

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

25 October 2000

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By authority of the Victorian Government Printer

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His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

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The Hon. D. V. NAPHTHINE

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Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:

Mr B. E. H. STEGGALL

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| Languiller, Mr Telmo | Sunshine | ALP | Wilson, Mr Ronald Charles | Bennettswood | LP |
| Leigh, Mr Geoffrey Graeme | Mordialloc | LP | Wynne, Mr Richard William | Richmond | ALP |

¹ Resigned 3 November 1999

² Elected 11 December 1999

³ Resigned 12 April 2000

⁴ Elected 13 May 2000

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Wednesday, 25 October 2000

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.35 a.m. and read the prayer.

PAPERS

Laid on table by Clerk:

City West Water Limited — Report for the year 1999–2000

National Parks Act 1975 — Report on the workings of the Act for the year 1999–2000

Parliamentary Committees Act 1968:

Response of the Premier on action taken with respect to the recommendations made by the Public Accounts and Estimates Committee report *Outsourcing of Government Services in the Victorian Public Sector*

Response of the Premier on action taken with respect to the recommendations made by the Public Accounts and Estimates Committee report *Commercial in Confidence Material and the Public Interest*

Rural Finance Corporation — Report for the year 1999–2000

South East Water Limited — Report for the year 1999–2000

State Electricity Commission of Victoria — Report for the year 1999–2000

Statutory Rules under the following Acts:

Pharmacists Act 1974 — SR No 104

Subdivision Act 1988 — SR No 105

Subordinate Legislation Act 1994 — SR No 103

Transport Accident Act 1986 — SR No 106

Subordinate Legislation Act 1994 — Ministers' exception certificates in relation to Statutory Rule Nos 103, 104

Yarra Valley Water Limited — Report for the year 1999–2000.

MEMBERS STATEMENTS

Drugs: rave parties

Ms McCALL (Frankston) — The issue I raise relates to rave dance parties. I am aware that the honourable member for Altona also has concerns about this matter. It was brought to my attention by a young man in my electorate. His letter to me states:

Rave parties are open to anyone over the age of 15 years but I have seen children as young as 10 at them, quite obviously stoned. At these parties drugs are freely available to anyone who has the money. Rave parties are no more than safe houses where children can do all sorts of illegal drugs.

I have investigated the parties at length. At first glance they appear to be drug-free and alcohol-free parties where young people can have a good evening's entertainment. However, I have recently discovered that the venues have an area called a chill-out room, where particularly young girls go. There they are given an ecstasy tablet, get a bit tired and emotional and a bit uncomfortable, go to the back of the room to chill out, wake up or come around later and discover their clothes in a state of disarray and that they are unsure of what has happened to them.

Entertainment for young people is an important and essential part of growing up and of life, but I would be very concerned if these rave parties were just a front for encouraging young people to experiment in illicit drugs and illegal activities.

Children: permanent care

Ms CAMPBELL (Minister for Community Services) — A fortnight ago I appealed to Victorian families to open their hearts and homes to 73 children aged up to 12 years who were awaiting the care and security of a new permanent family. Most of the children had suffered some form of abuse or neglect and desperately needed the still point of a nurturing family to care for them permanently.

Victorian families have always shown great generosity of spirit in caring for children who cannot remain in their own homes. Since the early 1990s, 850 families have undertaken permanent care, which is a deeply enriching experience for the child and the permanent-care family. For the sake of the children more Victorian families should discover this reward.

I sincerely thank over 1000 individuals and families who have registered their interest in providing permanent care. Since the permanent-care order was introduced in the early 1990s, 97 per cent of placements have been successful for children and their new families. Prior to the recent appeal, fewer families were inquiring about permanent care while the demand was increasing. I again place on record my appreciation to those families involved in permanent care. Victoria is the only state offering permanent care, and Victorian families need to continue to open their hearts and their homes. We say thank you to those who have.

Week Without Violence

Mr MAUGHAN (Rodney) — Many community-based organisations taking part in the Week Without Violence are promoting the message that family violence hurts kids too. It is a sad fact of life that

in homes where violence occurs children are at risk of suffering psychological and emotional abuse, regardless of whether they are physically abused themselves. Recent evidence clearly shows that living in a family where a parent is being abused has significant traumatic effects on children. Children are alert to the obvious tension, fear and distress in their parents. That can and does have long-term negative effects on the children, robbing them of a sense of personal safety and causing them to be fearful, withdrawn, aggressive or violent themselves and adversely affecting their ability to concentrate at school.

Fortunately such effects on individual children are not irreversible and can be addressed, provided early and effective intervention occurs. The longer children are aware of violence in the home or subject to it themselves the more difficult it is to undo the damaging effects on their development. In 1998 Victoria Police reported attending almost 21 000 family incidents and noted that children were present at more than half of them. The violence must stop. Kids have a right to feel safe and to know that they are not to blame. I urge all honourable members to support and promote this Week Without Violence.

Austin and Repatriation Medical Centre

Mr LANGDON (Ivanhoe) — Today I condemn the Leader of the Opposition for his comments in an article in last week's *Heidelberg*, which states:

The state opposition will overturn the \$320 million Austin and Repatriation Medical Centre revamp if it wins government, so long as the work is not too far advanced, opposition leader Denis Napthine said last week.

The article also refers to the Leader of the Opposition's comments when speaking to the RSL:

Dr Napthine told a meeting of about 30 war veterans and RSL representatives at the repatriation hospital last week that a Liberal government would use the flatter repatriation site.

The Leader of the Opposition stands condemned for his comments. He also contradicts himself. Only months earlier he is reported in the *Heidelberg* of 20 June as saying to the Heidelberg traders association:

Dr Napthine said he supported the redevelopment of the Austin site.

The honourable member cannot make up his mind. He has totally contradicted himself. Rather than playing Lego blocks in the opposition room he should get on to some serious business. The Austin hospital is not like a Lego set; the Leader of the Opposition should get on with serious business and stand behind what the

government is doing rather than threatening to pull it down.

Austin and Repatriation Medical Centre

Dr NAPTHINE (Leader of the Opposition) — I bring to the attention of the house the mistake the Labor government is making with its investment in health services in the northern part of Melbourne. The government is investing \$320 million in upgrading the Austin and Repatriation Medical Centre on the Austin site. That is the wrong site; it is not in the best interests of health services in either Melbourne or Victoria. The redevelopment should take place on the repatriation site where there is flat land, which allows for any hospital to be more efficient.

At the meeting at which I spoke, Jennifer Williams, the CEO of the Austin and Repatriation Medical Centre, said that the staff and the board of the Austin and Repatriation Medical Centre support the redevelopment on the repat site.

The government has overruled the medical experts, the board of the hospital, the chief executive officer and all of the health experts who say the best decision is to redevelop the new hospital on the greenfield site. That is what the experts said and that is what Jennifer Williams told the meeting, but they were overruled because of the political interference of this government and the honourable member for Ivanhoe.

Thorpdale preschool

Mr MAXFIELD (Narracan) — Today is Treasure Kindergarten Day and I pay tribute to the kindergartens in my electorate. The directors and teachers do wonderful work and the committees work incredibly hard. During their 12-month period in office the committees carry out fantastic work in maintaining their kindergartens. It is sad that honourable members opposite do not understand or care about kindergartens in this state, particularly those in my electorate.

I shall be tabling a petition on behalf of the Thorpdale kindergarten. It has an innovative program. It is a small kindergarten and its small committee works extremely hard. In some areas of my electorate small kindergartens cannot run on a full-time basis. The Thorpdale kindergarten operates out of a hall and occasionally has to pack up everything because the hall has other users. The staff and committee operate under difficult circumstances and I pay tribute to the way they have worked to deliver a fantastic kindergarten education for their children. Kindergarten is important

in developing the skills children will need when they attend school. It is something we must all treasure.

Palestinian protest rally

Mrs SHARDEY (Caulfield) — The Liberal Party was dismayed that a senior member of the Victorian government officially attended and was part of an anti-Israeli Palestinian protest rally that included the burning of an Israeli flag.

The honourable member for Coburg, a parliamentary secretary of the Bracks government, attended the protest rally on the steps of Parliament House on Friday, 6 October, and was part of the official party and crowd that appeared to rejoice at the burning of the Israeli flag. I am appalled that the Premier, who has made such strong overtures to the Jewish community, could even contemplate that a member of his government officially be part of such a rally. He would surely have realised that a Palestinian protest rally would be anti-Israeli, divisive and an offence to Victoria's large Jewish community.

The opposition refused the invitation to attend the rally. It considered that it would be inappropriate for it to attend and that the rally would not promote peace and harmony in Victoria. One can only assume that the Premier endeavours to be all things to all people, and in so doing he demonstrates a complete lack of sensitivity and principles.

Nothing I have said is intended to deny the fact that together with the entire community the Liberal Party is distressed at the violence and bloodshed in Israel today. We pray for peace and fully support all efforts to bring an end to the conflict in the Middle East.

Wattle Park Primary School

Mr STENSHOLT (Burwood) — I support the schools in my electorate, particularly the Wattle Park Primary School, which held its fete and fireworks last Saturday. The fete had the usual rides, stalls and raffles, and I had the honour of drawing out the winning entries. It all ended with a spectacular fireworks display at the top oval on Saturday night. Thanks to the hard work of many people, including the principal, Nick Farley, the school council president, Andrew Corcoran and organisers, Rhonda Bowen and Vicki Passmore, the event raised \$12 000. The school, which has about 230 students, is looking forward to the completion of its new administration block, redeveloped library and three classrooms next February, as well as to obtaining two new portable classrooms. It is a great school in a great community with a great community spirit.

Geelong Hospital

Mr PATERSON (South Barwon) — There are mounting fears over the Geelong Hospital's ability to provide comprehensive patient care under this callous Labor government. The chairman of the medical staff group at the hospital, Dr David Bainbridge, has written to his colleagues advising them that despite reported cash increases allocated in the last state budget the Geelong Hospital has less money this year than last year when increases in Workcover premiums, superannuation and salary increases are taken into account.

Dr Bainbridge has said there will be no extra money to treat patients. All the government could say was that Dr Bainbridge has misunderstood how the hospital works. In choosing who to believe between the highly respected Dr Bainbridge and the Labor government, I know who the Geelong community will back.

The hospital has confirmed it must look at its options, which include reducing elective surgery by a total of 1000 procedures combined with elective surgery shutdowns, reducing the stay for inpatients and accommodating current hospital patients who require nursing home care into 'more appropriate' facilities.

The government has cut into patient care in Geelong: the medical staff group has confirmed that and the hospital has said it must look at its options. The ALP should be condemned.

Monash Spring Tea Dance

Ms BARKER (Oakleigh) — On Sunday, 15 October, I had the great pleasure of attending the Monash Spring Tea Dance, a major social event for aged residents of the City of Monash, to recognise and pay tribute to the valuable contribution of those residents to the community.

A considerable number of organisations and individuals contributed to the success of that very enjoyable afternoon, and I thank them for their efforts. They include the Monash Volunteer Resource Centre, very capably led by Gloria Mahoney; the Monash council for the venue; the Rotary and Lion's clubs of Waverley; Bev's Blossoms; Ron Wilson, a volunteer with MVRC; Mary Drake; Kaye Van Eerden; Soroptimist International of Waverley; and the many volunteers who drove buses and assisted in many other ways.

Dance music was provided by the Denis Farrington Big Band and the entertainment was provided by the Tivoli Lovelies. No such afternoon could be a success without a very capable master of ceremonies, and we were very

fortunate to have Mr Norm Gibbs guiding the afternoon in such an entertaining way.

It is always difficult to select individuals for thanks, but I thank Senior Constable June Plant from Oakleigh police station who not only assisted in organising the initiative but also coordinates the senior citizens register, an initiative of the Oakleigh–Clayton Police Community Consultative Committee.

I certainly enjoyed myself, as did everyone who attended. Everyone received a lovely corsage, a small gift to take home and of course there were the many prizes on the dance floor. We all look forward very much to such enjoyable and successful dances continuing in the future. I thank the Minister for Aged Care for the \$2000 support provided by her department.

The SPEAKER — Order! The honourable member for Bellarine has 15 seconds.

Ministers: correspondence

Mr SPRY (Bellarine) — I again direct the attention of the house to the appalling lack of response from ministers to written requests from members of Parliament. It has happened in my electorate on several occasions. Two ministers are outstanding in their lack of response: one is the Minister for Transport and the other is the Minister for Environment and Conservation. Months go by before those ministers respond.

The SPEAKER — Order! The honourable member's time has expired. The time set down for members statements has also expired.

ECONOMY: GOVERNMENT POLICIES

The SPEAKER — Order! I have accepted a statement from the Leader of the Opposition proposing the following matter of public importance for discussion today:

That this house notes with concern the dramatic fall in business confidence in Victoria due to undue delays in government decision making and calls on the government to take decisive action to get Victoria moving again.

Dr NAPHTHINE (Leader of the Opposition) — Business confidence in the Victorian economy is unfortunately suffering from a distinct lack of leadership, vision and an agenda for this great state. Unfortunately Victoria is adrift on a sea of indecision. The Victorian economy and business confidence are drowning in a growing tide of reviews, committees, task forces, feasibility studies and inquiries.

A year ago Victoria was growing strongly by all measures: economic growth, jobs growth, business confidence, investment, social development, improvement in the social capital and quality of life. One of the issues that was very important in that was the confidence surrounding the business community and business investment in this state.

Confidence is extremely important in the business community. If you have business confidence, you have a higher level of investment and, through that investment process, new jobs growth, economic growth, and new opportunities for young people and other members of the Victorian community.

Unfortunately, business confidence under this government has fallen significantly. The Victorian Employers Chamber of Commerce and Industry survey of business trends and confidence showed that in June 1999 11 per cent of the business community expected a weaker economy in the future. In June 2000 that figure had grown to 45 per cent. In June 1999 only 11 per cent of businesses expected the economy to be weaker and their opportunities to be less; 12 months later, under the Labor government, that had quadrupled to 45 per cent. In some key areas of economic growth — for example, the manufacturing industry, which can be described as the economic engine room of Victoria — we had moved from 5 per cent of manufacturing businesses in June 1999 expecting a weaker economy to 62 per cent some 12 months later with the change of government. In the building and construction industry it went from 10 per cent in June 1999 to 52 per cent in June 2000.

Similarly, the Yellow Pages *Small Business Index* records a similar massive drop in business confidence under this government. As I said, if you get a decline in confidence, you get declining investment and you get a deflationary spiral of the economy. Unfortunately, we are already seeing some of the effects of this declining business confidence in Victoria.

The figures show that Victorian business expenditure on plant and equipment has fallen every quarter since the election of the Bracks Labor Government. The house would know how important that is in terms of job growth and opportunity for the future, and I am sure government members understand that investment in plant and equipment is a very good indicator of economic confidence and growth. Some commentators suggest that may be an Australia-wide trend, but the contrast is that while it has fallen every quarter under the Bracks Labor government in Victoria, in New South Wales, for example — our major competitive state — it has increased by 13 per cent. So we have a

declining investment in plant and equipment while New South Wales has an increasing investment.

Access Economics showed that while Victoria is home to 30 per cent of the Australian manufacturing industry, it has attracted only 21 per cent of manufacturing investment over the past 12 months. Indeed, of the \$1.2 billion committed to manufacturing projects across Australia over the next couple of years, only \$220 million of that — or less than 20 per cent — is committed to Victoria.

Despite the government's rhetoric about regional and rural Victoria, only \$20 million of that is committed to projects outside the Melbourne metropolitan area. The figures are already showing there is a declining investment in plant and equipment and a declining investment in manufacturing projects.

One of the other important figures that shows this declining confidence in Victoria is the fact that the number of skilled vacancies in Victoria has declined by 15.4 per cent from September 1999 to September 2000. That is a significant decline in the availability of skilled vacancies in this community, which shows the decline in job opportunities for those workers who are going to drive the 21st century economy. The government should be very concerned about that figure.

In contrast to that, for the period from September 1998 to September 1999, under the former government — the previous comparative 12-month period — there was a 14 per cent increase in the number of skilled vacancies. Clearly, the latest figures reveal the decline in business confidence. That is unfortunately supported by data which shows a decline in investment and business opportunities in this state.

The question has to be asked: why is this occurring in Victoria now? What are the factors that are contributing to this decline in confidence, investment and opportunity? The single most important factor is the election of the Bracks Labor government. That seems to have been the trigger and the reason why people have lost confidence in this state, why the economy is slowing down, and why opportunities are declining. One has only to examine the financial report for 1999–2000 to see why the business community is losing confidence in this government.

One does not need to look far into the document to find the reason, and I suggest people read it with interest. 'Section 1: Financial year in review' shows the sorts of things the business community and indeed all Victorians should be concerned about. Under the heading 'Revenue' it states:

Taxation revenue increased by \$920 million, or 10.5 per cent ...

That is a 10.5 per cent increase in taxes and charges in Victoria under the Labor government. At the same time state operating expenses increased by \$2.5 billion or 10.6 per cent. This is a classic high-taxing, high-spending Labor government. It has increased payroll tax by 9.1 per cent. Returns and taxes on property, which include land tax and stamp duties, have increased by 19 per cent. The government is highly taxing business and associated activity and it is overspending and not delivering services for that impost.

Clearly one of the major reasons business has lost confidence in Victoria is because it knows, and the figures already show this, that this Labor government is like Labor governments of the past, it is financially irresponsible and cannot manage the economy, it is high taxing, it overspends and it cannot deliver services to Victorians.

The other reason for falling business confidence is that unfortunately there is a lack of leadership, a lack of an agenda and a lack of decision making. Victoria is drowning under a tidal wave of reviews, inquiries, committees, feasibility studies and task forces. For every invention Sir Humphrey could think of to look into something, the government has got several. The biggest growth industry and the best area of job opportunity in Victoria is reviews, task forces and inquiries.

The opposition has tried to keep a tally of the reviews being announced, but it is finding it hard to keep abreast of them all. Nonetheless it has a list, and so far there are 325 reviews, committees, feasibility studies and inquiries across Victoria — and they are the ones we know about. What about the ones being conducted in secret? What about the bureaucratic and ministerial reviews and inquiries being conducted all over the bureaucracy without public knowledge? The state is becoming bogged down in inquiries and reviews.

One example concerns business tax cuts. Victorian businesses, VECCI, the Australian Industry Group and those who attended the summit here earlier this year clearly told the government that it needed to boost business confidence and keep the economy moving by cutting business taxes including payroll tax and stamp duty. The previous government cut payroll tax each year for the last three years it was in office, but this government will not cut payroll tax. Instead it formed a committee to review the tax — in fact it has several committees looking into it. It is as plain as the nose on your face that in its budget process in April it needed to

cut business taxes to boost confidence and keep the economy on the move, yet the government cannot make that simple decision.

A whole series of government reviews are stifling investment and opportunities. I will run through a few of them across a broad range of areas to give honourable members an indication of the 325 reviews and committees. The important field of aquaculture is an example. Aquaculture is a major growth opportunity for Victoria, yet we are lagging behind other mainland states and Tasmania in investment in aquaculture.

What has the government done? Instead of taking up the good work of the previous government in incentives and initiatives, it has conducted a review of the former government's initiatives. A review of the fishing regulations and legislation is being undertaken as well as a review of commercial fishing and further reviews on the fishing industry and aquaculture. Wherever I go in Gippsland, in my own electorate and throughout the Bellarine Peninsula, people who want to invest, create jobs and export income for Victoria tell me that the investments are on hold or are going interstate because of continual government delays.

The part-time Minister for Planning is holding up an enormous range of opportunities in infrastructure development with ongoing reviews. Reviews are holding up the Shepparton bypass, the Craigieburn bypass and the Deer Park bypass, all of which are significant infrastructure developments that would improve productivity and efficiency.

The St Helier convent project in Abbotsford is a potential \$100 million investment that will create jobs and opportunities. The developers are desperate to go ahead with the project, thus boosting construction jobs, but are being held up by more reviews created by the Minister for Planning.

There are reviews of residential tenancy laws and retail tenancies. Both those areas are important for creating investor confidence in both retail and residential tenancies and the building and construction industry, yet investors are continually being frustrated by the ongoing review process.

There are reviews of areas such as IT schools, telecommunications infrastructure, how fuel cooperatives would work and the operation of the *Devil Cat*. There is review upon review.

With the succession of reviews into reviews into reviews comes a decline in business confidence, because the government is not showing decision-making leadership. The opposition

understands that consultation is important, but consultation should be concise and reach a conclusion to enable a decision to be made. The Bracks government is indecisive. Although some reviews are important, the value of others should be questioned. In September the Premier announced a review of flower expenditure in government departments. I wonder what the cost of the review is compared with the cost of flowers?

The Minister for Education is conducting a review of the policy that allows gay men and lesbians to post advertisements on Vicnet. The Minister for Agriculture has established a working party to consider the banning of electrified dog collars. The Minister for Environment and Conservation is reviewing the guidelines on euthanasia at the three zoo properties. The Minister for Health is conducting an inquiry into the selling of chop-chop. He should make a decision and get on with it.

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

Mr JASPER (Murray Valley) — I support the matter of public importance proposed by the Leader of the Opposition. There have been some pluses for Victoria, because in the past few weeks the state has received heavy rain in both the city and the country. Most of the dams are filling nicely, including those in north-eastern Victoria. However, the rainfall and the wonderful changes it has brought to country Victoria have nothing to do with the Victorian government, despite it taking the credit. The Minister for State and Regional Development smiles and says, 'Yes, we can accept that for Victoria'. However, the future of Victoria lies not with what the government does but with what business and industry does. Confidence is the key word: the Leader of the Opposition said that confidence is the key to the matter being debated this morning.

When John Cain, Jr, became Premier of Victoria with the change of government in 1982 the state was confident about the development that would take place. I said to the then Leader of the National Party, Peter Ross-Edwards, that John Cain would be in power for a long time because everything was booming. His words were prophetic when he said, 'Don't worry, things will change' — and they did.

Any member of this place from 1982 until 1992 saw the massive changes implemented by the former Labor government. It sought to employ more people in the public service, but government cannot employ everyone. Business and industry need to expand with

confidence. The result was that in 1992 the state debt was \$33 billion or \$34 billion, compared with \$10 billion in 1982. All the pluses and the financial strength of the state had been whittled away by the Labor government.

I give credit to the former Premier — and he and I were not bosom pals — for turning Victoria around. The coalition government gave business and industry the confidence to expand and develop. Victorians are now seeing gradual change with the change of government. In business and industry confidence is a fickle thing. Without confidence there is no expansion or development.

In the main, the projects approved by the Bracks government were in the pipeline during the tenure of the former Kennett government. Time precludes me from naming them, but in my electorate of Murray Valley the projects already opened by ministers and those being undertaken were already in the pipeline before October last year.

Why has confidence declined in Victoria? One reason is that the government has changed and some people are wary of Labor governments. The National Party applauds and supports the Minister for State and Regional Development for talking up Victoria. Unfortunately, the problem is the people behind him and the people he represents. Victorians now see headlines such as 'The unions are back in town' and 'The Bracks government needs to put public interest ahead of union mates'.

The National Party is not opposed to paying people a reasonable amount for the work they undertake, but one need only examine the changes made to the employment conditions of teachers and nurses to understand that the tack the government has taken will undermine confidence. I sought a copy of the 60-page agreement made with the nursing federation so I could understand nurses salaries, but I have been unable to obtain one. A woman in my electorate told me her daughter is a well-trained nurse who cannot believe the increase she has already received because of her training as well as the increases in salaries and allowances already in the pipeline. That is the impression Victorians are receiving.

Has anyone seen a copy of the agreement made with the Australian Education Union? When Mary Bluett says the union has made a good arrangement, I immediately query it. It appears that the government has given in to the union. As I said, the key to the matter is confidence.

I am not opposed to paying people well for the work they do. What matters, though, is the impression people get, and in the business world people are saying, 'This is a government that is not going to hold the line. The government is not going to be fair and reasonable or make sure that business and industry can be profitable'. We are in real trouble unless businesses can be profitable in Victoria. Some ministers might recognise the need for that but I worry about others in the government and in the Labor Party.

People are losing confidence in Victoria. The Workcover increases are a disaster for country businesses and industries, just as they are a disaster across metropolitan Melbourne. People are suffering increases of up to 50 or 100 per cent, and they cannot handle it. Last year a small hotel in Yarrowonga, which is in my electorate of Murray Valley, paid a Workcover premium of \$5400 and this year it paid \$10 400 — that is a doubling of the Workcover premium. Changes of that magnitude are unacceptable.

The Leader of the Opposition mentioned skilled labour. It is an important area and the government should concentrate on increasing the supply of skilled labour in country Victoria. That is needed in such places as the Rural City of Wangaratta.

There must be business confidence because it is the lifeblood of the Victorian economy. There is no doubt that the economy was expanding strongly through the 1990s but I am concerned about it in 2000. I have a close association with our family business in Rutherglen and with people in all sorts of businesses that operate in my electorate. Those people are worried for the future because of the actions of the state government.

Changes should be implemented to improve the government's assistance to businesses, including cuts in payroll tax and a review of business taxes. Most businesses are concerned and angry about the charges and requirements that are being imposed by the government. They are also aware of the government's intention, stated in its budget papers, to review business taxes — there should be such a review — but have seen no action in that area.

The Treasurer, who is at the table, is well aware of a letter I received recently signed by him about Essendon Airport. In 1989–90 a Labor Party committee supported the continuation of that airport's operation but the minister now says the government does not support it and that it is up to the federal government to do something about it. Essendon Airport is a major facility serving country Victoria, and businesses and industries

in rural and regional areas need continued access through it.

In conclusion, there is a need to ensure there is business and industry confidence in Victoria. The motion before the house rightly indicates declining confidence among the people who are the wealth generators of the state. I hope the Treasurer will respond by saying the government is working to try and increase business confidence. The current image — impression — needs to be changed so that the economy can continue to expand and generate wealth for us all so we can have a better lifestyle. People in rural and regional areas in particular need that strong support. We have not missed out in the electorate of Murray Valley but we need more.

Mr BRUMBY (Treasurer) — It is always a pleasure to follow the honourable member for Murray Valley, who has become a veteran of this place. He began his contribution today with remarks about the rain that has fallen across the state. I endorse those remarks. Yesterday Geelong had the heaviest rainfall ever recorded on an October day. Rain is needed right across Victoria, but unfortunately some parts of the state, such as the Thomson River catchment area, parts of Gippsland and the Grampians, have not had as much rain as we would all like. Rocklands Dam is down to about 6 per cent of capacity. The rain is welcome, although it would be good to draw a line before it causes serious flooding. Rain can make a difference to the investment climate, and to the economic climate generally. It can give the state that additional, unexpected boost. I hope the rain can be turned into a good outcome throughout regional Victoria, and particularly for primary producers.

I have listened carefully to the contributions by the Leader of the Opposition and the honourable member for Murray Valley and I wish to get a few facts straight. The first is that in the first 12 months of the Bracks government economic growth has been greater than 5 per cent. Over the past few decades there have been few 12-month periods in which growth of more than 5 per cent was recorded. In the first 12 months of the Bracks government gross domestic product (GDP) has exceeded 5 per cent. That is an extraordinary result. In addition, Treasury forecasts announced at budget time, along with forecasts by private bodies such as Access Economics, which is one of the more conservative forecasters, predict growth in GDP of well above 3 per cent for each of the next three years.

Putting those forecasts in context it can be seen that in 1998–99 growth was 6 per cent and in the first 12 months of the Bracks government it was more than

5 per cent. Despite some uncertainty and a lot of change related to the GST and interest rates it is predicted that in the next three years growth rates of more than 3 per cent and a positive investment environment will be achieved, which is quite extraordinary.

Those same forecasters expect Victorian employment to grow by 3.5 per cent this financial year and by 2 per cent in the period 2001–02. To put that in context, 3.5 per cent employment growth this year is the second fastest in Australia. The government would be happier if Victoria's figures represented the fastest employment growth in Australia, but because it wants sustainable employment growth Victoria will have the second fastest rate of employment growth of any state in Australia.

In the first 12 months of the Bracks government some 80 000 new jobs were generated. That compares with 39 600 in the last 12 months of the previous coalition government. Again, compare those findings to any of the other states across Australia and look at the growth that has been provided in Victoria.

Victoria's unemployment rate of 6.3 per cent is below the national average, which is the state's lowest unemployment rate since 1990. Not a bad effort — the lowest rate in a decade.

For the first time since 1988 there has been net interstate migration to Victoria. In 1999 people started to move back to Victoria. That is a positive achievement, when for decades we were losing people to other states as they moved into New South Wales and Queensland.

Mr Perton interjected.

The ACTING SPEAKER (Mr Loney) — Order! The honourable member for Doncaster is on the list to speak in this debate. I ask him to hold his comments until he has the call.

Mr Perton interjected.

The ACTING SPEAKER (Mr Loney) — Order! The honourable member for Doncaster!

Mr BRUMBY — Thank you, Mr Acting Speaker. Victorian exports are at a record high. In July Victorian merchandise exports overtook those of New South Wales to become the second highest in Australia.

The government is happy to be judged on those facts. Victoria's economic growth rate is more than 5 per cent, and I challenge anybody to look across the world, particularly at the United States, to find an economy

with a better growth rate than that. There is none. Forecasters have estimated growth in gross domestic product in excess of 3 per cent for the next three years.

Look at the growth in jobs. More than 80 000 new jobs have been created in Victoria in the past year, and the forecast for future growth is the second highest of any state in Australia. In effect, population growth, people coming back to our state, and exports are at a record high.

I turn to business and consumer confidence. According to the August Yellow Pages *Small Business Index* the net balance of small businesses feeling confident about their economic prospects has recovered to 42 per cent after a sharp decline to 26 per cent in May in the lead-up to the GST. Small business confidence also rebounded in Victoria in August. Lack of work or lack of sales has supplanted the GST as the prime concern of small businesses across Australia.

There are other indicators of investor confidence. *Fortune* magazine ranked Melbourne as the third best city for doing business in Asia. In June the *Colonial Economic Report* ranked Victoria as the best performing state to do business. Jones Lang LaSalle's survey of investor sentiment in July stated that Melbourne is expected to outperform the rest of the country over the next six months. Also in July *Wired* magazine ranked Melbourne as the no. 1 information technology (IT) location in Australia and as one of the great IT hotspots in the world. The AAA credit ratings have confirmed Victoria's place as a great investment climate.

The investment outlook for 2000–01 is positive. The Australian Bureau of Statistics investment survey pointed to investment growth several months ago, and the recent increase in non-residential building backs this up.

The most recent state survey of business investment plans by the ABS indicates that investment in Victoria will increase to a record high in 2000–01. Expected private sector investment in the current financial year is up by 21 per cent compared with a decline of 3 per cent in the rest of Australia. The investment lists released by Access Economics show that Victorian investment projects under construction or committed are worth \$19.9 billion.

No matter whether the statistics are looked at from a historical, present or future-estimate perspective, they are an excellent set of figures, and they show that the Bracks government's policy — providing certainty for investors, setting its objectives clearly on the key

drivers of growth and setting out those targets — is a strategy that is working. The government is getting the investment, GDP and employment numbers, and it is certainly seeing private sector investment at record levels.

In the last financial year according to the Foreign Investment Review Board 22 per cent of the \$67 billion in overseas investment proposed for Australia was destined for Victoria. That is more than any other state. Traditionally with foreign investment figures the big resource states such as Western Australia, Queensland and the Northern Territory tend to absorb the major resource projects. At 22 per cent Victoria has the largest share of any state of proposed foreign investment coming into Australia.

In the limited time available to prepare for this debate on the issue of investment attraction in the last month, my office went through some of the new companies that chose Victoria as their investment locations. On 14 September an article appeared in the *Herald Sun* headed 'Bracks car coup — \$25m auto parts plant for Victoria'. That article refers to Delphi Automotive Systems. On 15 September the *Geelong Advertiser* ran an article entitled 'State lands investment deals at world forum'. An article appeared in the *Age* of 29 September headed 'Games firm wins \$25m investment'. It states:

Melbourne's position as one of the three leading centres of world computer game development was confirmed yesterday with the announcement of a \$25 million development investment by French software company, Infogrames Entertainment.

