental public policy, basic right, liberty and freedom. He has no — —

**Mr Thwaites** — Credibility.

**Mr BRUMBY** — No credibility!

**Mr Thwaites** — No hair.

**Mr BRUMBY** — He is a bit light on hair as well. And you've been going to gym.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The minister will address the Chair and speak on the bill.

**Mr BRUMBY** — The bill is about basic rights and freedoms. If the shadow minister keeps losing weight at the rate he has been losing it, there will be nothing left of him in four years.

**Mr Perton** — I thank the minister for his compliment.

**The ACTING SPEAKER (Mr Kilgour)** — Order! I know it is after dinner and it has been a hot day. I have asked the house to come to order. I ask the minister to continue his remarks on the bill and the bill alone.

**Mr BRUMBY** — We should be clear on why the legislation is before the house. It is before the house because two years ago the previous government destroyed the independence of the Auditor-General. Why? Because the Auditor-General brought down a number of reports that were critical of the government — reports into the use of the Community Support Fund; child protection; the misuse of taxpayers' money for political advertising; the casino contract and the Intergraph contract, claiming that contract was at worst corrupt. The previous government could not tolerate that criticism from the Auditor-General and set out to neuter and destroy the independence of the Auditor-General.

The previous government also wanted to prevent the Auditor-General from producing further reports. Reports on the following subjects were scheduled: the efficiency of public transport reforms; child care and kindergartens; casemix funding — honourable members know what that report would have said — and outsourcing and the money wasted by the previous government on contracts and the ambulance service. The government was covering up information and preventing the independent Auditor-General from properly looking at the way taxpayers' money was being used in Victoria.

As pointed out in previous debates, the review of the Victorian Auditor-General's Office conducted by the former government was a sham. Frank Costigan, QC, reported:

The attempt to base the view on national competition policy is flawed beyond correction. It should be abandoned forthwith.

Former government members — they have trailed in here in this shabby exercise in debate — had opportunity after opportunity to stand up and speak for what was right. Motions were proposed by the then opposition but leave to move them was denied. Coalition members had opportunities to contribute to debates on the matter in question time, grievance debates, discussion of matters of public importance and when the legislation was before the house. Most importantly, they had opportunities to do so in their own party room. Members of the former government, the jellybacks on the back bench, in seven years of government stood up on only two matters: superannuation for members of Parliament and paintball. Former government backbenchers took on the Premier of the day on those two matters alone. They

failed every test, and in this debate they have failed every test of credibility, integrity and good public policy.

I take great pride in supporting this early legislation of the Bracks government, which shows it is getting on with the job of introducing good public policy.

**Mr Perton** interjected.

**Mr BRUMBY** — All we get from the other side is whingeing — —

**The ACTING SPEAKER (Mr Kilgour)** — Order! I warn the honourable member for Doncaster that interjections across the table are disorderly.

**Mr BRUMBY** — All we get is whingeing, whining, carping and negative behaviour. This bill is good public policy. The opposition has no credibility. The honourable member for Doncaster is the shadow minister for hypocrisy. Members opposite should show some backbone and get behind this good, decent legislation. The government is getting on with the job and wants to see the legislation supported.

**Mr PHILLIPS (Eltham)** — I am the last speaker to rise in support of the opposition's amendments to the Audit (Amendment) Bill. For some days the house has heard government members talk about the bad aspects of the Audit Act and how the independence of the Auditor-General was in jeopardy. Although I accept that one of the pledges of the now government in the election campaign was to change the Audit Act, I am not convinced that that was a major issue in my electorate. I can speak about my electorate only.

Since the introduction of the bill I have gone back to my constituents to ask them whether the changes to the Auditor-General's role were central to them as individuals or to their families and reason enough to convince them to change their minds about the government. The answer each time was that it was not a major issue. To suggest the former government's changes to legislation regarding the Auditor-General are the reason that Labor members are sitting on the other side of the house is simply a nonsense. I remind honourable members that this is a minority Labor government that ended up with fewer seats than the coalition.

The Independents charter has been disappointing in a number of respects. The house should be introducing a bill to ensure the independence of the Independents. They are nothing but three more mouthpieces for the Labor Party. It is nonsense for the three Independents to suggest in their charter that changes to the legislation

regarding the Auditor-General are of higher priority than jobs, financial management, the economy and the rebuilding of country Victoria. To suggest the community was prepared to go to the trenches over the Auditor-General is simply a nonsense.

The previous government tried to comply with federal legislation introduced by the former Keating government in compliance with the Hilmer report, which concerned introducing competition within the public sector. I have not heard one government member describe how the independence of the Auditor-General is in jeopardy. During the debate I hope honourable members opposite will outline how the independence of the Auditor-General is jeopardised.

The former coalition government maintained the independence of the Auditor-General while ensuring that his department was accountable, as it did with all other government departments. The suggestion that the former government should not use private auditors to audit the Auditor-General's office is nonsense. Simply because he was the Auditor-General appointed under former Labor Premier John Cain did not make him infallible. He is still a human being — in this case a man with two arms and two legs. The Auditor-General's office should have no worry about being audited and, where possible, improved.

Before the change to the legislation the Auditor-General — he alone — determined that it was appropriate to contract out 75 per cent of his work to the private sector. That happened because he clearly did not have the expertise within his department to carry out many of the audits required. However, the Labor opposition took the view that it was okay to privatise 75 per cent of contracts but how dare the Kennett government suggest he should contract out 80 per cent or 85 per cent or, in the case of the changes to the Audit Act, 100 per cent? The former government also suggested that he go to the marketplace and determine by competition who obtained the contracts. Not only was he required to give the community the best possible price to protect his budget but he was required to have it done on the basis of professionalism.

The 1997 Audit Act guaranteed the independence of the Auditor-General. I have summarised those guarantees in 12 points. Point 1 is that section 7 for the first time expressly provided that the Auditor-General be an independent officer of the Parliament. Guess what? The Labor government picked that up and kept it in its new bill. It says that section is okay. For the first time, instead of making the Auditor-General accountable to the minister or the Department of Premier and Cabinet, the former coalition government

made him accountable to Parliament, which is how it should be. The Labor government picked up that section and said, 'Good section. We will pinch that idea and run with it in the new bill'. The opposition does not have a problem with that. It thought it was good and so does Labor.

Point 2 is that section 7 gave the Auditor-General total control over his audit program and made his activities accountable to Parliament and not the executive government. Does anyone want to argue about that principle? I notice there is no interjection at the moment. I have obviously turned them all off already.

Point 3 is that under section 8, the Auditor-General reported to Parliament each six months and not to the executive government on his auditor appointments. What is wrong with that? I am still waiting to hear from the government side.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Eltham should not invite interjections from across the house.

**Mr PHILLIPS** — No-one will respond. I certainly do not want a response because honourable members are not able to give one. Government speakers have given diatribe after diatribe. The sad part about sitting in the Chair, Mr Acting Speaker, is that you are in the unfortunate position of having to rule on points of order.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member should address his remarks to the bill.

**Mr PHILLIPS** — I heard about spineless members, about how good the bill is now, about the gag under the previous Premier and how embarrassed I am. Do I look embarrassed? I am certainly not embarrassed in any way. I am not embarrassed to put on record that I supported the 1997 bill in the first place. One of the first things I did was to read the former government's proposals. I will object to anyone suggesting that I am not prepared to have my say in the party room from time to time. Had I felt at the time that I needed to speak against the 1997 bill I would have done so. However, I supported it because after reading it I decided it was in the best interests of the community and in the public interest.

Point 4 is that section 10 of the act set up a tender process but expressly allowed the Auditor-General to depart from it. I have already spoken about how the then opposition felt it was okay for the Auditor-General to contract out 75 per cent of the work but it was not okay to contract out 100 per cent. The Hilmer report

suggested that competition is healthy. It suggested that it was appropriate for public authorities to be accountable. If the public sector is involved in a tender or a contracting process it is not unreasonable for me as an individual member of Parliament — —

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member for Kew should bow to the Chair on his way across the chamber.

**Mr PHILLIPS** — As the representative of the Eltham electorate I must ensure that the Auditor-General's budget is spent as wisely as possible.

Point 5 is that under the new act the auditor's budget was via Parliament and not the Premier's department. Would anyone suggest that was not a reasonable change? I have not heard any interjections, not that I am inviting them because I know it would be disorderly to do so. Point 6 is that section 7 4A(1) and 4A(6) expressly gave the Auditor-General control over whether audits were conducted, how they were conducted and their priority. It provided that he was not subject to direction from anyone on those matters.

Even the government can understand that point, but for the benefit of honourable members opposite I suggest that that expressly gave the Auditor-General control over the audits he conducted, how he conducted them and the priority they were given.

Point 7 is that under the 1997 act the Auditor-General had the same control over contract auditors as he had over his own staff and current contract auditors. The Auditor-General could choose how to conduct 75 per cent of his compliance audits via contractors.

I suggested when that bill was introduced, as I suggest now, that it is absurd to suggest there is no accountability about how those contracts are entered into and/or obtained. The proposed legislation should provide for some accountability to someone.

Point 8 is that the Auditor-General could call and let tenders for public audit work. He was the purchaser of public audit work. As such he should not have been a competitor to win tenders to provide audit work. Thus, the purchaser-provider roles needed to be separated. What is wrong with that? I think it is very good.

Point 9 is that only the Auditor-General could decide to sign or not to sign audit certificates. That guaranteed the Auditor-General total control over the audit process and the content of audit reports. For the first time, contract auditors were accountable to the Auditor-General for their reports but the Auditor-General signed the certificates given to

Parliament. In other words, the former government was suggesting that the Auditor-General alone had to be satisfied when the audit report came to him. Once he was satisfied he could then submit it to Parliament for ratification. If he was not satisfied with the work being done or with the final result, he could ask for it to be redone or call in a new contractor. Again, I have not heard any criticism of that or suggestion as to why that would not have worked effectively.

The perception in the community, which was generated by the Labor Party — dishonestly, in my opinion — was that the Auditor-General was being nobbled and his independence undermined.

**Mr Cameron** — What did Roger Pescott say?

**Mr PHILLIPS** — I will finish by addressing the matters raised in a couple of interjections. The only comment I make about the former honourable member for Mitcham is that not once did I ever hear Roger Pescott speak against the Auditor-General — not once! The honourable member for Bendigo West would have been surprised if he had sat in the party room from time to time. Honourable members who criticise would have to eat humble pie if they knew who spoke out in the party room. I will cast no aspersions on the former member for Frankston East because he is not here to defend himself, but I can tell honourable members that the reason the previous honourable member for Mitcham resigned had nothing to do with the Auditor-General, regardless of what he might say.

I was convinced that what the former government was doing was reasonable. I was also convinced that the Auditor-General's independence was being maintained and that competition was being introduced. I support the opposition's amendments, and feel relaxed and comfortable about doing so.

**Mr BRACKS (Premier)** — I thank the 26 members from both sides of the house, including the Independents on the cross-benches, for their contribution to the debate, which took up two full days. They were the honourable members for Portland, Footscray, Box Hill, Niddrie, Cranbourne, Geelong North, Sandringham, Gippsland West, Dandenong North, Brighton, Mitcham, Wantirna, Essendon, Dromana, Mildura, Benambra, Ivanhoe, Knox, Frankston East, Glen Waverley, Mordialloc, Bendigo East, Bayswater, Gippsland East, Bentleigh and, lastly, the honourable member for Eltham.

This is a proud moment for the government. The process has come to a conclusion after an extensive debate that commenced in 1997, when several members

now on the government side crisscrossed the state to debate the issue of the neutering of the Auditor-General, the contracting out of his services and his inability to conduct auditing in his own right.

I look across the house and see the honourable member for Wantirna. I should not say too many good things about him because it could be bad for his career, but he is a good bloke.

**Mrs Peulich** — He said good things about you, and it was good for your career!

**Mr BRACKS** — The honourable member for Bentleigh makes a telling point! However, one thing the honourable member for Wantirna and I shared, together with other members of Parliament including the honourable members for Niddrie and Monbulk, was the responsibility with which the Public Accounts and Estimates Committee was charged to scrutinise the Auditor-General. It was our responsibility to help set up the audit function; to help determine, with the Auditor-General, the performance audits; and to review the Auditor-General's findings. We took that responsibility seriously and worked together in a bipartisan way.