I was there with Bruno Bonnell to announce that.

An article in the *Australian Financial Review* of 15 September entitled 'Melbourne ahead on Lehman's list' states:

A Wall Street powerhouse, Lehman Brothers Inc., has chosen Melbourne over Sydney as the site of its Australian head office.

Mr Stevan Lambert, the managing director, said there were a significant number of clients and he then went on to describe the hundreds of new jobs that could be created by Lehman Brothers.

The *Age* of 29 September has an article headed 'Victoria grows faster than rest of nation'. The *Age* editorial of 26 September referred to the push the Premier and I are making, with some success, to re-establish Victoria as a major international hub. The editorial headed 'Making Melbourne marvellous again' states:

Melbourne was once Australia's financial hub. It should not fear striving to become so again.

The editorial goes on to praise the Premier and myself.

Ms Asher — And myself?

Mr BRUMBY — That is what it does. The Deputy Leader of the Opposition is welcome to read it. The editorial praises the Premier and me for establishing the Melbourne financial services taskforce.

Honourable members interjecting.

Mr BRUMBY — I am happy to read that.

An article in the *Age* of 25 September is headed 'Bracks pushes to win big business'. Another article in the *Australian Financial Review* of 22 September headed 'Swish performance' states:

Melbourne-based Internet solutions company the Swish Group lifted its profile yesterday with news of a strategic alliance with US giant Sun Microsystems.

An article headed 'Dairy expansion planned at Koroit' states:

A \$55 million planned dairy plant expansion at Koroit in Victoria's south-west is expected to create 50 new jobs.

Another one in the *Age* of 24 August headed 'Victoria's Japanese coup' states:

Victoria has won the race against Queensland to win investment from one of Japan's fastest-growing restaurant chains.

Another headline on that issue, in the *Herald Sun* of 24 August, is 'Pasta plant serves up jobs'. I have already mentioned the Koroit dairy plant expansion, an article about which appears in the *Warrnambool Standard* of 8 September. It is headed '100 new jobs'.

Yesterday morning I was able to open the new offices of the Fulcrum Consulting Group in Melbourne, another IT company which is booming; we have so many that are booming in this state under the Bracks government. That group will spend \$8 million over the next two years on research and development and will employ an additional 150 people.

We have excellent investment data, excellent growth data, excellent jobs data and excellent private sector investment attraction. We are getting it particularly in the food and IT industries. For the Liberal Party to come in here and attempt to talk down the state makes it look amateurish, which is exactly what it is.

In his contribution the honourable member for Murray Valley raised the issue of Workcover. Even after the adjustment the premiums in this state are still lower than those in New South Wales, South Australia and Western Australia. The honourable member raised the tax review. John Harvey, a senior partner of PricewaterhouseCoopers, is heading up that inquiry. We need to review the tax system because the former government never did. Year after year it had opportunities to cut taxes and it failed to do so. There is nothing to this motion, and it just shows how divided the opposition is and how it is focused not on the big issues of the day but on internal leadership struggles.

Ms ASHER (Brighton) — The worst form of praise is self-praise and we have just heard a load of drivel from the Minister for State and Regional Development and Treasurer. If things are that rosy in the state of Victoria, why is business confidence down? Business confidence in this state is down for a number of reasons. One can look at the Victorian Employers Chamber of Commerce and Industry survey, the Yellow Pages *Small Business Index*, banking surveys, the Pitcher Partners survey, or any external survey one likes and discover that business confidence is down in the state of Victoria. It is fraudulent of the Treasurer to refer to the Colonial Bank's economic report. If he read it correctly he would note that the majority of the commentary in that report concerned the period Victoria was under the stewardship of the Kennett government.

Business confidence is down. That can be seen not from the comments of the opposition but from any external indicator. It is down because for many years Victoria was ahead of the national growth rates, but it is now behind. The Treasurer may wish to look at Australian Bureau of Statistics population projections. Business confidence is down because of the industrial relations climate in Victoria. Business confidence is down because of increased Workcover premiums and because of the number of reviews and inaction on the part of this government. The Bracks government is big on rhetoric. It likes to say that it is pro-business and that it is financially responsible, but if one looks at what the government does as opposed to its rhetoric, one finds that it is not pro-business at all; the fact that there have been 325 reviews is certainly not pro-business.

I would like to contrast the way the government makes decisions. When it is a spending decision, the government makes the decision immediately. In the *Financial Report for the State of Victoria*, tabled in this Parliament yesterday, the government lists its achievements in its first year in office. In its first year the government has achieved \$2.5 billion of additional

expenditure over the amount spent by the Kennett government in its last year. When there is a spending decision to be made, this government makes it quickly. Labor governments like to make spending decisions because they are easy. However, if there is a hard decision, such as whether taxes should be cut, that requires a review.

I want to look particularly at the interesting review of business taxes that the Treasurer referred to. The review concerned the Clayton's tax cuts floated in the last budget. The last budget indicated that the government would not give anyone a tax cut now; it will spend but it will not give anything back to business or the Victoria community at large. The tax cuts were predicated on a \$100 million surplus and economic growth. That begs the question of why if economic growth declined the government would not want to give business a tax cut. The last budget contained Clayton's tax cuts; it indicated that business might get a tax cut of \$100 million on 1 July 2001 and possibly, depending on the surplus and economic growth, get another \$100 million on 1 July 2003. I ask the house to contrast that measly \$100 million business tax cut with \$2.5 billion of additional expenditure in one year. That is the priority the government gives to business and that is one of the reasons business confidence is down.

Let us look at the process of this review. Firstly, there was a discussion paper outlining what state taxes were. Next there was a series of meetings — of course, in regional Victoria. From recollection, the meetings in Melbourne were going to be in Dandenong and Broadmeadows. Initially, no meeting was to be held in Melbourne. It was only when that was pointed out by the opposition that the Treasurer hurriedly scheduled a meeting in Melbourne to talk to the business community about the issue of tax cuts. After the discussion paper and the meetings there was an interim paper. Do honourable members think there might have been a recommendation in the interim paper? No, the interim paper is a summary of the submissions. I asked the Treasurer's officers for the submissions. We are supposed to be moving into a consultation process with an open, honest and transparent government, but I was told no.

Mr Brumby interjected.

Ms ASHER — The Treasurer just said it is none of my business. This open, honest and transparent government will not even allow the participants to access the submissions; people putting in submissions have been denied access to other submissions. I believe some recommendations may finally appear from this process on 11 December this year, but when will the

Treasurer actually make a decision? I believe he will not make a decision until May next year. The process will include a discussion paper, an interim paper, a final report and a decision a year down the track. Business wants decisions now, not a year down the track!

I also refer to another particularly interesting review; this government even conducts reviews into the past. I refer the house to the report of the audit review of government contracts. We have little taxpayer-funded witch-hunts under this government.

According to the Premier's letter to him on 21 December 1999, Professor Bill Russell, a Labor hack, was paid a daily rate of \$1500 to produce that report. He was expected to spend four days a week on the task and had four months in which to do it. If that is the case, Bill Russell cost the taxpayer \$96 000. Access Economics pulled out an extra \$2000 a day; and another of the reviewers presumably was paid at a similar rate. The review found that:

From a financial and economic standpoint, the contracts brought very substantial benefits to Victoria.

Bill Russell was paid \$96 000 to bring down a report on the past saying that the contracts brought value to Victoria. I do not think that is value for money.

We certainly do not need a review of tax cuts. The Treasurer should announce tax cuts now, and he should be more generous than he has been by indicating that the tax cuts will be larger than those mooted. If he reads the submissions the rest of us are not allowed to have access to, the Treasurer will find that two schools of thought have emerged in the business community. On the one hand, there is a push for payroll tax cuts, and on the other hand certain sections of the business community are pushing for cuts in stamp duty on commercial transactions.

Access Economics argues forcefully that reducing stamp duty on business conveyances would result in much greater economic benefit than cuts in payroll tax. Of course, that will be reviewed, and we will have to wait for the interim and final reports. In the end, the Treasurer will have to make up his mind and choose between the two schools of thought.

I also lob onto the table the need for tax cuts for ordinary Victorians. For example, he should remove his tax on a tax — his stamp duty on a GST-inclusive price — which he justifies by claiming that he is protecting the revenue base of the state.

It is no wonder business confidence is down. The government will not make decisions on key issues. It

can make snap decisions on expenditure, because those decisions are easy. In its first year of office it has been able to expend an extra \$2.5 billion. But decisions on major construction projects, tax cuts and driving the economy are difficult to make, so it must have reviews.

In the case of tax cuts, the review process will extend over one year, and even that is not definite. Business is not sure that it will even get a tax cut.

I strongly support the matter of public importance. A government of 325 reviews is a government of inaction. This is a typical Labor government — high spending and high taxing. The only difference between this and previous Labor governments is that it is spending taxpayers money on 325 reviews and will not make a decision for the economic benefit of Victoria.

Mr LENDERS (Dandenong North) — I am delighted to join the debate on the matter of public importance and to follow the Treasurer for the government side. I will not go through a number of the issues I intended to cover because the Treasurer covered them well — including the increase in economic growth and confidence in Victoria.

I will rebut some of the comments made by the Deputy Leader of the Opposition, such as her scathing criticism of reviews. How selective memory is. I recall Professor Penington leading a discussion in this chamber on a significant community issue. I also recall the government listening and following through on that issue, which took a long time.

Fortunately, for the state of Victoria, the life of that government — the former Kennett government — was cut short, but like any government it believed in examining issues through reviews and consultations. How selective members opposite are in criticising others after having embarked on those processes themselves. I could cite a lot of other examples, but I do not need to labour the point! Labor takes the consultative process more seriously and so achieves more than the previous government.

We should also consider the question of what confidence is. Confidence is an ephemeral thing in any economy. It depends on the work ethic, on partnerships between groups, and on people in government not talking down the state.

It is extraordinary! In the last 12 months of the Kennett government a number of industries closed, including Aurora Glass Fibre in Dandenong, costing 320 jobs, and Geurdon Industries in Cheltenham, costing another 40 jobs. During the Kennett years, the BHP rod mill in Geelong closed, losing 55 jobs; Kinnears in Geelong,

with the loss of 65 jobs; Electrolux in Glen Waverley, with 100 jobs lost; and Dorf Industries in Oakleigh, costing 200 jobs. They all closed in the last year of the Kennett government. There was the closure of Geelong Cement, costing 110 jobs; Yakka in Wangaratta — which the honourable member for Murray Valley did not mention — with the loss of 74 jobs; Chiquita Mushroom in Carrum Downs, with 155 jobs lost; and Wattyl Paints in Moorabbin, losing another 120 jobs.

I could go on, but the point is that whether you talk the state up or down depends on a matter of perception. The honourable members for Brighton and Murray Valley are having a go at the government, but they cannot have it both ways. The blame–credit nexus they seem to be agonising over must be addressed. If they claim credit for what they say the previous government has done, they must also accept the blame. They cannot have it both ways — claiming credit for the good things Labor is doing while blaming anything bad on us.

For its first eight and a half months the Bracks government operated on a budget brought down by the previous Liberal government. So based on the blame–credit nexus you cannot pick out the good things and say they are yours while saying the bad things are ours. You have to be mature and responsible if you are hoping one day to govern the state.

I will go through some of the other issues raised in the matter of public importance before I turn to some local issues that show why confidence is extremely high in Victoria, particularly in my region, despite the nay saying and talking down of the state by members opposite.

Firstly, I return to the question of what good decision making is. Few members of this chamber would dispute the assertion that some of the model economies since World War II have included those of Germany and Japan. The features of those two economies include a willingness to consult, discuss and bring all sectors of the community together. Decision making that involves taking stakeholders along with you is good decision making, and it builds up confidence.

During the years leading to my election to this place one of my Labor Party responsibilities was business liaison. I was seeing senior people from four or five companies across a number of states every week. In talking about decision making in Victoria, people gave the previous government credit for doing a number of things, such as improving the budget's bottom line. We on this side of the house may dispute how members opposite often went about doing that, but we give them credit for some things. However, the corporate sector

was at the same time wary of the decision-making process. A bull-in-a-china-shop form of decision making is not good governance. Juan Peron may have liked that form of decision making and Jeffrey Kennett may have liked it, but it is not good governance.

Under this Premier and this Treasurer the government is providing good governance by establishing public-private partnerships and pushing the state forward. The Growing Victoria summit set the scene for those things, and the good policy work that came from consultation and discussion led to many initiatives being put in place.

Business confidence comes from governments investing in Victoria's infrastructure — not just for the jobs Victoria will gain over the next few years or the benefits it will provide to country towns but for the long-term future of the Victorian economy. The Bracks government is making Victoria more competitive and increasing the number of jobs in our provincial cities and outer suburbs. The government has taken the right approach to decision making, and it is restoring confidence to the Victorian economy. It is growing the entire economy and restoring confidence in the decision-making process by allowing stakeholders to have input into decisions about growing the state. All the stakeholders can have a say, not just the mates of the former government. Those critical issues need to be addressed in the debate on this matter of public importance.

Discussions with industry must involve more than talking to one's mates, as a number of ministers in the previous government did when they wanted to sell tickets to functions. That is the only reason they went around lobbying and putting the heavy on companies. If the honourable member for Box Hill wishes, I can give a number of examples of his former colleagues doing that. The decision-making process has to be about more than that: it has to involve consultation, because leadership comes from that. Confidence comes from a government building a reputation for hard work and showing the results of that hard work in the short, medium and long term. Under the Bracks government that is coming through loud and clear.

I also refer to the blame-credit nexus. I find it extraordinary that members opposite constantly carp and whine about Workcover. Understandably, no business likes increased costs, but the Treasurer has put the increased costs into perspective. We cannot let the Workcover debate pass — particularly given that the honourable member for Box Hill is now in the chamber — without identifying the main components of the issue.

One of the legacies of the previous government's seven years in office was a gaping, black hole in the Workcover scheme, which the Bracks government is addressing. It is also dealing with the 12 per cent increase in Workcover premiums as a result of the decision by the federal coalition government to impose the GST. Those issues come up again and again. Members opposite have raised a matter of public importance about business confidence in Victoria, claiming that it has been affected by the government's decision-making process. But from my discussions in the industrial circles in which I mix I would have thought that the two biggest issues affecting business confidence are unequivocally the bedding down of the GST and the uncertainty and dislocation that has caused for business. I will not talk about the supposed benefits of the new tax system, because that has been done on a number of occasions. But the mad frolic that has resulted has without question given rise to grievances and uncertainty throughout the business community — and it has significantly affected confidence.

The second issue concerns what is happening in the economy. Without apportioning blame — I will do that happily on another occasion — the slump in the Australian dollar, the deterioration in the balance of payments and other issues are creating uncertainty for business. If opposition members want to talk about business confidence in Victoria, they should start looking to their federal counterparts, whom they blindly and slavishly follow, and ask them questions about the two main issues affecting business confidence. They should start talking up the state of Victoria by supporting some of the government's initiatives, such as its public-private partnerships, which are designed to bring business investment to and increase confidence in Victoria.

They should also start talking about what government is about. The government is responsible for leading, growing the state and building jobs. The opposition needs to look at issues such as the need for regional infrastructure projects, including public transport, and answer honestly where it fits in and where it is going.

The final point I wish to make about business confidence concerns the Federation Square project. Not only has the cost of the project blown out completely, but Federation Square is the first project in Victoria for which a 36-hour week was negotiated with the trade union movement — by the previous Kennett government. It was fine for the minister then responsible for the project, the Honourable Mark Birrell in another place, to do that, and good on the CFMEU and the previous government for doing it. But opposition members should not be hypocritically

having a go at the government about 36-hour weeks and blow-outs in projects costs when the previous government set the pace in that area. Those things are critical when talking about business confidence.

I reiterate the comment I made during the debate on the last matter of public importance raised in this place — company after company is investing in the region of my electorate of Dandenong North. Hannanprint Victoria, which prints the *Business Review Weekly*, has created 100 new jobs. The other day I was at the Grendas Bus Services, which is exporting buses to the world from Dandenong.

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

Mr CLARK (Box Hill) — I was about to congratulate the honourable member for Dandenong North on an ingenious set of arguments in his attempt to defend the indefensible, but some of his last few remarks mean that, regrettably, I cannot do that. His claims about Workcover are preposterous. He has obviously read his minister's news release, but he has not stopped to think about whether it makes any sense.

Similarly, in response to his accusations about Federation Square, the honourable member should have known that the industrial relations arrangements were a hotly contested matter under the previous government. The prime reason for the \$27 million cost blow-out for Federation Square under the previous government was that the coalition government resisted the demands of the construction unions at the site and negotiated an outcome that did not constitute a 36-hour week. That is in stark contrast to the actions of the Bracks government, which seems all too inclined to roll over to the demands of the construction unions. That is one of the reasons why business confidence in this state is so low.

When considering the delays in government decision making on business confidence, there is no area that better illustrates the devastating effect government delay is having on business confidence than the major projects portfolio. Not one new major project has been committed to within the major projects portfolio under the Bracks government. The Minister for Major Projects and Tourism is simply the minister for completing Kennett government major projects. When I have challenged him on that point he has said, 'No, I have got the Malthouse project. That's a new one!'. In fact, the Malthouse project dates back to 1996, but the minister has had it assigned to himself and he boldly says, 'I have a new major project!'.

The major projects portfolio is characterised by delays and inaction, as is evident with the upgrading of the Melbourne showgrounds. The opposition included that upgrading in its major projects policy prior to the last election, and it undertook to commit \$50 million towards a refurbishment of the showgrounds. I know the government has been doing a bit of work on this issue; it has had some studies done, but where is the outcome? We are a year down the track. I hope the government will make an announcement soon. It is certainly about time it came up with an announcement. There was speculation that an announcement might be made to coincide with the first anniversary of the government, but that date has come and gone and nothing has been announced. What is happening? The case for the refurbishment and upgrading of the showgrounds is strong, and it has been reinforced by newspaper coverage in recent weeks about the current condition of the showgrounds. I hope the government will make a decision on that issue. It is now more than a year since Labor came to government and no decision has been made.

I refer the house to another project that the Premier floated during media interviews to note the first anniversary of his term in office — the redevelopment project on the north bank of the Yarra River. The Premier made noises and uttered a lot of very fine words about the benefits that would flow to Melbourne from this project. When one reads the newspaper reports one would think it was a great new idea that the Labor government had come up with.

Honourable members interjecting.

Mr CLARK — The honourable member for Dandenong North asks, by interjection, 'What about the rest of Victoria?'. It is ironic that it was another project in Melbourne that the Premier singled out as his bold new idea to mark his government's first anniversary after he had talked so much about major projects in regional Victoria. One would think that his idea had a fair deal of merit to it. In fact, Northbank was another project in the coalition's major projects election policy prior to the last election. In addition, a great deal of work had been done by the coalition government to move forward on that project.

What has happened under the this government? There has been an entire year of vacuum. Nothing has been done: no progress and no reports. For almost a year the government has not dared announce anything because it might lead the public to conclude that it was an initiative of the former Kennett government. The entire project was put on ice for 12 months and then, lo and behold, up pops the Premier to celebrate the 12-month

anniversary of recycling this project. Obviously both sides of politics want to claim credit for the good things that they do, but the result of the way this issue has been handled is that nothing has happened on the project for 12 months. If the Bracks government had done the right thing it would have said, 'There is this project that has had work done under the former coalition government, it is a good idea, and we will keep it going'. But Labor did not do that because it did not want the coalition to get some of the credit.

Other major project proposals that we have heard little, if anything, about over the past 12 months include the plenary hall at the Melbourne Convention Centre. The Victorian tourism industry has been crying out for a project like this, a 5000-capacity plenary hall, so that we can build on our tourism achievements in recent years and host the large conventions that need halls of that size. The land for the hall was acquired under the previous government, but we have heard not a word further as to whether the government will proceed with the proposal.

The previous government had proposals for new and upgraded botanic gardens across the state. Again we have not heard anything further about that. With the Studio City proposal for the Docklands it appears that industrial relations issues were the straw that broke the camel's back. The government has also had to use public funds to undertake the Collins Street extension due to the apparent lack of investor confidence under the Bracks government.

Finally, it appears that the Bracks government rushed in with the Federation Square project. In this case it might have been better if the government had stepped back, taken a deep breath and undertaken a detailed review. That may have led to a better outcome, but the Minister for Major Projects and Tourism was keen to take a populist initiative, and he announced a review of the western shard. He did not really have the authority to do that but he announced it. The very flimsy review by Professor Evan Walker was commissioned at a cost of \$25 000, with the recommendation of getting rid of the shard. He did not look at a lot of the substantive issues such as airconditioning, fire escapes, exhaust ducting, or where the visitor centre would be relocated. A recommendation was made and the Premier announced the decision to get rid of the shard. Potential investor confidence in Federation Square collapsed as a result, exactly as the government was warned in writing by the Federation Square management company was likely to happen if it went ahead with scrapping the shard. Unfortunately, its recommendation was ignored.

Months and months have dragged by without any replacement for the western shard having been identified. What is the reason for that? Apparently, the Premier's advisers fear they cannot allow anything that looks like the original proposal for the shard because it might cause a loss of face to the Premier. The whole project's management time has been thrown into turmoil as a result. The government's inaction epitomises Labor's approach to business in this state.

Mr HULLS (Minister for Manufacturing Industry) — It is a pleasure to contribute to the debate on this matter of public importance today. The Leader of the Opposition commenced his contribution by talking about a sea of uncertainty — and he referred to certain people drowning in a sea of uncertainty. I found it ironic to hear the Leader of the Opposition talk about drowning because he is certainly not swimming well. It appears that as each day goes by he is becoming further enmeshed in that sea of uncertainty.

I make my contribution to the debate in my capacity as the Minister for Manufacturing Industry. It is fair to say that manufacturing was as popular with the previous Kennett government as the current Leader of the Opposition is with his party — it did not rate at all. The previous government had no commitment to or strategy or vision for manufacturing.

The classic example of the previous government's lack of support for manufacturing is what is now known as the rail contracts fiasco, which left local manufacturers out in the cold in providing rolling stock and services to the newly privatised public transport companies. The previous government entered into a shameful contract that was a cruel hoax on local manufacturers. The Bracks government has a commitment to local manufacturers, and it has worked with local suppliers and the public transport companies to claw back a significant amount of work for local industry. It shows that the government is fair dinkum about manufacturing in this state.

New investment worth more than \$500 million has been announced, and since October 1999 almost 3200 new jobs have been facilitated by the Department of State and Regional Development. In each of the past three quarters manufacturing sector employment has increased, and it is estimated to be 7 per cent higher than it was 12 months ago. In the year to March 2000, the value of factory construction in Victoria increased by 7 per cent over the figure for the year to March 1999.

It is important to look at the figures because they are exciting. In 1999–2000 Victorian manufactured exports

grew by \$1.3 billion to a record high of \$7.3 billion, including growth in automotive exports from \$1.5 billion to \$2.1 billion.

I advise the house of recent examples of manufacturing successes in the state of Victoria, assisted by the Bracks government. They include the opening of the Australian Merino Spinners \$8-million mill at Melton; Ortech Industries winning a \$10-million contract to build and export easiboard manufacturing plants to North America; the rail manufacturing industry's trade mission to Europe in June, which could result in exports of more than \$40 million over the next two to five years; Bruck Textiles \$12-million expansion at Wangaratta; Corning's announcement of a \$37-million expansion at Noble Park; Gippsland Aeronautics \$5-million commitment to establish a general aviation aircraft production facility at the Latrobe Valley Regional Airport, creating 200 jobs; and Reinforced Concrete Pipes \$18-million pipe manufacturing facility at Melton.

Recently I also had the pleasure of launching the jumbuck, the new woolpack being produced in Geelong through Austrim Textiles. Certainly a jolly jumbuck was launched on that day! It is proof again that manufacturing is certainly expanding in Victoria. It is all great news.

I am very excited by the energy, enthusiasm and innovation that I have witnessed in the many factories that I have visited and the many people I have met over the past 12 months since becoming the Minister for Manufacturing Industry. I consider one of my key roles as helping to change the image of manufacturing by showing that it is an industry with a future and that it will continue to be a major part of the Victorian economy.

Mr Perton interjected.

Mr HULLS — It is interesting to note that the honourable member for Doncaster scoffs at manufacturing and its importance to the state. He has been in opposition for 12 months, and I note that Victorians were promised an assessment of the opposition and its leader's ability to lead after 12 months. To be fair, on any assessment — whether it is training, vision, policy, leadership or ability to ask the tough questions — the Leader of the Opposition gets 10 out of 10. I hope all members on the other side agree with that assessment.

On training, the former Premier is quoted in today's newspaper as saying that the Leader of the Opposition had been very well trained because he was trained by

none other, of course, than Jeff Kennett himself. So far as his leadership goes — and that is all about the ability to unite people — the Leader of the Opposition again gets 10 out of 10, because he has united everybody on his side against him. So if leadership is about the ability to unite, he gets 10 out of 10.

In relation to the ability to ask tough questions, he again gets 10 out of 10. Recently honourable members would have read in the newspapers that — —

Mr Perton — On point of order, Mr Acting Speaker, the motion clearly relates to the dramatic fall in business confidence due to undue delays in decision making and calls on the government to take decisive action to get Victoria moving. If the Minister for Manufacturing Industry talked about his ministry and his lack of success on that front, he would be relevant, but talking about Liberal Party internal politics is hardly relevant to the motion.

The ACTING SPEAKER (Mr Lupton) — Order! I uphold the point of order to a degree. The debate so far has been extremely wide ranging, covering everything from rainfall to everybody's health. I ask the Attorney-General to come back to some semblance of what is being debated!

Mr HULLS — Can I say that the Bracks governments supports manufacturing?

An honourable member interjected.

Mr HULLS — Within the Department of State and Regional Development the government has set up an Office of Manufacturing, which has been given specific instructions to be proactive. Indeed, it has been told it has to get out there and ask the hard questions. As I said, the Leader of the Opposition has been asking the hard questions. The other day he asked the honourable member for Malvern the hard question — that is, 'Are you going to challenge me?'

Mr Perton — On a point of order, the honourable member is flouting the previous ruling.

The ACTING SPEAKER (Mr Lupton) — Order! I am inclined to agree. I would appreciate the minister coming back to the matter the house is debating without going into the internal affairs of the Liberal Party or anybody else.

Mr HULLS — We have set up an Office of Manufacturing, and we have embarked on strategic audits of industry, starting with textiles, clothing and footwear and moving into automotives, precision engineering and the like. We will then embark on

strategic plans for industry in this state. We are also embarking on a plan to turn around the image of manufacturing. We are being proactive. In the past manufacturing was viewed as a dirty old smokestack industry with no future.

The reality is different. If you look at the skills that people pick up in the manufacturing sector, you will see that they are transportable all around the world. After I studied law I was able to practise as a barrister and solicitor in the state of Victoria, but it was very difficult to transport those skills interstate, let alone overseas.

Mr Perton interjected.

Mr HULLS — I was a real lawyer. I did not get my qualifications out of a Weeties packet!

An honourable member interjected.

Mr HULLS — The fact is that the skills people pick up in the manufacturing sector can be exported around the world, so it is important that we encourage young people to get into manufacturing by explaining to them that there are long-term innovative jobs in the sector. The government will continue to work closely with the manufacturing sector to raise its profile and to remind people that manufacturing is the backbone of the Victorian economy. You cannot have a strong dot-com or services sector without a strong, underlying manufacturing sector.

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

Mr PERTON (Doncaster) — The matter of public importance is about the house noting with concern the dramatic fall in business confidence in Victoria due to undue delays in government decision making and calling on the government to take decisive action to get Victoria moving again.

The Leader of the Opposition, the Deputy Leader of the Opposition and the shadow Minister for Workcover made a very good analysis of the statistical material that demonstrates a dramatic fall in business confidence.

An honourable member interjected.

Mr PERTON — The honourable member is right — the figures demonstrate those facts very well.

As I examined the record in the two areas of government administration that I shadow I was staggered to find that the Minister for Environment and Conservation is the absolute star in establishing studies

and consultative processes to delay decision making. She has set up some 47 inquiries.

I note that the honourable member for Benambra is in the house. The Minister for Environment and Conservation has not just set up inquiries into matters of substance. She has reached the point of setting up inquiries into the inquiries she has already set up — for instance, the wild dog study, which came out with clear recommendations.

Ms Kosky interjected.

Mr PERTON — The Minister for Finance probably has more expertise in dealing with the wild dogs in her party room! The wild dog inquiry produced a clear set of policy prescriptions. What has the minister done — set up yet another inquiry into whether she should implement the earlier inquiry.

As the member for Benambra and ALP country members know, the wild dogs issue is a problem. The minister is laughing, but this is a serious issue. Maybe it is not a big issue in Altona, but if you are a farmer in Tallangatta — —

Mr Plowman — Or in Walwa.

Mr PERTON — Or if you are a farmer in Walwa or Gippsland East and your cattle or sheep are being killed by wild dogs, it is a serious issue.

Farmers are now having to pay the costs of those who are contracted to deal with the problem. That is real, practical help that ought to be given to the farming communities of Victoria. Instead, the Minister for Environment and Conservation just sets up inquiries into her own inquiries.

Mr McArthur — She is top of the hit list.

Mr PERTON — As the shadow minister for water resources indicates, she is top of the list. Not even the Minister for Shouting and Ranting across the Table comes close!

Let's have a look at some of the more recent inquiries. On 7 October Minister Garbutt announced that she wanted a review of the regulation of commercial activities in Victoria's parks. Again in October she announced a statewide review of water drainage and sewage prices in Victoria. Doesn't she have confidence in her own office? Can't she collate the material that has already been produced? Instead she decides to defer the decision. We know that water drainage and sewage prices are an important component of the investment decisions made in rural Victoria. We know that if

companies cannot get adequate supplies and appropriate prices for water and sewage, they will not make the investment.

It is all very well to announce the establishment of partnership programs and regional infrastructure funds, but if the government cannot get the pricing mechanisms right, investors will avoid Victoria. A hydrology study is examining the impact of timber harvesting on water quality and yields. It is not just the study that is a disgrace. The minister knew the matter was urgent late last year. It has taken her nine months, not to take action but to set up yet another inquiry. The minister is well known for her administrative incompetence.

Mr Wilson interjected.

Mr PERTON — As the honourable member for Bennettswood points out — —

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

Mr PERTON — As the honourable member for Bennettswood says, the independent electronic journal *crikey.com.au* noted earlier in the year the minister had 750 pieces of unsigned ministerial correspondence. We understand the pile has continued to grow since then.

The minister has been a disgrace. Her lack of performance is dreadful, but the bigger problem has been Minister Brumby, nicknamed as the secretive minister in the cabinet.

Mr Wilson — The would-be Premier.

Mr PERTON — The would-be Premier, as the honourable member for Bennettswood points out, spoke earlier in the debate.

Ms Kosky — He would be a good Premier.

Mr PERTON — That is an interesting factual admission.

The ACTING SPEAKER (Mr Lupton) — Order! It would be appreciated if the honourable member for Doncaster and the Minister for Post Compulsory Education, Training and Employment would address their remarks through the Chair and not across the table.

Mr PERTON — In this morning's *Australian Financial Review* Minister Brumby is reported as claiming that during his term as minister \$150 million has been invested in IT and 1500 jobs have been created. With due respect to the people who have made

the investments and who have the jobs, it is absolute chickenfeed. Often during the Cain and Kirner governments Victoria compared itself with Boston, for instance. The IT industry and telecommunications being the fastest growing industries in the world, the growth rate in the IT sector should be approaching 40 to 50 per cent a year or better. It is an absolute disgrace for the minister to be able to claim only \$150 million in investments and 1500 jobs.

What makes me suspicious is that when one looks at the minister's public announcements one can only conclude that the 1500 jobs include call centre operators — theirs can hardly be described as a high-tech job — and the investments of \$150 million must include the office carrels those people work in.

It is a serious issue. Right across the country the IT skills shortage has been identified as crucial. I acknowledge that in 'Connecting Victoria' the minister announced that an IT skills task force would start work in November last year, but the task force was not appointed until April. It was made up of some talented people who reported to Minister Brumby two months ago. It is now October, almost November, and the government has done nothing.

Ms Kosky — Wrong.

Mr PERTON — As usual the Minister for Post Compulsory Education, Training and Employment, who is presiding over the IT skills shortage, is saying wrong, wrong, wrong. Minister, where is the study? Why do you not present it to the Parliament?

Mr Lenders — Don't you be a bully.

Mr PERTON — It is an absolute disgrace that the minister, who has been spending her time interjecting throughout my speech, has not presented the report of the IT skills task force to the Parliament. She should hang her head in shame just as much as Minister Brumby.

Minister Brumby is notorious for his lack of performance in this area. He abolished the Premier's IT advisory committee in November last year and promised to appoint a new chairman at that time. It is almost November 2000. The government is providing no leadership, and it is a disgrace that it is not even giving the leaders of the industry a forum through which to provide appropriate advice. This is the fastest growing area of the economy, and it has been abandoned by the government.

Mr MILDENHALL (Footscray) — It is obviously tough in the first year or so in opposition when the

economy is cooking along with growth rates of over 5 per cent, the budget is in terrific shape and the government is getting on with a breathtaking program of initiatives announced both prior to and after the election. It really is a struggle to come up with a line of attack on a government in this situation.

I would have thought that when someone on the opposition's tactics committee picked out economic performance, the state of the economy and the government's role in it someone would have had the brains to say, 'Hang on, we are playing to their long suit. There is a lot of good news and momentum and a busy government program of activity'. I do not know how this motion got up, because it is clear from the opposition speakers thus far that it is based on extremely flimsy evidence. Certainly there have been no substantive indicators suggesting any weakness in either economic outlook or the government's performance in the business and economics area.

The Leader of the Opposition, with the startling logic for which he is becoming famous, said Victoria's first major problem is that it has elected a Labor government. He said the second problem is that there are too many reviews and not enough action. The government must do something about aquaculture, which is somehow the undiscovered and unrecognised saviour of the languishing Victorian economy and needs to be enhanced by the Labor government.

The honourable member for Box Hill, who was more detailed and analytical in his approach than the Leader of the Opposition, sees the answer in the showgrounds. The showgrounds will save Victoria from its languishing 5 per cent growth rate, startling budget position and enormous infrastructure investment! If it is not the showgrounds, Northbank will be the answer.

The honourable member for Doncaster thinks the wild dogs issue needs sorting out. Wild dogs are the answer! In his nauseating, repetitive mantra in this place he says it is all to do with IT. Perhaps he needed to read the July issue of *Wired* magazine, which ranked Melbourne as the no. 1 IT location in Australia based upon its more than 2700 IT graduates a year — the largest number in the nation.

I should have thought that any claim of government inaction would evaporate in the face of the evidence, including the regional rail projects, the Austin hospital, the Snowy River, the Eastern Freeway extension, the increased investment in black-spot funding and rural road projects — projects on that list alone total more than \$2 billion. The government has initiated the biggest rail investment in more than a century.

Honourable members interjecting.

The ACTING SPEAKER (Mr Lupton) — Order! If the honourable member for Doncaster and the Minister for Post Compulsory Education, Training and Employment wish to have a conversation they should leave the chamber. The honourable member for Footscray, without interruption.

Mr MILDENHALL — The list is extraordinary. It is a breathtakingly ambitious infrastructure revival for Victoria. To increase infrastructure investment from \$1.1 billion last year to \$1.9 billion a year for three years is the sort of investment forward-thinking governments dream about. The Bracks government has not only the capacity but also the strategic outlook to bring that dream to reality.

The greatest contrast between the Bracks government and the former Kennett government is in their differing attitudes to the medium-term building blocks that create a stronger economy. There is no better example than the government's attitude to the Skilling Victoria program. When that program is compared to the slash-and-burn attitude of the former government, with its school closures and reduction in the real level of resources, it is clear which government is serious about education.

The government has recently announced that resource investment will be tied to outputs, which is the logical output-based framework Victoria needs. Whereas the former government characterised itself by cutbacks, the Bracks government characterises itself by forward-looking targets and outcome-oriented strategic frameworks. All the indicators are there for continued strong performance in both the Victorian budget sector and the private sector in growth, investment outlook, jobs and confidence.

Over the past few months in my electorate of Footscray several initiatives with significant employment implications have been implemented. Lonely Planet has chosen what was formerly regarded as a deprived area of the west for its world headquarters and will employ an independent work force of more than 400 highly skilled IT workers. It is an amazing show of confidence in where the inner west and Victoria are going.

Given that Victoria is not a separate country and is not immune from business influences that affect the whole country, I should have thought the main areas of concern for business proprietors would be the uncertainty about interest rates, fuel prices, inflation rates — the figures came out this morning — and the ongoing impact of the GST. For the opposition to come

into this place and say that uncertainty arising from several government reviews is a more significant and important influence on business outlook than those things shows the desperation and lack of imagination and inspiration in its tactics committee.

To argue that the number of government reviews is a more significant issue and has some sort of retarding influence over business confidence in Victoria compared to those primary influences on business outlook is extraordinary logic that demonstrates an extraordinary paucity of understanding of its role in opposition and highlights its economic and business illiteracy.

Mr HONEYWOOD (Warrandyte) — I join the debate on this matter of grave public importance on behalf of the opposition. In doing so I note that education has been the subject of a great deal of rhetoric, particularly in the past two days, from a minister who is present in the chamber at the moment.

Unfortunately, any review of the actions of the government over the past 12 months makes one pessimistic about the government's ability to make good its trumped-up claim to be passionately concerned about the skilling of our young people and offering educational opportunities to them. The education portfolio and the record of the current education ministers, particularly the Minister for Education, are a litany of failed opportunities and poor attempts to engage with the wider community. Members of the wider community have been unable to get beyond the school gate, the TAFE gate or the university gate.

This government does not trust school councils or the chief executive officers of education institutions, particularly the principals of schools. It has chosen not to pursue flexibility or opportunities for rural and regional education institutions. It has claimed that as a result of the PENG report entitled *Public Education — The Next Generation*, which was produced by the New South Wales bureaucrat who was paid all that money, it is going to try to engage with the wider community on such matters as the way our schools are governed and ways to make our primary and secondary schools masters of their own destiny.

That is the rhetoric; look at the reality. The first announcement of the Minister for Education — that is, the first after the announcement about condom-vending machines — was about the dismantling of the self-governing schools program. That program was all about making schools masters of their own destiny and engaging with the wider community. The 51 schools that chose to become specialists in foreign languages,

music programs and so on actually chose to ensure that their students could pursue excellence. In addition they chose to have the capacity to bring in experts from the wider community to help govern their school communities. They wanted fine, world-class education standards for their children. When the minister dismantled that successful and optimistic program she proved the great lie promulgated by the government: that it wants to engage the wider community in skilling its children, the future Australian corporate leaders.

Those 51 schools are now, after 12 months, cast adrift. They are not able to support their specialist contract teachers because their special funding has been taken away from them. The minister, by claiming the self-governing schools program was elitist, has pulled the rug from under Broadmeadows Primary School, Corio South Primary School and Traralgon Secondary College — those elite schools in terribly elite areas that were being arrogant by pursuing the right of their students to get a specialist education.

Then, lo and behold, after the failed education minister tears apart — —

Mr Lenders — On a point of order, Mr Acting Speaker, I draw your attention to the wording of the matter of public importance being debated. It concerns delays in government decision making, whereas the honourable member for Warrandyte is discussing only certain decisive actions by the Minister for Education. I ask you, Sir, to draw him back to the matter before the house.

Mr Smith — On the point of order, Mr Acting Speaker, this is a broad-ranging debate. Other speakers, including speakers on the government side, have been given a lot of latitude. The honourable member for Warrandyte is merely ranging widely, as others have done. I believe there is no point of order.

The ACTING SPEAKER (Mr Lupton) — Order! I do not uphold the point of order. The debate has been extremely wide ranging. We have gone from rainfall in the north to every other matter conceivable. The previous Acting Speaker allowed that to happen, so I cannot uphold the point of order.

Mr HONEYWOOD — Thank you, Mr Acting Speaker. School councils include local business people and members of the wider community. They also include representatives of business companies that want to sponsor government schools with free computers and provide students with access to corporate strategies and corporate skilling. Those school councils have been cast adrift by the Minister for Education.

Not only does she not trust school councils and their engagement with the business community, she does not trust the chief executives — the principals — of our schools either. There can be no better example of that mistrust than the fact that the trade union delegate in a school now gets government information about any edict the minister is about to release before the principal does. In other words, union delegates now run our secondary and primary schools. The principal of a school is now the second person to know what the department is doing and what is happening in the minister's office. The teacher union delegate is the first port of call for the minister and the government because they trust the teachers union far more than they trust the CEO of the school.

It is not surprising that a lot of principals are leaving the system. They are taking the option of early retirement before they reach the age of 55. Under the sweetheart deal between Mary Bluett and the Minister for Education the gap between an assistant principal's salary and a so-called top teacher's salary is now so small schools will have major difficulties in attracting future leaders of school communities. The lowest common denominator has been pushed up the pay scale to satisfy union demands and there is a vacuum in school leadership positions because the pay is not sufficient to attract the right people.

I know that you, Mr Acting Speaker, are passionate about skilling and education pathways for young people. If we do not support the governing councils of our schools and the schools' chief executives — the principals and deputy-principals — how can we hope — —

Ms Campbell interjected.

Mr HONEYWOOD — I take up the minister's interjection. She would not know where Warrandyte was if she stumbled across it.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member will try to ignore interjections, and the minister will assist by remaining reasonably quiet.

Mr HONEYWOOD — Of vital importance is the fact that the government has done nothing in the past 12 months to assure regional and rural school communities that it will do something radical about solving their trade skill needs. Many young rural youths, particularly 15 to 19-year-olds, want access to TAFE or vocational education and training (VET) in-school programs. There is no radical proposal for school-based apprenticeships instead of mickey-mouse

work experience programs. The youth, particularly in rural communities, could be given access to a two-day-a-week training program with a local employer, perhaps funded by some state government money to assist in training, and the other three days could be spent finishing their Victorian certificate of education at the local secondary school.

There have been no such practical proposals from the government. All we have heard is a rebadging exercise where the Board of Studies becomes some new named quango and where the State Training Board becomes a qualifications authority. What does that do? It flags more confusion to employers when they are trying to find easily understandable pathways to take on young people.

The government has merely rebadged and repackaged certain programs. There is not \$1 of new money. According to news broadcasts the other night on channels 7 and 9 there will be a \$120 million package, but while funds from the budget papers are already committed, there will not be \$1 of new money. It gives a lie to the government's supposed education priority.

I could also talk about Victoria's previous leadership in international education. Previously, we were leading the nation in international education. This government has turned its back on the opportunities of international education, which was going to be a major billion-dollar industry for Victoria. However, Victoria has two ministers who do not care — —

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

Mr VINEY (Frankston East) — Now is a great time to invest in Victoria. It is a great time to be in business in Victoria. Indeed, Victoria is a great place to be.

The matter of public importance before the house would probably be much better directed at the opposition's colleagues in Canberra. It is spurious, to say the least, and lacks substance. So far, the debate from members opposite has failed to substantiate the claim that there has been a drop in business confidence in Victoria. In fact, business confidence in Victoria is going fairly well despite the efforts of the federal government — —

Opposition members interjecting.

Mr VINEY — Despite the efforts of your colleagues to try and crush it! The environment in which you do business affects business confidence. But what sort of business environment has the federal

government created in Victoria? It imposed a goods and services tax on business. The small overall cost to businesses of the increases taking place in Workcover — that we hear from the other side, which was caused because of the black hole that it left in the Workcover system — is nothing compared to the increase in costs to business caused by the GST. The GST has a greater impact on business performance and activity.

Instead of business managers, directors, marketers and people involved in running small businesses and even larger enterprises marketing and promoting their products and services, they are preoccupied with business activity statements and managing the GST for a tax that was set up in the 1950s and imposed on us this year. That has been an absolute killer in confidence!

Petrol prices are rocketing through the roof. Their impact is causing a dramatic increase in the cost of doing business. Yet, the federal government is paralysed.

Opposition members interjecting.

Mr VINEY — Your colleagues are completely ignoring the pleas for help on petrol prices from the community and business sector.

The Australian dollar is crashing. Under the federal Liberal government our dollar is becoming something of a joke — there is media speculation that it might drop below the 50-cent mark. The federal government lacks any direction and leadership and it is floundering around trying to cover up for Peter Reith and his telecard misuse.

What a contrast we have in Victoria! We have a government that has been presiding over growth in excess of 5 per cent; the lowest unemployment rate at 6.3 per cent since 1990, which is below the national average; strong population and migration growth; and forecasts at 4.25 per cent growth of gross domestic product (GDP) to 3.5 per cent — so much for the opposition's talk about lack of business confidence. Even Access Economics concedes that GDP will be comfortably above 3 per cent.

By contrast to the lack of federal leadership of a government preoccupied with covering up the failings of a minister in rorting the public system in the use of his telecard, the Bracks government is investing in the state, looking to the future, encouraging business investment and growth. How do people conduct business and how does confidence grow? What the opposition fails to understand is that the community

needs to be involved in the growth, infrastructure and service delivery across the whole of the state, which is exactly what the Bracks government is doing. It is investing into the education, infrastructure, roads, rail, hospital and policing systems.

What was the environment like when we were elected and when I was elected in the supplementary election just a year ago? We had a government that was shrouded in secret deals and contracts. No-one could speak out in opposition to the policies of the government of the day without fearing that they might be punished in their business affairs or in their community activities. I well remember during the Frankston East election people running businesses in shopping strips saying that they never saw a police patrol in Frankston. That was the environment. How was that a positive environment for business investment and growth?

We had a government that was closing down public services and infrastructure and focusing only on a few big projects in the central business district, leaving areas like Frankston and rural and regional Victoria to fend for themselves without any support. The previous government did not understand that business confidence is based on a broad investment in community infrastructure. It is based on investing in schools, as this government has done with a massive increase in education funds. It is based on investment in our hospitals. Take a look at Frankston, there is \$12 million in this budget for the redevelopment of the Frankston Hospital to provide an additional 76 beds. So much for a government that is unable to make decisions! This government is delivering on its commitments. It is making investments in rail and in police. What has happened to police numbers in Frankston? They have increased by 20 officers in just 12 months.

Mr Nardella — How many?

Mr VINEY — By 20 officers. Now the people in the shopping centres are seeing police patrols.

What was the mood in Frankston after the Frankston East supplementary election? Far from there being a lack of business confidence the mood of the whole community was one of a burden having been lifted from their backs. People were free to talk and to do business. Businesspeople did not feel they had to have a personal meeting with the Premier of the day to be able to invest in Victoria. That is the way it was before; one had to have the support of the Premier to invest in this state.

What is happening in Frankston? So much for a lack of confidence, the Frankston council has called for expressions of interest in the development of the Frankston central business district. There are three sites: north of the Beach Street car park, the former Sherlock and Hay site in Young Street and the former police and law court site. This will be a \$100 million development of Frankston, and there is massive interest in the current proposals. The council has been overwhelmed by people who are expressing interest.

With a great mayor in Mark Conroy, the Frankston council has been facilitating a bulky goods precinct. It is showing leadership in the Frankston community, leadership that the previous members for Frankston failed to deliver. We have the Bunnings and Harvey Norman projects, and about 1000 jobs will be created at the precinct. It will be one of the largest bulky goods precincts in Australia. We have massive foreshore developments, including proposals for three restaurants. That is not a place where there is a lack of business confidence, it is a new place with a new government focused on suburban growth and regional development, a place where there is significant investment where people live, not in the central business district, which was the focus of the previous government. This is investment in the places people live, where they want to work and want to do business.

That has happened since my election in Frankston East and since the election of the new council under the leadership of Mayor Mark Conroy. That reflects the boost to business confidence in Victoria.

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

Mr McARTHUR (Monbulk) — It is a pleasure to join this debate on the matter of public importance introduced by the Leader of the Opposition. In light of the last contribution it is important to look at the wording of the matter of public importance, which says:

That this house notes with concern the dramatic fall in business confidence in Victoria due to undue delays in government decision making and calls on the Victorian government to take decisive action to get Victoria moving again.

In spite of the bleating and lamenting by the temporary member for Frankston East about issues that are international and national and in spite of his doing a Pontius Pilate and washing his hands of it saying that it is all a federal or international matter or the dreadful result of the Australian dollar or some other nasty thing he cannot get his mind around and cannot control, many things have happened in Victoria in the past

12 months that have seriously impacted on business confidence.

These things have an impact on the future of our economy, and they will have an impact on the future of businesses, both small and large, in Victoria and on the opportunity for jobs for people both young and old, metropolitan and rural. They are things this government can do something about.

Let us look at business confidence and the Victorian Employers Chamber of Commerce and Industry's *Survey of Business Trends and Prospects*. It is worth noting that the VECCI survey is forward looking; it does not measure results from the past year, it looks at business expectations for the coming year. To be fair to the government I will use figures which contrast year on year.

In the 12-month outlook from June 1999 to June 2000 when surveyed by VECCI the business community expected a stronger economy in the vast majority of cases. Only 11 per cent of the businesses surveyed expected the economy to be somewhat or much weaker over the coming 12 months to June 2000. What has happened in the 12 months the Labor government has been in office? A similar VECCI survey for June 2000 to June 2001 shows the outlook of businesses is substantially different. Some 45 per cent of those businesses expect the economy to be somewhat or much weaker over the coming 12 months. That is four times the number of businesses that expected the economy to go down in the previous year.

It is worth noting that that is a much higher decline in business confidence than has been observed nationally or interstate. If members look at the New South Wales, Queensland or Western Australian figures and compare them with Victoria's they will see that Victoria is travelling much more poorly. Our decline in business confidence is much more significant.

If we pick up the issues referred to by the honourable member for Frankston East we can ask ourselves why. What is the basis of business confidence? I accept the point made by the honourable member that certain basic economic fundamentals go to business confidence. However, those things, like fuel prices, like interest rates, like unemployment rates and like inflation expectations, are universal across the nation. They impact on Queensland, New South Wales and Western Australia just as much as they impact on Victoria. There may be some minor differences because New South Wales and Western Australia are bigger so fuel prices loom larger than they do in Victoria, but

generally speaking the impact is relatively consistent across the nation.

Allowing for the small variations between states in those basic fundamentals it is worth noting that Victoria is doing far worse in business confidence than other states. Why might that be? What are the things within the state that might underpin local business confidence? Could it perhaps be things like whether business believes the Premier and the government have a vision? Could it be that businesses want to see a government that is in control? Could it be that businesses expect some level of consistency from a government? Could it be that they expect from a government a preparedness to make considered, planned and strategic decisions?

I suggest that all of those are important. What has happened to the decision-making process in Victoria? Honourable members have referred to the government's obsession with inquiry and review. The slogan on the numberplate could be 'Victoria the state of review' rather than 'Victoria the place to be'.

Several reviews have been announced every week — more than one for every business day the government has been in power. Top of the pops in the review process is none other than the Minister for Environment and Conservation, Sherryl Garbutt. The minister has announced at least 47 reviews that I am aware of; there may be other secret reviews she has commissioned and forgotten to tell the people about. The minister never makes a decision; she cannot make up her mind. When she does get advice from one review, she commissions another, just to make sure or to further delay the process.

Another significant statewide issue is Workcover costs. There has been a massive blow-out which has damaged business confidence. What effect will that have on rural businesses? A month or two ago I was at a country abattoir. Contrary to the statements made by the Minister for Workcover, the company's premium had skyrocketed despite the fact that employment numbers were relatively the same as the previous year — 120 to 130 people — payroll did not significantly increase, and Workcover claims had reduced by 80 per cent. After deducting GST, the Workcover premium had increased by more than 40 per cent. In bald numbers, it had gone from \$700 000 to \$1.1 million.

It is a family business. It is the largest employer in a small country town. It is an export works — a price taker — so it cannot pass on costs. The only option is to find an additional \$400 000. The company has to buy stock so the major discretionary cost is the work force. It will have to lay off a number of staff or go under and

threaten 130 jobs. What is the option? It is a dreadful situation. What does the minister do? He commissions a review; in fact he commissions two reviews.

Mr Nardella interjected.

Mr McARTHUR — He makes a bad decision, then commissions reviews to review a bad decision. Why not just correct the decision?

What has happened with water? There is a serious issue relating to the pricing and availability of water. What does the minister do? She commissions two reviews.

Yesterday, on 3AW the Premier raised the strange prospect that he may consider uniform pricing for both urban and irrigation water supplies. That would decimate Victorian agricultural industries. If it happens you can kiss goodbye to Victorian irrigated agriculture.

Two contradictory reviews are being conducted by the Minister for Environment and Conservation. We also have the farm dams review which she has failed to put a fence around. Farmers from across the state are justifiably nervous that their farm dams will have to be licensed and they will be charged for the water. It would send a shock wave across Victorian agriculture again; it would reduce opportunities for employment in Victoria; it would decrease business confidence in Victoria; and it would continue the practice of the government not to make decisions, to fiddle around, and to dress up its inability to lead with a smokescreen of reviews and consultations that go nowhere.

Ms GILLETT (Werribee) — It is with pleasure that I contribute to the debate on the matter of public importance despite the poor grammar demonstrated in the statement which reads:

That this house notes with concern the dramatic fall in business confidence in Victoria due to undue delays in government decision making and calls on the government to take decisive action to get Victoria moving again.

The most significant achievement of the Bracks Labor government over the past 12 months has been its ability to define economic growth and development in far more appropriate terms than the Kennett government was ever able to do. The failed Kennett government could not contemplate the modern and progressive notion that growth and development needed to include the community and the environment. This is the essential and real difference between the failed Kennett government and the Bracks Labor government.

Most opposition members have been critical of the government's demonstrated capacity to listen to the community and to include it in its deliberations on best

practices for encouraging growth and development of the economy, the community and the environment. It is unusual to hear people being critical of the government. It is doing the job that has made it the government and is denying the opposition the opportunity to get back to the government benches. The fact that the government is prepared to listen, review, audit and include has meant that Labor is now on the government benches and the opposition parties languish on the opposition benches. Until the opposition parties understand this essential difference and embrace the notion that the best way to lead is in an inclusive and comprehensive way, they will forever remain on the opposition benches. That is the single reason they are there now.

Let us look at some of the facts about the Victorian economy.

Over the past 12 months the Victorian economy has grown by more than 5 per cent. The budget forecast is that economic growth will ease from about 4.25 per cent in the financial year 1999–2000 to a more sustainable level of 3.5 per cent in 2000–01.

Access Economics, which is not known for its radical or socialist views, has forecast that the growth in Victoria's gross domestic product will be comfortably above 3 per cent not just for one year but for the next three years, with employment growth sitting at about 3.5 per cent this year. It is interesting that that is the second-highest figure in Australia. The same forecasters expect Victorian employment to grow by 3.5 per cent this year and 2 per cent next year. That is higher than the figure for any other Australian state except Queensland.

Over the past 12 months, 80 000 new jobs have been created in Victoria, compared with the 39 600 new jobs created in the last year of the failed Kennett government. The unemployment rate, which is now 6.3 per cent, is not only below the national average but at its lowest level since 1990. Victoria's population grew by 57 640 in 1999 to now stand at 4.74 million. That was the greatest increase in Victoria's population since 1988.

Despite the federal government's poor performance, in the past year Victoria has experienced its highest net overseas migration rate since 1990 and its largest net migration rate since records began in 1981. That figure is further bolstered by the persistence of population gains from interstate. As other speakers on this side of the house have said, that clearly demonstrates that Victoria is regarded by many thousands of people as the place to be. Victoria's population is expected to exceed 5 million in 2005–06, with the figure for Melbourne

expected to reach 4 million some time between 2010 and 2011.

Victoria's exports are at a record high. In July the quantity of Victoria's merchandise exports overtook that of New South Wales to become the second-highest in Australia. I am proud to say that my constituency has contributed to that high number of Victorian exports. Honourable members would know that a campaign to stop the failed Kennett government and CSR from establishing a toxic dump in Werribee has meant that the area's market gardeners are still clean and green and are ably contributing to Victoria's growth in exports, which we are proud of. I congratulate Werribee's market gardeners on the enormous contribution they have made and continue to make to Victoria's export figures.

All those positive outcomes have been achieved despite Victoria operating in a national climate of economic hostility created by the Howard federal coalition government. This year business and consumer confidence fluctuated widely in response to people's concerns about interest rates and the dreadful increases in oil prices, but mainly about the implementation of the GST. However, business and consumer confidence in Victoria is broadly in line with the national average. The Howard government should pay attention to the damaging effects of the GST — not just its effects on Australia as a whole but its direct impact on the financial capacity of each and every state in Australia. Consumer confidence fell heavily in February and reached a trough in May. Although it rebounded in July and August, it still fluctuates.

Despite the damage caused by those ill-considered economic activities, most notably the imposition of the GST, investor confidence in Melbourne is still strong. *Fortune* magazine ranked Melbourne as the third-best city in the Asian region for doing business.

The Colonial Bank economic report entitled 'State of the states', which was published in June 2000, ranked the Victoria economy as the best-performing economy among the states. Victoria ranks first among the states in five of the eight economic indicators — growth, retail trade, housing, capital expenditure and vehicle registrations. A number of other surveys, particularly the Jones Lang and LaSalle 2000 report, show that investor sentiment expects Melbourne to outperform the rest of the country over the next six months. *Wired* magazine ranks Melbourne as the no. 1 IT location in Australia. An important indicator of Victoria's contribution to education is the fact that the state produced 2700 IT graduates this year as a result of the combined efforts of the Minister for Post Compulsory

Education, Training and Employment and the Minister for Education. That is the highest number of IT graduates in Australia.

The state's AAA rating from both major rating agencies, Standard and Poors and Moodys, still stands. So much for the gloom, doom and disaster forecast by the opposition parties. The outlook for investment in Victoria in 2000–01 is extremely positive. Most of the improvements have come from companies demonstrating their confidence in the state and from government investment, not just in infrastructure but in health and education, which must be high priorities in our community.

Because the government has listened, has been active and has not been afraid to ask questions of the community it has managed to put together a series of policies that grow the whole state in an inclusive and generous way.

Mr DELAHUNTY (Wimmera) — I agree with the sentiment expressed in the matter of public importance. Someone said to me the other day — I thought it was very appropriate — that the new numberplates brought out by the government should say 'The Bracks are on'.

We are seeing an enormous number of reviews. Earlier today someone said there were 325 inquiries that we know of. An enormous number of committees have been set up to review issues rather than government members themselves making decisions as they have been elected to do. There is inaction right across the state and an enormous lack of support for industry and job creation. Therefore it is appropriate that the numberplates should read 'The Bracks are on'.

I must comment briefly about the rain. It has been very beneficial to the Wimmera electorate. Only last week the Leader of the National Party, the honourable member for Gippsland South, suggested that it might be necessary for the city to have some restrictions. It is amazing how much action that created. It brought on the rain! During the election last year I was told that if I could make it rain normally and also improve the commodity prices as an elected member I would not have to do much more. The reality is that governments can do little to bring rain, but it is important to my area that commodity prices improve, particularly for wool, which has improved marginally in recent times.

An old saying in country areas is that where there's mud there's money; I hope it shows itself to be true. And I hope there will not be so much water that it floods, but there is no doubt that for the catchments and the like we badly need the rain. Water is important for

industry and agriculture, particularly in the Wimmera, and also for tourism and fishing.

Country Victoria is disappointed with the government's lack of direction. In the April budget debate I said that it was a big-spending government. I did not realise how big spending it would be only six months later. However, at that stage we were pleased that the government had a debt-reduction strategy. That was six months ago.

I again express the concerns of industry and business in my area. The government promised a Workcover premium increase of only 15 per cent, yet we have heard stories of increases of up to 200 per cent that have caused major problems for the viability of employers, the wealth generators. The coalition government reduced payroll tax from 7 per cent to 5.75 per cent, a reduction of about \$300 million estimated to have created 18 000 long-term jobs. Payroll tax is a tax on jobs, and the business sector needs taxes to be reduced so it can get on with creating jobs. The government has not done that, and again a review is taking place.

Another concern of industry in the community of the Wimmera is the government's push to close Essendon Airport. It is one of the safest airports in Australia. It not only services the air ambulance and the police and emergency services aircraft but is important in enabling small businesspeople to get into Melbourne quickly. Time is money, and people need to get in there to do business. They have been helped by the privatised City Link, which is now getting enormous support from the government.

I will touch on agriculture. We are getting mixed messages from the Minister for Agriculture on genetically modified organisms (GMOs). A couple of weeks ago I went to a CSIRO briefing that was attended by many government people, at which I said it is important for the government, the CSIRO and researchers to keep consumers informed. There are major benefits from GMOs, but it is important that we keep in touch with the consumers, because at the end of the day they are the ones who will make or break the industry.

Country people are concerned about funding cuts to agricultural research. In my area it has even been suggested that we might not have a wheat breeding program in 12 months time. Wheat is the golden grain for our area, and we need adequate funds to do wheat research. We have heard the Leader of the Opposition talk about aquaculture. With the installation of the Wimmera–Mallee pipeline aquaculture industries are developing across the Mallee, and it is a real shame to

see cuts in research in that important area. The people of the Wimmera are also disappointed that the government has reduced the target of \$12 billion in food exports by adding fibre to the equation.

I will touch on water and waste water. Lack of water is limiting growth. Extensions to the Wimmera–Mallee pipeline will assist with improved distribution systems, and I am pleased the state government has supported the federal government in providing research funds because we need to identify the areas that need to be piped as well as to improve distribution. On the same subject, why should small country towns not have water and waste-water services that are up to world health standards just as the cities do? The previous government put an enormous amount into this area, and this government has increased the allocation again. We welcome that, but the government must get on and do the job. There has been inaction for more than 12 months, and these small towns continue to be unable to attract industry and therefore jobs.

I want to comment on an article in the *Age* yesterday in which the Premier is reported talking about retention rates in schools. In my area a lot of young people have left after year 11 to get jobs, apprenticeships and the like. I do not want their needs to be disregarded, because we have a great demand for diesel mechanics, plumbers and so on. If they leave school and go into apprenticeships or training programs, that is great. But we would all agree that we do not want to see students leaving school early to go on to nothing. We must not overlook the important area of traineeships and apprenticeships.

Workcover issues will not go away for this government. It must address them. High general taxes and the government's failure to reduce payroll tax are vitally important to business in Victoria.

People in the western part of the state have concerns with the Snowy River agreement. I refer particularly to the Andrew Bolt article in the *Herald Sun*. This open and accountable government presents major concerns for our people. Country groups and councils have grave difficulty getting information from and organising deputations with ministers.

The government seems to be heading down the path of the previous Labor government towards financial mismanagement. The financial report tabled in this Parliament yesterday revealed a massive \$2.5-million increase in operating costs under the Labor government compared with the previous year under the former coalition government. Please take heed of these

warning signs because country people are very, very nervous about the path you are heading down.

MELBOURNE CITY LINK (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) introduced a bill to make miscellaneous amendments to the Melbourne City Link Act 1995, to repeal the Melbourne City Link Authority Act 1994, to make minor amendments to other acts and for other purposes.

Read first time.

FAIR EMPLOYMENT BILL

Introduction and first reading

Mr BRACKS (Premier) introduced a bill to provide for a fresh system of employee regulation in Victoria, to establish a Fair Employment Tribunal, repeal the Long Service Leave Act 1992 and for other purposes.

Read first time.

NURSES (AMENDMENT) BILL

Introduction and first reading

Mr THWAITES (Minister for Health) — I move:

That I have leave to bring in a bill to make miscellaneous amendments to the Nurses Act 1993 and to amend the Drugs, Poisons and Controlled Substances Act 1981 and for other purposes.