Taking off our party-political hats, I believe that if we reflected on our reactions properly and independently we would have to say that when we arrived for that Public Accounts and Estimates Committee meeting in 1997 we were shocked and stunned by what had happened.

I remember the day well. The then head of the committee, the Honourable Bill Forwood, a member for Templestowe Province in the other place, was in the parliamentary dining room. I had a major interest in the matter, as did other committee members. I told him that the Premier had decided to have an audit of the Auditor-General's function with a view to contracting it out, which would mean that under national competition policy the Auditor-General would no longer have any auditing discretion. I will not break a confidence by telling honourable members what the then head of the Public Accounts and Estimates Committee said to me, but I can say that he shared my shock. He was completely surprised, and he had the courtesy and good grace to agree with me about setting up a meeting of committee.

At that meeting the members of the committee dealt with the matter as best they could. If my memory serves me correctly — and the honourable member for Wantirna may help me out — the Premier was interstate or overseas at the time. I still recall that

important all-party meeting, at which the committee resolved to endorse the resolution agreed to by meetings of auditors-general and parliamentary accounts and estimates committees around the country on enshrining the powers and independence of auditors-general. The committee also agreed that it should present the resolution to the Premier as a joint decision of the Public Accounts and Estimates Committee.

I welcomed the passing of the resolution because the majority of committee members were from the Liberal and National parties. They said that, at first blush, they were not happy with the review ordered by the Premier and were prepared to stand up to him. I told the honourable member for Wantirna and the other coalition members that I appreciated their stand.

I must admit I did not appreciate the backflip that occurred a few days later at Tullamarine airport. On his return from overseas the Premier was asked by a journalist about his attitude to the then head of the Public Accounts and Estimates Committee. Bill Forwood had effectively rebuffed the Premier, saying his actions were inappropriate. I cannot remember the Premier's exact words, but I believe his response was pretty curt, telling the then head of the committee to get back into his box. It was all downhill from there.

It was regrettable that the Public Accounts and Estimates Committee, which was charged with the responsibility of protecting the interests of Parliament, became divided, if not on all matters, then at least on the matter of its acting at the bidding of the executive government, which was in contravention of the committee's purpose. I know opposition members will hate me for saying it, but in their hearts of hearts they know that if they had taken heed of what the then chairman of the committee had said and if they had not let the Premier get away with it, the coalition would not have lost the seat of Mitcham, would not have lost the enormous number of seats it lost at the last election and would not have lost credibility in the community. I know deep down they understand that.

I now turn to the point at which the fix was put in, and I refer to two memorandums in particular. One memorandum that has come to my attention, which I think the honourable member for Footscray referred to in general terms, was executed on 15 August 1996, before we knew about the review. It was about advice given to the Premier. The proposal was made under the guise of national competition policy, which, honourable members will recall, was the province of the Premier, not the Treasurer or any other minister. I spoke on the matter at numerous public meetings around the state.

The Premier used that leverage to put the fix in by instituting a process to neuter the Auditor-General. I have here the memorandum that proves what I am saying. I am happy to table the advice for the benefit of members opposite because I suspect they were not privy to its contents. I also suspect the cabinet was not privy to it. I have further evidence that shows that the Premier refused to allow the memorandum to go to cabinet because he wanted to take an executive decision without its knowledge or the knowledge of the party room.

National competition policy provides for the review of acts and regulations. The Department of Premier and Cabinet advised the Premier that he had two options. Firstly, he had the option of an internal review, under which a simple review by the Auditor-General's office could recommend that the act complied with national competition policy. The second course of action, which was recommended by his department, was that the Public Accounts and Estimates Committee carry out the review on whether the audit act complied with national competition policy. I should have thought that would have been the proper place for it, because it was an all-party committee. I welcome the previous parliamentary secretary to the Treasurer to the chamber, because he, too, was probably not privy to that advice.

The Premier's own department recommended that the national competition policy review be effected under option (b), which, as I said, was that the review be undertaken by the Public Accounts and Estimates Committee. That sensible recommendation would have avoided three or four years of controversy, the loss of seats, and the loss of credibility. The fact that the opposition is sitting where it is, is largely to do with the way in which the then Premier intervened.

The former Premier had two options, and the second option was recommended by his department. The former Premier states:

I want to consider a third option of limited public review by an expert panel appointed by the government as described by Tony Cudmore. Please confirm with him.

Tony Cudmore was second-in-charge to Anna Cronin on the former Premier's private staff. In 1996 the fix was put in by his advisers, members of the former Premier's private staff, ignoring departmental advice and effectively saying that this is a political process to get the Auditor-General.

As members of the opposition at that time we were wondering how the fix was put in, but we have now discovered it. The former Premier and his ministers would know that is unusual. It is understandable for

ministers wanting to take advice other than from the department, but it is unusual to adopt a third option and to have one's adviser who, in the words — —

**Mr Clark** interjected.

**Mr BRACKS** — I know the honourable member for Box Hill is sore about this and understood its ramifications. It is unusual to include in a written comment on a brief a third option recommending a political adviser to deal with the matter apart from the departmental process. That is the fix. The honourable member for Hawthorn, who is a former administrator of the Liberal Party, should be concerned about this. He may not know about it, but the former Premier did that and his party lost seat after seat at the election. It went further because the issue could have been brought to cabinet so that it could confirm the decision. If the former Premier was unsure about the proposal and thought he may have to put in a fix he should at least — —

**Mrs Peulich** interjected.

**Mr BRACKS** — I welcome the interjection from the honourable member for Bentleigh because I know she has an interest in the independence of the Auditor-General. I am sure she would want to know the facts for the historical record. Honourable members all want to know what happened.

In a further review of the Audit Act the Department of Premier and Cabinet on 19 November 1996 gave the former Premier vigorous, independent and scrupulous advice to protect him and his government. It recommended the approval of some draft notes for publication in the *Sunday Age*. It notes the appointments to the review panel and indicates whether cabinet approval should be obtained for the appointment of the review committee members. The former Premier had written no and says in a note:

I do not believe that this requires cabinet approval.

I place on record the fact that this was a political process and has had a political outcome.

**An honourable member** interjected.

**Mr BRACKS** — The interjection of the honourable member is interesting. Mr Acting Speaker, I will not comment on interjections, but this fix was put in a year before the process happened. All members of the present opposition went along with it.

This is a historic occasion for the new government. It is proud that for the first time since 1997, when the

Auditor-General was prevented from doing his job properly, a bill has been introduced into the house to enshrine the independence of the Auditor-General and return to him something that was always meant to be there — that is, discretion. Discretion is the key word. The Auditor-General should have the power to contract out financial or performance audits. Approximately 70 per cent of financial audits were contracted out, but it was at the discretion of the Auditor-General.

The Audit Act, which will now be amended by the Audit (Amendment) Bill, effectively states that it is illegal to audit in the public interest. The Auditor-General will choose whether he contracts out audits, not the Parliament or the executive. Parliament will have input through the Public Accounts and Estimates Committee and reporting arrangements, but the discretion is clearly independent and enshrined in the separation of powers. The Auditor-General will be independent.

That issue was understood by some members of the current opposition, but it was not understood widely. Unfortunately, like lambs going to the slaughter, there was too much compliance and acceptance of the former Premier's view. If former government members had stood up him this situation would not have occurred. I am grateful that honourable members opposite were compliant and went along with the former Premier to their own undoing. I am proud that this bill is now before the house. I wish it a speedy passage.

**The ACTING SPEAKER (Mr Kilgour)** — Order! I am of the opinion that the second reading of this bill requires to be passed by an absolute majority. As there are less than 45 members present in the chamber, I ask the Clerk to ring the bells.

**Bells rung.**

**Members having assembled in chamber:**

**Motion agreed to by absolute majority.**

**Read second time.**

**Committed.**

*Committee*

**Clauses 1 and 2 agreed to.**

**Clause 3**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

1. Clause 3, page 4, line 29, after "powers" insert —

"and, in particular, is not subject to direction from anyone in relation to —

- (a) whether or not a particular audit is to be conducted;
- (b) the way in which a particular audit is to be conducted;
- (c) the priority to be given to any particular matter."

The amendment retains in the original legislation some words that would otherwise be deleted by the bill. The bill proposes transferring significant sections of the Audit Act to the Constitution Act as part of the process of including in that act the Victorian Auditor-General's Office as an independent office of the Parliament. However, in its lack of wisdom the government is proposing to delete some significant sections of the act.

The amendment will retain that part of section 4A(6) of the Audit Act after the words 'his or her functions or powers'. The words are relevant to ensuring that the Auditor-General is completely independent and is able to act in his or her own right. The words in the Audit Act should be retained in the proposed legislation so that they are part of the Constitution Act.

**Mr BRACKS (Premier)** — The government does not oppose the amendment. It accepts it and wishes to have it incorporated in the bill.

**Amendment agreed to.**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

2. Clause 3, page 5, lines 6 to 9, omit all words and expressions on these lines and insert —
 

"(2) The Governor in Council may suspend the Auditor-General from office at any time when the Parliament is not in session."
3. Clause 3, page 5, lines 16 to 28, omit all words and expressions on these lines and insert —
 

"(4) The Governor in Council must remove the suspension and restore the Auditor-General to office unless each House of the Parliament, within 20 sitting days after the statement is laid before it, passes an address praying for his or her removal from office."
4. Clause 3, page 5, line 29, omit "(6)" and insert "(5)".
5. Clause 3, page 5, lines 31 and 32, omit "under sub-section (4)" and insert "on the presentation of an address of both Houses of the Parliament praying for his or her removal from office".
6. Clause 3, page 5, after line 32 insert —
 

"(b) is suspended from office under sub-section (2) and is not restored to office; or".

7. Clause 3, page 5, line 33, omit “(b)” and insert “(c)”.
8. Clause 3, page 6, line 1, omit “(c)” and insert “(d)”.
9. Clause 3, page 6, line 5, omit “(d)” and insert “(e)”.

This block of amendments relate to the same issue — that is, the tenure of the office. As outlined in the second-reading speech, under the government’s current proposals, if it is considered that the Auditor-General does not deserve to hold that high office the only way he or she can be removed is on the action of the Governor in Council, followed by a report by the relevant minister to Parliament and Parliament subsequently taking action.

As I said during the second-reading debate, if the Auditor-General is to be truly independent, Parliament should of its own volition have the power to remove an Auditor-General who is not up to the standard expected of the office. The amendments seek to pick up the tenure of office and dismissal provisions in the Ombudsman Act so that the sovereignty of the Parliament is maintained. The amendments, which mimic the provisions in the Ombudsman Act, will make it clear that Parliament has ultimate sovereignty and can of its own accord move to remove the Auditor-General from office if he or she behaves inappropriately.

Amendment 2 provides that whenever Parliament is not in session the Governor in Council can act to suspend the Auditor-General. However, if it is considered necessary, when Parliament is in session it should have the power to act on the important matter of the tenure of the Auditor-General as an independent officer of Parliament. I understand that the government has a further amendment that will enhance the process. It is wonderful to see the spirit of cooperation on the issue.

**Mr BRACKS (Premier)** — The government does not oppose amendments 2 to 9 and will accept them.

**Amendments agreed to.**

**Mr BRACKS (Premier)** — I move:

Clause 3, page 6, after line 6 insert —

- “(6) The Auditor-General is not to be suspended or removed from office except in accordance with this section.”.

The amendment gives further protection to the Auditor-General by enshrining his or her independence. I recommend that the house support the amendment.

**Amendment agreed to; amended clause agreed to; clauses 4 and 5 agreed to.**

#### **Clause 6**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

10. Clause 6, line 12, after “Auditor-General” insert “to the Parliament”.

The amendment goes to the relationship between the Auditor-General and the Parliament. The purpose clause of the current Audit Act clearly states that:

The purpose of this Act is to provide for the audit of public accounts and reports to the Parliament on those accounts ...