Mr DOYLE (Malvern) — I ask the minister for a brief explanation of the contents of the bill.

Mr THWAITES (Minister for Health) (*By leave*) — The bill implements some of the recommendations that came out of the national competition review of the Nurses Act and also implements proceedings relating to nurse practitioners.

Motion agreed to.

Read first time.

GAMING ACTS (GAMING MACHINE LEVY) BILL

Introduction and first reading

Mr BRUMBY (Treasurer) introduced a bill to amend the Casino Control Act 1991 and the Gaming Machine Control Act 1991 to impose an annual levy on gaming machines operating in Victoria and for other purposes.

Read first time.

RACING AND BETTING ACTS (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Minister for Racing) introduced a bill to amend the Racing Act 1958, the Lotteries Gaming and Betting Act 1966 and the Gaming and Betting Act 1994 and for other purposes.

Read first time.

MAGISTRATES' COURT (INFRINGEMENTS) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Magistrates' Court Act 1989, the Sentencing Act 1991 and the Chattel Securities Act 1987 and for other purposes.

Read first time.

MAGISTRATES' COURT (COMMITTAL PROCEEDINGS) BILL

Introduction and first reading

Mr HULLS (Attorney-General) — I move:

That I have leave to bring in a bill to amend the Magistrates' Court Act 1989, the Crimes Act 1958 and the Evidence Act 1958 and for other purposes.

Mr BAILLIEU (Hawthorn) — I ask for a brief explanation of the bill.

Mr HULLS (Attorney-General) (*By leave*) — The bill makes some amendments to make committal proceedings work more appropriately. Currently there are problems about whether committal proceedings are working properly.

The previous bill makes amendments to ensure that people who receive fines under the PERIN system do

not go to jail without first going before the court.

Motion agreed to.

Read first time.

GAMBLING LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr PANDAZOPOULOS (Minister for Gaming) — I move:

That I have leave to bring in a bill to make miscellaneous amendments to the Gaming Machine Control Act 1991, the Gaming and Betting Act 1994, the Casino Control Act 1991, the Gaming No. 2 Act 1997 and the Interactive Gaming (Player Protection) Act 1999 and for other purposes.

Mr BAILLIEU (Hawthorn) — Again I ask for a brief explanation of the bill.

Mr PANDAZOPOULOS (Minister for Gaming) (*By leave*) — The bill introduces a range of new, responsible gaming measures that arise from the consultation process conducted earlier this year. It contains additional arrangements to clear up some administrative issues, including the issuing of licences for individuals and organisations.

Motion agreed to.

Read first time.

GAMING No. 2 (COMMUNITY BENEFIT) BILL

Introduction and first reading

Mr PANDAZOPOULOS (Minister for Gaming) — I move:

That I have leave to bring in a bill to amend the Gaming No. 2 Act 1997 to make further provision for activities regulated by the act and the administration of the act and for other purposes.

Mr BAILLIEU (Hawthorn) — I ask the minister for a brief explanation of the bill.

Mr PANDAZOPOULOS (Minister for Gaming) (*By leave*) — This bill covers similar issues to the previous one, but relates to minor gaming issues, bingo and trade lotteries.

Motion agreed to.

Read first time.

COUNTRY FIRE AUTHORITY (AMENDMENT) BILL

Introduction and first reading

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

That I have leave to bring in a bill to amend the Country Fire Authority Act 1958 and for other purposes.

Mr WELLS (Wantirna) — I ask the minister to give a brief explanation of the bill.

Mr HAERMEYER (Minister for Police and Emergency Services) (*By leave*) — The Country Fire Authority currently has an executive chairman who fills the roles of both chairman and chief executive officer of the authority. The bill seeks to separate that into a non-executive chairman and a chief executive officer, which is consistent with the position in the Metropolitan Fire and Emergency Services Board and also consistent with the recommendations of the Public Bodies Review Committee inquiry into the board.

Motion agreed to.

Read first time.

LAND (FURTHER REVOCATION OF RESERVATIONS) BILL

Introduction and first reading

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

That I have leave to bring in a bill to provide for the revocation of the reservation over several parcels of land, revocation of a Crown grant and for other purposes.

Mr BAILLIEU (Hawthorn) — I ask the minister for a brief explanation of the bill.

Ms GARBUTT (Minister for Environment and Conservation) (*By leave*) — The bill is typical of many that we see in this house — there is at least one every sitting period — that concern parcels of land across Victoria. In this case they are in Ballarat, Melbourne and Barwon Heads, and the reservations over those parcels of land are to be revoked.

Motion agreed to.

Read first time.

DOMESTIC (FERAL AND NUISANCE) ANIMALS (AMENDMENT) BILL

Introduction and first reading

Mr HAMILTON (Minister for Agriculture) introduced a bill to improve the administration and effectiveness of the Domestic (Feral and Nuisance) Animals Act 1994 and for other purposes.

Read first time.

TERTIARY EDUCATION (AMENDMENT) BILL

Second reading

Debate resumed from 24 October; motion of Ms KOSKY (Minister for Post Compulsory Education, Training and Employment).

Mr KOTSIRAS (Bulleen) — It is a pleasure to speak on the Tertiary Education (Amendment) Bill. This is another example of the government coming into the chamber and introducing a bill for no real reason. It does not improve the operation of the current act. It only pushes the government's political agenda. The bill is politically misleading and unnecessary. Indeed, the government is attempting to remove the word 'union' from the name of a student organisation simply to persuade students to join the union.

As I said earlier, the bill does nothing to improve the operation of the act. It is nothing more than a payback to student unions for the work they have done for the ALP in the past and the work they will do for it in the future.

The act has worked well. I recall that in 1993 when the Liberal–National party government introduced the act, the Labor opposition said it would dramatically reduce the quality of service provided to students and that some services would disappear. After seven years the services are still there and some of them have become more efficient and better for the students.

Why try to fix something when it is not broken? Although I do not oppose student organisations as such, I do not believe membership should be compulsory. I believe in freedom of choice and freedom of association. We need to support and protect those two freedoms. This bill takes them away. Although there are a range of services that are of great value to students and institutions by contributing to the quality of life, there are some which provide no real benefits to students. It is those services and activities that should be optional.

The legislation introduced by the previous government did not allow the levying of compulsory fees to cover a number of services and activities. It made it clear that those services should be optional. It was felt that students should not be forced to pay for services or activities from which they did not get a benefit, particularly for services the organisations should be accountable for through the marketplace. For example, honourable members will recall the student newspaper that encouraged shoplifting. Why should students pay for services such as those which have no direct benefits to students? If the newspapers were any good, they would receive money from sponsorship and advertising. More importantly, if a student association simply receives money regardless of the type of service it provides, why would it strive to improve that service?

Compulsory membership gives student associations no incentive to improve or increase their services, because at the end of the day they get their money regardless of the services they provide.

I am advised that the Melbourne University student union receives approximately \$5.5 million. If the bill is passed the money will be used for political advertising to assist the ALP, so there will be no direct benefit to students. It is important that students are not compelled to pay fees for facilities, services and activities from which they receive no benefit.

I now turn to issues covered in some of the student newspapers that the Labor Party is so keen to protect. In her second-reading speech the minister stated:

It applies, for example, to the publication of student newspapers, which are an important source of information and a medium for the exchange of ideas about a wide range of issues. Importantly, such activity also provides a mechanism for those involved to gain experience in investigating and reporting on matters likely to be of interest to the general student community.

Under the heading 'Jeff is dead', the Melbourne University newspaper states:

I know it's several months after the fact, but it's not every day that you're liberated from the rule of a man who makes my Grandma spit at the mention of his name. Here are a few examples of how one man made Victorian politics, business and media his own little rubber ducky.

That is nothing more than ALP propaganda.

The Monash University newspaper states:

The World Economic Forum ... at Crown Casino was an example of unelected, and unrepresentative groupings meeting to decide strategies for further world domination. Some of the attendees included ... Bill Gates, and CEOs of some of the world's largest ... companies such as Nike, Rio

Tinto, Nestlé and McDonalds. I could go in to the reasons why this is bad, but words and time limit me.

Again this is what one expects from the ALP.

Under the heading 'The Big O' the Monash University newspaper states:

I always believed I was a very 'sexual' person, being very open-minded and having [dabbled] in things most would consider 'kinky'. I've done the phone-sex thing, the 'getting busted by the cops' thing, the role-plays, the threesome ... kissing more than one guy at the same time, the stripteasing —

and the list goes on. That is the type of trash the ALP is trying to encourage.

An article in a La Trobe University newspaper entitled 'Readings on a toilet wall' states:

And I hate those women with their ... scarves over their heads, covering their faces. Who ... would follow such a religion ... They should get a life ... I hate weak people who do what they are told and simply follow the crowds ... I hate noisy wogs who call their friends in the Ag while they are at the top level in front of the library. Stupid retards ... Did you ever go to a wog doctor? No — because they are stinking apes.

That is absolutely appalling and does nothing to encourage Victorians or people from non-English-speaking backgrounds to attend universities.

The opposition has moved amendments to retain sections 12D and 12E and to ensure that fees for non-joining students are not used by the student union. I hope the government puts aside its narrow-minded views and supports the opposition.

Mr LANGUILLER (Sunshine) — I support the government's complying with its pre-election commitment, and in doing so I commend the then shadow minister who campaigned on the issue. There is a clear recollection on this side of the house that the student movement and academics broadly supported the government's initiative.

The government has consulted on and intends to make the amendments. Two major proposals have been put forward. One is to delete the clause preventing an institution from requiring membership regardless of whether its council believes it to be educationally desirable. The bill gives tertiary institutions — universities and TAFEs — a choice by saying that the government fully trusts and has confidence in their ability to make decisions for themselves.

The bill similarly recognises that education goes beyond the classroom by saying to students, academics

and the community at large that the government recognises the benefits that are associated with running organisations and providing a range of services on campuses.

The second principal amendment will remove the restriction on an institution providing the services that it decides are of direct benefit to it or its student.

This is a pro-education bill that recognises the need for a holistic and comprehensive approach to education. Many years ago I was a student at the Victorian University of Technology, which was then called the Footscray Institute of Technology. The services provided were important to me at the time, and they remain important, particularly for students in the western suburbs. For example, there was a child-care centre and a club that was specially formed to help overseas students and refugees. It helped me enormously to become integrated into campus life. It gave me the opportunity to work through academic issues with students who shared common interests and goals, and in the end it gave me the opportunity to become a better citizen. I am sure that is broadly recognised in the community by the majority of people.

Professor Jarlath Ronayne, vice-chancellor and president of Victoria University of Technology, said in a letter to the Minister for Post Compulsory Education, Training and Employment dated 26 September:

... the council of Victoria University has always insisted on discharging its responsibilities as required by this legislation passed by the elected government of the day.

However, he continues:

... we thought that student organisations were more closely analogous to local government where rate paying is compulsory, all citizens have a right — and even an obligation — to vote, and where a range of services are provided for the community. We also thought that student organisations had a key role to play in improving the quality of education that your parliamentary colleagues would be aware is a central objective of our institution. Student organisations also seemed to have a key role to play in the overall educational experience of students at universities.

In conclusion, I commend the government and the Minister for Post Compulsory Education, Training and Employment for consulting with the community and honouring the Labor Party's election promise of being a government for all rather than a minority. I commend the bill to the house.

Mr WILSON (Bennettswood) — I am pleased to join the debate on the Tertiary Education (Amendment) Bill. I congratulate the honourable member for Hawthorn, the shadow minister for tertiary education

and training, on his contribution to the debate, the amount of work he has done and the amendments brought before the house in his name. I also commend my colleague, the honourable member for Bulleen, for his contribution.

The bill reveals several philosophical differences between the government and the opposition. In essence the government is legislating to return to a position where tertiary students may be compelled to join a student union or association, although as a result of the bill the word 'union' may not be used, and for students' subscription fees to be used for purposes they may not support.

The government's position is summarised by the Minister for Post Compulsory Education, Training and Employment in the second-reading speech, in which she said:

The amendments proposed in this bill would remove the provisions which prevent governing bodies from requiring students to be members of a student organisation and repeal the sections limiting the range of services which can be supported from compulsory non-academic fees.

The opposition is concerned that the legislation will move Victoria backwards with regard to the principle of freedom of association for students on Victorian campuses. The Melbourne campus of Deakin University is in my electorate. Not one person from that university or one person from my electorate has contacted me urging me to support the bill. When there is a university within a kilometre of a member's electorate office and no-one contacts him, that tells a story that there is no great desire on campus to see the legislation enacted.

Like many honourable members on both sides of the house, my background includes a long involvement in student politics. I have an understanding and appreciation of the great role student politics plays in moulding future politicians. I was president of the Monash University Liberal club, an active member of the Australian Liberal Students Federation and a member of the union board at Monash University. That experience tells me that the bill will take Victoria back to the bad old days of compulsory student unionism.

I listened with interest to the contribution of the honourable member for Hawthorn, who detailed the delays in bringing the legislation before Parliament. Twelve months ago the Minister for Post Compulsory Education, Training and Employment was full of rhetoric about the importance of the legislation in bringing about changes that apparently so many students on Victorian campuses were calling for. It has

taken 12 months for the greatly watered-down legislation to be introduced into the house. This is typical of legislation introduced by the Bracks government because it does not want to offend too many people at the one time. The bill is a mixed bag of ideas and compromises.

Mr Robinson interjected.

Mr WILSON — If a government sets its standards as a government of compromise it is a government going nowhere.

Government members interjecting.

The ACTING SPEAKER (Ms Barker) — Order! Government members should allow the honourable member for Bennettswood to make his contribution without assistance.

Mr WILSON — One need only ask about the politics of consensus as currently experienced in Great Britain, where Prime Minister Blair has learnt that the British people want a government of action, not a government of inaction.

In reflecting upon the bad compulsory student union days of the 1960s, 1970s and into the 1980s I vividly recall two incidents at Monash University. In 1978 the then Prime Minister, Malcolm Fraser, visited the university and was treated outrageously by fringe groups from Monash University and many other Victorian campuses.

Another incident that comes to mind was the outrageous behaviour of some extremists when the then British Prime Minister, Margaret Thatcher, came to Monash University in 1981. The university was highly embarrassed, as it had been in 1978, by the behaviour of a small group of students demonstrating in a violent and unacceptable manner.

The real trouble at the time was compulsory student unionism. Ordinary students were contributing their money to fringe minority groups, allowing them to behave in a totally unsatisfactory manner, as occurred when former Prime Minister Malcolm Fraser was baled up at Monash University in 1978 and, as I said, when a visiting overseas prime minister was poorly treated in 1981.

It is dangerous to bring in legislation that allows compulsory student unionism to rear its ugly head again. I would hate to see a return to the situation where student money is given to groups such as S11, which acted so badly during the recent World Economic Forum. In the 1960s, the 1970s and the 1980s, groups

such as S11 received compulsory student union money. We have witnessed the damage the S11 minority caused in Melbourne last month.

My friend and colleague the honourable member for Bulleen reflected on the worth of student newspapers. As a former student activist I accept, of course, that student newspapers play an important role in the lives of universities. However, those newspapers must be responsible and their editors must act responsibly. Over many years I have witnessed the unusual content that has appeared in student newspapers such as Melbourne University's *Farrago* and Monash University's *Lot's Wife*. The honourable member for Bulleen recalls, as do I, a time not so long ago when a student newspaper instructed its readers on how best to shoplift. Many of the actions of minorities on campus, including the writings of students in student newspapers, can offend the moral, political and religious beliefs of their fellow students.

The government seems to be placing a lot of emphasis on the claim that decisions will be made at the local level by university councils about which organisations will be allowed to operate and where money will be spent. The minister informs us in her second-reading speech that:

The amendments do not impose a political agenda, they support the role of councils in determining for themselves what arrangements are of benefit to the institution or students at the institution, and rely on councils, in cooperation with student organisations, to manage the provision of services required.

That is all well and good if university councils act appropriately. My fear is that the situation will get out of hand in relation to various university councils and that ordinary students who pay their university fees will find their money going towards programs with which they have no connection.

Finally, I urge all honourable members to give due consideration to the amendments to be moved by the shadow minister, the honourable member for Hawthorn.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.07 p.m.

DISTINGUISHED VISITOR

The SPEAKER — Order! I inform the house that Señor Pablo Sader, the Ambassador of the Republic Oriental of Uruguay, and Señora Sader are visiting

Parliament this day. On behalf of all honourable members, it gives me great pleasure to welcome them.

QUESTIONS WITHOUT NOTICE

Prisoners: right to silence

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to remarks attributed to him in today's media, and I quote:

We do not support what is being proposed by Robert Dean, but we do have an open mind to examine it ...

Mr Hulls interjected.

The SPEAKER — Order! The Attorney-General!

Dr NAPHTHINE — It is the best piece of fence sitting I have seen for a long time.

Does the Premier continue to support the current law, which allows prisoners to refuse to be interviewed by police?

Mr BRACKS (Premier) — Honourable Speaker, I concur with those — —

Honourable members interjecting.

Mr BRACKS — I have been told that that is the new neutral term. Those comments made today by me are absolutely accurate and are also reflected by the Attorney-General's comments this morning.

I am grateful for the shadow Attorney-General providing me with a copy of the private member's bill late yesterday. The government has had a chance to examine parts of the bill; however, it is still awaiting receipt of legal advice on some of its contents.

As the Attorney-General and I have indicated in the past, we would not do anything to affect or reduce the right to silence in Victoria. We are appreciative of the efforts made by the shadow Attorney-General to try and put some security around the issues surrounding the right to silence. Nevertheless, we still think that the private member's bill is deficient in many areas, including the requirement under the bill that individuals from psychiatric institutions will be able to be questioned without refusing the right to be questioned, which is caught up in the bill, and other matters that do not define the discretion available to a magistrate in such matters.

For that very purpose the Attorney-General has indicated that he would be prepared to work with the opposition in achieving an appropriate — —

An opposition member interjected.

Mr BRACKS — Isn't that interesting?

Dr Napthine interjected.

The SPEAKER — Order! The Leader of the Opposition!

Mr BRACKS — I was under the impression that the shadow Attorney-General was working in good faith and therefore wanted us to examine the bill. The government has examined the bill and does not accept it in its current form. However, we are prepared to work on it. If the shadow Attorney-General and the Leader of the Opposition want to work with us on another more appropriate reform, we will do that properly.

Dr Napthine interjected.

Mr BRACKS — From the opposition leader's interjections we can tell that he is playing politics. We believe this is too important an issue to play party politics with, but the opposition is laughing about it. We are prepared to consider the reasonable parts of the bill. As I said, in its current form the bill is not acceptable, but so long as the opposition is prepared to discuss the matter we believe we can come up with something better to meet those wishes.

Legislative Council: reform

Mr MILDENHALL (Footscray) — I refer the Premier to the decision by the Liberal and National parties to block all reform of the Victorian upper house.

Honourable members interjecting.

Mr MILDENHALL — Will the Premier inform the house of the action the government will take to continue to promote the democratic reform of the Victorian Parliament?

Mr BRACKS (Premier) — I thank the honourable member for Footscray for his question and, as my parliamentary secretary, for his continued interest in upper house reform and in ensuring that we have a more democratic and accountable upper house of review in Victoria. It is a great disappointment to learn that the Legislative Council has decided to vote down not just one but both propositions for reform of the upper house. The simple proposition for a fixed four-year term has been rejected, and I understand that

the other proposition for proportional representation has also been rejected.

These reforms were adopted by the Australian Labor Party in 1997 and were a clearly articulated part of our policies in the last election campaign. It is disappointing that that mandate was not respected and that the proposals that passed through this house were blocked in the upper house.

Although we are disappointed, we do not believe all is lost. We want to keep the electoral reform of the upper house on the agenda for the next few years. In that regard, early next year we will be establishing a constitutional commission, which will collect evidence and submissions from around the state on the composition and reform of the upper house and on how Victoria can have a better house of review in future.

The commission will comprise three eminent Victorians. Its terms of reference will be settled and released following discussions with the chair of the committee. It will have the powers of a board of inquiry and be empowered to collect evidence under the Evidence Act. By the commission's very operation we hope that over the next few years we will have better support from the opposition parties for the important reform of the upper house.

I believe the opposition is honour bound to support the constitutional commission.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc!

Mr BRACKS — If honourable members remember back to the response of the coalition to the Independents Charter in October last year, they will recall that the Liberal and National parties also proposed having a constitutional commission. Given its response to the Independents, I believe the opposition is honour bound to support not only the establishment of the constitutional commission but its collecting evidence and coming up with reform proposals which I hope this house can support and which can get passage through the upper house.

It is an important part of ensuring that we have better parliamentary democracy in Victoria, a real house of review and fixed four-year terms. That is what we are aiming for. I hope the constitutional commission can garner support for that in the next couple of years.

Snowy River

Mr RYAN (Leader of the National Party) — Given that the government has confirmed that it will purchase water entitlements for the Snowy River, as was stated by the Minister for Energy and Resources in another place yesterday, will the Premier explain why the new entity to be formed for that purpose needs to have the authority to borrow money?

Mr BRACKS (Premier) — I thank the Leader of the National Party for his question. The authority is yet to be set up; its establishment is still being negotiated between the New South Wales and Victorian governments. The New South Wales government is in the process of passing the arrangement we have reached through its Parliament; that is a requirement of its Parliament but not of ours.

Achieving a 21 per cent flow down the Snowy River in the next 10 years does not require any change to any entitlements. The purchase-of-entitlements provision is there only for the 10-year-plus period and only to assure the irrigators that there will be no reduction in their irrigation capacity. That is the case. It will be a negotiable position that is yet to be determined.

Clearly the new body will be a statutory authority established by the two governments. It will have wide powers to apply these moneys appropriately to water conservation and preserving the water asset, enabling it to flow down the Snowy River. After the 10 years it will have the flexibility to enter into partnerships with the private sector to seek arrangements to ensure the flow is lifted from 21 per cent to 28 per cent. Its composition is yet to be determined, but that is what the body is being set up to do. When that body is formed I will consult widely and inform the Leader of the National Party about the matter.

Planning: metropolitan strategy

Mr MAXFIELD (Narracan) — I refer the Minister for Planning to the government's commitment to build a shared vision with Victorians on the shape of Melbourne into the future. Will the minister inform the house of the latest actions the government has taken to involve Victorians in developing this strategy?

Mr THWAITES (Minister for Planning) — Along with my colleague the Minister for Transport, I was pleased today to launch the development of a new metropolitan strategy for Melbourne. This is the first time since 1981 that government has undertaken such a process. It is important to have a shared vision for Melbourne right across the state, because the

development of Melbourne and regional centres such as Traralgon, Ballarat and Bendigo is intertwined.

We are building up our regional centres through fast rail links — it is a great project for Victoria, with \$550 million of excellent expenditure — that will have spin-off benefits for Melbourne. We need to find a place to fit the 420 000 additional households that the state will need to accommodate in the next 20 years. The best thing we can do is ensure that those households are put in the right place to maintain an environmentally sustainable Melbourne and Victoria.

Part of the strategy involves examining how those households can be placed along fast rail lines, including the line that will service the electorate of the honourable member for Narracan.

Today we also launched an interesting paper which I recommend to all honourable members. They are welcome to a copy of 'Challenge Melbourne'. The document contains some fascinating information that honourable members may not be aware of, such as the change in employment patterns across Melbourne. Over the past 20 years employment has shifted significantly from the northern suburbs to the southern suburbs.

Some facts that will interest other honourable members who, like me, do not exercise enough are that every day 200 000 car trips are less than 1 kilometre and 500 000 car trips are less than 2 kilometres. The government wants to use this information to encourage people to walk and use bicycles so they will be healthier.

An honourable member interjected.

Mr THWAITES — The honourable member says that is not so true in the country, and that may be so. However, much can be done and this is a community process that ought to involve the opposition parties and the Independents in developing a vision for Melbourne that will be more environmentally sustainable and good for our economy.

Public sector: wage increases

Ms ASHER (Brighton) — I refer the Treasurer to the financial report tabled yesterday revealing that employee wages and entitlements in the June quarter 2000 were 11.7 per cent higher than the September quarter last year and I ask: does the Treasurer still stand by his budget and his assurances to the Parliament that wage increases will be held at or below 3.5 per cent this year?

Mr BRUMBY (Treasurer) — This is obviously another question written by the honourable member for

Malvern. He wrote the one yesterday and has also written the one today.

The question relates to matters raised by the shadow Treasurer as reported in today's newspapers. She claims there has been a blow-out in spending in the 1999–2000 financial year, and in the final June quarter, as referred to in the question. I advise the shadow Treasurer and honourable members to read the financial statements. The statements reveal that the net additional cost for 1999–2000 of the Labor financial statement commitments that were implemented is less than \$100 million. The total increase — —

Honourable members interjecting.

Mr BRUMBY — The honourable member might be confusing accrual accounting with cash accounting. If the honourable member — —

Honourable members interjecting.

Mr BRUMBY — Included in the increase of \$2.5 billion in the government operating statement is a substantial proportion of non-cash accounting provisions — for example, the increase in superannuation expense of \$899 million accounts for more than a third of the increase. There is also a \$272 million actuarial revision to Workcover claims which is another part of it. The cash-flow statement shows that the cash spending of the government — —

Ms Asher interjected.

Mr BRUMBY — Is wages cash? Wages is not cash! Now we have a remarkable new revisionism of the financial statements.

Ms Asher interjected.

Mr BRUMBY — Wages are not included as cash! The cash outlays — —

Honourable members interjecting.

The SPEAKER — Order! The Deputy Leader of the Opposition!

Mr BRUMBY — If you look at the cash outlays, which include wages — —

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition! I ask the Deputy Leader of the Opposition to cease interjecting, and I ask other honourable members to cease interjecting across the chamber to allow the Treasurer to answer the question.

Mr BRUMBY — I refer the honourable member to page 35 of the financial report, which shows that cash spending on operating activities, including wages, increased by 2 per cent.

Ms Asher — On a point of order, Mr Speaker, on the issue of relevance, my question related to page 162 and a wages blow-out of 11.7 per cent. I ask you, Mr Speaker, to call the Treasurer back to order on the point of relevance.

The SPEAKER — Order! I do not uphold the point of order. The question of the Deputy Leader of the Opposition referred to the financial statement. I am of the opinion that the Treasurer was being relevant, and I will continue to hear him.

Mr McArthur — On a point of order, Mr Speaker, I seek clarification of your ruling. You did not uphold the point of order raised by the Deputy Leader of the Opposition on the basis that the question referred to the financial report tabled yesterday. Can I take it from your ruling, Mr Speaker, that in future whenever a question relates to part of a document — in this case a specific and detailed part of a document — the answer can refer to anything else in that document, including a matter that is so far removed from the question that it has no relevance at all to it? Is the whole document open for review, or only that matter that was relevant to the question?

The SPEAKER — Order! The Chair did not intend the ruling on the previous point of order to be given such a broad interpretation as that suggested by the honourable member for Monbulk. However, it is accurate to say that it is the practice of this house that a minister may respond to a question on matters raised in the question. It is the understanding of the Chair that the question asked by the Deputy Leader of the Opposition referred to figures contained in the financial report tabled in this Parliament yesterday. Accordingly, the Treasurer is required to confine his remarks to the contents of the question and not to broadly canvass all the issues contained in the report.

Mr BRUMBY — The financial report shows that the total employee entitlements increased by an underlying 3 per cent as a result of award wage increases during the year. The total cost of those movements over the financial year was \$128 million, which takes into account the decrease of \$315 million from the franchising of public transport services. The actual payments out of appropriations for wage increases — —

Ms Asher interjected.

Mr BRUMBY — If you would listen you would know. The former member for Brighton understood the budget papers, you do not. You have much to learn.

The SPEAKER — Order! I remind the Treasurer that his remarks must be directed through the Chair and must be in the third person. He must not engage in debate across the chamber as he was just doing with the Deputy Leader of the Opposition.

Mr BRUMBY — I will try for the final time. Payments out of appropriations for wage increases granted during 1999–2000, which includes the June quarter, amounted to \$116.4 million — \$116.4 million out of a budget of around \$20 billion! So, you need to do some research. You need to get your numbers right. You need to distinguish between — —

The SPEAKER — Order! I have already asked the Treasurer not to direct his remarks across the chamber. I ask him to desist from doing so. I ask the Deputy Leader of the Opposition to cease interjecting and thus inviting the Treasurer to direct his remarks across the chamber. The Treasurer has concluded his answer.

Juvenile justice: system assessment

Mr LIM (Clayton) — I refer the Minister for Community Services to the government's recent statement on juvenile justice and ask her to inform the house of what action she is taking to investigate claims of abuse and neglect in state juvenile justice facilities?

Ms CAMPBELL (Minister for Community Services) — I thank the honourable member for Clayton for his continuing interest in the juvenile justice system.

Following the receipt of an anonymous letter to my office regarding the Melbourne Juvenile Justice Centre, comments made to me by a staff member at the centre and a report that appeared in the *Herald Sun* that gave credence to the allegations made to me previously, I have commissioned Mr Graeme Baird to conduct an independent assessment of the entire Parkville juvenile justice precinct, which includes the Melbourne Juvenile Justice Centre, known as Turana, and the Parkville Youth Residential Centre.

In September Mr Baird submitted to me his independent review of Malmsbury. He had interviewed more than 80 staff, conducted a number of staff forums and spoken to senior people within the Department of Human Services and outside providers who also wished to address him.

He investigated allegations of drug use and of intimidation and assault. His report identified that two out of the six allegations were substantiated. Following the report, which was provided to me in September, the recommendations have been followed up with decisive action by the Department of Human Services. An implementation plan is also under way to act on the recommendations.

The strategies put in place are broad and cover each one of his recommendations. An occupational health and safety position has been created. It will conduct audits and analyses of staff assaults, and strategies are being put in place to minimise any further assaults and, one hopes, eliminate them completely.

There is a staff training position. Another recommendation related to difficult shift times and that has been addressed by strengthening the management capacity at Malmsbury. Revised behaviour management systems have also been put in place. Already there have been dramatic improvements at Malmsbury as a result.

Monitoring and refining of the system will be ongoing. I have instructed Mr Baird to keep me thoroughly briefed over the next six months on his assessment of the implementation of his recommendations.

I am also pleased to inform the honourable member for Clayton and other honourable members with a strong interest in juvenile justice that Mr Baird has been commissioned to investigate the Parkville juvenile justice precinct. Combining that with his Malmsbury report will make this the first independent scrutiny of Victoria's juvenile justice facilities since Winlaton's closure in the early 1990s.

I take allegations described as violence — while still unproven — very seriously. It is important that the veracity of the claims is thoroughly tested. If some or all of the allegations are in part or fully verified, I want to ensure that the recommendations put to me are implemented.

It is important that in ensuring that Victoria has a strong juvenile justice custodial system, assaults are avoided. The important balance between custodial responsibilities and welfare responsibilities must be understood.

I urge all interested people with relevant information to provide that to Mr Baird. I reaffirm that the Bracks government is absolutely committed to ensuring the delivery of quality services. The quality services provided in juvenile justice will be consistent with the government's commitment to strong custodial

responsibilities and also its important welfare responsibilities.

Business: tax reductions

Ms ASHER (Brighton) — I refer to the financial report tabled yesterday showing that payroll tax revenue has increased by 9.1 per cent and taxes on property have increased by 19 per cent in the last financial year. I further refer to the government's unmet election commitment to lower business taxation and ask: why is the government still procrastinating on business tax reductions when it can clearly afford them?

Honourable members interjecting.

The SPEAKER — Order! I ask the Deputy Leader of the Opposition to do the house and the minister the courtesy of repeating her question. I ask the house to remain silent during the question.

Ms ASHER — I am happy to repeat the question after the interjections from the other side, to enable the Treasurer to look at his notes!

I refer to the financial report tabled yesterday showing that payroll tax revenue has increased by 9.1 per cent and taxes on property have increased by 19 per cent in the last financial year. I further refer to the government's unmet election commitment to lower business taxation and ask: why is the government still procrastinating on business tax reductions when it can clearly afford them?

Mr BRUMBY (Treasurer) — It is worth pointing out at the outset that there has been no change to the taxation arrangements in this state. The extent to which there has been a significant increase in taxation revenue over the last financial year reflects two things: firstly, strong economic growth and business confidence in Victoria; and secondly, the continuation of the taxation system implemented by the former Kennett government.

So — yes, there has been an increase. The government made it clear in the budget brought down in May by the Premier that it would be providing \$100 million in new tax cuts from the next financial year beginning 1 July 2001, building to an aggregate of \$200 million per annum by 1 July, 2003, with total tax cuts over the three years of more than \$400 million.

The government will be implementing the tax cuts; there has never been any question about that. A review, chaired by John Harvey, a senior partner at PricewaterhouseCoopers, is now being undertaken.

Other groups involved in the review include: the Victorian Employers Chamber of Commerce and Industry; small business organisations; Melbourne University; and the State Revenue Office. They are having the first decent look at the taxation system in this state since 1983.

Only someone with an eye to the rear-view mirror, like the honourable member for Brighton, would not agree with the need for a comprehensive assessment and review of the state taxation system. The government wants to build a competitive state in which new economy businesses can grow, particularly in information technology, the knowledge economy and science. The government wants to have the most efficient taxation system anywhere in Australia. The government has made commitments that will achieve that.

On the basis of the commitments the government has made to cut taxes by \$100 million — \$400 million in aggregate — Victoria will continue to be, on average, a lower taxed state than its competitor states, particularly New South Wales. It will represent a significant tax cut to business, but the government wants to get it right. It does not want to just tinker at the edges or fiddle the taxpayers, as occurred under the former government. On payroll tax, the government gave with one hand and took it back with the other, loading up the system to include the superannuation surcharge, so there was no benefit.

This government wants to simplify the system and make it more efficient. It wants to make it more competitive. It has asked the best people in business to give it their ideas on how it should do it.

The government is proud of the fact that it is listening to business so that the tax cuts it provides will be properly targeted and build a competitive and efficient system in this state.

Tertiary education and training: participation

Mr LANGUILLER (Sunshine) — I refer the Minister for Post Compulsory Education, Training and Employment to the government's commitment to achieve increased participation rates and ask whether she will outline to the house the efforts now being made by the government to ensure that more young people remain connected to education and training.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — I know many honourable members are particularly concerned that the drop-out rates in the Victorian education system are too high. The government wants to make a concerted effort

to make a difference to those rates. The targets announced by the Premier on Monday were the first step by the government in a concerted effort to increase participation in education and training.

Today I am very pleased to announce that as part of that commitment the government is allocating \$16.5 million each year for the next three years for a new and innovative program.

Mr Honeywood — New money!

Ms KOSKY — It is new money, and it was identified in the budget introduced earlier this year. It is part of the money set aside to respond to the recommendations of the Kirby review, which the government will now be putting in place. The \$16.5 million will assist with managed pathways for young people who are thinking of leaving school early. Every school will have funding to implement managed individual pathways. We know that many young people who are thinking about leaving school early do not think about what they want to do next — they are just thinking about leaving school early.

The resources will be provided to help young people develop the pathways and work out whether they will stay in school, go to TAFE institutes or other training providers or be assisted into employment. A person will work with an individual until he or she gains a successful placement. The program is about providing support; it is not about pushing young people out of schools and not providing them with support, which is what occurred under the previous government. Honourable members know that many young people left school early, and schools did not know where they went and the previous government did not care where they went. The government intends to make a difference and to keep those young people connected to education and training.

The \$16.5 million will be broken up as follows: \$15 million will go to schools; \$1 million will go to technical and further education colleges; and \$500 000 will go to adult community education (ACE) providers. All schools will receive some money, but the funds will be targeted to the groups of young people who are most at risk of leaving school early. Therefore it will be targeted to regions that have far too many young people leaving school early and also have high youth unemployment.

The government is targeting the resources and expects schools to enter into a contract with it to achieve certain targets. The money is not additional dollars to do more of the same; it is to do something new and to make the

difference for the young people who want to stay in education and training. The government will help them to stay in education and training rather than just saying goodbye to them, as the previous government did.

The program is a targeted response with tagged resources and contracts with each of the schools, TAFE institutes and ACE providers that enter into it. The schools will be tracking students to ensure that we know where they go.

It is extremely pleasing to see in the press today that the setting of targets and the new approaches outlined gained a very positive response from an associate professor of education at Melbourne University, Richard Teese, the professor of education at Monash University, Simon Marginson, and a professor and the dean of education at Melbourne University, Brian Caldwell. The government has received overwhelming support for setting targets and expectations for itself and for being prepared to put in the resources needed to ensure that all young people are connected to education and training.

The only group that has responded negatively to the initiatives is the group that whinges and whines and carps and moans all the time — the opposition!

Teachers: industrial agreement

Mr HONEYWOOD (Warrandyte) — Does the junior Minister for Education stand by her guarantee to the house on 5 October that the wage agreement with the teachers union does not reduce the total working hours of one teacher by 1 minute or the time a child spends in a school classroom by 1 minute? If so, how does the minister explain the comments of the assistant principal of Pascoe Vale Girls Secondary College that her school would have to drop 90 teaching periods per week from its regular timetable or receive the equivalent of four full-time new teaching positions in order to implement the new agreement in her school?

Ms DELAHUNTY (Minister for Education) — In response to the first question, the answer is yes. The response to the second question will take a little bit longer, so bear with me. Clearly the honourable member for Warrandyte does not understand the government's new agreement with the teachers.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Wantirna!

Ms DELAHUNTY — If he did, he would not have asked the question. If he had understood the agreement,

he would know, firstly, that the maximum number of face-to-face hours for secondary schools is 20. That is the existing face-to-face maximum, and that is maintained under this agreement. Secondly, the average number of face-to-face hours across the state is 18. That remains under this agreement.

We can understand why the honourable member is a little confused, because he did not understand the situation that existed when he was an education minister. How do I know that? I have to go back to the radio again. The honourable member claimed on radio that under the former government:

Principals could allocate any one of their teachers at a secondary school twenty-three 50-minute periods.

That is what the government is proposing as a default situation. That is not what existed under the former government. That is our agreement.

Honourable members interjecting.

Ms DELAHUNTY — Here we go again!

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mornington!

Ms DELAHUNTY — The honourable member for Warrandyte does not understand the new agreement. He certainly does not understand what existed when he was an education minister. We now have confirmation of that because after two weeks of hollering loudly on radio that the agreement is not to be supported, he has written to me asking for a briefing on the agreement. For two weeks he has been talking about it. He has now written asking for a briefing.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc! The Leader of the National Party!

Ms DELAHUNTY — Parents associations, teacher representatives and principals organisations have embraced the agreement. Under the agreement principals in particular are receiving what they have been asking for for years. They have asked for more funds in their global budgets, and the new career structure will deliver new funds to school global budgets.

Principals will also receive what they have been asking for in the form of the flexibility to choose to pay more to keep top teachers. Our schools will now have the flexibility to make decisions about their staffing

profiles, including the mix they have of experienced teachers and younger, more highly paid graduate teachers. They will also have the flexibility in their global budgets to choose the length and the number of lesson periods they offer to their student demographic.

The agreement confirms that the school is in the driver's seat and that the students are the winners.

Metropolitan Women's Correctional Centre

Ms BARKER (Oakleigh) — I refer the Minister for Corrections to claims that the government decision to resume control of the Metropolitan Women's Correctional Centre was part of a political witch-hunt. Will the minister inform the house of the state of the prison and whether these claims have substance or are part of a public relations campaign?

Mr HAERMEYER (Minister for Corrections) — On 3 October the government took the step of taking over the Metropolitan Women's Correctional Centre at Deer Park after issuing three default notices against the prison.

Since taking over the prison, the government has found that that step was more than justified. The prison was in a considerable state of disrepair. It was in poor condition: maintenance was poor and the management of the prisoners was significantly less than satisfactory. Since the government stepped in Corrections Corporation of Australia (CCA) staff have been supplemented by experienced CORE (Public Correctional Enterprise) staff. Significant searches of the prison have been made, and there is a much stricter drugs regime. Prisoners are now doing things like gardening and keeping the place in a decent condition.

The government has found — CORE is currently compiling a report on the prison — that its actions have been vindicated. It was not a witch-hunt. The operator of the prison certainly has a right, and indeed an obligation, to protect its investment. And in doing so, one would expect it to engage a public relations consultant to put its view across, which it has done. I have no complaints with that.

The operator engaged a company by the name of Corporate Words. I have recently come into possession of a document put together by Corporate Words for CCA, which has some interesting revelations about the way the public relations campaign was to be conducted.

Honourable members interjecting.

Mr HAERMEYER — That is part of the strategy. The new shadow spokesperson — —

Mr Leigh — On a point of order, the Minister for Corrections is quoting from a document. Will he make it available to the house in a manner consistent with this open government?

The SPEAKER — Order! The Minister for Police and Emergency Services was quoting from a document. A request has been made for the document to be made available to the house.

Mr HAERMEYER — I am happy not only to — —

The SPEAKER — Order! The minister is indicating that he will make the document available.

Mr HAERMEYER — Not only am I happy to table the document, I could seek leave to see whether members of the opposition would be happy to have it incorporated into *Hansard*.

The SPEAKER — Order! The minister might not seek leave to do that as he has not followed the correct steps for including documents in *Hansard*.

Mr Smith interjected.

The SPEAKER — Order! The honourable member for Glen Waverley! The minister, answering the question.

Mr HAERMEYER — I am happy to make it available to anybody who can read.

The document states:

The new shadow spokesperson on corrections is Kim Wells, MLA. He can be an ally, but he can cause us problems with the government.

We should not be seen to be giving him documents from now on.

It raises the question of how many documents he had received. The document continues:

He should only be in a position to defend us with the media, not to initiate any issues against the government.

The company is quite clearly determining how the shadow Minister for Corrections is to go about his business in that portfolio. The document continues:

He has enclosed a copy of a letter to the editor that he wants to send in to the *Herald Sun* and has done us the courtesy to show it to us first. I don't have a problem with it as long as we are certain of the facts that we have provided to him.

So the honourable member for Wantirna sent an unsigned letter to the Corrections Corporation of

Australia (CCA), and it gave him the okay to send it off to the *Herald Sun*.

The SPEAKER — Order! The honourable member for Mordialloc! The Leader of the Opposition!

Mr HAERMEYER — It gets more interesting. There was then an attempt to use the Public Accounts and Estimates Committee to push the interests of a private company. A Corporate Words document states:

There are three questions being raised by the Liberal opposition at the August 10 meeting that affect CCA (see enclosed — questions 3, 4, 5).

Surprise, surprise! — the company was given a list of 10 questions that the honourable member for Wantirna was proposing would be asked at the Public Accounts and Estimates Committee hearing. It would be interesting to know on what basis the honourable member for Wantirna forms his views about some of the serious issues which he is required to deal with.

On 13 July he stated in an interview on the ABC — —

Mr Perton — On a point of order, Mr Speaker, your guidelines indicate that a minister's answer should take no more than 5 minutes. The minister has been speaking for 6½ minutes. If he wants to make a ministerial statement, the opposition will debate him on the issue.

The SPEAKER — Order! I uphold the point of order. Despite the interruptions to the minister's response, he is not being succinct. I ask him to conclude his answer.

Mr HAERMEYER — I am coming to the end of my answer, Mr Speaker. In the interview, when the honourable member for Wantirna was asked whether his information came from the prison, he replied:

Oh no, no ... I have not visited the prison.

At this stage he had not even asked to visit the prison. He was then asked:

You've seen reports on that?

To which he replied:

Yes. And, thirdly, I followed up the written word by a couple of phone calls to confirm what was claimed to have been done was being done.

The interviewer asked:

So you're relying on the company?

The honourable member replied:

And I believe that it is very accurate, because they could easily have said — —

Mr Plowman — On a point of order Mr Speaker, I believe that your ruling is being openly defied by the minister and I ask you to repeat the direction you gave him.

The SPEAKER — Order! I am not prepared to uphold the point of order. I did indicate to the minister that he should conclude his answer. However, on every occasion that I have requested that of ministers I have given them an opportunity to make some concluding remarks.

Mr HAERMEYER — Quite clearly, the honourable member could have spoken to Anglicare, the Salvation Army or to the Victorian Association for the Care and Resettlement of Offenders, but his sole source of information was the prison operator.

Dr Napthine interjected.

The SPEAKER — Order! The Leader of the Opposition!

Mr HAERMEYER — It is incumbent on members of this place, particularly those who wish to become the Minister for Corrections at some stage, to protect the public interest and not push the interest of a private company. In the time the honourable member has been on the front bench he has never asked me a question in the house. Does he have to ask CCA for permission to ask the questions?

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

Dr Napthine — On a point of order Mr Speaker, the Minister for Corrections was quoting from a number of documents when answering the question and he was asked to table those documents. He has tabled one set of documents but he has not tabled the pink sheets from which he was quoting. I ask you to suggest that he table the pink sheets in the interests of both the house and honest, open and accountable government.

Mr Loney — On the point of order, Mr Speaker, at the time the minister was asked to table documents and indicated that he would do so he had referred to only one set of documents, which are the ones that he tabled. I can see very clearly from here what documents the minister had. He later referred to a set of pink documents. This is one of the Leader of the Opposition's recurring stunts, one that he has used a number of times. It should not be paid much attention.

The document he asked for has been tabled in its entirety and the Leader of the Opposition's point of order should not be heard.

Mr HAERMEYER — This is the document I was quoting from when I was asked to table it. However, I later quoted from a media monitor's report of an interview conducted on the ABC with the honourable member for Wantirna. As incriminating as it is for him, I am happy to also table that document.

The SPEAKER — Order! I ask the honourable members for Melton and Werribee to desist from handclapping. It appears that the point of order raised by the Leader of the Opposition has been resolved by the actions of the Minister for Corrections and there is no point of order.

TERTIARY EDUCATION (AMENDMENT) BILL

Second reading

Debate resumed.

Ms GILLETT (Werribee) — I have pleasure in making a brief contribution to debate on the Tertiary Education (Amendment) Bill. I will restrict my comments to the bill and will not speak about the amendments tabled by the opposition and the Independents.

The bill is important in the history of the Bracks Labor government. It amends the Tertiary Education Act and is a direct response to an explicit Labor Party policy commitment before the last election. The government is honouring its promise, as the Victorian community has every right to expect. It has consulted widely, which the opposition parties find incomprehensible, and is the reason why they are the opposition parties.

The bill contains two major elements. The first and most important is the removal of the provision that prevents an institution from requiring membership regardless of whether its council believes membership to be educationally desirable. The second is the removal of the restriction on services that an institution may decide is a direct benefit to the institution or to the student.

Student unionism and student associations are an important part of the development of the community. Although it is often said that no real differences exist between this side of politics and the other side, the bill demonstrates one big difference between the Bracks Labor government and the opposition parties. Although

the government and the Labor movement believe in the excellence of the individual, in general they believe in the collective good — an overall responsibility and a right for the collective good. The bill recognises those collective responsibilities and honours a commitment.

Honourable members on the other side of the house do not believe in the collective good. Despite taking advantage of the results of the collective effort they do not think it appropriate to contribute. As a union official of some 12 years standing, I heard the constantly running argument both inside and outside the union about whether people should become union members. The argument I found most powerful both then and now is that if people are prepared to take the benefits offered by collective action they should be prepared to contribute to that action.

It is important that honourable members recognise that unions and associations are no more than collective representations of human beings working for the betterment of that collective group, which is represented in society as a whole. Student associations and industrial unions are great places in which people may develop the skills, understanding and knowledge that they should not be ashamed of collective effort. Rather, it should be applauded and encouraged, especially among young people who may be inclined to think that individual effort is the most important thing in life.

All honourable members should be proud of our collective effort in representing our communities in the way we do. We should also be proud of the collective associations of students in universities. The bill honours the promise made before the election and the government hopes it will be the beginning of real progress for student organisations.

Ms McCALL (Frankston) — Although my contribution will be in obvious contrast to that of the honourable member for Werribee, I am happy to join the debate. Although philosophically we come from opposite sides, in many respects we agree on issues concerning individuals and representation. Perhaps that is why we are both in the Parliament.

The bill is a philosophical issue that I have discussed at length with the education institutions in my electorate and with students in those institutions. I am aware of the history of those institutions and the move by the former government towards the removal of compulsory student union membership. I confess that in my years at university I went out of my way not to pay my student union dues. I was successful in doing so because I studiously avoided paying them when they appeared on

the account. The difference then was the definition between student union and student amenities, which is the issue I am happy to debate today.

The bill refers to the removal of the word 'union' and the incorporation of the word 'association', and I am comfortable with that. The desire of honourable members on both sides of the house to remove 'union' with all its connotations is probably one of the more positive features of the bill.

I have discussed the proposed legislation at length with people in the educational institutions in my area, and the provision with which they have some difficulty is the requirement to join the union or association, or whatever it is called.

I agree that there is a debate about the general good and the rights of the individual. Some of my colleagues will refer to the fact that during their years as students they worked very hard not to be members of an association.

The Tertiary Education Act of 1993 contains sections 12D and 12E, which do away with compulsory student unionism. When the legislation was passed there was much flurry and debate in the community, and students protested in great numbers. Since that time, however, there has been very little protest. It is therefore peculiar that the government is bringing in legislation to fix something that is not broken. Having canvassed student opinion widely, I find that most members of the student population are indifferent to the issue.

There will, of course, always be groups of students who are very concerned about union, association or political issues. In the main, however, students attend tertiary institutions for an education and for companionship and networking and so on. They are not there because of something that has been imposed on them or because they are politically active. I am concerned that compulsory membership can make a student feel uncomfortable about joining an association.

I have also spoken to student groups at length about the list of things the student community fee is not to be spent on. I have said to them, 'Has that restricted the ability of universities and university bodies to manage their own affairs?'. They have largely replied by saying, 'No, they have not restricted us. No newsletter has gone to the wall and no-one has been unable to provide amenities for students'. If anything, they report that a degree of restriction has made the universities more accountable for the money they are spending. They have to think carefully about what they do with the money because they are answerable for it.

The bill provides that councils will resume responsibility for their own affairs, and having worked within the university sector I have some sympathy for that approach. Universities feel they should be masters of their own destiny and that university councils should have total authority to decide how the institutions are run. That approach has merit in principle. My only concern, as I have said during discussions leading up to the introduction of the legislation, is the issue of discrimination. An individual who complies with all other university requirements could be summarily refused entry because he or she is philosophically unable to join a union or association. The opposition's circulated amendments, which seek to lessen that discriminatory feature, should be considered carefully by honourable members.

I am disappointed that the government thinks it should be unravelling most of the things introduced over the seven years of the previous government. It seems to me petty to say, 'I am in charge so I will do everything to unravel what the previous lot did'. The implication is that when there is another change of government, as there will inevitably be — and the sooner the better for the people of Victoria — we will change it all back again. That does not make for good legislation. Good legislation addresses issues that need to be addressed, and it is a pity that legislatures tend to be reactive rather than proactive.

The bill will not achieve anything other than to give the government a philosophical tick. While the opposition does not oppose the bill, it is disappointed that it was introduced in the first place.

Mr NARDELLA (Melton) — I support the Tertiary Education (Amendment) Bill. I recall the debate in 1994 when the Honourable Haddon Storey introduced the previous legislation in the other place. At that time Liberal and National Party members were salivating as the bill passed through the Parliament, especially all the ex-student politicians among them who felt they were destroying student unionism in Victoria's tertiary institutions. What they were doing was taking away much of the vitality of those institutions and putting them on a different footing from their brother and sister institutions throughout Australia. The rest of the country had a different ideological view about associations or unions democratically providing services to the student body. The members of the former government felt such processes were evil.

Liberal and National Party members do not understand democratic processes or believe in collective action. Some, like the honourable member Frankston, are happy to scab on services that other students have paid

for. They take an individualistic position and are happy to not pay their fair share for the services available in the institutions they attend. That is hypocritical.

Some honourable members opposite have said that the bill is evil legislation, even though they and others like them have been through the student union process themselves. When I was at university some prominent members of the Liberal and National parties were involved in student politics, including Peter Costello, the federal Treasurer, who was referred to by the honourable member for Bennettswood as a former president of the Monash Association of Students. His cohort, that great individualist Michael Kroger, was also a member. They used the student movement by taking advantage of its democratic processes. We can argue about what those processes were and whether or not they were just, but Costello and Kroger got themselves elected.

I remember the general meetings back in 1978 in which Peter Costello led the Liberal putsch in Monash University, as was his right.

Those members of the Liberal Party are saying it was okay for them to do it then but it is not okay for the new generation to do it now. The honourable member for Bennettswood suggested that the evil of the legislation — that is, the policy and promise the Labor Party took to the election — is that it will re-ignite the moratoriums, the S11 protests, the Maritime Union of Australia disputes, and that it is a cauldron of the ideological left that will be funded by the student body.

But the bill is about choice. In 1978 I was part of the demonstration at the front of Monash University when it was visited by the then Prime Minister, Malcolm Fraser. The demonstrators got bit of a biffing at that time, but just as it was Malcolm Fraser's right to come along at the request of the Liberal students, it was the right of other students to demonstrate against his policies and the way he had got rid of the democratically elected Labor government through the then Governor-General, Sir John Kerr.

Opposing the bill is part of the ideology of the Liberal Party. However, the bill is about choice and allowing students to follow democratic processes, set agendas and determine their own vitality within tertiary institutions by allowing boards to make that decision. I support the proposed legislation.

Mr WELLS (Wantirna) — It gives me a great deal of pleasure to join the debate on the Tertiary Education (Amendment) Bill. I pick up one point made by the honourable member for Melton. He said the bill is

about choice, but he cannot have read the bill, because it scraps section 12D(1) of the 1993 act, which states:

The governing body of a post-secondary education institution must not require any student or prospective student of the institution to be a member of an organisation of students.

By way of background, in 1992 when the coalition government won office it had gone to the election promising that no longer would students be forced to become members of student unions. Until then a person going to university was forced to join a student union — no ifs or buts.

When I enrolled at university to study accounting I was told, undemocratically, that if I wanted to get my exam results I had to be a member of the student union. I had no other way of getting my exam results. There was no choice of the sort the honourable member for Melton spoke about. It was a case of, 'Join up or you are not a member of this university'.

The Tertiary Education (Amendment) Act 1993 corrected that. When students went to university they were no longer forced into the unrealistic situation of having to be members of student unions and having to pay fees to those organisations. As I said, section 12D(1) made it an offence for a university to force any student to become part of a student union.

I am interested to quote something the Labor Party does not seem to quite get right, although its members are keen on the subject of freedom of speech. Just recently we have seen that they are strong supporters of S11, the right to protest, the right to assemble and the right to freedom of speech — although certainly we cannot have the situation where people have the right to block a driveway to stop delegates from entering a venue.

The Labor Party talks about all the wonderful things it supports such as individuals' rights and freedom of speech, but I point out that article 20(2) of the Universal Declaration of Human Rights, to which Australia is a signatory, states:

No-one may be compelled to belong to an association.

The Labor Party is ignoring that declaration. The proposed legislation will force students to become members of student unions. It is completely and utterly hypocritical.

The Labor Party goes further and supports the closed shops on the wharves and building sites. It is now taking that one step further and supporting closed shops on university campuses. It will effect that by just one very small sleight of hand. Clause 3 is headed 'Repeal of voluntary student unionism provisions' and

subclause (b) repeals sections 12C, 12D, 12E and 12F of the 1993 act. I am most surprised that the honourable member for Melton, of all honourable members, supports that provision, which is a blatant abuse of freedom of association.

The bottom line is that this is a payback for the National Union of Students. We have seen a payback for the teachers and the teacher unions for supporting the Labor government at the last election. The government also provided massive support for the construction workers. Now the third part of it all is that Minister Kosky is going to repay the NUS by forcing students to join unions and thus forcing affiliation fees back to the Labor Party as donations — that is what the bill is all about. Without doubt the objective of the bill is the full unionisation of students on campus.

At a couple of the briefings on the proposed legislation we were reminded by the bureaucrats that under other commissions that could apply to students — for example, under the Trade Practices Act or human rights and equal opportunity commissions — they could not be forced to join a union.

That is being unrealistic because students do not have a lot of money. Why should they go to a commissioner and fork out a lot of money for legal fees when, if the government were prepared to listen to the opposition and keep sections 12C, 12D and 12E in the principal act, students would have freedom of choice about joining a student organisation. I imagine that if this legislation is passed, sooner or later universities will be like construction sites that have signs saying 'No ticket, no start', but at universities we will have bigger signs saying 'No ticket, no study'. That is the bottom line with this bill — no ticket, no study. If you are not a member of a student union you will not be allowed to enter the university. I will vigorously oppose any sort of compulsory unionism; freedom of association must be paramount.

In the short time I have left I would like to talk about the second part of the bill, which repeals section 12F of the principal act, which lists items on which universities may spend the compulsory amenities fee. It was put there as a form of discipline because when we left it to students to spend the money as they wanted we got enormous variance.

Mr Nardella — It's their money.

Mr WELLS — The honourable member for Melton says it is their money and should therefore be spent how they like. I will go through some of the items students used to spend the money on. They include

student representative council (SRC) lunches, parking fines for the women's officer, library fines for the women's officer, gift vouchers for the SRC executive, donations to the League of Filipino Students, donations to the Communist Party of the Philippines, and campaigning against the Liberal Party's policies in the lead-up to a federal election.

We do not mind that being part of what they want to do if it represents the interests of all students. However, the items also include SRC lunches and the Griffith University sustainable society club. Why would the Royal Melbourne Institute of Technology student union give money to that organisation and why would it make weekly \$100 donations to the Green Left or pay for Democratic Socialists Society T-shirts? I ask the honourable member for Melton how he can justify those as being of benefit to the students. The women's officer's library fines? I cannot imagine how that benefits all students. It is a ludicrous situation.

The other point I would like to make is one I raised in this house in 1997. It concerns the rorting of the student unions and the way they spent their money. The compulsory amenities fee at Melbourne University was then \$320 per year per student, and the legislation permitted that money to be spent in any way. The university paid \$195 of the \$320 to the union to run particular programs. That added up to \$4.4 million. For every \$1 the student union spent on allowable programs it spent \$1.20 on administering the program. What a ludicrous situation! For every dollar spent on an allowable program under section 12F \$1.20 was spent to administer it. There was so much rorting going on that I asked for an investigation. Unfortunately when it came back it said that the legislation was not clear about the way administration was to be handled. I lost that one, but that is the way politics goes.

I was one of the members of Parliament who believed there should be no section 12F because I believed there should be no collection of a compulsory amenities fee. I was in the camp that said there should be no such fee. The students who would benefit most from that are those from low-income families, the poorer students. I would have thought the Labor Party would have been supporting a situation of no compulsory amenities fee. A student on a low income has to fork out \$400 for a compulsory amenities fee, but how fair is that when that student may not use any of the services? A fairer system would be for students to pay no compulsory amenities fee and if they want to join the soccer club, for example, they pay a \$20 fee. If someone wants to join the theatre club or be part of a housing committee, he or she pays the fee. That way the low-income students are far better off financially and are getting the

services they want, not the services rammed down their throats by a student union.

The opposition will be moving some commonsense amendments. As was mentioned earlier, when the government went to the last election it promised reforms to tertiary education. Reforms and forcing students to join student unions on campus are not the same thing. The government has misled the public if it thinks that is the case. I hope everyone in this chamber, especially opposition members and the Independents, supports the opposition in its amendments. They will make the system fairer and will ensure that students are not forced to join a student union. We maintain that we want section 12D to remain in the legislation because it gives the ultimate protection to the campus and the university ensuring that they do not have to force students to join a particular union.

I hope the amendments circulated by the opposition spokesman on tertiary education are supported. I congratulate him on the amount of consultation he has done across this state. He has visited many campuses. That genuine consultation is not what we have seen from the Minister for Post Compulsory Education, Training and Employment.

Ms BEATTIE (Tullamarine) — It gives me great pleasure to speak on the Tertiary Education (Amendment) Bill, the main purposes of which are to amend the Tertiary Education Act, to repeal the provisions relating to voluntary student unionism and to make further provisions about non-academic fees, subscriptions and charges. Despite the hysteria — I could have said claptrap but I am a polite person so I will not — we have heard from the honourable member for Wantirna, this bill is mainly about the provision of student services.

Tertiary education institutions fulfil an extremely important role in the life of a young person. It is not just about going to the institution, it is about preparing for life. It is about joining a profession and the work force and many other facets of a student's development. The governing bodies of the institutions provide a wide range of student services including sporting, social and cultural activities. However, it has been common practice for many years for student organisations to also provide a number of other services. In doing so they teach the young people involved a range of skills including planning skills, organisational skills and the ability to respond to the needs and welfare of fellow students.

There have been a great many lively student publications that have been an important source of

information as well as a forum for debate about a wide range of student and broader issues. These are the activities in which students become involved in the student community. They may also become involved in other areas such as reporting and research. Many parliamentarians list on their curriculum vitae that they were editors of student newspapers. That happens on both sides of the house, not just this one.

There are also policy-making committees within student organisations and research is conducted to enable quality decisions to be made by the students themselves rather than other people telling them what to do. We on this side of the house trust young people to handle their own affairs.

Under the current legislation, funding of this activity through student fees is precluded on the grounds it is not considered to be of any value to the students or the institution.

Clause 3 repeals section 12C and other sections of the Tertiary Education Act 1993 which prevent a tertiary education institution requiring membership of a student organisation, and limit the purposes for which compulsory non-academic fees can be used.

The amendment to section 12G extends the provisions of that section to provide that all fees, subscriptions and charges collected by the governing body of a post-secondary education institution be paid to a student organisation for membership or for the use of or participation in activities, facilities or services to be held on trust by the governing body.

In conclusion, as other honourable members wish to contribute to the debate, I simply indicate that government members trust young people and students to manage their own affairs. I wish the bill a speedy passage.

Mr HONEYWOOD (Warrandyte) — I briefly join the debate on the Tertiary Education (Amendment) Bill and, in doing so, reflect on my term as tertiary education minister and that of my predecessor Haddon Storey.

The government has already botched the introduction of the bill by allowing the minister responsible for the legislation to handball to the Labor Independent, the honourable member for Gippsland West, the carriage of a number of amendments which the minister is not brave enough to introduce. She has left it to her fellow traveller, the honourable member for Gippsland West, to deliver the type of legislation she would like if she were not encumbered by the left-wing Labor student unions.

The opposition has detected the government's strategy. Notwithstanding that, opposition members are more concerned with providing a fair and equitable outcome to the constituents of a particular education institution. Those constituents should be talked about as a community. You do not just go to a particular education institution to test and forget — as the Minister for Education often does —

Mrs Peulich — She forgets a lot!

Mr HONEYWOOD — She does forget far too much for a minister of the Crown. You go to an education institution for exposure to all the elements of what student life could and should be, including sport and social life — a degree in life rather than in just one subject area.

In that context, who could question the importance of having a student organisation that is representative of the body of students across the breadth of any one institution? However, history shows that student unions are not representative of the student body, particularly with the trend towards more vocationally oriented courses — as a humanities graduate, a trend I regard in some respects as unfortunate — and the trend towards part-time study where, because of family and work commitments, students pay the fees but do not experience much of campus life. In that context it is even more important that we do not vest to an unrepresentative body an amount of money that can be frittered away on pet projects not representative of the interests or attitudes of the student body.

For many years, members on this side of the house have advocated the right for students to choose whether fees are to be frittered away on things that do not mesh with individual philosophies or do not matter to the students of that institution. The compromise legislation which was introduced during the former government's first term involved a list of genuine activities that university or technical and further education (TAFE) campus life should include, such as food and beverages, meeting rooms, sport and physical recreation, child care, counselling, legal advice, health care, housing and employment, visual and performing arts, debating clubs, libraries, reading rooms, academic support, personal accident insurance for students, orientation information, and support for the growing overseas student population. These were all deemed to be legitimate activities and part and parcel of campus life.