Clear reference is made to the relationship between the Auditor-General and the Parliament by the requirement that the audit process involves reporting to the Parliament.

The proposed purposes clause has no reference to the Parliament. Given that the nub of the issue is the independence of the Auditor-General and his relationship to the Parliament and, through Parliament, to the people of Victoria, the opposition considers it important that that relationship is clearly spelt out in the purposes clause.

Amendment 10 proposes that additional words be added so that clause 6 would read:

The purposes of this Act are to provide for...

- (b) the provision of reports on those audits by the Auditor-General to the Parliament ...

It picks up a deficiency in the current proposal.

**Amendment agreed to; amended clause agreed to.**

#### **Clause 7**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

11. Clause 7, line 25, omit sub-clause (2).

Clause 7(2) repeals section 3A of the Audit Act 1994. If the clause is enacted in its current form section 3A would disappear from the statute book. The objectives of section 3A of the act, which are listed from (a) to (e), set out the role of the Auditor-General. It is inappropriate that the objectives be deleted. The amendment ensures that the objectives in the Audit Act are retained.

**Amendment agreed to; amended clause agreed to; clause 8 agreed to.**

**Clause 9**

**Dr NAPHTHINE** (Leader of the Opposition) — I move:

12. Clause 9, lines 28 and 29, omit “taking into account” and insert “having regard to”.

It is clear that section 4B of the Audit Act provides that the Auditor-General must confer with and:

... have regard to any audit priorities determined by, the Parliamentary Committee.

The words define the relationship between the Auditor-General and the parliamentary committee. The words in the act have regard to audit priority. The bill uses a lesser standard of words which undermines the relationship. Instead of ‘having regard to’ or ‘taking into account’, my advice is that ‘taking into account’ is of a lower level than ‘having regard to.’ The amendment inserts the appropriate relationship as outlined in the Audit Act.

**Amendment agreed to.**

**Dr NAPHTHINE** (Leader of the Opposition) — I move:

13. Clause 9, page 10, lines 4 to 6, omit all words and expressions on these lines and insert —
- “(5) Before the beginning of the financial year to which an annual plan relates, the Auditor-General must —
- (a) present the completed plan to the Parliamentary Committee; and
- (b) cause a copy of the completed plan to be transmitted to each House of the Parliament.”.

The amendment refers to the relationship between the parliamentary committee and the Parliament itself about the Auditor-General’s annual plan. It requires the Auditor-General to introduce a proposed annual plan for his or her work for the year ahead and requires that that annual plan must be the subject of debate and consultation with the parliamentary committee. What should happen to the annual plan after it has been completed as a result of that debate and discussion? The bill provides that the Auditor-General would present a completed annual plan to the parliamentary committee. The opposition believes it is insufficient and would be enhanced by the amendments, which suggest fundamental changes.

Firstly, in addition to the completed annual plan being presented to the parliamentary committee a copy of the completed annual plan should be transmitted to each

house of Parliament, the reason being that it recognises the supremacy of the Parliament.

When the annual plan is completed after debate and consultation with the parliamentary committee and presented to both houses of Parliament, honourable members of both houses and their constituents are aware of the Auditor-General’s proposals in the annual plan.

Secondly, the amendment puts a time frame on when the report is to be completed and handed to the parliamentary committee and both houses of Parliament. The bill provides no better time frame for when that proposes to take place. It is logical that the Auditor-General carry out the annual planning process prior to the commencement of the financial year so that prior to, for example, the financial year 2000–2001 the annual planning process takes place and prior to 1 July 2000 the annual planning process is completed so that the parliamentary committee and Parliament are aware of what the Auditor-General and his or her office will be doing for the coming financial year.

It is important to ensure that the Auditor-General carries out that annual planning process in an appropriate time frame. The amendment not only sets out when the annual plan should be completed but provides that it should be presented to the parliamentary committee and both houses of Parliament and completed before the beginning of the financial year to which the annual plan relates. It is a valuable addition to the legislation.

**Amendment agreed to.**

**Dr NAPHTHINE** (Leader of the Opposition) — Madam Chair, I seek your advice. Amendments 14, 17, 18, 19, 21, 22, 23, 24, 25 and 26 are consequential amendments on amendment 20, on which I know further discussion will take place. I suggest that amendments 15 and 16 be set aside at this stage.

**Mr BRACKS** (Premier) — I agree to the suggestion and appreciate the cooperation of the Leader of the Opposition. The amendments are consequential on amendment 20, about which there is fundamental difference between the parties.

**Dr NAPHTHINE** (Leader of the Opposition) — I move:

20. Clause 9, page 11, line 29, after “Committee” insert “or either House of the Parliament”.

Amendment 20 to clause 9 is the one on which there is a fundamental difference between the opposition and

the government. It goes to the heart of the relationship between the independent office of the Auditor-General, who is an officer of the Parliament as established by the 1997 Audit Act. That has been reconfirmed by this bill. Although provision for that independence is being removed from the Audit Act and inserted into the constitution, the same fundamental principle applies: the Auditor-General is an independent officer of the Parliament. That was confirmed in 1997.

Prior to that the Auditor-General was an officer of the Department of the Premier and Cabinet, I think — he was certainly within the public sector rather than being an officer of the Parliament. The amendment to the act proposed by the former government in 1997 established the Auditor-General as an independent officer of Parliament. These amendments reconfirm that position.

Amendment 20 goes to the heart of whether the Auditor-General's chief responsibility is to the Parliament itself or to the executive government and its arms. The bill states in proposed new section 7C(1):

The Parliamentary Committee may, by resolution, vary any obligation or requirement imposed on the Auditor-General or the Victorian Auditor-General's Office by or under

various sections of the legislation and the Financial Management Act or the Public Sector Management and Employment Act.

I would not imagine it happening on many occasions but the nub of the issue is that, through the Minister for Finance in particular, the executive government may use those provisions to vary the way the Auditor-General operates. As the minister responsible, he or she may advise through those provisions that the Auditor-General is to behave or do things in a certain way, and that situation can act directly or inadvertently to curtail the independence and the operation of the office of the Auditor-General.

The opposition believes the independence and the ability of the Auditor-General to operate as he or she sees fit in the interests of Parliament and the people of Victoria should be unfettered. It may be that, through the provisions to which I have referred, the executive government may seek in some way to curtail the Auditor-General's operations.

The proposed new section recognises that the executive government may limit the operation of the Auditor-General. Something ought to be done if the Auditor-General's ability to operate effectively as an independent officer of Parliament is curtailed in any way, shape or form by the executive government, either by the provisions of the other acts mentioned in the

bill — that is, the Financial Management Act or the Public Sector Management and Employment Act — or the provisions of subsections (2)(a) or (3)(a) of proposed new section 7B, which are specifically mentioned in the bill.

The bill recognises the need to have a safeguard in that process to protect Parliament and the interests of the Victorian people. Honourable members should make sure that any imposition on the Auditor-General or his or her office is examined and, if necessary, varied so that the Auditor-General and the office can operate independently and effectively, as the thrust of the bill provides.

The device or safeguard mechanism that the bill proposes to provide is a parliamentary committee. As I said earlier, proposed new section 7C(1) allows the parliamentary committee, by resolution, to vary any obligation or requirement imposed on the Auditor-General or his or her office under the provisions mentioned in paragraphs (a) and (b) of proposed new section 7C(1).

If the executive government uses those provisions to restrict the operations of the independent Auditor-General, the safeguard provided by the bill is that a parliamentary committee can come in over the top and say, 'No, the executive government has gone too far, whether it be by deliberate policy decision or inadvertently, and has restricted the operation of the Auditor-General to operate effectively'. So the parliamentary committee can vary that obligation or requirement. The committee is to act as a safeguard on behalf of Parliament in this case.

That is where we have some difficulty, and this is the point on which the honourable member for Melton was so helpful in the second-reading debate when he said, by interjection, 'But the parliamentary committee is always controlled by the government. It is a government committee. It is always controlled by the government'. That was very helpful because he made an important point. I believe he did so inadvertently, but the opposition understands the positive contribution he made.

The executive government may in some way restrict the operation of the Auditor-General or his or her office and the bill puts in place a safeguard — the parliamentary committee, which can vary such a restriction. The parliamentary committee would act as a safeguard to protect the interests of the Parliament and the people of Victoria. But, as the honourable member for Melton clearly pointed out by his interjection during the second-reading debate, the reality is that the

government has the majority or at least the casting vote of the chair on the parliamentary committee, which is a public accounts and estimates committee in this case — when or if it is ever established under this government. It is extremely unlikely that this government will not ask for one of its members to chair the parliamentary committee on public accounts and estimates. The opposition recognises that is the case; it recognises that the control of that parliamentary committee, for all accounts and purposes, will be in the hands of the government.

Therefore, the executive government may curtail the operation of the Auditor-General or his or her office and the protective device is a parliamentary committee. As we have just discovered, the parliamentary committee is controlled by the government. So the government, through the executive, will be imposing an unfair or unacceptable restriction on the office of the Auditor-General or the way it operates and the protective mechanism is virtually neutered in this case because the parliamentary committee is also controlled by the government.

The opposition believes that is not truly a protection for the people of Victoria or for Parliament. The opposition's proposed amendment 20 suggests a way to overcome that in the interests of good governance and protecting the independence of the Auditor-General — that, in addition to the parliamentary committee, either house of Parliament be able, by resolution, to vary an obligation or requirement on the Auditor-General or his or her office under the provisions mentioned in proposed new section 7C(1) of the bill. That would provide a true safeguard for the independence and operation of the Auditor-General and his or her office. The Auditor-General and his or her office need that independence and protection. The parliamentary committee is unable to guarantee that protection because it will be controlled by the government of the day, and hence it would have a direct link to the executive.

The most appropriate way for Parliament to protect itself, the citizens of Victoria and the independence of the Auditor-General and his or her office is to accept my proposed amendment 20 so that either house of Parliament may, by resolution, vary the obligation or requirement imposed on the Auditor-General or his or her office.

**Mr BRACKS** (Premier) — This is a simple matter. It is a question of variance or disallowance. The legislation currently provides for disallowance by both houses of Parliament, which means that matters brought by a public accounts and estimates committee can be

disallowed by the Council or the Assembly. The Leader of the Opposition is seeking variance, not disallowance — he wants to vary and play around with those recommendations.

That means both houses of Parliament act as a committee. The committee's role is to seek variance, to discuss and then report to Parliament. The reality is, as the Leader of the Opposition knows, that Parliament is supreme and a parliamentary public accounts and estimates committee, like all other parliamentary committees, reports not to the executive but to Parliament. Parliament is the arbiter of its own destiny.

Once both houses of Parliament have the power of variance, not disallowance, in effect acting as committees, the situation becomes unworkable. It becomes a situation the current Auditor-General does not want to work in and has opposed in his recommendations. It is also a contrived situation because in this case one party has a majority in the upper house and therefore in certain circumstances can frustrate the efforts of the Auditor-General and the work of a public accounts and estimates committee, severely disadvantaging the operations of the committee.

In the interests of proper government and of having a proper parliamentary committee, I recommend that it be possible to debate the issues in the committee and then have disallowance in both houses. That is a fair system. Once the houses start acting as a committee you end up with a situation that is contrived to suit the opposition at this stage, and the government will not support such a notion.

**Mr CLARK** (Box Hill) — I support the comments made by the Leader of the Opposition in relation to the amendments.

In speaking to the second reading of the bill I contrasted the theatrics of honourable members opposite and the attention to reality that characterises members on this side of the house. The Leader of the Opposition put the case for change in temperate and measured terms, but if we were to follow the rhetorical language of honourable members opposite we would put the case for change in terms such as, 'This is the clause that puts in the fix on the Auditor-General'. In other words, the clause gives sweeping and significant powers to the parliamentary committee to vary obligations imposed on the Auditor-General. That creates a conflict of interest. It makes the Auditor-General potentially dependent in significant respects on the decision of the parliamentary committee.

As the Leader of the Opposition so clearly put, as the honourable member for Melton advised earlier and as indeed the Premier alluded to in closing the second-reading stage, the government of the day invariably has a majority of members on the parliamentary committee. If the government of the day is so minded, it can grant or withhold relief or variance of obligations and requirements imposed on the Auditor-General, and that creates a highly undesirable conflict of interest because it makes the Auditor-General indirectly dependent on the government of the day.

It is an important and delicate matter to strike the right balance between giving members of Parliament, through the Public Accounts and Estimates Committee, a role in relation to the Auditor-General, and not giving undue power to those members.

That matter was very carefully addressed in the 1977 amendments, but it is a matter to which insufficient attention has been given in the bill. As I said earlier, if members of the opposition were inclined to use rhetorical and theatrical language, we would say that this is the putting in of the fix. The Leader of the Opposition has put it in more temperate terms, but the concern remains.

One would ordinarily expect that in the vast majority of cases the matter would go to the parliamentary committee for it to decide, and, everybody on that committee acting reasonably, a decision would be made and nothing further would be heard of the matter. The point made by the Leader of the Opposition is that there is a need for a release valve in the event of anything untoward happening and more importantly, that if a relief valve exists it is unlikely the pressure will build up in the first place.

The amendments propose that either house of Parliament should, in addition to the parliamentary committee, have the power to vary the obligations imposed on the Auditor-General. The Premier said, 'There is already a power of disallowance. What more do you need?'. If the Auditor-General approaches the committee for relief from a burden that is imposed on him or her and the parliamentary committee refuses that request, there is no further redress available for the Auditor-General. It is all very well if something is imposed on the Auditor-General by the committee that the Parliament thinks should not be imposed on him or her, but in the reverse situation there is no resolution to the problem. That is the weakness the opposition amendments address.

Clearly there is a potential for those sorts of problems to occur, which is demonstrated by the fact that the provisions were included in the bill in the first place. If it were not thought that there might be occasions on which the Auditor-General would need to have his or her obligations varied, why would proposed new section 7C be there at all? If there was going to be 100 per cent compliance by the Auditor-General with the Financial Management Act and the obligation to prepare reports and financial statements and so on like any other department, this let-out clause would not be needed. The clause is included, and therefore it was clearly expected by the government in drafting the bill that there may be occasions when the parliamentary committee needs to exercise those powers.

There is a potential for the government of the day to exercise undue influence on the Auditor-General. That undue influence could arise in a subtle way. It would be lurking in the back of the Auditor-General's mind that if he or she needed to seek variance of the obligations the decision on whether to grant variance would be in the hands of the parliamentary committee.

Although honourable members on this side of the house are not given to the extravagant language that has characterised honourable members opposite, and although one would perhaps hope that the issue would not arise and that members of the Public Accounts and Estimates Committee would exercise their powers and responsibilities in an appropriate manner, nonetheless the Leader of the Opposition makes a very good point in highlighting the weakness that exists in the bill as it presently stands. It is a real weakness and one that cannot just be brushed off.

If honourable members opposite want to come up with another way of resolving the difficulty, so be it, but the amendments moved by the Leader of the Opposition provide a straightforward way for that to occur, not as a mechanism likely to be used very often. We are hardly likely to see Parliament haggling over this in committee. The mere fact that there is an opportunity for either house of Parliament to grant this escape is something that is likely to ensure that in practice that power does not need to be exercised.

**Mr MILDENHALL** (Footscray) — It is extraordinary that opposition members would try to put across to the house the claim that under the bill a public accounts and estimates committee would be less independent, given the numbers as they are at present and the control of the chambers being in the hands of different parties. Now that we have a very evenly balanced lower house and an upper house that is controlled by the opposition, suddenly the Public

Accounts and Estimates Committee is more likely to be an instrument of the executive!

Do opposition members really imagine the government will appoint a parliamentary secretary to the Premier as chair of the Public Accounts and Estimates Committee and then make the committee an instrument of the executive? Do they think this government will get up to the sorts of tricks the Kennett government got up to? What an extraordinary assumption and an extraordinary allegation to make.

The ability of either house to disallow a public accounts and estimates committee's variation of the application of those two acts is an attempt to put the opposition at the table. It is based on the notion that the possibility of the veto forces issues to be discussed and resolved. Not only could a public accounts and estimate committee vary the application of those two acts, so also could either house. That is the opposition's scenario. Another possibility involves the committee working independently to vary the application of those acts. The issue could go around in circles for weeks, months or years. The opposition's proposition is both absurd and impractical.

The opposition cannot keep its hands off the Auditor-General. To vary the application of those two acts by a simple vote in the upper house is the mechanism by which it is attempting to put the fix on the Auditor-General. The opposition should leave the Auditor-General alone and give him his independence. If its rhetoric about an independent Auditor-General has any basis, it should allow that to happen. The opposition should not give itself the power to put the fix on the Auditor-General by virtue of the unrepresentative swill in the upper house.

The Premier's comments are correct. If a public accounts and estimates committee considers the issues and has the ability to vary the application of the act, why should the process be replicated in either house? If honourable members opposite bought themselves a dog, why would they want it to bark twice? What absurd administrative assumption is the opposition making about the role of each house as compared with the role of a public accounts and estimates committee?

I call on opposition members to think about the impracticality of the amendment moved by the Leader of the Opposition and, after doing so, to reject it.

**Mr WELLS** (Wantirna) — I support amendment 20 moved by the Leader of the Opposition. The issue hinges on proposed new section 7C, which states:

Parliamentary Committee may alter obligations of Auditor-General

- (1) The Parliamentary Committee may, by resolution, vary any obligation or requirement imposed on the Auditor-General or the Victorian Auditor-General's Office by or under —

and it lists a number of sections and acts.

The Auditor-General must abide by section 48 of the Financial Management Act and comply with section 49 of the act. The reality is that if the Auditor-General is not happy about the accounts of a particular department he may not wish to comply with section 48 of the act. In that case he may then go to a public accounts and estimates committee and ask for a variation. The problem is that the public accounts and estimates committee could be dominated by government members and therefore seen as an executive arm of the government. In other words, instead of a committee representing the checks and balances proposed by the minority Labor government, the Auditor-General might not have anywhere to go — unless the amendments moved by the Leader of the Opposition are agreed to.

If there is any conflict with the minister over departmental accounts, the Auditor-General will have nowhere to go. However, if the amendments put forward by the Leader of the Opposition are accepted, the Auditor-General could go to either house of the Parliament and ask for a variation. The minority Labor government cannot have it both ways. It cannot preach transparency, open government and accountability and not have checks and balances. On the other hand, if the Auditor-General agrees with a minister about a particular audit report he can go to a public accounts and estimates committee and have it ratified posthaste.

The Independents have a role to play by supporting the opposition. The Independents charter states that they favour the full restoration of the Auditor-General's powers. By accepting the minority Labor government's position they run the risk of putting the Auditor-General in conflict with a public accounts and estimates committee which, in turn, will be in conflict with a particular minister.

The honourable member for Footscray says a public accounts and estimates committee will not roll over for a Labor minister. The opposition has difficulties with the honourable member's proposal and will await the outcome with interest. The opposition says, 'Why risk it? Why trust it? Why not agree to the amendments moved by the Leader of the Opposition?'

The opposition is confident that the Auditor-General can act without fear or favour, free from the dictates of

the executive government or a public accounts and estimates committee. I hope the Independents will support amendment 20 and that the government will see sense and accept the opposition's important amendment.

**Mr LONEY** (Geelong North) — I listened to the honourable member for Box Hill imploring the government to look at the reality of the issue. However, the person who is least willing to face reality is the honourable member for Box Hill. He neglected to tell honourable members that the proposed amendment is a sham; it is there only because the opposition holds a majority in the upper house.

**Dr Napthine** interjected.

**Mr LONEY** — The Leader of the Opposition says, 'They do not think like us'. That is the truth: they do not think like us. Honourable members recall the audit bill introduced by the former government. The Leader of the Opposition is being truthful when he says, 'They do not think like us'.

To live in the world in which the honourable member for Box Hill wants us to live, honourable members must go back to the legislation introduced by the former government. That is the world the opposition is wedded to. Back then not one member of the former government made a speech such as the ones members opposite are now making.

The honourable member for Wantirna spoke about providing options for the Auditor-General. How many options does he have under the legislation the bill will repeal? The answer is absolutely none. The honourable member for Wantirna also spoke about executive government overriding things. The executive government overrode many things in introducing the 1997 legislation. The amendment is a sham provision about the use of the majority power in another chamber to frustrate the will of the people and the government.

**Mr PLOWMAN** (Benambra) — Nothing is more important than the separation between the executive and the Auditor-General — nothing!

Government members may think that in 1997 the previous government introduced a change that did something twice as dramatic as this clause will, but it did not. This clause has the potential to directly affect the independence of the Auditor-General from the executive. I am quite sure the government will not accept the argument that I put, but I would put it to the people in the gallery and let them decide.

In respect of the situation described by the Leader of the Opposition, in which the government has the majority on a committee and the executive arm deliberately wants to influence a decision of the Auditor-General, I put the point the Premier made. It is a matter of variance and disallowance — that is, the committee can vary what the Auditor-General is able to do and both houses can disallow such a variation. Because there can be up to four months between sessional periods the Public Accounts and Estimates Committee — I was a member of the former committee — could make a variation to the ability of the Auditor-General to conduct his business in the way he saw fit and the disallowance may not happen for up to six months later. Is that a fair system?

The provision strikes at the independence of the Auditor-General. I am sorry the three Independents are not in the chamber to hear the debate, because if they were they would give credence to the fact that this strikes more at the independence of the Auditor-General than anything the previous government introduced in 1997.

#### Committee divided on amendment:

##### *Ayes, 42*

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

##### *Noes, 43*

Allan, Ms	Kosky, Ms
Barker, Ms	Langdon, Mr ( <i>Teller</i> )
Batchelor, Mr	Languiller, Mr
Beattie, Ms	Leighton, Mr
Bracks, Mr	Lenders, Mr
Brumby, Mr	Lim, Mr
Cameron, Mr	Lindell, Ms
Campbell, Ms	Loney, Mr
Carli, Mr	Maxfield, Mr
Davies, Ms	Mildenhall, Mr
Delahunty, Ms	Nardella, Mr
Duncan, Ms	Overington, Ms ( <i>Teller</i> )

Garbutt, Ms  
 Gillett, Ms  
 Haermeyer, Mr  
 Hamilton, Mr  
 Hardman, Mr  
 Helper, Mr  
 Holding, Mr  
 Howard, Mr  
 Hulls, Mr  
 Ingram, Mr

Pandazopoulos, Mr  
 Pike, Ms  
 Robinson, Mr  
 Savage, Mr  
 Seitz, Mr  
 Thwaites, Mr  
 Trezise, Mr  
 Viney, Mr  
 Wynne, Mr

consultation with the parliamentary committee; and the Auditor-General having the authority to incur expenses and obligations in the operations of the Auditor-General's office. The amendment is a valuable addition to the legislation.

**The CHAIRMAN** — Order! The time appointed under sessional orders for me to interrupt the business of the house has now arrived.

**Amendment negatived.**

**The CHAIRMAN** — Order! Amendment 14 is consequential on amendment 20 and therefore fails.

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

15. Clause 9, page 11, lines 1 to 3, omit all words and expressions on these lines.
16. Clause 9, page 11, line 4, omit "(d)" and insert "(c)".

The amendments go to the issue of accounting standards, which will be debated further in amendments to be moved later.

**Amendments agreed to.**

**The CHAIRMAN** — Order! Amendments 17 to 26 are consequential on amendment 20 and therefore fail.

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

27. Clause 9, page 13, after line 15 insert —

**"7D. Audit priorities, budgets and expenditure**

- (1) In performing or exercising his or her functions or powers, the Auditor-General must confer with, and have regard to any audit priorities determined by, the Parliamentary Committee.
- (2) The Auditor-General's budget for each financial year is to be determined in consultation with the Parliamentary Committee.
- (3) Despite anything to the contrary in the **Financial Management Act 1994** or in regulations or directions under that Act but subject to any relevant appropriation Act, the Auditor-General may incur any expenditure or obligations necessary for the performance of the functions of the Victorian Auditor-General's Office."