The opposition understands we cannot have it both ways. We cannot on the one hand advocate that individual students should have the right to choose to join a student body, and on the other hand restrict the

purposes for that student body. On that basis, opposition members have agreed to the compromise which the honourable member for Gippsland West has indicated she will move during the committee stage of the bill. As I said, we question whether it is her own work. We wonder whether she is firing the bullets for the minister. Whatever the purpose or the motivation for the compromise the opposition says clearly that, provided students have a genuine choice as to whether they belong to a particular student union or not, the opposition will go along with the right of that student body, if it is so gifted with student fees, to be able to do with the money as it sees fit, provided there is direct benefit to the students.

In that regard the determination of whether there is a direct benefit to students is unclear. There is an argument that an institution, comprising a governing council of student representatives, members of the academic teaching staff and the wider community, can and should be able to carry out the beneficial expenditure of funds collected for and on behalf of students. That argument has stood the test of time. Many institutions have cross-subsidised student activities through funds raised by the institution over a number of years. Many student newspapers that are not included in the principal legislation are cross-subsidised by the administrations of institutions.

I am attracted to the concept that an institution can be deemed to provide direct benefits to students, and as such should not be excluded from the definition of who is able to spend the funds raised on behalf of student organisations. However, in the interests of ensuring a speedy passage of the bill, the opposition is willing to further reconsider the issue. A genuine student body could put up an argument that the institution may not have the best interests of students at heart when using funds, and the issue needs to be looked at on a case-by-cases basis. However, surely the intention of all honourable members should be to encourage students, whether they are part time or full time, vocationally oriented or just attending a post-secondary institution to get a good education in life, by ensuring that student fees are put towards the genuine purpose of enhancing their campus life and learning experience and developing them into well-rounded citizens. For that reason the opposition is determined to get the right result for students rather than merely engaging in some philosophical banter for the sake of pushing a particular barrow for the various constituencies of the ALP, the Liberal Party, the National Party or, dare I say it, the Independents.

Mr STENSHOLT (Burwood) — The Tertiary Education (Amendment) Bill is another example of

good legislation. It restores balance and ensures open government. Naturally, I am pleased to speak on this bill, given that I come to this Parliament from a university — in my case, Monash University — as have honourable members from both sides of politics in this Parliament and other Australian parliaments.

The bill seeks to repeal the draconian aspects of the 1993 act, which was introduced by the Kennett government. That act took away the rights of universities to organise functions and provide a full range of services for students. Why did the previous government do that? I can only think that it was to close down alternative views, prevent freedom of expression and limit the broad social, civil and political development and involvement of students. That flies in the face of the purpose of a university, which is to provide for the development of young people in a milieu that enables them to become citizens who can contribute to the development of society.

The bill is the product of consultation with the universities and tertiary institutions. Generally, the universities have been supportive of the bill. My former vice-chancellor, Professor David Robinson, has said that the university is now better placed to make decisions about its activities whether they are related to academic matters, finances, infrastructure or student services. The vice-chancellor of Victoria University of Technology has said he can do nothing but recommend that members of Parliament from all sides of politics support the bill. The vice-chancellor of the University of Ballarat has said that he supports the move to repeal voluntary student unionism legislation. The members of the Australian Vice-Chancellors Committee were united in opposing the principal legislation. Professor David Beanland has said that RMIT University constantly opposed the previous legislation on voluntary student unionism. I could go on about what other universities and leaders have said — for example, the vice-chancellor of La Trobe University has said that the university is wholly supportive of this course of action and stands ready to provide any assistance it can. The introduction of the bill has received universal acclamation from the leaders of our tertiary institutions.

The principal act had a detrimental effect on universities, and a range of activities were lost. Honourable members should not kid themselves, despite the honourable member for Hawthorn trying to claim that a range of activities continue. Examples of activities that have been lost range from support for elected bodies, affiliation with the National Union of Students, the production of student newspapers, the reduction in trading activities, the reduction in the

support for clubs and societies, the loss of campaign donations, conferences, publicity, affiliations, postgraduate publications, newspapers, honoraria, union campus typing and union election campaigns, which have happened at some universities around Victoria.

The bill is positive legislation. It allows universities to look after their affairs. It ensures that universities are places where all students can participate and develop their full academic, social and political potential. I commend the bill to the house.

Mrs PEULICH (Bentleigh) — I support the Tertiary Education (Amendment) Bill and the case put forward by the shadow minister for tertiary education and training. I spoke in the debate on the principal legislation when it was introduced into Parliament.

As with the honourable member for Bendigo East, I was a student not only when the bill was debated but when it was passed — but I was in the chamber at the time and she was not.

As a person who grew up under a communist regime, where it was mandatory to be a member of the Communist Party — and if you were not you were blacklisted for life, which meant you could not get employment and were discriminated against in all sorts of ways — I find the idea of compulsory unionism totally abhorrent to the notion of a democracy. That is the case whether it applies to totalitarian regimes like the former Yugoslavia and other Eastern Bloc countries, the waterfront or student unions.

The honourable member for Burwood outlined the sorts of activities that he said suffered as a result of the voluntary student unionism legislation. I defend the right of people to engage in activities that promote a particular political view or ideology; but I do not defend the funding of those activities by people who do not wish to support them or by people who may be ideologically opposed to them. As a student of tertiary institutions for some 10 years, acquiring three or four tertiary qualifications, I often found myself in the difficult situation of having to be a member of a student union and therefore funding activities which were politically abhorrent to me or which I considered a complete and irresponsible waste of money.

When the original bill was debated there were many prophecies of gloom. The honourable member for Coburg took part in that debate, and I am sure he will be taking part in this debate soon after me. He predicted the death and destruction of tertiary institutions and the

extinction of student services, as did his colleague the honourable member for Pascoe Vale.

However, the bill does not deliver what the minister undertook to deliver. The amendments for the bill will ensure that belonging to a union should ultimately be a matter of individual choice. Its acceptance of the amendment would be the coming to maturity of the Labor Party.

The bill is an important crossroad, and there is no doubt that the honourable member for Gippsland West has given the government a face-saving opportunity. When the legislation was introduced I said to the minister, face to face, 'Thank you very much. This legislation will be a great catalyst for Liberal activism on university campuses'. Is it any wonder that the minister has seen the light, even though she has presented it as some sort of radical bill when it is far from it?

I commend her for recognising that although she and the Labor Party subscribe to a strong notion of collectivism, which means that individual choice, free will and freedom of association should be subjugated to the needs of the collective, she has seen the light and recognises that the Labor Party has to come into the 21st century. Let us hope that the Labor Party membership form follows suit, because the format also needs to be brought into the 21st century.

The mandatory membership of any association goes against a host of United Nations treaties and conventions, even though the Labor Party applies them selectively. When it chooses to, it cites them as trends that we as members of a responsible community must follow. But Labor members choose to ignore those treaties and conventions when they do not suit their line of argument. The former government's bill did not result in the death and destruction of tertiary institutions or student services. Instead there was a movement towards a more responsible meeting of student's non-academic needs.

As a mature age student I did not make a huge use of many of those services. I was disappointed to constantly be reminded that the turn-out at student union elections was only 10 per cent — and in the recent election only 2.5 per cent of the student population voted.

The claim that student unions are somehow representative of the student body is deplorable and an outright lie. If student organisations wish to regain some credibility they will have to work on their capacity to, firstly, identify the needs of the people they hope to represent, and secondly, service those needs. If

they did, perhaps student participation in union elections would increase.

I do not believe that people who do not share a particular political ideology, whether of the left or the right or whatever, should have to fund the sorts of activities the honourable member for Burwood outlined. People who wish to promote or believe in those ideologies should fund them.

I do not wish to pay fees that fund the activities of people whose ideology is abhorrent to me. As a person whose family has escaped from communism, which did not have a multiparty system or allow the holding of opposing views, I would be the first person to defend the right of individuals to hold their own political views and actively pursue them. But they do not have a right to abuse the funds that are collected from students without their having a choice or without there being sufficient representation to ensure that the funds are deployed in the way the entire student body wishes them to be.

I still have reservations that, even if the amendment is accepted, a host of student political activities will continue to be funded by people who do not wish to fund them. I do not believe that activity ought to stop, but it ought to be paid for by people who share the same views.

I hope the institutions exercise a greater degree of responsibility and show a greater awareness that, education being a lifelong process, people like me who have been engaged in education over many years want to see a more responsible use of student funds. I forecast that there will be dramatic changes in the next decade. However, I certainly hope that institutions do not wimp it, as they often do, because it is easier for them not to take on a vocal minority than to ensure that the right thing is done. I have pleasure in supporting the amendment.

Mr CARLI (Coburg) — In 1994 one of my first speeches in this house was to oppose the draconian measures in the voluntary student union bill. It was a memorable debate, particularly because the government masked its objection to the rights of students to express their views in the idea of freedom of association.

When one looks at the current situation one sees that students are compelled to pay fees and be part of associations. They pay fees, for example, to support the swimming pools, the various clubs and the dining rooms. The previous government ensured that some activities were not funded from the compulsory fee, so students had to choose. It was a deliberate attempt to

prescribe where the compulsory levy could be spent and where it could not.

However, the former government clearly accepted the idea that there had to be some level of compulsion and some level of association. It is much better to think of student associations as city councils. Just as ratepayers pay rates, students pay union fees to fund a whole raft of services — from sporting associations to dining room facilities.

The then Liberal activists wanted to cut out student newspapers and other areas of the student association that could give them grief politically. The reason was that the Liberal associations at the universities did badly in the 1970s. In the 1950s and 60s when those associations were successfully run by Liberal activists they were quite happy to support compulsory membership of associations. However, a direct result of the campaign against the Vietnam war in particular and the Whitlam era generally was that in student elections the Liberal clubs at universities were decimated. Liberal activists, some of whom are now members of Parliament — for example, the honourable member for Box Hill and the federal Treasurer — set about destroying the associations because the Liberals were so unsuccessful in elections and so few students supported their views.

As I said, it is a mistake to equate the student associations with trade unions because they are not trade unions. A much better comparison is with city councils, which have a raft of activities as well as having a political voice in a political institution for whose members people vote. It is quite clear that the voluntary student unionism legislation was aimed at the freedom of expression of university students. It was aimed at student newspapers and other publications — that is, the political elements of the associations. There was never an attempt to put a stop to compulsory membership of associations. The principal act was part of a specifically targeted ideological campaign. It was a product of the failure of Liberal activists at universities to win anything like majority support on the campuses. They continue not to be able to do that, and therefore they continue to oppose the elements of university life that might give them some grief.

I am very pleased that the bill will remove the current draconian measures, that it reflects the acceptance of the principle of subsidiarity and that it will allow the universities to decide where the money they receive is spent. Virtually all members of the universities, from the vice-chancellors to student unions — that is, except members of Liberal clubs — support the principle of subsidiarity. Universities and their communities should

be allowed to decide where compulsory fees are spent. That should not be affected by a former ideologically driven government or voluntary student unionism legislation that was such a debacle and such a fiasco.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — In summing up, firstly I thank all honourable members who contributed to the debate: the honourable members for Hawthorn, Rodney, Bendigo East, Gippsland West, Bulleen, Sunshine, Bennettswood, Werribee, Frankston, Melton, Wantirna, Tullamarine, Warrandyte, Burwood, Bentleigh and Coburg. I appreciate that although there is not necessarily agreement on the bill, the debate has focused on the issues and the differences between the various groups in this Parliament.

The bill is important to a Labor government. Since the voluntary student unionism legislation was introduced members on this side of the house have said we would repeal it — and we have stuck to that position. It is probably unfortunate that the original legislation introduced the word ‘unionism’ because it highlights the differences among honourable members. The bill and the second-reading speech make it clear that the debate is about student associations.

The government’s view is that the voluntary student unionism legislation enacted an ideological position rather than reflecting good public policy. The government is attempting to introduce good and workable public policy. It is worth indicating that although the voluntary student unionism legislation was introduced and supported by this Parliament it was not enforced by the previous government. That is because it would have been incredibly difficult to enforce it without major difficulties arising in universities and institutes of technical and further education, as well as causing vice-chancellors to be very upset about having to enforce its provisions.

Associations and the services they provide have continued on campuses because the legislation was not enforced in its purest form — and thank goodness for that. The opposition maintains that it is unnecessary to impose central regulations on student associations and the institutions in which they operate. As the second-reading speech quite clearly states, the government would much prefer that the institutes work out those arrangements themselves. The government maintains that a one-size-fits-all approach is not appropriate and that a city approach cannot be imposed across the state. The government has confidence in the authority and capacity of local institutions to make those decisions in a thoughtful way.

I know we will be debating the amendments at some point, so I will spend a moment reflecting on the importance of student associations. They have been painted by some in this place as wasteful ogres, spending money on activities that should not be supported.

Student associations in Victoria have a long tradition. They go back to the 1880s. They have led the public debate on a number of issues in Australia, and certainly in Victoria. In 1888, for example, women at the University of Melbourne had a room of their own in what was known as the Princess Ida Club, so they were well ahead of their time. Now women are well represented in Parliament — something that was not the case at that time.

In the 1950s students participated in activities condemning the White Australia policy, and in the 1970s they led the protests against the war in Vietnam. I recognise that student organisations have been at the forefront of change and have pushed the debate on public policy in Australia.

I also recognise that the bill has strong support, not only from student organisations, which has been referred to a lot during the debate, but also from vice-chancellors. The honourable member for Hawthorn kept talking about the regulations and the legislation. The vice-chancellors requested that we amend the regulations to increase the allowable items on which student fees could be expended. The legislation has strong support. The vice-chancellors know that if the legislation is not supported the government will then be changing the regulations. I know the honourable member for Hawthorn has some difficulty with that, but it was appropriate and deliberate that the two be put in place at the same time.

We are committed to making a difference to the way student associations operate, what they can use the funding for and the activities they can provide on campus.

I acknowledge the student associations that have kept the debate going for a long time, not because of any ideological position but because it makes good sense and because of the effect it will have on providing services and encouraging debate and leadership on campus. The student associations are committed to the legislation because they know it will help not only their campuses but future parliaments and other areas of activity across Victoria where leadership is required. We certainly know that student campuses are places where leadership is developed and supported. I congratulate the student associations for keeping the

debate alive. I hope that through the legislation we can respond to their concern to make a change on student campuses.

I thank all those who have participated in the debate, both inside the Parliament and outside, and I strongly recommend that the house support the bill.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr MAUGHAN (Rodney) — I move:

1. Clause 1, line 4, omit “the” and insert “certain”.

This is a simple amendment that makes minor changes to clause 1, which is the purposes clause. If the amendment is agreed to, the clause will have the effect of omitting only some of the provisions relating to voluntary student unionism. The amended clause would state that the main purpose of the bill is to repeal ‘certain provisions’ relating to voluntary student unionism rather than ‘the provisions’.

Ms DAVIES (Gippsland West) — I support the amendment, which would change clause 1 so that it reads:

- (a) to repeal certain provisions relating to voluntary student unionism.

That is consistent with the amendments I will be moving.

Mr BAILLIEU (Hawthorn) — I support the amendment, but I note that although it is the first amendment the committee is dealing with it is consequential on further amendments that are before us.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government accepts the amendment, and it accepts the consequential amendment.

Amendment agreed to; amended clause agreed to; clause 2 agreed to.

Clause 3

Ms DAVIES (Gippsland West) — I move:

2. Clause 3, line 11, omit all words and expressions on this line and insert — “(b) section 12C is”.

The impact of the amendment will be to repeal section 12C, which relates to the powers of tertiary institutions. It is superfluous and should be repealed.

The overall impact of the amendment is to leave sections 12D, 12E and 12F in the act. Section 12D asserts that student membership of student associations be not compulsory. It is a fairly straightforward expression, and I believe it should be part of the bill. It is not acceptable to compel students or anyone else to be a member of any association unless they freely choose. This part of the amendment retains the current situation; if students wish to join a student association they are free to do so.

Section 12E relates to the paragraph which specifies that neither institutions nor anybody else can discriminate against students who choose not to be members of student associations.

Section 12F relates to the paragraph in the act which specifies that compulsory non-academic fees must be used for the direct benefit of students and institutions. Section 12F is subject to a further amendment in part 3, which I will speak to in a moment.

I ask all honourable members to support the amendment in my name which will leave in the original act the provisions stipulating that membership of student associations should not be compulsory, that there cannot be discrimination against students who choose not to be members of associations and that compulsory non-academic fees must be used for the direct benefit of students and institutions. I ask the house to support my proposed amendment 2.

Mr BAILLIEU (Hawthorn) — Honourable members will see that the opposition also proposes an amendment that seeks to retain the provisions of sections 12D and 12E. In that context it is prepared to support the honourable member for Gippsland West's amendment, which effectively incorporates the opposition's amendment. It concurs that section 12D is a fundamental statement of principle about freedom of association. Compelling people to join any organisation is something all honourable members and in fact all Australians should regard with great concern. The section as it currently stands is a clear statement, particularly subsection (1). Subsection (2) states that no compulsory membership fee can be applied and subsection (3) states that students must be informed about those matters. The opposition concurs that informed students are what it wants.

As the honourable member for Gippsland West suggested, section 12E, which the opposition also seeks

to have re-inserted in the bill, is an antidiscrimination clause. As I said in my contribution to the second-reading debate, it is extraordinary that the government could contemplate removing an antidiscrimination clause and when doing so provide no substitute. As the honourable member for Wantirna noted, the possibility of no ticket, no study; no ticket, no results; and no ticket, no access is real, because that is what has occurred in the past. The opposition will vigorously support an amendment to reinsert section 12E.

Section 12F is effectively in three parts, with a couple of further provisions. Subsection (1) outlines the allocation of the compulsory non-academic fee by the institution on collection and requires it to be spent to the direct benefit of the institution or students at the institution. Subsection (2) deals with the sanction for the incorrect allocation of the compulsory non-academic fee collection. The opposition has no problem with those items, and there are consequential amendments that will flow in further discussion.

The opposition is content that sections 12D and 12E will be reinserted by the amendment moved by the honourable member for Gippsland West.

Mr SMITH (Glen Waverley) — I am pleased to support the amendment, which fits in with the philosophy I have always followed: that one should pay only for the organisations one wishes to join. The Labor Party is up to its usual tricks, finding ways around the compulsion, whether it be in student politics or in unions. It is anathema to me. I have had to join two unions in my life. I was a member of the New South Wales Teachers Federation because you could not be a teacher in New South Wales unless you were a member of it. I also belonged to the Australian Journalists Association. That was compulsory even working for people like Sir Frank Packer in the days when you could get nowhere with the unions and they could not save jobs. It was an absolutely useless organisation but you had to be a member.

What the honourable members for Gippsland West and Hawthorn have said fits in with my philosophy that you pay the fees of the organisations you want to join. You should not be compelled to join anything.

Honourable members interjecting.

Mr SMITH — Of course the Minister for Aged Care is calling across the table; it is typical of the Big Brother approach hanging over you all the time. That is what the government loves doing.

Ms Pike interjected.

Mr SMITH — It loves the Big Brother approach, no matter whether it be in schools or universities — and the minister cannot stop talking either. It is sad.

The point at issue is clear: as a student you join only what you wish to join and should not be forced to join an organisation. One should pay for joining organisations at universities, but the one dealing with political parties is on the nose. The amendment will stop that. Honourable members should be proud to be part of an institution that can fight for anything that gives people freedom.

Mr MAUGHAN (Rodney) — The National Party also supports the amendment for reasons similar to those outlined by the honourable member for Hawthorn. The National Party will also move amendments to section 12D later in the committee stage.

The effect of the amendment is essentially to retain sections 12D, 12E and 12F and repeal section 12C. Section 12D, which deals with non-compulsory membership of student organisations, is an important provision in the Tertiary Education Act. It is also a strongly held principle of the National Party. The National Party supports the sentiments of the section, as it does with sections 12E and 12F concerning the limitation of powers to spend funds from compulsory non-academic fees.

The National Party has no strong view about whether funds should be spent for the benefit of students and/or the institutions concerned. However, as I said, the National Party supports the amendment.

Mr RICHARDSON (Forest Hill) — I am pleased to support the amendment proposed by the honourable member for Gippsland West. The clauses she has so precisely identified lie at the core of the issue. They concern freedom of association; freedom to join or not join something; the manner in which funds will be applied by institutions; and the unacceptable approach taken by the Labor Party concerning discrimination against those who choose not to join an organisation of the kind being discussed.

It should come as no surprise that the Labor Party, which is the political arm of the trade union movement, should have a closed-shop mentality and approach to the issue because those are the core of its members' beliefs. They believe in compulsion. They want to compel individuals to do what the unions insist must be done, and those views have been brought into this place. They are faithfully obeying the rules set down

and the orders given by their trade union masters, which is unacceptable in this day and age.

Given his background as a highly distinguished academic on the staff of one of our great Victorian institutions, I am surprised that a gentleman of the intellectual capacity and fundamental decency of the Minister for Agriculture should allow his name to be associated with an action of this kind. I can only presume that against his will he has been dragged into supporting the horrendous provisions that the honourable member for Gippsland West so wisely wishes to remove from the bill.

The first reason for removing the compulsory nature of student unionism was the behaviour of some student unions in some institutions. As an example, a student at a particular institution that was taken over by a left-wing political organisation — —

Mr Hamilton interjected.

Mr RICHARDSON — I thought you belonged to one when it was compulsory; I did when I was at university.

The CHAIRMAN — Order! The honourable member for Forest Hill should return to the amendment and address his comments through the Chair.

Mr RICHARDSON — It is the core of the issue. The student union controlling elite were diverting funds to left-wing causes in distant parts of the world, including the Angolan rebels and other inappropriate causes. It was to avoid that happening that the government of the day introduced the changes that are anathema to the Labor Party. It is wrong to compel people to belong to an organisation to which they do not choose to belong.

It is wrong to discriminate against an individual who chooses not to do something or to divert funds away from what should be the core reason for collecting those funds — namely, the benefit of the students and the institution of which they are part.

There can be no argument for supporting the clause, and the honourable member for Gippsland West is quite right to seek to have it removed.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government does not support the amendment, which indicates very little understanding of the bill. Leaving section 12D in the act would go directly against the intent of the legislation.

Mr Smith interjected.

Ms KOSKY — Well, you should vote against the bill. Leaving that section in the act would make a mishmash of the legislation.

Mr Smith — So?

Ms KOSKY — Clearly opposition members do not have much regard for the importance of legislation.

The government will not support the amendment. It goes against the government's pre-election commitment to repeal the voluntary student unionism legislation. Government members honour their commitments, unlike members of the opposition.

We agree there is some concern about whether students could be excluded, but we have clear evidence that the right to access university and TAFE student services is protected under existing safeguards including the Equal Opportunity Act, the Trade Practices Act and international conventions. I appreciate, however, that there are some concerns about that part of the legislation. If the amendment were merely a repetition of what is already covered in other bills and covenants, the government could support it. The government cannot, however, support this amendment because it goes against the whole intent of the bill.

I will not again go through all the arguments about why student associations are important or how capable the institutions are of making those decisions themselves. Institutions do not need the heavy hand of government imposing rules on them. The government believes the institutions should determine how students are asked to sign up to associations. We do not need a one-size-fits-all approach. That attitude distinguishes this government from the previous government, which took the view that policies and practices are developed in the city and imposed right around the state. The government does not support that approach and cannot possibly support the amendment.

Mr RICHARDSON (Forest Hill) — Let the universities and, importantly, the university students know that the Labor Party, which is the political wing of the trade union movement, believes in discrimination, coercion and the use of students' funds for any political purpose regardless of students' views. Let them know the Labor Party believes it ought to be able to coerce students into joining something regardless of whether they want to and then do the same thing to all other members of the community.

The Labor Party has said a lot about itself in those clauses. It is because of their unfairness and

un-Australian nature that the opposition is supporting the amendment moved by the honourable member for Gippsland West.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — I must respond to some of those claims. Obviously the honourable member for Forest Hill was not listening to the second-reading speech and has probably not read the bill. He has certainly not listened to my summing up.

The government is very clear about its belief that the institutions are more than capable of making decisions. Its view is that students and vice-chancellors are capable, and it does not want to impose a one-model process across the state for putting to the students the question of how students can join associations.

The Leader of the Opposition has shown that he does not believe the South West Institute of TAFE should have any say over how students should join their organisations. Similarly, the honourable member for Gippsland West, supported by the opposition, does not believe the institute in her area, the Chisholm Institute of TAFE, should have such a say.

The government believes in local democracy, something that clearly is not supported throughout this house. The government, by not voting for the amendment, is supporting democracy.

Committee divided on amendment:

Ayes, 43

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

Noes, 42

| | |
|-----------|-------------------------------|
| Allan, Ms | Kosky, Ms |
| Allen, Ms | Langdon, Mr (<i>Teller</i>) |

| | |
|-------------------------------|-------------------|
| Barker, Ms | Languiller, Mr |
| Batchelor, Mr | Leighton, Mr |
| Beattie, Ms | Lenders, Mr |
| Bracks, Mr | Lim, Mr |
| Brumby, Mr | Lindell, Ms |
| Cameron, Mr | Loney, Mr |
| Campbell, Ms | Maxfield, Mr |
| Carli, Mr | Mildenhall, Mr |
| Delahunty, Ms | Nardella, Mr |
| Duncan, Ms | Overington, Ms |
| Garbutt, Ms | Pandazopoulos, Mr |
| Gillett, Ms | Pike, Ms |
| Haermeyer, Mr | Robinson, Mr |
| Hamilton, Mr | Seitz, Mr |
| Hardman, Mr (<i>Teller</i>) | Stensholt, Mr |
| Helper, Mr | Thwaites, Mr |
| Holding, Mr | Trezise, Mr |
| Howard, Mr | Viney, Mr |
| Hulls, Mr | Wynne, Mr |

Amendment agreed to.

Ms DAVIES (Gippsland West) — I move:

3. Clause 3, line 12 after this line insert —

“(c) in section 12F(1), **omit** “the institution or”;

(d) in section 12F, sub-sections (3), (4) and (5) are **repealed**”.

The CHAIRMAN — Order! The honourable member for Bentleigh should not cross between the speaker and the Chair.

Ms DAVIES — The amendment proposes to limit the power of associations to spend funds from compulsory non-academic fees. If the amendment is accepted the act will state that the governing body of a post-secondary education institution must not spend, or allow to be spent, any money paid to the institution by the students or any money which is profit made by the students except for providing facilities, services or activities of direct benefit to students. The act currently states that:

... except for providing facilities, services or activities of direct benefit to the institution or students ...

I believe strongly that those fees are compulsory non-academic fees paid by the students and the only acceptable way for those fees to be spent is for the direct benefit of students. In normal circumstances I would expect that any money spent in an institution should be for the direct benefit of students but the purpose of making this amendment is to clarify and tighten up the requirement that compulsory non-academic fees paid by students with their hard-won money must be spent only for the direct benefit of students.

The second part of amendment 3 inserts proposed paragraph (d) which will repeal subsections (3), (4) and (5) of section 12F. Section 12F(3) of the principal act is the list the previous government suggested constituted items of direct benefit to students or their institutions. That list is very subjective, overbearing and unnecessary. I believe it is the business of the institutions and the students to decide which services or facilities are of direct benefit to the students. It is not the business of government and should not be the business of Parliament to have a limited, prescribed list of what constitutes a direct benefit.

Section 12F(4) refers to regulations which relate to that list and therefore should be also repealed.

Section 12F(5) is a transitional provision relating to the original act and is superfluous.

The first part of the amendment to section 12F is designed to limit the money spent on facilities or services to those facilities or services that are of direct benefit to students. The second part of the amendment repeals the restrictive and unnecessary list inserted by the previous government along with the transitional provision and the regulations relating to that list.

I hope both sides of the committee will support the changes. I understand that in the original draft bill the government wished to remove that restrictive list and therefore it should agree to this amendment.

Mr BAILLIEU (Hawthorn) — I support the amendment, acknowledging that section 12F essentially consists of three parts: the allocation section of 12F(1); the sanction for incorrect allocation, an enforcement provision, in section 12F(2); and the list in section 12F(3). The amendment seeks to retain subsections 12F(1) and (2) and omit the list. In omitting the list it will also remove subsection (4) which is an enabling regulation provision and subsection (5) which applies to agreements previous to the 1994 act. We are assured that the selective removal of those subsections will have no application.

The opposition is happy to support the amendment. However, I note that the amendment moved by the honourable member for Gippsland West omits the words ‘the institution or’ from section 12F(1). The original provision, which as a result of the previous amendment will remain in the act, is the allocation clause of the compulsory non-academic fee. It states, in part:

... except for providing facilities, services or activities of direct benefit to the institution or students at the institution ...

The first part of the amendment seeks to remove words ‘the institution or’. We have a reservation, which I have conveyed to the honourable member for Gippsland West, about the removal of those words. The opposition is happy to support the amendment at this stage, but given that it has not had much opportunity to consult on the removal of those words and the selective separation of the two provisions, it reserves its position to consult further.

The opposition is prepared to support the change in the short term. It may be that after consultation it will need to look at it again when the bill is in another place. With that reservation, the opposition is prepared to support the amendment.

Mr MAUGHAN (Rodney) — The National Party is also willing to support the amendment moved by the honourable member for Gippsland West. We have no difficulty with the first part of the amendment, which relates to the direct benefit to students. We have some concerns about deleting the section relating to institutions, although we have not exhaustively examined it. We will do so while the bill is between here and the other house.

The National Party supports the section on sanctions, and it has no difficulty with repealing the list in section 12F(3). While the list is legitimate it is not exhaustive, and a range of other activities can legitimately be included on the list. As I said, the National Party supports the amendment but reserves its right to further examine the bill while it is between here and the other house.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government accepts the amendment, although it believes it is unnecessary. We understand the concern of members to ensure that the fees collected are used to provide services of direct benefit to students.

The government believes that institutes will be sensible enough to make that decision themselves, but it understands the concerns of the honourable member for Gippsland West and is therefore prepared to accept the amendment.

The government clearly intended to repeal the list, so it supports its repeal in the bill.

Amendment agreed to.

Ms DAVIES (Gippsland West) — I move:

4. Clause 3, lines 13 and 14, omit all words and expressions on these lines.

Subclause (3), the effect of which has been changed by the amendment that has just been agreed to, says:

in section 12G, omit “voluntary” (wherever occurring).

That now does not make sense, because there are still some voluntary aspects to student unionism. I ask all honourable members to support this mainly consequential amendment.

Mr BAILLIEU (Hawthorn) — I support the amendment. As I said in my contribution to the second-reading debate, the removal of the word ‘voluntary’ to describe a system that is meant to be voluntary — that is the rhetoric — would suggest only that it was a system of compulsion. The Liberal Party strongly supports the amendment and the reinsertion of the word ‘voluntary’.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government believes the restoration of the word ‘voluntary’ will create a difficulty, because in this section it refers to something other than voluntary student unionism.

Our concern is that the amendment will create the situation in which only voluntary fees collected for a student organisation would have to be held in trust for that organisation. It could be inferred from the amendment that compulsory fees collected to fund activities provided by a student organisation could be retained and not passed on. What happens with compulsory fees if the word ‘voluntary’ is left in? There is no reference to compulsory fees. Clearly, any funds collected for a designated purpose should be used for that purpose.

Rather than opposing the amendment, I ask for discussions on it while the bill is between here and the other house so that the intent is clear. I am concerned that if ‘voluntary’ is included, fees other than voluntary fees will not now be mentioned in the bill.

Mr BAILLIEU (Hawthorn) — I am more than happy to have discussions with the minister while the bill is between this and another place. However, I note that she remarked that compulsory fees are not mentioned. That is not the case, because section 12D has been reinserted and compulsory fees are mentioned in 12D(2).

This would effectively retain 12G as it stands and as it has stood since 1994. That has not presented any problems, so I would be surprised if it presented a problem now. As a consequence, I am more than happy

to have those discussions, but the opposition supports the amendment as it stands.

Ms DAVIES (Gippsland West) — I would also be happy for there to be further discussions on the amendment as the bill moves to the next house. However, I believe the amendment should stand.