The amendment adds to and spells out clearly the relationship between the Auditor-General and the parliamentary committee with respect to conferring between the Auditor-General and the committee; the Auditor-General having regard to the audit priorities determined by the parliamentary committee; the Auditor-General's budgets being determined in

**Progress reported.**

**Sitting continued on motion of Mr BATCHELOR (Minister for Transport).**

*Committee*

**Resumed from earlier this day; further discussion of clause 9 and Dr NAPHTHINE's amendment:**

27. Clause 9, page 13, after line 15 insert —

**"7D. Audit priorities, budgets and expenditure**

- (1) In performing or exercising his or her functions or powers, the Auditor-General must confer with, and have regard to any audit priorities determined by, the Parliamentary Committee.
- (2) The Auditor-General's budget for each financial year is to be determined in consultation with the Parliamentary Committee.
- (3) Despite anything to the contrary in the **Financial Management Act 1994** or in regulations or directions under that Act but subject to any relevant appropriation Act, the Auditor-General may incur any expenditure or obligations necessary for the performance of the functions of the Victorian Auditor-General's Office."

**Amendment agreed to.**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

28. Clause 9, page 13, line 17, omit "7D" and insert "7E".
29. Clause 9, page 13, line 23, omit "7E" and insert "7F".
30. Clause 9, page 13, line 28, omit "7F" and insert "7G".

**Amendments agreed to; amended clause agreed to; clause 10 agreed to.**

**Clause 11**

**Dr NAPHTHINE (Leader of the Opposition)** — I move:

31. Clause 11, line 14, omit paragraph (b).

32. Clause 11, after line 14 insert —

‘(4) In section 8 of the **Audit Act 1994**, for sub-section (3) **substitute** —

“(3) The Auditor-General may audit any report of operations of an authority under section 45 of the **Financial Management Act 1994** to determine whether any performance indicators in the report of operations —

- (a) are relevant to any stated objectives of the authority; and
- (b) are appropriate for the assessment of the authority’s actual performance; and
- (c) fairly represent the authority’s actual performance.”’.

Amendment 32 ensures the Auditor-General has the capacity to look at performance audits. This follows recommendation 5.5 of the Public Accounts and Estimates Committee in the report to Parliament of May 1999 in which it recommends that the Audit Act be amended to provide the Auditor-General with the capacity to:

... form an opinion on the extent to which performance indicators contained in annual reports are relevant to an agency’s stated objectives, are appropriate for the assessment of the agency’s performance, and fairly represent the agency’s actual performance; and

report to the Parliament on the results of audits of non-financial information.

The opposition has adopted the committee’s recommendation to amend the Audit Act so the Auditor-General can consider the issue of performance indicators. It is a valuable addition to the legislation and will assist the Auditor-General in providing information to Parliament and the community of Victoria with regard to his assessment of government departments and agencies.

**Amendments agreed to; amended clause agreed to; clauses 12 to 14 agreed to.**

#### Clause 15

**Dr NAPTHINE (Leader of the Opposition)** — I move:

33. Clause 15, page 17, lines 7 to 13, omit sub-clause (3).

The amendment goes to the nub of accounting standards. The government proposal was that the accounting standards as issued by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia be

deleted from the legislation. It now steps away from this position.

The standards currently in the Audit Act require the Auditor-General to comply with the accounting standards widely accepted by accounting bodies, the broad community and the world community. It is reasonable that the Auditor-General adopt those standards. The government proposal to move to different standards was a backward step. Amendment 33 goes to the matter of ensuring the accounting standards used by the Auditor-General are those of the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia.

**Mr BRACKS (Premier)** — The government supports the amendment moved by the Leader of the Opposition. The purpose of initially omitting the words ‘Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia’ was that it was understood there was a likely merger of those two bodies. That is still a possibility; it is much mooted. The omission was not to avoid the accounting standards of those two bodies but to avoid the terminology of using those titles which may change, in which case the legislation will need to be subsequently amended.

On the suggestion of the Leader of the Opposition I am prepared to recognise that the bill can be amended if those bodies merge to form a new body in future, as I suspect they will. The government accepts the fact that the accounting standards of the two bodies should be adhered to in practice in the future.

**Dr NAPTHINE (Leader of the Opposition)** — I welcome the fact that the government will now accept the opposition’s amendment, however, I must put on record that the reason given by the Premier in this case is inconsistent with what is proposed in the bill. The original provision was a deliberate attempt to move away from those accounting standards, as outlined in various subclauses. If the record is to be correct, the Premier should admit that the government was trying to move away from those accounting standards and any lame excuse about the bodies changing their names is merely that. Those accounting standards must be adhered to, and the amendment is the appropriate way to go.

**Amendment agreed to; amended clause agreed to; clause 16 agreed to.**

**Clause 17**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

34. Clause 17, page 19, after line 33 insert —

“(5C) An audit under this section must be conducted in accordance with the performance auditing standards issued for the time being by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia.”.

The amendment adds a new provision to ensure that when conducting performance audits the Auditor-General and his officers will adhere to the accounting standards as outlined by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accounts in Australia.

**Amendment agreed to.**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

35. Clause 17, page 20, line 4, omit paragraph (b).

Amendments 36 to 42 are consequential on amendment 35. If amendment 35 is carried the committee can then move straight to amendment 43.

Amendment 35 reinserts into the act two subsections (7) and (8) which are currently in section 16 of the Audit Act 1994, and which have been proposed to be omitted by the bill. The paragraphs relate to the relationship between the Auditor-General and the parliamentary committee, and also provide that the reasonable costs and expenses of the Auditor-General in conducting an audit by authority under the section must be paid from money appropriated to Parliament. It refers to the relationship between the Auditor-General and the parliamentary committee, and the Auditor-General and the Parliament. Those two subsections should not have been omitted by the bill, and the amendment will reinsert them into the Audit Act.

**Amendment agreed to; amended clause agreed to; clause 18 agreed to.****Clause 19**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

36. Clause 19, page 22, line 3, omit “7E” and insert “7F”.

37. Clause 19, page 22, line 7, omit “7E” and insert “7F”.

38. Clause 19, page 22, line 11, omit “7F” and insert “7G”.

**Amendments agreed to; amended clause agreed to; clauses 20 and 21 agreed to.****Clause 22**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

39. Clause 22, page 25, line 29, omit “7(a)” and insert “7”.

40. Clause 22, page 26, line 14, omit “7(1)” and insert “7”.

41. Clause 22, page 26, line 17, omit “7E” and insert “7F”.

42. Clause 22, page 26, line 24, omit “7(1)” and insert “7”.

**Amendments agreed to; amended clause agreed to; clause 23 agreed to.****Clause 24**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

43. Clause 24, after line 27 insert —

“(4) After section 45(3) of the **Financial Management Act 1994** insert —

“(3A) A public body or the relevant Minister of a department must submit the report of operations of the public body or department (as the case may be) to the Auditor-General as soon as practicable after it has been prepared.”.

This is linked to amendment 32 which provides the powers for the Auditor-General to examine and report on performance indicators. The Financial Management Act has to be amended for that provision to be effective to ensure that the information the Auditor-General requires to effectively audit those performance indicators is provided to the Auditor-General for that purpose. The provision amends the Financial Management Act so the information is conveyed to the Auditor-General’s office for him or her to effectively audit those performance indicators.

**Amendment agreed to; amended clause agreed to.****Clause 25**

**Dr NAPTHINE (Leader of the Opposition) — I move:**

44. Clause 25, lines 14 and 15, omit sub-clause (1).

Amendment 44 seeks to amend the Parliamentary Committees Act. Clause 25(1) of the bill headed ‘Parliamentary Committees Act 1968’ states:

In section 4EB of the Parliamentary Committees Act 1968 paragraph (c) is repealed.

Section 4EB of the Parliamentary Committees Act deals with the Public Accounts and Estimates Committee. Paragraph (c), which the bill proposes to omit, refers to the functions of that committee, which are to inquire into, consider and report to Parliament on:

- (c) audit priorities for the purposes of the Audit Act 1994.

The opposition believes it appropriate that the Public Accounts and Estimates Committee inquire into, consider and report to Parliament on the audit priorities for the purposes of the Audit Act. The amendment will reinsert paragraph (c) into the Parliamentary Committees Act.

**Amendment agreed to; amended clause agreed to; clause 26 agreed to; schedule agreed to.**

**Reported to house with amendments.**

**Report adopted.**

*Third reading*

**Mr BRACKS (Premier) — I move:**

That this bill be now read a third time.

**The SPEAKER — Order!** As the third reading requires to be passed by an absolute majority and as there are fewer than 45 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 third time.**

*Remaining stages*

**Passed remaining stages.**

**Remaining business postponed on motion of Mr BATCHELOR (Minister for Transport).**

**ADJOURNMENT**

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

That the house do now adjourn.

**Taxis: services**

**Ms BURKE (Pahran) — I direct the attention of the Minister for Transport to a letter written to me from a constituent about taxis, particularly their lateness. My**

constituent's mother and mother-in-law have both had unfortunate incidents involving late taxis. The older members of the community find waiting for taxis stressful and in many instances order taxis the day before they are required. In one such case a taxi had been ordered the previous day and although many phone calls were made to try to make the need for its arrival on time understood — an appointment with a doctor — it arrived more than an hour and a half late.

One of the problems facing the elderly is that their appointments with doctors are normally major events in their day. They are in a bad state from the start because of the fear of the unknown concerning those appointments, and the added insecurity of worrying about late taxis and whether they will get to their appointments on time makes the whole process extremely stressful.

In the letter, my constituent describes three such incidents that have caused concern. One involved the taxi which had been ordered in advance and which arrived 1¼ hours late. The other two involved taxis that arrived 30 minutes late and 20 minutes late respectively. While such a situation is normal for people such as members of Parliament, and they cope, it has a major effect on the elderly.

The constituent also states a belief that the taxi industry should be deregulated and that more licences should be issued to overcome the shortage of taxis. However, that is up to the Minister for Transport. I am concerned about the issue of certainty. I would like some response from the minister.

**City Link: e-tags**

**Ms BEATTIE (Tullamarine) — I refer the Minister for Transport to concerns about the purchase of e-tags.** Twelve months ago many of my constituents purchased e-tags by having \$50 drawn from their credit card accounts. They had been bombarded with advertisements in both the print and electronic media and had door-to-door salespeople knocking on their doors at night, harassing them into buying e-tags. With the purchase came the promise of a dream run into work, more time at home with the family, breakfast with the kids and huge savings on petrol bills and wear and tear on vehicles. Instead they got daily worsening traffic snarls at the Calder–Tullamarine interchange. Most days when I travel to Parliament the traffic comes to a complete standstill at that point. The same thing happens at Flemington Road, and then the whole sorry process is repeated during the evening peak hour for my constituents.

The flashing signs on the tollway tell you to 'Fit your e-tag now' and declare that 'Tolls will apply soon' and that 'Fines may apply'. Constituents have even had letters urging them to fit their e-tags. All they have for \$50 at this point, however, is an expensive paperweight and a road that has worse traffic snarls than ever before. It reminds me of the movie *Falling Down*, and we all know what happened in that, don't we?

I ask the minister what type of accounts the e-tag purchase money has gone into, whether those accounts are interest bearing, and if so how much interest the City Link operator has earned on the prepaid e-tag accounts.

### Gaming: machines

**Mr WILSON** (Bennettswood) — I raise for the attention of the Minister for Gaming the concerns of residents of Bennettswood who are worried about the possibility of the government introducing, by clever sleight of hand, additional gaming machines in the cities of Whitehorse and Monash.

We have heard recently that the government is prepared to reduce its revenue from gaming. That may well be a policy Labor can pursue because of the healthy financial state Victoria is in. I want to be certain, however, that the government's policy is consistent across Victoria and especially in the electorate of Bennettswood.

The government is under pressure to reduce the number of gaming machines in certain areas including the western suburbs, Ballarat, Bendigo and Geelong. I now place before the minister the suggestion that the government may move to shift the issue and quietly allow a greater proliferation of gaming machines in areas such as the cities of Whitehorse and Monash and advise him that there would be community outrage if that were to occur.