Amendment agreed to; amended clause agreed to.

Clause 4

Ms DAVIES (Gippsland West) — I move:

5. Clause 4, line 21, omit “repeal” and insert “amendment”.
6. Clause 4, line 26, omit “(1)”.
7. Clause 4, line 26, omit “repeal” and insert “amendment”.
8. Clause 4, line 28, omit “repeal” and insert “amendment”.

These are all amendments consequential to the passing of the amendments to clause 3. Instead of referring to the repealing of the section they merely refer to its amendment, which is what has now been done. So instead of being repealed the voluntary student unionism provisions will be amended. The previous amendments having been agreed to, these amendments are merely consequential.

Mr BAILLIEU (Hawthorn) — The opposition acknowledges that they are consequential amendments. Although her moving them together presents opposition members with the opportunity to speak on each of them, we will decline the opportunity and simply support the four amendments moved by the honourable member for Gippsland West.

Mr MAUGHAN (Rodney) — The National Party will be reviewing the legislation while it is between here and the other house. However, the National Party has no difficulty in supporting amendments 5 to 8 moved by the honourable member for Gippsland West.

Amendments agreed to; amended clause agreed to; clause 5 agreed to.

New clause A

Mr BAILLIEU (Hawthorn) — I move:

2. Insert the following new clause after clause 3:

‘A. Notification and use of certain fees, subscriptions and charges

For section 12D(3) of the **Tertiary Education Act 1993** substitute —

“(3) The governing body of a post-secondary education institution must ensure, as far as is reasonably practicable, if a compulsory non-academic fee, subscription or charge is to be imposed on any student or prospective student of the institution that, before the student pays the fee, subscription or charge —

- (a) the student is informed —
 - (i) that the fee, subscription or charge does not confer membership of any organisation of students; and
 - (ii) of the requirements of sub-section (4); and
- (b) after being so informed, the student is provided with an opportunity to notify the governing body in writing whether or not the student wants to be a member of an organisation of students.

(4) If a student of a post-secondary education institution —

- (a) has paid a compulsory non-academic fee, subscription or charge; and
- (b) has notified the governing body of the institution in writing that the student does not want to be a member of an organisation of students —

the institution must ensure that no part of the fee, subscription or charge paid by that student is made available to, or applied for the benefit of, that organisation of students.”.

The amendment will do two things. Section 12D will be retained in the act in the sense that the bill will not seek to omit it. I remind honourable members that section 12D is in three parts. The first subsection is essentially a statement reinforcing the fundamental principle of freedom of association. If the Liberal Party stands for anything it stands for that principle, and it will vigorously pursue the retention of that subsection and the principle implicit in it.

Subsection (2) states that there can be no compulsory membership fee for an organisation of students of an institution. That goes with clause 1.

Subsection (3) requires the institution to inform students of these provisions. It reads:

- (3) The governing body of a post-secondary education institution must ensure, as far as is reasonably practicable, if a compulsory non-academic fee, subscription or charge is to be imposed on any student or prospective student of the institution that, before the student pays the fee, subscription or charge —

- (a) the student is informed —
 - (i) that the fee, subscription or charge does not confer membership of any organisation of students ...

The Liberal Party supports the principle that students should be informed. It is about the fundamental principle of informed consent. However, the Liberal Party is seeking through the amendment not only to ensure that the student is informed but also to require that consent is given. Requiring a student's consent to membership of a student organisation does not occur at institutions consistently.

All the Liberal Party is seeking to do in proposed new section 12D(3) is provide that students must be informed that the fee, subscription or charge does not confer membership of any organisation of students. Through the addition of the words in proposed new section 12D(3)(a)(ii) it also says that the student should also be informed 'of the requirements of subsection (4)'.

That is another information requirement, and the Liberal Party would be puzzled if anyone did not support students being informed of that provision. The opposition also wishes to add proposed new section 12D(3)(b):

after being so informed, the student is provided with an opportunity to notify the governing body in writing whether or not the student wants to be a member of an organisation of students.

That is about offering fundamental choice, which involves providing a statement of consent. All the Liberal Party is seeking to do is to clarify the current inconsistent situation across institutions. The Liberal Party is seeking to add a corollary to the requirement for informed choice. If a student chooses not to be a member of an organisation, he or she implicitly expects something to follow. The Liberal Party suggest that linkage is:

- (4) If a student of a post-secondary education institution —
 - (a) has paid a compulsory non-academic fee, subscription or charge; and
 - (b) has notified the governing body of the institution in writing that the student does not want to be a member of an organisation of students —

the institution must ensure that no part of the fee, subscription or charge paid by that student is made available to, or applied for the benefit of, that organisation of students.

Compulsory non-academic fees are collected by institutions. Under the existing act that pool of funds is

allocated in accordance with section 12F(3), which contains the list of activities.

In some cases there has been an argument that that has created a difficulty because it is a matter of allocation by prescription. All we are saying is that if the students make a choice it must surely amount to something. So, rather than seeking to prescribe how money will be allocated we simply acknowledge the students' choice and allow that choice to be reflected not by prescription but by proscription. The funds will then not be spent in a way that the students have decided they should not be spent, which will directly benefit the organisation of students. That is not to say that the money cannot then be allocated by institutions to services and directly to the benefit of students consistent with the other provisions in the act and as amended by this bill.

The opposition is seeking three things: to preserve a student's right to choose, to preserve a student's right to be informed, and to preserve the student's right to have his or her choice reflected in the allocation of the funds which accompany the compulsory non-academic fee for the provision of services. We believe it is a simple amendment and one which is consistent with the comments made by various honourable members in the debates so far. I urge the committee to support the amendment.

Mr MAUGHAN (Rodney) — The National Party has a slightly different view on this amendment. We certainly support the basic sentiments expressed in the amendment — that is, freedom of choice and freedom to opt out. The National Party might have a slightly different way of doing it but has no basic objection to this one. We believe our amendment is better and we want to reserve the right to move our amendment at a later stage. Therefore, depending on the success or otherwise of this amendment, we will be moving the amendment standing in my name which has similar objectives but a slightly different way of achieving those objectives.

The final part of the amendment moved by the honourable member for Hawthorn has quite a deal to commend it — namely, that the institution must ensure that no part of the fee subscription or charge paid by the student will be made available to that organisation of students. That is a logical consequence. If a student wants to opt out of becoming a member of that organisation, it follows logically that any compulsory fees that are paid should not be used for the benefit of that organisation.

Although we approve the basic sentiments, we believe the amendment to be proposed by the National Party

will better achieve those objectives. Depending on the success or otherwise of this amendment, we will be moving our amendment at a later stage.

Ms DAVIES (Gippsland West) — At the risk of offending my new-found friends in the Liberal Party, I must say very clearly that I do not support the amendment of the honourable member for Hawthorn. The honourable member gave three basic reasons for the various parts of his rather long amendment. The first reason was to instil that principle of a student's right to choose whether he or she wishes to be a member of a student association. I repeat that the re-insertion into the act of section 12D already confirms that voluntary nature, so this provision is not relevant.

Subsections (3) and (4), which are being inserted, are almost three times as long as the fairly straightforward and simple provision already in the act. There is a tendency by members of the Liberal Party sometimes to try to tell their grandmothers how to suck eggs. The institutions themselves are perfectly capable of deciding how they will go about having students determine whether they will be members of associations, so much of the prescriptive detail which has been inserted into the amendment is just not necessary. It is not our business to tell university councils how to operate their businesses.

The last part of the amendment which the honourable member for Rodney suggested he was in favour of specifies that if a student of a post-compulsory education institution has paid the compulsory non-academic fee but has notified that governing body that he or she does not want to be a part of the association:

... the institution must ensure that no part of the fee subscription or charge paid by that student is made available to, or applied for the benefit of that organisation of students.

I suggest that that part of the amendment is unworkable. If the association of students, say, gets the tender from the university council to run the cafeteria, that organisation may hope to make a profit from running the cafeteria which it may well then use for activities of the association — and that is its right — but that would not be possible under this amendment.

To separate the components of compulsory, non-academic fees that have been paid by students who want to be part of an association from those that have been paid by people who do not want to be part of the association, and then to allocate those two pots separately, seems an incredibly complicated, unnecessary, and unworkable task for an institution. It is just not necessary.

If the act, as amended by the bill and the amendments passed in committee, states that it is not compulsory for students to be members of a student organisation, it will be a requirement of the act that any compulsory, non-academic fees paid by students will be used only for the direct benefit of students. That to me is simple, practical, and enough. I suggest the amendment proposed by the honourable member for Hawthorn is unnecessary and unworkable and I will not support it.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — I, too, cannot support the amendment proposed by the honourable member for Hawthorn. In moving the amendment he said that it would provide clarity, but it will not do that. As the honourable member for Gippsland West has said, the amendment will be unworkable and will be even more prescriptive than the previous voluntary student unionism legislation.

The difficulty is that if students want to opt out or do not want to be part of a student association, the university or TAFE institution will have to track their money through the system to ensure that it does not go into any activities which the student association provides. Therefore, it is not just a membership fee; it is for all of the activities that a student association provides on campus — whether it has the contract to run the canteen, the swimming pool or a range of other facilities such as student counselling. The difficulty with the amendment is that if a student chooses not to be a member of the student association, and if the funds therefore do not flow, does that mean the student will not be able to access those facilities on campus that are run by the student association?

That may deny those students access to some educational facilities on campus. I understand the intent of the proposed new clause in terms of voluntary student membership. However, given that student associations provide far more than just association membership, linking that with the dollars would prove completely unworkable.

Mr BAILLIEU (Hawthorn) — The honourable member for Gippsland West said the proposed new clause is long. It incorporates a substantial part of the existing wording in order to facilitate the restructure of the dot points, so it is not long in a material sense.

The honourable member for Rodney has a slightly different perspective on the notion of choice and clarity, which I acknowledge. In his contribution to the second-reading debate he said the proposed new clause would allow students to opt out of becoming members of student unions, and indeed that is so. However,

members of the Liberal Party have a slightly different view, which is shared by the honourable member for Gippsland West. She said her amendments would result in section 12D being retained and would provide an effective opting-in mechanism. Opting in and opting out are not — —

Ms Davies interjected.

Mr BAILLIEU — The honourable member for Gippsland West says that is how it operates now. I would like to think that is so, but as I said, the practice across institutions is not consistent. The notion of being able to choose to opt in or out — —

Ms Davies interjected.

The CHAIRMAN — Order! I ask the honourable member for Hawthorn to continue the debate through the Chair. This is not an opportunity for a private discussion between him and the honourable member for Gippsland West.

Mr BAILLIEU — Institutions do it in different ways, and that goes to the matter of informed consent. If honourable members are going to go to the trouble of requiring students to be informed, surely it is not hard to require them to give their consent in one way or another.

Ms Davies interjected.

The CHAIRMAN — Order! The honourable member for Gippsland West!

Mr BAILLIEU — The honourable member for Gippsland West says that students are big people. Indeed students are mature enough to make a decision, but if they are not given the opportunity they do not have a chance to do so.

I note both the honourable member for Rodney's opting-out perspective and the honourable member for Gippsland West's opting-in perspective. Members of the Liberal Party want to include a provision that will give students the right to opt in or opt out, but on the basis of informed consent. That is what the honourable member for Gippsland West is reported — I presume correctly — as saying in an extract from a recent ABC radio interview:

I know too many tertiary students who struggle by on very low incomes, and I think they are adult enough to make a decision on whether they belong to a student association or not.

Ms Davies — That is what the legislation does now.

Mr BAILLIEU — I wish it did, but the evidence is that it does not. I am seeking to insert choice and clarity. The honourable member for Gippsland West and the Minister for Post Compulsory Education, Training and Employment implied that the new clause would make the legislation unworkable. Nothing could be further from the truth; it would add clarity and simplicity.

In this day and age it is not difficult for an institution to determine the nature of a student who is enrolling. On every campus enrolment is different for every student, based on whether the student is enrolling on a part-time or full-time basis or for a summer or a short course or if the student is from overseas or whatever. In some situations enrolled students pay no compulsory non-academic fees.

Already students are required to be informed. It is not difficult to tell students that they have a choice and once they have made their choice on a line-item basis to assign to a pool the funds associated with those who opt out, with those funds then being allocated in accordance with the students' wishes. There is no point in a student opting out if nothing flows from that decision.

There is an opportunity for an institution to direct funds by way of line item. If a student exercises a choice not to be part of an association, those funds can be directed to services and not to a student organisation. The institution can acknowledge that the student has specifically excised himself or herself from membership of an association — but not from services, because the student has paid a compulsory non-academic fee for services — and can assign that pool of funds to services, as is the current practice.

It is being suggested that, rather than prescribing a long list showing what the funds may be assigned to, one item should be proscribed so that the money cannot be assigned to it. It is simple and workable, and the proposed new section is consistent with what the honourable member for Gippsland West has said in both her contribution to the second-reading debate and her comments to the media. In that respect we support the amendment as it stands.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — Depending on whether the amendment is won or lost, I understand the honourable member for Rodney will move a new clause that is a much more sensible given the way it will operate on campus.

As I have said, the government will be opposing the amendment. In anticipation of the amendment being

lost, we would prefer an opt-out clause that is not attached to dollars, which would be unworkable on campus. Should we go down the route suggested by the honourable member for Hawthorn, it would probably mean two queues at the canteen run by the student association — one for those who are members of the association and have therefore had their funds forwarded, and one for those who are not members of the association and who will have to pay additional dollars to access the facility. That would not be workable. The proposed new clause is a more workable and more sensible arrangement.

Mr McARTHUR (Monbulk) — I will respond to a couple of matters raised by both the honourable member for Gippsland West and the minister. In particular, I refer to the concern that the second part of the amendment of the honourable member for Hawthorn is unworkable. They claim it would cause real difficulty for the institutions, particularly in the case that I think the honourable member for Gippsland West referred to, where a student organisation wins a contract to run a canteen or some other service at the institution that works to the benefit of and is patronised by students as well as others.

The honourable member for Gippsland West was concerned that where a student had opted out and had notified the institution that he or she had opted out, a canteen or the sporting club could or would be caught by the wording requiring the institution to ensure that no part of the fee, subscription or charge paid by that student is made available to or applied for the benefit of the organisation of students.

I suggest to both the minister and the honourable member for Gippsland West that those activities would not be caught by the wording. It is perfectly feasible to argue that where by its efforts a student organisation gains a benefit from an activity — for example, in the words of the honourable member for Gippsland West, by making a profit from running the canteen or sporting venue — it would not be caught by those words. Any benefit flowing to the student organisation would be deemed to have been derived from its efforts in running the canteen and would not be seen as being a benefit derived from the membership fee.

I suggest to the honourable member for Gippsland West that her concerns are groundless because it would be perfectly reasonable to argue that the benefit derived from the economic activity would be separate and distinct from any benefit derived from the membership fee. It would therefore not be caught by the wording in the amendment moved by the honourable member for Hawthorn. She should therefore be relaxed about that,

perhaps reconsider her position and support what is a worthwhile amendment.

If students are to be given the choice to opt in or opt out, if they are to be notified of that choice and if they then exercise that choice by saying, 'I do not want to be part of the union of students or the association of students', it would be strange if they could not be assured by the institution that the funds they had paid were not being allocated to the membership body.

As the honourable member for Hawthorn has pointed out, his amendment gets over the problem of having a long list of things that are prescribed by simply inserting a general enabling power dealing with things that are proscribed or forbidden. On that basis I suggest it is a sensible amendment and deserves support.

Ms DAVIES (Gippsland West) — I must take issue with the statements made by the honourable member for Monbulk. I believe he is wrong.

Honourable members interjecting.

Ms DAVIES — Subtlety is not really part of my vocabulary! The provisions at the end of the amendments moved by the honourable member for Hawthorn are broad — for example:

... the institution must ensure that no part of the fee ... is made available to, or applied for the benefit of, that organisation of students.

The term 'applied for the benefit of' is very broad. To return to the example I used before, if a student organisation used the fees because it won a contract to provide a service and then made a profit, under the amendment it would not be possible to benefit the organisation. That would not be workable. I am sorry, but the honourable member for Monbulk is wrong.

Mr CAMERON (Minister for Local Government) — The honourable member for Hawthorn's amendment is nonsensical. The minister and the government rightly oppose it, as does the National Party and the honourable member for Rodney. It is good to see the honourable member for Rodney being prepared to work with the government to come to a sensible arrangement.

Will this new proposal be extrapolated elsewhere in the future for taxation? It goes along the lines that you make up your own mind about what you pay tax on. Members of the Liberal Party would say that when you pay your income tax you should tick a box showing what you will contribute towards. For example, because I have children I will contribute to schools; I have sick parents so I will tick to contribute to hospitals; I care

about the environment, so I will tick that box. Of course a lot of people will not tick any boxes. The logic is precisely the same. The amendment does not make any sense and the government opposes it. I agree with the honourable member for Rodney and the minister that it is a ludicrous proposition.

New clause negated.

New clause A

Mr MAUGHAN (Rodney) — I advise the house that there are some slight changes — —

Honourable members interjecting.

The CHAIRMAN — Order! I ask honourable members to be silent to allow the honourable member for Rodney to move a new clause.

Mr MAUGHAN — I advise the house it is a new clause because of the changes that have already been made. I move:

3. Insert the following new clause to follow clause 3:

“A. New section 12D substituted

For section 12D of the **Tertiary Education Act 1993** substitute —

“12D. Provision for declining automatic membership of a student organisation

- (1) The governing body of a post-secondary education institution that has procedures to provide for students to become members of an organisation of students as a consequence of, or at the same time as, enrolling in a course of study at the institution must ensure that those procedures provide for a student to indicate at the time of enrolment that he or she does not wish to become a member of the organisation of students.
- (2) The governing body of a post-secondary education institution must ensure that a student who has indicated, in accordance with procedures referred to in sub-section (1), that he or she does not wish to become a member of an organisation of students is not made a member of an organisation of students as a consequence of, or by enrolling in a course of study at that institution.”

The proposed new clause is fundamental to what the National Party stands for. It provides an opt-out provision for students. That is clearly what the party's constituents tell it they want — that is, the opportunity to be able to choose not to become a member of a student union. The National Party fully supports that.

The National Party's shadow minister, the Honourable Peter Hall, has consulted widely on the issue and the party has the clear message that that is what people want it to do. It would ensure that students are not made members of student organisations as a consequence of enrolling in any particular courses of study, and that is a commonsense option. I support the opt-out provision.

The CHAIRMAN — Order! Before I call other speakers, the committee should be aware that the new clause moved by the honourable member for Rodney has been amended and is different from the version that was circulated in the chamber.

Ms DAVIES (Gippsland West) — I oppose the amendment — that is, the insertion of proposed new section 12D. Although it is not as complex as the amendment moved by the honourable member for Hawthorn, I suggest that it is repetitive and unnecessary. The aspects that need to be in the act are in it already through existing section 12D.

Mr BAILLIEU (Hawthorn) — The opposition will not oppose the new clause although it has some concerns about it. It understands what the honourable member for Rodney is seeking to achieve. However, as I have said in previous debate, the opposition is concerned that a proposed new section 12D was to be reinserted a little while ago, and this new clause seeks to change it again. The committee has done the dance with proposed new section 12D out and now it is back in again but with new provisions.

In the process some things have been lost, and the opposition is concerned about that. It will continue to pursue its unsuccessful amendments in another place. What has been lost in the dance over proposed new section 12D is that the fundamental principle of freedom of association stated in section 12D(1) of the existing act is not restated in the amendment proposed. The opposition thinks that is a shortcoming.

Also not included is the requirement to inform a student, as stated in my proposed subsection (3). The opposition is concerned about that shortcoming. It is understood that the honourable member for Rodney is seeking to insert opt-out provisions. Although the opposition would prefer the provisions that were discussed previously, it does not oppose the new clause as it stands.

This amendment assumes that if the opt-out opportunity is not taken students are assumed to be in the union. By this amendment subsection 12D(2) of the act would be removed and not replaced. That subsection says that there cannot be a compulsory fee for membership of an

organisation of students. With its removal there obviously can be, and this amendment sets up an opportunity for a second fee to be imposed. Therefore there would be a compulsory non-academic fee and a fee for membership of the organisation, and that is of concern to the opposition. Although it understands what the honourable member for Rodney is seeking to achieve, the opposition thinks the wording it proposed would have achieved that in a better way. However, the opposition will not oppose the new clause in its current form.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government supports the amendment moved by the honourable member for Rodney. It understands his concerns about the conscientious objections of students who wish to opt out of membership. The allocation of funds is not in dispute and the amendment makes sense. Very little of the money goes into membership of the student association; instead it goes to the services provided. The amendment means that students will have access to a wide range of campus facilities but will be able to make a clear decision about whether they wish to opt out of membership of a student association.

New clause agreed to.

New clause B

Mr MAUGHAN (Rodney) — I move:

4. Insert the following new clause to follow new clause A:

“B. Information about compulsory fees to be included in annual report

(1) For section 12I(1) of the **Tertiary Education Act 1993** substitute —

(1) The governing body of a post-secondary education institution must ensure that the institution’s annual report under the **Financial Management Act 1994** that is submitted to the Minister includes a statement about compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.”.

(2) Section 12I(3) of the **Tertiary Education Act 1993** is **repealed**.”.

The new clause requires information about compulsory fees to be included in annual reports. Currently the provisions require a statement about compulsory non-academic fees, subscriptions and the like to be prepared, published and made freely available to students and prospective students. The National Party’s information is that those provisions are not always

complied with, nor is it always possible to obtain a statement of the fees paid and how they are disbursed.

The solution proposed by the National Party is that the institutions — the universities or institutes of technical and further education — be required to publish such statements in their annual reports. The Auditor-General audits the annual reports and the method is a foolproof way of ensuring that statements are provided and that the institutes are accountable. The National Party believes the amendment is a better, fairer and more definite way of achieving the objective.

The second part of the amendment repeals section 12I(3) of the Tertiary Education Act, which is no longer necessary now that the Auditor-General will audit an institution’s annual report. I commend the new clause to the house.

Ms DAVIES (Gippsland West) — I am happy to support the amendment, which adds another rung of financial accountability.

Mr BAILLIEU (Hawthorn) — The opposition agrees.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The government supports the amendment for reasons of transparency and accountability. Student associations are keen for the amendment to be passed because they will know when the audited statements will be made public and how they may be accessed. It is important for students to feel that their associations are accountable and that the expenditure of funds is a transparent process.

New clause agreed to.

Long title

Mr MAUGHAN (Rodney) — I move:

5. In the long title omit “the voluntary” and insert “certain voluntary”.

The amendment is simple. The bill repeals only some of the voluntary student unionism provisions and the amendment is a logical consequence of amendment 1 passed earlier this afternoon.

Ms DAVIES (Gippsland West) — I originally circulated a similar amendment to the house. It reinstates the principle that certain voluntary provisions have been repealed rather than all of them. I am happy to support the amendment.

Mr BAILLIEU (Hawthorn) — I'll make a short speech: the opposition supports the amendment.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The amendment to the long title is supported.

Amendment agreed to; amended long title agreed to.

Reported to house with amendments, including amended long title.

Remaining stages

Passed remaining stages.

LOCAL GOVERNMENT (RESTORATION OF LOCAL DEMOCRACY TO MELTON) BILL

Second reading

Debate resumed from 5 October; motion of Mr CAMERON (Minister for Local Government).

Ms BURKE (Pahran) — The Local Government (Resumption of Local Democracy to Melton) Bill comes to the Assembly from the Legislative Council. It provides for a general election of councillors for the Melton Shire Council on 13 October 2001 and repeals the former government's Local Government (Governance and Melton) Act which was read a second time in October 1998. That act also provides for municipal management of the Docklands area, a matter not referred to in the bill, which deals only with the question of whether Melton should continue to be administered by commissioners or be returned to the control of elected councillors.

Honourable members will be aware that the Shire of Melton has had a very interesting history, particularly in the past decade. On 15 December 1994 the Diggers Rest district of the former Shire of Buller and the Exford district of the former Shire of Werribee were added to the Shire of Melton, which was first formed in 1862. It is, therefore, a very old shire with a long history, especially when one considers that Victoria's state Parliament started in 1856.

It would be remiss of me not to mention the fact that the name of the bill is misleading. I have heard no cries for democracy and no-one has contacted me about the matter.

Mr Nardella interjected.

Ms BURKE — The only person crying for democracy is the honourable member for Melton, but it is his electors who should be crying for democracy.

Mr Perton interjected.

The DEPUTY SPEAKER — Order! The honourable member for Doncaster is not in his seat and knows very well that his interjections are disorderly.

Ms BURKE — I am not aware of any referendum held in the municipality other than the one in which people voted to have commissioners in charge, so the talk of restoration of democracy is interesting to say the least — particularly since only one year remains before the next scheduled referendum, anyway. That referendum is due in October 2001, when the issue is more likely to be political.

The former government did what the people of Melton wanted, as was evident at the time. The Melton governance act reflected representations received at the time from members of the communities of Melton shire. They had been grizzling for some time about the fact that they did not want elected councillors in Melton. Such community decisions are always difficult for people who live in a democracy and believe local democracy means the election of councillors in all municipalities. The people of Melton, however, were determined that they wanted commissioners. A poll conducted by the community at the time showed that to be so. Independent professional research consultants were engaged to advise on how to set up a ballot paper that would minimise bias. After all, it was clear that Melton was different from other municipalities.

Democracy means many things to many people. I see democracy as the sharing of power with the people, and having a choice is a large part of sharing power. The bill removes from the people the power to choose. The future will show whether the people of Melton were right. The first referendum attracted 26 329 voters. Of those, 70.99 per cent voted to keep the commissioners and only 29.1 per cent voted no. Of the total number of people eligible to vote 52.95 per cent voted.

Anyone familiar with the history of Melton would not be surprised to hear why the people voted for commissioners. On 21 May 1990 the then *Sun* ran an article headed 'Sack plea amid Melton furore', which contained the following statement:

'The state government should look at sacking Melton Shire Council because of life-threatening politicking', a councillor said yesterday.

An article in the *Herald Sun* of 16 September 1990 headed 'Sack us: councillors' states:

Five councillors have called on local government Minister Maureen Lyster to appoint an administrator.

Another article in the *Age* of 21 November 1990, headed 'Shire warned of government intervention over problems', states:

A municipal inspector would be appointed to the Shire of Melton in three weeks unless it resolved a number of issues including an immediate decision on the level of rates, Minister Lyster told the state Parliament yesterday.

I also refer to a press clipping from the *Herald Sun* of 11 June 1991 headed 'Clown hall fighting on'. It states:

This time the minister is the Honourable Caroline Hogg —

might I say she was a very good minister —

who had sent in a municipal inspector to investigate pecuniary interest and planning law breaches and the general ineffectiveness of the council.

I have not quoted material from 1991 to 1993, but is it any wonder the community called out to have commissioners? So far as I am concerned, the commissioners have done a magnificent job.

I note that the other day the commissioners signed up for a Japanese company to produce 170 direct jobs in exporting Italian food made from Victorian produce. The project was also backed for some time by Business Victoria, which recognised the potential and did a sterling job in working with the commissioners.

Modern local councils in Victoria can achieve almost anything with their communities. The tools are there; it is up to the vision and capacity of individual councils to make it happen. Countries all over the world understand municipal government, and councils should trade on that.

The commissioners in Melton understood that. While countries around the world find it extremely difficult to understand what being a Premier in a state government is and the positions of Prime Minister and President, or who is or is not in power, the wonderful thing about local government is that trading can be achieved on a mayor-to-mayor basis without getting involved in politics, which is generally the situation around the world.

Most councils do not trade or operate in local government on a party-political basis. In many instances they are made up of people who work as volunteers doing good for their communities. Their

decisions are community based, not politically based. That is the only way local government can flourish.

It is important to state for the record some of the pertinent facts about Melton, which is an unusual growth shire with a rural interface. Since 1998 its population has increased from 43 000 to 48 000. It covers an area of 530 square kilometres and has a budget income of \$31 million and a rate income of \$15.5 million. Melton is one of the few councils that has a fully funded superannuation scheme. Considering the massive growth and the roads and other infrastructure that is necessary, it is not surprising that its debt is \$10.5 million, which is down \$800 000 from last year. Melton is a productive council.

The commissioners are running a municipality that Victorians can be proud of. I put on record my congratulations to the chairman, Mr Alistair Fraser, and Mr John Hyett and Mr Brian Morison on the magnificent job they have done for their community, and I wish them well for the future after the election.

The Melton commissioners have capitalised on the possibilities of the area. One of their main directions from the community was to address concern about employment and the interface between the rural areas and the expanding urban population. Caroline Springs is a magnificent, 8000-lot subdivision. Having the lake down there made it a magnificent proposition. The requirements the commissioners imposed were stringent. Community centres had to be provided first and the commissioners made sure the community had some infrastructure in place before people began moving into the area. There was even a hall and kindergarten services. As soon as the houses were built the services were in place. More than a million dollars worth of trees were planted. The commissioners worked well with the developers, which resulted in a project everybody was proud of. There were no developer-council battles.

The government would do well to remember that councils remain the sphere of government closest to the people. Victorians have a good idea of what they want and expect at all levels of government, particularly local government. It is folly for the state government to imagine that it can wilfully impose its views on a local community. The opposition has learnt that lesson well, but despite its lofty rhetoric it seems that the government has yet to come to that understanding.

I wish Melton the very best. I look forward to seeing the elected members when they are installed. I am sorry that the community of Melton did not have more say about the direction of its local government. To wait one

more year for a referendum would have been fair and reasonable, and I do not think the government would have lost much.

Why is the honourable member for Melton so keen to put those councillors back when the community is not complaining? I understand that philosophy and I respect that that is the way they see it but I do not understand what is happening with the honourable member for Melton. I look forward to watching the Melton Shire Council under the new councillors and to observing how well the honourable member for Melton works with them.

Mr DELAHUNTY (Wimmera) — I am happy to join the debate on the Local Government (Restoration of Local Democracy to Melton) Bill. The National Party has discussed the bill and will not be opposing it. I suggest the title of the bill is a bit of an insult, particularly to the people of Melton. The title of the bill suggests that there will be the restoration of local democracy, as if the shire did not have it under commissioners. I will refer to that in detail a little later.

The purpose of the bill is to amend the Local Government Act to provide for the holding of a general election of councillors for the Melton Shire Council on 13 October 2001. Honourable members will know that as with all council elections the cost of doing that will be borne by the council. The bill provides that the chief executive officer must call a meeting of the council within 14 days of the election or the declaration of the election result. That is the normal process and we are obviously not against that.

The commissioners will leave office at the start of the first meeting after the election. Normally councillors step down at midnight the night before the statutory meeting and there is an unusual period between that time and the holding of the statutory meeting wherein the chief executive officer takes control of the municipality. It has not caused any problems in the past but it is an interesting part of the act, because for a time the chief executive officer is the only person in control of the municipality.

Another provision of the bill requires subsequent elections to be held in March every third year. The next election will be in March 2004. The new councillors will therefore stand for approximately two and a half years. The bill repeals the provisions of the principal act pertaining to the first poll of voters and the continuing appointment of the commissioners. The title of the bill suggests this is the restoration of democracy. The bill will actually repeal the democratic process by which

the commissioners were appointed and their appointments were continued.

The bill provides that at the first council meeting after the election on 13 October 2001 the order in council that appointed the commissioners will be revoked. It is understandable that they cannot do that until the election. The last provision of the bill is the repeal of the Local Government (Governance and Melton) Act 1998 which, as is outlined in the second-reading speech, would be a spent act.

I advise the house that I was a commissioner during the restructuring of local government.

Honourable members interjecting.

Mr DELAHUNTY — I am proud to admit it. I believe the Labor Party and the coalition parties agreed that restructure was needed in Victoria, but it was only the coalition government that had the intestinal fortitude to do it. I do not say that everything was 100 per cent right; I am the first to admit that it was not. However, the overwhelming majority of the people of Victoria would believe the restructure was needed and that by far the majority of the things that happened during the restructure were positive.