Hamilton Place in Mount Waverley, for example, would be much sought after as a venue for additional gaming machines. Residents told me during the election campaign, however, of their strong desire to keep Mount Waverley a family suburb. I have no doubt the residents of Blackburn South, Box Hill South and Burwood East would agree with that.

Labor Party policy during the election campaign was to review the distribution of gaming machines and place caps on the number of machines on a regional and municipal basis. Labor also said regional caps would be introduced to prevent any new machines being installed in oversupplied areas. Labor's policy is, however, unclear when it comes to any possible increase in

gaming machines in undersupplied regions such as Melbourne's eastern suburbs, including the electorate of Bennettswood.

I ask the minister whether he can guarantee that during the term of the Bracks government there will be no increase in the number of gaming machines in the cities of Whitehorse, Monash and Boroondara.

### Bellarine Peninsula: tourism

**Mr TREZISE** (Geelong) — I draw to the attention of the Minister for Major Projects and Tourism the fact that the Bellarine Peninsula in the Geelong region is a major tourism area.

Often when the Bellarine Peninsula is referred to people think of bayside beaches like St Leonards and Indented Heads and surf beaches like Ocean Grove and Collendina. They may also think of hamlets like Queenscliff and Barwon Heads. However, there is more to the Bellarine Peninsula than just beaches. There are key tourist precincts and attractions such as the Scotchmans Hill winery, towns like Drysdale, the steam train and many key events.

From that infrastructure spring many businesses such as motels, hotels, b and b's, restaurants, cafes, tour operators and so on. Tourism is an essential part of the Bellarine Peninsula. I am aware of the Victorian Tourism Online program and the millions of dollars being put into that strategy. The Internet is a very powerful communications medium.

I ask the Minister for Major Projects and Tourism how he will ensure that Victorian Tourism Online benefits regional tourism, especially tourism in areas like the Bellarine Peninsula and, in particular, the northern areas of the peninsula.

### Industrial skips

**Mr LUPTON** (Knox) — I refer to the Minister for Transport a matter concerning his roads portfolio — namely, the parking of industrial skips on roads in residential areas. Skips are dumped on the road, filled with rubbish, et cetera, and usually left overnight, which is hazardous to motorists. They are usually painted in dark colours and have no lights or reflectors. Large skips are extremely heavy, being 5 metres in length, 3 metres in width and 2 metres in height. A motor vehicle could run into a skip left on the side of the road, especially at night, and that would be like hitting a brick building.

I suggest the government consider insisting that reflectors or lights be placed on industrial skips to make

them clearly visible. While I appreciate that so far such an accident has not occurred, it is only a matter of time before some innocent motorist runs into a skip in a dark street.

I know skips have been left on streets for a long time, but with the amount of building going on in the state the number of industrial skips parked in residential and industrial areas is excessive. I ask the minister to investigate the matter to see whether there is any way — —

**Ms Beattie** interjected.

**Mr LUPTON** — I might be interested in saving the lives of people but obviously the honourable member for Tullamarine is more interested in the Tullamarine Freeway. I hope to avoid having a motorist driving down a street at night run into an industrial skip because of its lack of illumination.

### **Greater Geelong: Belmont traders levy**

**Mr LONEY** (Geelong North) — I raise with the Minister for Local Government the possible illegality of a proposal by the City of Greater Geelong to institute a \$365 levy on every trader in the High Street area of Belmont, which will have the effect of compelling those people to join the Belmont Business Association. The move by the City of Greater Geelong has met with widespread opposition. So far 101 of the 200 businesses concerned have indicated they are opposed to the levy. One of the people who I assume is opposed to and who will receive no benefit from it is the honourable member for South Barwon, who will ask the government to pay the levy for him.

More than half the traders say it is of no benefit to them to have the levy. Many service businesses in the street either do not benefit from retail promotions or carry out significant promotions of their own. For example, traders located in the Kmart precinct pay a promotion levy to Kmart. The council wants to double tax those traders.

The only people who spoke in support of the levy at the submissions hearing conducted by the City of Greater Geelong were five members of the Belmont Business Association executive, a body whose membership has fallen by about 40 per cent this year. For the levy to be legal a benefit must be derived by each business paying it, yet the council's own agenda, dated 13 October, reports:

Some specific occupations, due to their nature, may not enjoy direct benefits.

The council report says that more than 100 of those businesses will benefit because only about 100 businesses were examined. I ask the Minister for Local Government to investigate the matter.

### **Scoresby freeway**

**Ms McCALL** (Frankston) — I refer the Minister for Transport to the Mornington Peninsula on the other side of Port Phillip Bay, where transport has been an issue for many years under many governments of all persuasions.

Recently the Moorooduc Highway and the traffic lights on Robyns Road were mentioned in the house. I now direct the minister's attention yet again to the Scoresby freeway, which was due to end at an industrial estate in Frankston, which, coincidentally, is in the electorate of the honourable member for Frankston East.

The issue is one of jobs, employment, access and opportunities for people on the Mornington Peninsula. Some transport issues have been addressed by increasing bus usage and upgrading rail transport from Frankston railway station and to Stony Point. Ferry transport not only from Sorrento but also to Western Port has also been considered.

Will the minister seriously reconsider the Scoresby freeway proposal? It had strong support from the Mornington Peninsula community because it offered many benefits to everyone on the peninsula and the areas it served on the way, including the electorates of Carrum and Frankston East. I therefore ask the minister to reconsider very strongly the benefits to all Victorians of the Scoresby freeway and, in particular, those who reside on the Mornington Peninsula.

### **B and S Scooter and Wheelchair Maintenance**

**Mrs ELLIOTT** (Mooroolbark) — I refer the Minister for Community Services to constituents in my electorate who trade under the name of B and S Scooter and Wheelchair Maintenance in Mooroolbark. The business was commenced in 1996 by Bruce Robinson. His wife has a physical disability and is confined to a wheelchair. Mr Robinson started the business in the back of a station wagon and went around carrying out maintenance and repairs to wheelchairs and motorised scooters. In his letter to me he says:

In the past three years I have built this business to become the biggest and fairest rehabilitation equipment repair service in Victoria and now employ one casual and four full-time staff members. Over this time we have considerably reduced the cost to private, institutional and government Program for Aids and Disabled People (PADP) and hospital clients.

The problem for Mr and Mrs Robinson is that the firm that supplies the equipment and fully developed wheelchairs, which the Robinsons sell to their clients, used to give them credit. It then asked for cash on delivery and now has refused to supply them at all because they owe the company a considerable amount — more than \$17 000. Mr Robinson continues:

We are running an overdraft of \$50 000 and an \$80 000 small business loan. The difficulty we face as a small business is that we are constantly owed \$60 000 to \$70 000, most of which is PADP hospital departments, which often run to 60 days and have been known to be prolonged to 90 days. We are therefore currently having a liquidity problem which could well bring the business to an end.

I received the letter some time ago. I rang today to check with Mrs Robinson who said the situation is dire. I am happy to give the minister all the correspondence. I ask the minister to find out if it is possible for the Program for Aids and Disabled People to pay more quickly and save this Mooroolbark small business.

### **Aboriginals: preschools**

**Mr MAXFIELD** (Narracan) — I refer the Minister for Community Services to the need for children to get the best start in their education through having access to kindergartens. Kindergartens provide a great start in life. Many children miss out by not having access to kindergartens, which they need to attend to prepare for their school years. Many children cope and fit in better when they go to school if they have been to kindergarten. Those who have not often find it difficult to settle in and sometimes disrupt other students, affecting the education of all members of the class.

Many Koori students in West Gippsland suffer from educational disadvantages. I ask the minister whether a Koori officer could give her a briefing on the percentage of Koori schoolchildren who have attended preschool as well as measures to ensure that Koori children attend preschool to give them a head start in life.

In Gippsland, where my family has farmed and lived for over 80 years, the Aboriginal community has been an integral part of local life. Our local kindergarten has had the good fortune of being able to welcome many Aboriginal families into its program. This year six families took part; but unfortunately, by the last term many of the children were no longer attending consistently. That lack of consistency has contributed to a vicious cycle that has affected many Aboriginal children of kindergarten age.

The high cost of fees is the primary reason why Aboriginal children do not attend kindergarten.

Kindergartens were originally developed under the auspices of the health department to improve the chances of children from disadvantaged backgrounds succeeding in the educational system. Under a free or minimal-cost service, disadvantaged children have some hope of surmounting their physical and psychological disadvantages when they enter the school system. Unfortunately, since the introduction of higher fees Aboriginal children have become the most marginalised members of the kindergarten community.

Exciting and culturally relevant program grants that require extensive volunteer work are occasionally successful. However, those programs are offered to all children and are sometimes seen by kindergarten committees as a trade-off for the inability of Aboriginal families to meet their term fees. One Aboriginal child has attended the kindergarten three times this year. What hope does she have for a good start at school next year? There is a massive need for fundraising in kindergartens — lamington drives, garden tours, fetes, shopping tours and higher fees — just to pay the wages!

The Kennett government sold out our children's future, not only in preschools but in primary and secondary schools as well, through savage cuts. When my eldest child started kindergarten, the cost was \$40 per term — it is now \$140! How many families can afford that?

### **Casterton Memorial Hospital**

**Dr NAPTHINE** (Leader of the Opposition) — I refer the Minister for Health to the situation at Casterton Memorial Hospital, which is in urgent need of a \$3-million upgrade. The funding was promised by the Kennett government as part of its proposal to upgrade nursing home beds in regional and rural hospitals. The hospital seeks assurances from the minister that the upgrade will go ahead.

The Casterton Memorial Hospital has 30 nursing home beds that do not meet the outcome standards specified by the commonwealth government. As honourable members will be aware, the outcome standards ensure an appropriate quality of life for older people who are residents of those nursing homes. The staff of the Casterton hospital are high-quality and dedicated people who live in the same community the elderly residents come from.

The physical fabric of the hospital is a concern. There are many four-bed wards, as well as a number of beds that do not have ensuite facilities. The nursing home beds are in need of an upgrade. The hospital also has a number of acute beds, so an upgrade of the whole

facility is appropriate. That is why I am raising the issue with the Minister for Health rather than the Minister for Aged Care.

As I said, the hospital was expecting funds for a \$3-million upgrade in the next budget, which was promised by the previous government. The opposition now seeks a commitment from the government that it will proceed with the plan to ensure that the nursing home beds are brought up to the required standards to ensure the continued provision of commonwealth funding.

The previous government had an excellent track record in providing the funds for hospital upgrades in western Victoria. In my electorate the previous government spent more than \$11 million on the upgrade of the Hamilton hospital. As well, the Kennett government funded a major upgrade of the hospital at Peshurst, a major \$3.3-million upgrade of the Heywood and District Memorial Hospital, and the complete rebuilding of the Portland hospital.

Major upgrades occurred at the Willaura hospital and significant works occurred at the Coleraine hospital and the Macarthur health service, so it is not as though the previous government was negligent in funding hospital improvements and physical facilities for health services in the electorate of Portland.

I ask for a government commitment to the \$3 million upgrade of the Casterton Memorial Hospital to bring nursing home beds up to standard and redevelop acute beds so the people of the Casterton district will have an appropriate health service, with local general practitioners and visiting specialists, including those involved in the in-vitro fertilisation program.

### **St Albans Primary School**

**Mr SEITZ** (Keilor) — I refer the Minister for Education to the upgrade of St Albans Primary School. As a former local member for the area, Mr Speaker, you would know the school. It is on the list for an upgrade. However, during the election period significant delays occurred in getting the plans completed and tenders submitted and the increasing costs of labour and material mean that the initial allocation may not be sufficient to complete the upgrade.

I am delighted about the pending upgrade, as are the school and the community. I attended the school to learn English, and honourable members may judge whether or not it did a good job. When I arrived in this country only the St Albans Primary School conducted English lessons in my area, and prior to that they were

conducted at the mechanics institute. The school has never had a major upgrade. The prefabricated steel barracks-type classrooms need to be bulldozed and walls of other classrooms need to be either replaced or repaired.

The school community will be delighted if the job can start soon. It will be a major improvement to the area and will provide a pleasing educational environment for all involved — the students, teachers and parents. The school community has spent some time planning for the new works. I ask the minister to examine whether any shortfall in funding can be met so that the school can celebrate a long period of assisting the community.

### **Centre–East Boundary roads: intersection**

**Mrs PEULICH** (Bentleigh) — I refer the Minister for Transport to safety concerns about the intersection of Centre and East Boundary roads, Bentleigh East, which have been brought to my notice by a Ms Williamson. In the interests of pedestrian safety, especially of older pedestrians, there is a need to install right-turn lanes for traffic turning right from Centre Road into East Boundary Road, particularly when traffic congestion is high. Right-turn lanes would separate through and right-turning traffic and reduce the frustration experienced by motorists.

**Mr Hulls** interjected.

**Mrs PEULICH** — This has just been brought to my attention by Vicroads and the City of Glen Eira. I am sure not all problems in an electorate can be addressed in a small span of seven years. The frustration experienced by motorists means they often engage in risky manoeuvres using the current lane-sharing arrangements. There is a need to make the intersection safe for motorists, and for pedestrians in particular.

I ask the minister to do what he can to facilitate this project given that Vicroads and the City of Glen Eira already support the modifications. Although it does not have a funding allocation and is not on the schedule it is a safety issue, which is especially important in an electorate such as Bentleigh, which has a large aged population. I would appreciate the minister doing whatever he can to assist the project.

### **Minister for State and Regional Development: web site**

**Mr PERTON** (Doncaster) — I direct a matter to the attention of the Minister for State and Regional Development, who claims to be the minister responsible for IT or multimedia and who has now been in his job for six weeks.

**Ms Delahunty** interjected.

**Mr PERTON** — The Minister for Education, who seems a bit confused by her own responsibilities for multimedia other than that she wants to tip some more money into the pockets of her mates, should listen.

One would think that a minister responsible for IT would have his own IT web site — sadly, this minister does not. One would think that a member of Parliament who had been a Leader of the Opposition and a shadow minister for several years would have an MP's web site — sadly, he does not. One would think that the Department of State and Regional Development would have a web site in operation after some six weeks — sadly, the department's web site is still closed for repairs. Lastly, one would think that Multimedia Victoria would have some reference to Minister Brumby on its site map or index — sadly, it does not. It has one sad little reference to a speech made by the minister, but again no ministerial web site.

**Ms Kosky** interjected.

**Mr PERTON** — If the minister wants to be the minister for IT and multimedia and wants to show some leadership in the community, one would have thought that after six weeks he might have imitated his colleague the Minister for Post Compulsory Education, Training and Employment — sadly, he has not.

The Minister for State and Regional Development has thrown out all the good elements of the multimedia program introduced by the Kennett-Stockdale government, including privacy for the private sector. I ask the Minister for State and Regional Development to demonstrate some leadership, to build a web site and to show some inspiration.

### Responses

**Ms CAMPBELL** (Minister for Community Services) — The honourable member for Mooroolbark referred to a business run by Mr and Mrs Robinson called B and S Scooter and Wheelchair Maintenance. I thank the honourable member for providing me with that information.

It is obvious from what has been outlined to the house tonight that the services of B and S provide valuable support to people with disabilities through the maintenance of wheelchairs and motorised scooters. The honourable member also advised that the business provides and supplies wheelchairs at a discount rate. Obviously the business is in dire straits as a result of an overdraft of \$50 000 and a debt of \$17 000.

I will undertake to follow up through my department how much the PADP — Program of Aids for Disabled People — scheme owes the business and endeavour to get an electronic transfer, which may be most appropriate in this technological age, through to them within the next seven days. I do not want liquidity problems forcing the business to close, particularly given that it employs four full-time and one casual staff as well as assisting people with disabilities.

The other matter that was directed to my attention was from the honourable member for Narracan who referred to Koori preschool participation in Gippsland. I am mindful that in the past 12 months, as a result of work by Koori preschool officers, the participation rate among the Koori population has risen. However, I was unaware that the figures that look quite impressive on paper are perhaps not accurately reflected in children actually attending preschool. I am troubled to hear that one child who is enrolled in a preschool and obviously gaining per capita funding for the preschool has attended only three times in 12 months. That is not good for the child, and it certainly sends the wrong message if the government is funding a place when a child attends only three times in a year.

I will ensure that I obtain a thorough briefing on the participation rate of the Koori children in Gippsland. I will endeavour to provide that information not only to the honourable member for Narracan but to other honourable members in the Gippsland region to enable them to participate in the government's efforts to increase preschool enrolments, in particular for families with health care cards. Many of the Koori population in Gippsland are picking up the health care card component, which is currently worth \$100. Next year the Bracks Labor government will increase that to \$250.

**Ms DELAHUNTY** (Minister for Education) — The honourable member for Keilor mounted an eloquent case and outlined delays by the former government in providing funds for a building at the St Albans Primary School. Inexplicably the school was ignored in the seven years of the previous government. The honourable member argued that little if anything was spent on the school over that period and referred to the fact that the school had some historical significance. He also referred to classes being held in the mechanics institute and in barracks-type classrooms.

**Mr Perton** interjected.

**Ms DELAHUNTY** — Indeed, it should be heritage listed but the children who attend the school are not interested in heritage; they are interested in

contemporary and modern facilities, as are all children throughout the state.

Parents and students of St Albans Primary School at last have a government that cares about education. They have a government that will give due consideration to providing the facilities they need. The honourable member's question specifically related to an increase in building costs the school may have to incur because of intolerable delays caused by the former government. I assure the parents, the students and the honourable member for Keilor that the Department of Education, Employment and Training will examine this as a matter of haste. I assure the students of St Albans that the upgrade will take place as soon as possible.

**Mr CAMERON** (Minister for Local Government) — The honourable member for Geelong North raised a matter concerning Belmont traders and a \$365 levy that has been applied by the executive. He asked whether it was legal because 101 businesses oppose the levy. Section 163 of the Local Government Act applies to special rates and charges. The charge will apply if:

... the exercise of the power is or will be of special benefit to the persons required to pay the special rate or special charge.

A special benefit must apply to the persons required to pay the levy.

Local government is the third tier of government, and if there is a dispute between local government and the traders the question of legality will come out. I suspect the traders may very well seek their own legal advice on whether they should or should not pay the charge. It may be that if people do not pay it the City of Greater Geelong will bring proceedings against them, which may bring the issue before a court. It appears to me that that is probably where the matter will ultimately be determined if things pan out as we have been informed.

I have explained how the legislation appears to apply. I hope that assists the honourable member for Geelong and answers his concern.

**Mr PANDAZOPOULOS** (Minister for Gaming) — The honourable member for Bennettswood raised issues relating to the government's gaming policy and its possible implications in the cities of Whitehorse, Monash and Boroondara. It is interesting that this matter is raised now, when for seven years all the coalition did in government was to promote the gambling industry. It did nothing to control it — it was a free-for-all out there. The community has had to wait for a Labor government to swing the pendulum back to a better and stronger regulatory environment to ensure

the views of local communities are taken into account in decisions on where gaming machines go.

However, the honourable member for Bennettswood raises important issues. Mount Waverley is not necessarily too far from Dandenong, and I am reminded that under the previous government I had people coming to see me as the member for Dandenong because the previous member for Bennettswood and the Liberal members of Parliament representing the area were doing nothing at all about trying to ensure a better regulatory environment to control where gaming machines are installed. I remember the application for Hamilton Place and the huge public meetings held there, as well as the complaints made about the local members of Parliament there at the time. It was only because of the local community chasing down every avenue it could — the Liquor Licensing Commission, the Victorian Casino and Gaming Authority and the local council — that the application did not go ahead.

I cannot believe the audacity of the honourable member for Bennettswood in raising these sorts of things and scaremongering, as if a Labor government intended to force a whole lot of extra machines on places like the cities of Whitehorse, Monash and Boroondara.

The honourable member would have read an article in the *Herald Sun* about where the government intends to go with its gaming policy. The government is committed to things like regional caps and giving local government more of a say in the decision-making process to ensure its point of view is considered by the authority when a decision is made. That enables the authority to exercise its discretion and distinguish between communities on the basis of information about the impact on localities and so on.

The government is also committed to ensuring that when their licences come up for renewal 24-hour gaming venues have to pass an economic and social impact test, which they are not required to do at present. The government is further committed to ensuring that gaming venues are not able to proceed in strip and stand-alone shopping centres. Issues about how planning schemes can enforce that will have to be dealt with.

As reported in the *Herald Sun* article, the government certainly does not want to rush things; it wants to consult the community. In the New Year a discussion paper canvassing the options available to the government in delivering its policies will be released.

**Mrs Peulich** — Is there a committee?

**Mr PANDAZOPOULOS** — There is no committee, thank you very much. Local councils can contribute to that consultation process before a bill is drafted for introduction in the house.

Although the government will seek the advice of the cities of Whitehorse, Monash and Boroondara about these matters, I thank the honourable member for Bennettswood for at least highlighting some of the concerns. He seems to be trying to do something, in contrast to the former holder of that seat.

I am concerned to note that Monash has the highest number of gaming machines in the state, with 1222. In effect, the cities of Boroondara, Whitehorse and Monash, along with Manningham — to which the Victorian Casino and Gaming Authority refers as inner and eastern Melbourne — have 1 gaming machine for every 220 people.

That is not necessarily dissimilar to many other areas. It is important to note that the City of Monash already has a high concentration of gaming machines, and with the government's policy on regional caps we will be talking to the local communities and the council about what the local cap should be.

I ask the honourable member for Bennettswood to be involved in the discussions in the New Year and to encourage his local councils to apply to the government. I assure the honourable member that the government is not about promoting the gambling industry or acting as an advocate or mouthpiece for it. Its role is to ensure the state has a responsible gaming industry that takes into account the needs of local communities.

I remind the honourable member that legislative change will be required under the current system, which was set up by the previous government. Currently all you need to do is have a liquor licence and pass a probity test, and then you can have gaming machines. One would expect to have to do much more than that to qualify for gaming machines. There will be more debate on the issue, because it is not black and white and the government wants the community to discuss the matter and help it to make appropriate decisions.

The honourable member for Geelong raised the important issue of Victorian Tourism Online. He is a big fan of tourism in the region, and he is trying to highlight opportunities for the Bellarine Peninsula. We all know that the Geelong–Bellarine region is a great tourist area, but the honourable member is trying to highlight the north Bellarine area to ensure that it is not isolated and forgotten.

The Internet can be a democratic tool if used effectively. I have asked Tourism Victoria to ensure Victorian Tourism Online is made available to all sorts of tourism operators. The greatest benefit will be to the b and b's, smaller accommodation places and unique tourism outlets that might not have the marketing and corporate backup larger operators have. It does not matter where the business is located or whether it is big or small, Victorian Tourism Online will provide the opportunity to be on site and accessible to people interested in travelling to the Bellarine area and throughout Victoria.

Tourism operators in the north Bellarine area have written to me asking me to ensure that their areas are not forgotten. I will ensure that that does not happen because, as the honourable member said, there are great tourism precincts in the region. There are great beaches and many other attractions, and more will be done to ensure that tourism flows to every part of the Bellarine Peninsula and every part of Victoria.

I thank the honourable member for continually raising tourism matters with me. Last week he suggested the board of Tourism Victoria should visit communities to get their input. The board will be in the Colac region tomorrow. I have visited Geelong Otway Tourism, and its staff have been doing a great job. I thank the honourable member and assure him that the government is very committed.

I have reviewed the program, and I was a bit concerned about whether it would reach every tourism operator. I am assured that it will, and I thank the honourable member for continually raising the great tourist potential of the Bellarine Peninsula.

**Mr BRUMBY** (Minister for State and Regional Development) — The honourable member for Doncaster spent 3 minutes working himself up into a lather over web sites. The honourable member is obsessed with web sites, and he is particularly obsessed with his own. He spends most of his time logging on to his web site and looking at his smiling photo. He works himself up into a lather every time he does it.

I have not looked at the honourable member's webpage. His favourite hobby is accessing web sites. All honourable members know about the success of opposition web sites at the last election! That extraordinarily successful web site, Jeff.com, was a real ripper. If one now looks at that web site one sees that it is Jeff.gone! One admirable element of the former Premier's leadership was that he kept the honourable member for Doncaster out of the ministry. The government is eternally thankful for that! I understand

the honourable member for Doncaster was the brain behind the masterful web site, Jeff.com. Conservatively, it cost the former coalition government some 12 seats at the last election, but he still has not learnt.

The honourable member for Doncaster has hardly graced himself during his short time on the opposition front bench. He has now made several errors of fact. He has been wrong on every occasion on which he has spoken. He was wrong in his response to Connecting Victoria, he was wrong on radio 3LO this morning, and he was wrong in questions on notice to me as minister. I advise the honourable member for Doncaster that if he wants to succeed in this game of politics he needs to be both accurate and honest, and he should desist from making inaccurate claims.

In the honourable member's response to Connecting Victoria a couple of weeks ago he expressed surprise at the use of the word 'televillage'. He said it was a word invented by the new government that confirmed the view the government knew nothing about information technology. Televillages are common in the United States of America and Ireland, and the federal government is trialling televillages at Launceston, Tasmania.

On radio this morning the honourable member for Doncaster made an extraordinary claim about data protection legislation. He said he was concerned that the Bracks government had indicated it would pass legislation only for the public sector and would lobby the federal government for some sort of private sector legislation.

That statement is a profound embarrassment to the honourable member for Doncaster. In December 1998 the federal government said that it would introduce uniform national privacy legislation. The view of the Honourable Alan Stockdale, the minister responsible for that area in the former Kennett government, and the view of the Bracks government is that uniform national privacy legislation is the preferred outcome for Australia. It makes no sense to have states embarking on their own privacy legislation. The honourable member for Doncaster should know that firms trade across state barriers and national legislation is needed.

**Mr Perton** — You are a liar.

**Mr BRUMBY** — I find the remark offensive, Mr Speaker, and I ask you to direct the honourable member for Doncaster to withdraw it.

**The SPEAKER** — Order! The remark from the honourable member for Doncaster was unparliamentary. I ask him to withdraw.

**Mr Perton** — I withdraw.

On a point of order, Mr Speaker, the Minister for State and Regional Development is drowning. He is held in disrepute by the industry. Three minutes ago he said I had not told the truth. He then quoted me and has proceeded to demonstrate that I tell the truth. I ask you to bring him to order and direct him to address the matter I raised.

**The SPEAKER** — Order! If the honourable member for Doncaster is saying the words the minister used are unparliamentary, I rule against the point of order.

If the point of order relates to whether or not the minister is relevant, I find that the minister was being relevant in that he was responding on matters about web sites raised by the honourable member.

**Mr BRUMBY** — If the honourable member for Doncaster cannot take the heat in the kitchen he should get out. He is drowning!

The honourable member for Doncaster has been wrong on every occasion on which he has raised matters about information technology. He has been wrong in about a dozen other instances as well as in his response to Connecting Victoria and in his remarks about televillages.

I will set the record straight in relation to privacy legislation. It is the Bracks government's view that uniform national legislation is required.

**Mr Thwaites** interjected.

**Mr BRUMBY** — The Deputy Premier interjects — and he is absolutely correct — that that was exactly the position of the previous government. The Bracks government has taken the position of having legislation drawn up that includes data protection for both public and private sector databases.

**Mr Perton** interjected.

**Mr BRUMBY** — The honourable member for Doncaster embarrasses himself, because in December 1998 the federal government indicated it was proceeding with uniform national privacy legislation. Today I am informed that, having promised that the legislation would be introduced into federal Parliament in the current sessional period, the federal government

has now indicated that only legislation concerning public sector databases will be introduced and uniform national privacy legislation will be further deferred until next year.

The preferred model for Victoria is uniform national private sector legislation. If the federal government continues to procrastinate and delay uniform national legislation on privacy, the Bracks government will introduce legislation in the next sessional period in relation to both public and private sector databases.

As the honourable member for Doncaster well knows, in Connecting Victoria I made a commitment that the Bracks government will strengthen the compliance provisions of the proposed legislation. It will be more effective and stronger legislation than that proposed by the previous government. If the honourable member wants to raise these matters he should desist from making comments that contain what is now becoming a huge degree of inaccuracy.

Whenever he rises to speak he whinges, whines and carps. He is obsessed with his own web site — he was the mastermind behind Jeff.com, which was spectacularly unsuccessful for the previous government — and in his latest attack he has resorted to personal attack and abuse against the head of Multimedia Victoria, Dr Adams, who has been praising the information and communication technology policies of the new minister and the new government. That fact riles the honourable member for Doncaster because Dr Adams is highly regarded nationally. She is an eminent person in this field and was adviser to the previous government. The truth always hurts!

I remind the honourable member for Doncaster that if he wants to raise matters in this place, he should ensure they are accurate.

**Mr THWAITES** (Minister for Health) — The Leader of the Opposition raised a concern about future development of the Casterton Memorial Hospital. The government is committed to improving services and upgrading capital works in country and regional Victoria. In the seven years of the Kennett government a substantial reduction in capital works in country Victoria, which was referred to — —

**Mr Leigh** interjected.

**Mr THWAITES** — The honourable member for Mordialloc interjects, but he wouldn't know. He is the honourable member who promised his hospital would not be closed and then stood silent while it was closed. Perhaps the honourable member could concentrate on his own electorate.

In his report to Parliament the Auditor-General commented on the lack of capital funding. The government is concerned about that and remains committed to the provision of capital works throughout country Victoria.

When in government the Kennett coalition established a process for dealing with capital works matters. It involved an investment evaluation process and then a budget process that becomes part of a capital works program. Certain promises were made by the former government about Casterton Memorial Hospital. However, no budget was prepared and no funds were supplied for the hospital. The government is concerned that opposition members continue to go around the countryside claiming that commitments were made, but when it looks behind their claims it finds that no funds or budgets were provided.

The process for Casterton Memorial Hospital under this government is exactly the same as the process that applied under the previous government. The proposal is worth while, and the government is now proceeding with an investment evaluation process, which is precisely what the previous government would have done had it done the right thing. After that process, should it meet the requirements of the Department of Treasury and Finance, the proposal for Casterton will go into the budget process and be budgeted for. The government is doing nothing to hold up the process; if anything, it is accelerating it beyond the speed at which the previous government dealt with the proposal.

I draw to the attention of the Leader of the Opposition the fact that no funds were available nor was there a budget for the Casterton hospital. It is another issue the government needs to take up because of a promise made by the previous government but not fully budgeted for.

**Mr BATCHELOR** (Minister for Transport) — The honourable member for Tullamarine raised with me an important issue about the money paid by hundreds of thousands of Melburnians and Victorians to Transurban for e-tag accounts as prepayment of tolls for when the City Link tollway is commissioned. I thank the honourable member for raising the matter. It shows why she has a reputation as somebody who is prepared to stand up for the motorists of Melbourne. When she sees an injustice the honourable member is prepared to raise it in this place and stick up for motorists.

Representing the outer suburban electorate of Tullamarine as she does, the honourable member understands the importance of motor cars and trucks to residential and commercial activity. She also

understands the impact the high tolls will have on those living and working in her electorate.

Many people were induced to open e-tag accounts as long as 12 months ago. Millions of dollars have been handed over in the expectation that the tollway would be available. The dilemma is that the longer the Transfield Obayashi joint venture takes to grapple with the tolling technology, the longer it will take for Transurban to commission the project and apply the tolls.

The issues raised by the honourable member for Tullamarine are important and need to be taken up with Transurban. Around \$13 million to \$15 million has been prepaid — some almost 12 months in advance. Members in the chamber who have organised e-tag accounts know they are not receiving interest.

*Honourable members interjecting.*

**Mr BATCHELOR** — You are getting some in Shepparton!

Interest is not being paid on these accounts, and people have handed over money for long periods. I will take up the issue with Transurban to see if it can compensate more than 200 000 Melbourne motorists as an apology for depriving them of the ability to use their money.

Hundreds of thousands of people around Melbourne have handed money over on the understanding it is required to be used soon. That has not been the case. Many people paid the money on credit cards and may have attracted interest by paying it early. It is a double loss for many people who purchased e-tags through credit card facilities and were charged high rates of interest for complying with the request by Transurban.

**Mr Leigh** interjected.

**Mr BATCHELOR** — The honourable member for Mordialloc wants to know what the government will do about the matter, because he did nothing about it. He was happy to sit by and allow the situation to develop and continue. He wants to know what we will do about it; we know he will do nothing. He is in opposition and that is his attitude — he will do nothing because that is his modus operandi — unlike the honourable member for Tullamarine, who wants something done about the matter. When she sees an injustice against the motorists of Melbourne, she does the right thing and raises it in Parliament. She stands up for people who are suffering injustice — in stark contrast to the honourable member for Mordialloc.

The government will take the matter up with Transurban.

**Mr Leigh** interjected.

**Mr BATCHELOR** — The honourable member opposite asks me to repeat what I said, and if he asks again I will repeat it for his benefit. It is important for him to understand what good, responsible members of Parliament do: they raise issues in Parliament. As I said, the government will take the matter up with Transurban to see whether it can, by one means or another, return something to the motorists of Melbourne.

The honourable member for Prahran raised the problems that a number of constituents in her electorate have experienced with taxis. I can understand why she did not want to give the individuals' names. If the honourable member makes that information available to my department, I will consider the matter. In essence, the honourable member said a number of elderly people have experienced great difficulty, stress, uncertainty and insecurity when booking taxis. Sometimes they have booked taxis with as much notice as one and a half days only to have them arrive late. This is a serious matter and one can understand her constituents' feelings.

People book taxis for specific reasons at a special time. Taxis are not booked with a request that they come some time during the afternoon. People want the taxis to arrive at the designated times. If there are problems with taxi bookings the taxi industry will need to lift its game. The problems may be with one particular firm or they could be spread across the industry. When I receive the specific information from the honourable member I will take it up with the taxi directorate and get back to her.

The honourable member for Knox referred to the placement of industrial skips on roadsides, particularly in residential and industrial areas. The honourable member mentioned the problems skips pose to other motorists, particularly when they are left full of rubbish overnight and cause potential traffic hazards. The dimensions of the skips mean they often protrude beyond the normal area occupied by cars parked on the side of the road. It is a serious matter.

Recently a neighbour of mine who had a skip placed in the street put a flashing amber light on the skip to provide some warning. A whole range of issues are involved, not the least of which is who would be responsible for public liability for any accidents that may occur. Is it the provider of the skip, the builder at

the home, the person using the skip to take rubbish away or the owner of the property? Those issues need to be thoroughly examined. I will take that up with Vicroads and respond to the honourable member.

The honourable member for Bentleigh raised a problem at the intersection of Centre and Boundary East roads that was directed to her attention by a Ms Williamson, and requested a right-hand turning lane to separate through traffic from turning traffic. I will ask Vicroads to examine the matter and get back to the honourable member directly.

The honourable member for Frankston again asked about the Scoresby freeway, a project the previous government refused to fund. Consequently, there is no money in the current budget to build the freeway. The honourable member asked me to have another look at it, and I will do that. I can assure the house that when I look at it again I will find there is still no money in the budget for the building of that freeway. The failure of the previous government to provide more than \$800 million for the freeway will mean that the project cannot proceed.

The capital funding required to build such a large project is enormous. If that funding were to be provided Vicroads would not be able to do any of the other sorts of projects honourable members regularly raise with me in the adjournment debate.

It is a big issue and a big capital item. It may be that because of the size of the project it is beyond the capacity of any state government to provide the necessary funding. Given the huge size of the project and the amount of money required to fund it, the attitude taken by the previous Liberal government may also be the response of future governments. I will check those budgetary matters, but I am almost 100 per cent certain that the money is not available because it was not provided for by the previous government.

**Motion agreed to.**

**House adjourned 11.36 p.m.**