Mr Ingram interjected.

Mr DELAHUNTY — The restructure was positive. It decreased the debt level of all local councils and increased the economic power of the councils which enabled them to compete for economic development projects against other states in Australia.

I suggest the bill title referring to restoration of local democracy is an insult because in December 1996 there was a non-compulsory poll of the voters. I heard the honourable member for Melton asking what the question was. The question asked was, 'Do you approve the proposal that, to enable the completion of restructure of the Melton Shire Council, commissioners continue to administer the council until 1999?'. There were 26 304 voters on the roll at that stage and 25 unenrolled voters were admitted at that election. The result was that 71 per cent voted yes and 29 per cent voted no. The question was again put to the voters in a compulsory ballot three years later in February 1999, but it was a simpler question. It asked, 'Do you want councillors (tick the box)' and 'Do you want commissioners (tick the box)'. Of the 30 415 enrolled voters, 22 138 voted in that poll. The result was that 60.48 per cent voted for the retention of the commissioners and 39.54 per cent voted for the return of the councillors. That was a very democratic process

which gave everyone in the municipality the opportunity to vote.

The Shire of Melton covers 527 square kilometres. That would be nice. The honourable members for Mildura and Gippsland East and I have the largest electorates in the state covering about 27 000 square kilometres. The honourable member for Prahran's electorate is 13 square kilometres with one school. I have 52 schools in my electorate. Melton shire is semi-rural with a population of 45 000, which is growing at the rate of 6.7 per cent a year. The shire is located on the fringe of the western suburbs of Melbourne. I travel through the municipality just about every week and I have seen the enormous growth out there, particularly in the Caroline Springs area.

The commissioners appointed in 1994 were Mr Alistair Fraser, the chairman of commissioners, Mr John Hyett and Mr Brian Morison. They have done a fantastic job and together with the community have worked very hard to develop Melton into what it is today. I read in the local newspapers out there about the concern of many people who said they felt insulted that this government, which said it would be democratic, has taken away their democratic right. They are very disappointed. They have seen their municipality grow under the commissioners.

Honourable members interjecting.

Mr DELAHUNTY — As a result of council amalgamation the revenue from rates decreased from \$12.3 million to \$10.2 million. The rates have increased since then but there has been major development in the area. In the Caroline Springs area the houses have sprung up rapidly over the past couple of years and my biggest worry about travelling through there is that I now have to slow down to 90 kilometres an hour.

Mr Nardella — For safety reasons.

Mr DELAHUNTY — It is for safety reasons and I support that. It is great to see the development which has caused that to occur. It might never have happened without the restructure and the commissioners. The current population is 45 000 but the projected population for 2021 is 89 000, almost double. It is therefore important that the elected councillors continue the good work of the commissioners as many councils right across the state have done. We have seen a change in the attitude of councils statewide. They are looking at economic development and the ways they can compete against other parts of Victoria to ensure that their municipalities grow.

In conclusion, I congratulate the work of the Melton commissioners and wish the newly elected councillors all the best for when they return in 2001.

There is one thing the commissioners have to do. In the next 12 months they have a lot of work to do in developing an election proposal. They have to decide whether the shire is subdivided or has wards, how many councillors it should have and whether it will use attendee or postal voting. I ask the community to work with the commissioners and the staff to develop an appropriate structure for the newly elected council. Again I congratulate the commissioners on their work and wish all the best to the council of 2001.

Mr NARDELLA (Melton) — Today is a great day for Melton, for my constituents, residents of my area who for six long, awful years have had to live under the commissioners imposed on them by the Kennett government. What an awful time! Yet honourable members on the other side come in here — —

Mr Delahunty — On a point of order, I know the honourable member for Melton was here during my speech — —

The DEPUTY SPEAKER — Order! I ask the honourable member to come to his point of order.

Mr Delahunty — I am just saying that two elections were held — —

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

Mr NARDELLA — We had this awful period. Let me inform honourable members that there were no marked changes in the boundaries for the Shire of Melton — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! I remind the honourable member for Bennettswood that it is unparliamentary to reflect on the Chair. If the honourable member has a problem with the conduct of the Chair, he may move a substantive motion. I warn him to be careful of his language.

Mr NARDELLA — There were minor changes and the commissioners were imposed. The council they replaced was a good council led by Ron Russell.

Honourable members interjecting.

Mr NARDELLA — Members on the other side of the house have no understanding of Melton. It is on the

other side of the Yarra, over the West Gate Bridge, and they do not know where it is. That is their problem.

The council the commissioners replaced was a good council, and the irony is that the ALP has never controlled the Melton council. Put that on the record — it has never controlled the Melton council! However, Melton has suffered the imposition of the Kennett government commissioners since 1994.

As I said, this is a great day for Melton. It is the implementation of part of Labor Party policy that we took to the election last year. It is about democracy — —

Ms Burke interjected.

Mr NARDELLA — The honourable member for Prahran has no understanding. She was part of the process of imposing commissioners and forcing amalgamations against the will of communities. She has no understanding of democracy.

The honourable member for Wimmera praised the commissioners. To understand my views on commissioners and democracy honourable members have only to look at my speeches in the Legislative Council chamber in 1997–98. The honourable member for Wimmera was a commissioner! Of course he will praise the process; he was part of the process.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! I ask honourable members to cease interjecting so loudly, and point out that if the honourable member for Melton perhaps spoke with less force we could hear him better.

Mr NARDELLA — Those members have been part of the process. The progressive elements have fought the situation since 1994. Melton residents, my constituents, are entitled to their own representatives, not people imposed on them from Sunshine or Essendon or from across the city in the eastern suburbs but their own representatives, just like the constituents of every member in this house.

I would like to hear honourable members argue that councils in their electorates should be replaced by commissioners. Come into the house and do it again, especially in opposition, and see what response you get. We have an opposition that hates democracy, does not understand democracy. It does not understand that people were sent overseas to fight for democracy and the right to vote and determine their own political structure. Opposition members come in here and want to support a failed system.

The bill before us is important. We want to put the current situation behind us and talk about the vision for Melton. We want to have councillors in Melton who will represent the community. They ought to be community activists, part of the community. That is what I want. I do not want people who are part of the Essendon community or the Sunshine community looking after my residents. My residents are not dumbos. They are not fools. They can look after themselves well. I know my constituents, and they are fantastic people.

Honourable members on the other side of the house have no understanding of the western suburbs. I know that my residents are the salt of the earth. They can look after themselves and do it well. We need councillors who are part of the community, who can take a leadership role in the municipality and have a vision for the community and the whole constituency. We do not want a situation where the communities of Melton are not represented. Melton South, Rockbank, Diggers Rest, Hillside and Caroline Springs — communities honourable members drive through — are not represented at present.

Honourable members do not understand my electorate, and they cannot speak about it authoritatively. My constituents deserve good representation by people who understand their community and have vision. Many of the initiatives the commissioners claim to have put in place were actually put in place by the previous government. All the commissioners have done is continue to row the boat. The Toolern Park employment node already existed and the commissioners were forced to put in place the other initiatives by the local residents. We need people who are team players, have boundless energy and can harness the great factors that make up the Melton community and shire. I am looking for the best councillors, and I know the commissioners are as well. The community deserves only the best.

The people of Melton are fantastic, and I invite all honourable members to come to Melton next October to see those terrific people. The councillors will take over in October, and they will represent my communities of Diggers Rest, Rockbank, Melton South, Toolern Vale, Melton itself, Hillside, Banchory Grove, Burnside and Caroline Springs. I want and need honourable members to go there to see that those terrific people can look after themselves. They are fantastic. It is a fantastic day for Melton, and I thank the Bracks Labor government for making it possible.

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

Mrs PEULICH (Bentleigh) — Although officially known as the Local Government (Restoration of Local Democracy to Melton) Bill, the bill is known in my parlance as the ‘Don’s Democracy Bill’ or the ‘Don Snubs Melton Bill’.

We all know why it should be called the ‘Don Snubs Melton Bill’. The member for Melton made a very emotive address about how wonderful his constituents were and how much he loved them, and we all feel pretty much the same way about our own constituents. The member made some comment about how members of the opposition did not really know the western suburbs; let me point out to him that we probably know much more about the western suburbs than he may think.

In fact I personally know quite a deal about Footscray, having had a lot to do with the people of Footscray on a number of issues where they have failed to gain representation from their local member.

The other night I attended a public meeting in Yarraville — the Premier’s own electorate — where 600 people were calling for the sacking of their local Labor-dominated Maribyrnong council because it has presided over a rate increase that has seen little old ladies paying rates beginning at \$500 a year for a two-bedroom timber home, increasing now to \$1100 a year. This is what having a Labor council sometimes means in the western suburbs, and of course the people of Melton know very well what is waiting for them.

Ms Allen interjected.

Mrs PEULICH — I have to say to the member for Benalla that I was a councillor at the time when many of the controversies in Melton attracted attention, as many Labor councils tend to do.

We also know from well-placed Labor sources that the member for Melton had given an undertaking in his preselection campaign that he would return Melton to Labor at the local level, and he will deliver on that promise and ensure that Labor councillors are elected, and he will make sure they give him the support he needs. It will be a mutually amicable arrangement.

Out in the electorate the member for Melton denies any involvement whatsoever. Here he gets on his soap box and makes passionate pleas for democracy, and we all know it has very little to do with any democracy except Don’s democracy. He sings a different song in his local electorate, and I quote from an article in the local Leader newspaper dated 15 February and headed ‘MP denies being party to push for shortened term’. These shortened terms are becoming characteristic of the

Bracks Labor government. The Premier shortened the term for Gobbo and now he will do it for the Melton commissioners, who were voted in and supported by the local ratepayers. Basically, no matter how you put it, it is called a shaft. The Premier shafted Gobbo and he is going to shaft the popularly supported commissioners. That is basically what the bill is!

I would like to highlight the hypocritical stance of the honourable member for Melton on this issue. Of course it would be unparliamentary of me to accuse him of being a hypocrite, so I will not do that; but he has taken a hypocritical stance. I quote from the Leader article:

Melton Labor MP Don Nardella says he is not behind the push to shorten the term of Melton council commissioners.

Mr Nardella said his absence over the Christmas holidays meant he was out of touch with the push to remove commissioners before the end of their term.

Here we have the newly elected member for Melton confessing that he is out of touch with his electorate; yet he is in this house demanding support for the passage of this bill! It is a confession. All it lacks is his signature! In effect the honourable member is saying, ‘It’s not me; it’s not my idea; it’s just my branches. I’d better deliver, otherwise I’ll lose my preselection’.

Let me contrast that article with some of the other articles in the local papers. There is a chorus of criticism of the Labor government’s action in Melton. ‘What happened to democracy?’ is the heading of a letter from P. Scholten of Melton in the *Melton-Bacchus Marsh Leader* of 12 September, which states:

As a long-time Melton Shire resident, I was very sad to read this week of the decision to finish the commissioners’ tenure early. (‘They’re back’, *Melton Express Telegraph* page 1, 5/9).

I believe the commissioners have done tremendous work in Melton, creating job opportunities, developing our parks and gardens and giving us many reasons to be proud of our Melton community.

However, after reading the paper, I was angered that the state government had treated me with contempt.

I voted to retain the commissioners on two occasions, and I believe I have a right to vote again on whether I would prefer commissioners to councillors.

If voters had decided to return to councillors, I would accept that, but I don’t accept the government telling me that my vote no longer matters.

In another letter, headed ‘We voted for them’, S. Fox of Melton writes:

I am sick and tired of picking up the papers each week and reading about Don Nardella consistently harping about returning democracy to Melton. It has never left.

Mr Nardella would be well advised to remember that the majority of Melton residents who chose to vote voted to extend the commissioners' term.

By casting a vote for or against the commissioners Melton residents were exercising their democratic right to decide on either a council or commissioners.

What Mr Nardella is now doing is trying to remove the commissioners against Melton residents' wishes. This is hardly what one would call democratic.

So it goes on.

Mr Nardella interjected.

Mrs PEULICH — There are many such letters. I am more than happy to paste them on boards in Queen's Hall — we would probably need more space.

I highlight the hypocritical stance of the honourable member for Melton, who denies any involvement with the push to shaft the Melton residents' support for commissioners and to undermine the democratic vote, yet grandstands in this house about the need for change and claims that he is right there behind the demand by Melton residents.

There is broad support for the commissioners from Melton residents, ranging from business groups to community organisations and community leaders. In an article headed 'Commissioners defended', which appeared in the local Leader newspaper of 19 September, Rebecca Urban writes:

Business and community leaders have joined a chorus of criticism over the government's decision not to consult residents on whether they want to retain commissioners.

This month the state government announced it would cancel the October 2001 referendum asking residents if they wanted to retain commissioners. Instead, residents will now be asked to elect five ward-based councillors.

The article goes on to criticise the honourable member for Melton and praise the work of the commissioners. I could well understand that the honourable member for Melton and other honourable members would hold their current view if no subsequent vote had been taken that led to the continuation of commissioners in Melton and obviously respected the right of Melton residents and ratepayers — but a vote has been taken. It is quite deceptive to suggest that democracy is returning to Melton, because the residents of Melton have well and truly exercised their democratic right.

I will not go through the litany of controversies that surrounded the former Labor council in Melton —

Mr Nardella — It's never been Labor!

Mrs PEULICH — It probably will be — because Don is going to try very hard!

Honourable members interjecting.

Mrs PEULICH — Another article is headed 'Fury at Melton'. Yet another states:

In the latest council rumpus all councillors have been black-banned by the staff and shire officers after the shire manager and the shire secretary were sacked on Monday.

Another states:

Staff will have no contact with any councillors and will not compile minutes, agendas, letters or memos for them until the issue is resolved.

There is a litany of controversies, including being under investigation over claims for improper payments to councillors, breaches of planning laws and a breakdown in council operations.

If those matters are considered in the context of some other reforms in local government, including best value and the proposal for a three-tiered council remuneration system, it can be seen that basically they are built-in triggers to ensure that Labor-inclined councils or councils that do not exercise fiscal responsibility crank up the rates — because the larger the rate take, the better the councillor remuneration.

Honourable members know about some of the funny-money deals between Labor councillors and their local members of Parliament. I will not go through the figures that have been compiled from polls to show local support for the commissioners; that matter has already been amply covered. I will not quote further from the support for the commissioners who have done such a good job in delivering on priorities, generating local employment and providing shopping facilities. The important thing about the commissioners is that they found out what the locals wanted, rather than imposing their own agenda on them.

I acknowledge that members of this house were angered by the amalgamation of councils and the installation of commissioners. I was not at all unmoved by my local council also being subjected to amalgamation and boundary changes. However, it was generally accepted that amalgamations needed to be undertaken. After being involved in a council that was amalgamated in three different directions, I saw the need to have commissioners in place to oversee the process of change. I would not have wanted to see the commissioners' role continue, either — unless local

residents had voted in support of them, as they did in Melton.

The Minister for Local Government has to decide what autonomy in local government means to him. He has to decide whether he will just sit on his hands, as he has done, watching the members of the Melbourne City Council ripping it apart and not doing the right thing by their ratepayers. His is a hands-off approach based on the attitude of: let them fail, because then I will be justified in taking whatever action I need to take.

Mr Wynne interjected.

Mrs PEULICH — He has appointed three mediators — who appoint consultants to consult the consultants! The minister has not been doing his job. His department has not been offering the intervention and assistance that is obviously needed. His is very much a hands-off approach.

The other night in Yarraville I addressed a meeting of 600 furious ratepayers. On a cold Monday night they were meeting smack bang in the Premier's electorate because they are incensed about the insensitive way the council has treated ratepayers by cranking up rates without any regard for the capacity of people, particularly those on low incomes, to pay them.

Ms Allen — What was the result of the amalgamation?

Mrs PEULICH — I would not open my mouth if I had not fully informed myself on the matter. The reason is that they struck a high rate in the dollar, about triple that of the other councils.

Mr Wynne — On a point of order on the question of relevance, Mr Speaker, I believe the honourable member is straying from the bill. She is exploring matters that do not pertain to the bill, which is about the return of democracy to the City of Melton.

The SPEAKER — Order! I do not uphold the point of order. However, I remind the honourable member for Bentleigh that she must keep her remarks relevant to the bill.

Mrs PEULICH — Thank you, Mr Speaker, for your guidance. I was commenting on issues of local governance.

Mr Leigh interjected.

The SPEAKER — Order! The honourable member for Mordialloc shall cease interjecting. He is out of his place and disorderly.

Ms Beattie — He is out of his mind!

The SPEAKER — Order! The honourable member for Tullamarine shall cease interjecting as well.

Mrs PEULICH — At least he has got one! I was making some general comments about local government and notions of autonomy. Does autonomy mean that you cut local councils adrift and allow them to cannibalise themselves or their communities, or does a responsible Minister for Local Government take the necessary supportive or interventionist action to ensure a council does not decimate a local community?

At the public meeting in Yarraville on Monday night — even though it was cold, people were hanging from the rafters — there was unanimous support for the sacking of the Maribyrnong council. Sometimes as it is played out, democratically elected officials become so destructive, perverted and skewed that they fail to be effective. The honourable member for Footscray turned up 5 minutes before the end of the meeting to say, 'No can do. There is really nothing we can do to help', which was an appalling effort. Is it any wonder that those people have been forced to organise a petition, which they want to present to Parliament because they want the Minister for Local Government to take some action?

In conclusion, it appears that the Bracks Labor government is selective about the degree to which it intervenes. It all depends on the nature and flavour of the council. In some instances it is a matter of hands off — 'Let them cannibalise themselves'. In others, such as in Melton, it is a matter of saying, 'Forget about the wishes of the local community. We will do what we must to serve our political interests'.

While the opposition does not oppose the bill, it has numerous concerns about it, which I have taken some time to illustrate.

Mr SAVAGE (Mildura) — I welcome the bill because it is the last nail in the coffin of the attempt by the previous government to control local government through an undemocratic process. As one of those who was sacked back in 1995, I have not altered my philosophic opposition to the process. Any attempt to justify the fundamental breach of the democratic process by arguing that the performance of the commissioners was demonstrably superior to that of elected councillors is fundamentally flawed.

I have some concerns about the process that has been followed in Melton. I will refer to the efforts of the Ombudsman following an inquiry that is pertinent to the retention of commissioners in that municipality. I

am aware that the Melton community voted for the extension of the commissioners' terms instead of a return to democratic local government.

The decisions of the Melton chief executive officer, Mr Adrian Pennell, have led to an inquiry that has reinforced my belief that attitudes and priorities of appointed commissioners are completely different from those of locally elected councillors. This bill could be described as the Alamo for the Kennett commissioners in this state.

The focus of the Ombudsman's inquiry in Melton relates to Blackhill Road, which runs through the shires of Melton and the Macedon Ranges. Local residents have been pressing their respective shires to seal a section of the road for safety reasons. One local resident, Les Dobie, who has a house on the sealed section in the Melton shire, had been actively lobbying the council to have that rectified.

In 1998 the Macedon Ranges shire sealed a section of the road, extending it 20 metres into Melton for safety reasons. However, the Melton shire maintained that the sealing of the remaining section of road was not a high priority, even though there had been several accidents and the landowners would apparently have to be willing to pay for the road sealing. Nevertheless, after an approach from Michael Allen, whose property abutted a 20-metre section of the road, the CEO, Mr Pennell, authorised the Macedon shire to extend the sealed section another 64 metres on the basis that the Melton shire would pay the cost of \$6876. The decision had to be made quickly because the contractor was in the area. That was the explanation given for the lack of documents that you would normally expect to accompany a decision of that nature.

Mr Pennell says he authorised the work undertaken in March 1998 on the basis that Mr Allen would repay the council. However, Simon Aalbers, the infrastructure management engineer from the Macedon Ranges shire, said Mr Pennell requested that the roadworks be described as drainage works because the Melton shire did not want to be seen to be sealing the road. Mr Pennell subsequently explained that he had made the request because his department had no funds in the budget for roadworks. Given his claim that Mr Allen was paying for this work, his explanation is extraordinary. Mr Pennell also requested that the invoices be sent directly to him, which is a highly unusual request for a CEO.

Given the Melton shire's policy, Mr Dobie took a keen interest in who was paying for the sealing of the 64 metres. On 28 July 1998, he made a freedom of

information request to the Melton Shire Council. As at the date he made the request, the council had had no correspondence with Mr Allen and there were no notes on the file about the payment of the \$6876.

The design services engineer at Melton shire, Clay Drysdale, later said that he was unaware of any arrangements to pay for those works and that he understood that Melton shire had paid Macedon Ranges shire for some drainage and grading works associated with roadworks.

Suffice it to say that Mr Dobie had great difficulty obtaining copies of the relevant documents. Further, he came to the conclusion that the relevant material was missing from the files. Meanwhile the CEO, Mr Pennell, claimed that Mr Allen had given him a cheque on 1 December 1998 and wrote to Mr Dobie on 4 December to that effect, even though he had told Mr Dobie on 7 July that Mr Allen had paid for the roadworks. On 9 February 1999 Mr Pennell wrote to Mr Dobie saying:

A photostat of the receipted cheque can be viewed in our office.

However, because Mr Dobie was advised that Mr Allen felt that viewing constituted an invasion of his privacy, he declined the offer. He continued to press the council to see a copy of the receipt for the cheque. In the same letter Mr Pennell also wrote:

If Mr Dobie's request is pursued any further through VCAT council will need to engage legal representation and will be obliged to pursue costs.

This is a clear indication that Mr Dobie was on the right track. On 25 February Mr Dobie received a letter from the council's solicitors advising him that he could not take his claim for documents to VCAT, the existence of which the council denied, and that if he did the letter would be produced on the question of costs. Undeterred, he pursued the matter through VCAT and was directed to the Ombudsman.

On 6 August Warren Regan, the administration manager of the Shire of Melton, advised the Ombudsman's investigator that Mr Allen's cheque had been lost and a new cheque dated 4 August had been received. Mr Pennell said that no records or invoices existed regarding Mr Allen's payment, even though he had indicated the contrary to Mr Dobie on 4 December 1998 and again on 9 February 1999. As the Ombudsman's report states, this loss was not discovered until the end of July, despite ongoing inquiries by Mr Dobie and later by the investigator.

The Ombudsman's investigator also had difficulty obtaining the information he had requested, including Mr Allen's bank statement to establish that the first cheque had been cleared. Mr Allen provided statements but the balances were blanked out. The report states:

The account appeared to be a normal household account set up to pay ongoing household expenses, and such accounts would not normally have a balance to cover a cheque of \$6879.

Because Mr Allen refused to provide full bank statements the Ombudsman was forced to use his powers under the Evidence Act to obtain them from the bank. The investigator's instincts were vindicated. Generally the money was specifically deposited a few days before large amounts were debited. On 1 December the balance of the account was \$2230 and generally was in the order of \$1000 to \$3000 for several months. The account was overdrawn by \$111 on 21 April 1999.

In summary, to quote the Ombudsman's report:

Mr Pennell —

the CEO of Melton shire —

took personal control of the approval and recovery of payments for these works. He failed to control or record in the most basic form the commitment of the landowner to pay for these works. He took deliberate steps to disguise the nature of these works. The shire was uncooperative in regard to queries on this matter. No payment was made into the shire accounts until August 1999, when inquiries made by my office resulted in the discovery that the payment was not recorded. I therefore have serious concern about whether there was any intention on Mr Pennell's part to recover the costs of these works, and at best I can say that there has been serious maladministration in this matter.

One might ask what the commissioners' reaction was to these disturbing events. Perhaps it can be measured by the fact that in August 1999, after the Ombudsman had begun his investigations, they reappointed Mr Pennell for a further five years. It is worth recalling the comments of the Minister for Local Government in this house on 1 June when he quoted the Ombudsman as saying that 'these issues raise the very serious question of whether Mr Pennell is a competent person to remain the chief executive officer of the shire'.

The minister continued:

The Ombudsman recommends that the appointment of the CEO be reviewed — honourable members may be aware that the CEO was reappointed during that time. I know that because I wrote to the commissioners telling them I believed an Ombudsman's investigation was under way and suggesting that they not proceed down that path ... It now appears evident from the Ombudsman's report that the

inquiry was in full stream at the time the commissioners reappointed the CEO.

The commissioners appointed a panel to undertake the review of Mr Pennell's appointment recommended by the Ombudsman. They included themselves on a panel of five. The other two members were Mark Hayes, the solicitor who oversaw the council's defence against Mr Dobie's FOI claim, and Roger Gardner, who was a member of the panel that appointed Mr Pennell. Following the ensuing uproar the three commissioners withdrew, and Mr Gardner, an acquaintance of Mr Fraser, said he was not available. A former member — —

Mr Mulder — On a point of order, it is quite obvious that the honourable member has read the entire speech. He is not referring to notes. I ask that you sit him down or tell him to put the notes down.

The SPEAKER — Order! It is the understanding of the Chair that the honourable member is quoting from a document. I ask the honourable member for Mildura to advise the Chair whether that is the case.

Mr SAVAGE — I have extensive quotes that I am referring to and without them I cannot accurately record the events that occurred. It is important that I use the document on the basis that accuracy is imperative.

The SPEAKER — Order! I do not uphold the point of order raised by the honourable member for Polwarth. However, I remind the honourable member for Mildura that he may read only when quoting directly from the report. The standing orders and rules of the house are that he must not read his speech.

Mr SAVAGE — Thank you, Mr Speaker. The other member of the panel was Mike Dwyer, who had experience in performance management and local government personnel affairs.

The panel appointed by the commissioners initially comprised the commissioners and a friend of the CEO, and that panel cleared Mr Pennell. According to Mr Fraser the panel did find Mr Pennell, and I quote from the document:

... had badly administered the transaction described in the report. It also found that the chief executive officer had been careless in the discharge of his administrative responsibilities.

How could the community deduce from these comforting words that there had been a serious breach and maladministration by the CEO, yet the commissioners had not only reappointed him but had stood by him to the end.

I doubt that the chief commissioner, Mr Fraser, understands the seriousness of the offence, because in July he told a council meeting that it was one small slip-up, not a hangable offence. Before that, he had said they were talking about \$6800 out of a budget of \$34 million. Why did Mr Fraser not ask himself why his chief executive officer took such a personal interest in the matter? He does not seem to understand that his CEO's actions were an abuse of power and corruption of his office.

On 28 September Mr Fraser told a council meeting that Mr Pennell was an excellent CEO. He has stuck by him on many occasions despite a finding by the Office of Local Government in an infrastructure report commissioned but not released by the former government that the Melton Shire Council spent barely a quarter of its funds available for basic infrastructure needs.

People might seriously question whether those events are a proper and diligent management of a municipality by commissioners. Tomorrow I will seek leave to table the Ombudsman's report. When the people of Melton realise the true extent of the inefficiency and behaviour of the chief commissioner and the CEO they will be happy that democracy will soon return. The imposition of a CEO on the council for a further three years is a questionable outcome considering the recommendation of the Ombudsman and the Minister for Local Government that he not be reappointed.

I commend Mr Dobie for his tenacious pursuit of the issue. He has produced a document setting out chapter and verse his difficulties in obtaining honesty and justice from the Shire of Melton. The attitude of the chief commissioner has been disgraceful. Mr Pennell is potentially guilty of the offence of conspiracy. He has conspired with Mr Allen to defraud the Shire of Melton of \$6900 for the roadworks. He has suppressed the truth, obstructed the freedom of information process and the Ombudsman's inquiry.

The situation is a direct result of the incestuous nature between the chief commissioner and the chief executive officer. The lack of transparency and accountability in Melton has been profound. As Lord Acton once said, 'Power corrupts and absolute power corrupts absolutely'. I commend the bill to the house.

Mr LUPTON (Knox) — I am delighted to join the debate on the Local Government (Restoration of Local Democracy to Melton) Bill.

Going back to the late 1980s when the then Premier of Victoria, John Cain, Jr, was trying to amalgamate the

councils I was fortunate to be involved in meaningful discussions between the City of Knox and the Shire of Sherbrooke. In those days the City of Knox was the largest metropolitan municipality with the second-highest population. Regrettably, the issue fell on stony ground because the Cain government did not have the tenacity or fortitude to follow it through. It was only later that the amalgamation of the councils came into being.

In May 1990 councillors from the Shire of Melton called for the council to be sacked and for an administrator to be appointed. The matter went on and on until 1991 when Mrs Caroline Hogg, a former member for the Melbourne North Province in another place and the Minister for Ethnic, Municipal and Community Affairs appointed a municipal inspector to investigate pecuniary interests and planning law breaches in Melton. That municipal inspector was still there in 1994 when the council amalgamations took place under the former Kennett government.

I have no love or respect for the commissioners who were appointed in my area. However, some commissioners did a magnificent job, and I refer to the honourable member for Wimmera who was appointed to administer the Rural City of Mildura. When democratic elections could again be held in the Shire of Melton, the residents requested that the commissioners continue to administer the shire. A vote was taken and 52 per cent of the people voted, of which 71 per cent voted to retain the commissioners. I recall the 1998 debate when Labor Party members said it was undemocratic for the commissioners to stay on.

The then government said the people of Melton wanted the commissioners to stay on. I may be a bit betwixt and between, but I would have thought the democratic process provides that when the people of Melton go to the polls and declare they want commissioners they are making a democratic choice.

Another vote was taken in 1999, and honourable members should bear in mind that voting was not compulsory. Of those eligible 75 per cent turned out, 61 per cent of whom voted to retain the commissioners.

Mr Speaker, it is difficult trying to contribute to the debate while the honourable members for Gippsland West, Mildura and Gippsland East are talking. They are not helping much at all. I had the courtesy to be silent while they each contributed to the debate.

The people of Melton clearly indicated that they wanted the commissioners to stay on. In 1990 the councillors of the Shire of Melton requested that the council be

sacked. In 1999, nearly 10 years later, the residents asked for the commissioners to stay on and continue doing their job. Now we find the following statement in the second-reading speech:

We have a system of local government in Victoria consisting of democratically elected councils.

...

This bill gives back to the people of Melton the basic right that all other Victorians enjoy.

I would have thought that if the people of Melton have on two occasions shown their clear desire to have commissioners run their municipality, they have exercised their democratic right to choose how they are governed.

I accept that it is a *fait accompli* that the bill will be carried with the help of the Independents. However, I believe that the bill does not reflect the wishes of the people of Melton. I wish them all the best and trust the councillors they elect will do a good job even though the past record of elected councillors has not been good. Again, I wish the people of Melton all the best.

Ms BEATTIE (Tullamarine) — I am pleased to speak on the Local Government (Restoration of Local Democracy to Melton) Bill. The title encapsulates everything that is good about the bill, because it restores local democracy.

I am honoured that the honourable member for Melton has come back into the house to hear me speak. I am his near neighbour in the City of Hume, and I thank him for his tireless work in campaigning and advocating for the return of local democracy to Melton. I also thank Leo Johnson, Nib Desantis, Licia Kokocinski and Paul and Lois Stephen, who have all worked tirelessly for the return of democracy to Melton.

The imposition of commissioners on the Shire of Melton was one of the most despicable acts of the former Kennett government. I want nothing I say to reflect badly on the commissioners in Melton; I wish only to reflect on the importance of local democracy. The time has come for Melton to take charge of its own destiny.

The Shire of Melton borders my electorate of Tullamarine, which is mostly covered by the City of Hume — it is ably led by its mayor, Cr Gary Jungwirth — and which includes a small pocket called the Punjel Estate. The electorate of Tullamarine has as its boundary the old Calder Highway, and the City of Hume has as its border the new Calder Freeway. That means the residents of the Punjel Estate, which is a small pocket between the two highways, cannot vote

for councillors in what is logically their own municipality. That is a travesty of justice and means that they do not have the same rights as residents in the rest of my electorate.

I will give a brief example of the mistakes commissioners can make when they do not know the local area. I am president of a group called the Friends of Blind Creek. Blind Creek runs through Sunbury and has a football oval on its bank. When the commissioners came in they gave permission for the erection of a black, 6-foot chain mesh fence through the park so the agricultural society could collect its fees on one day of the year. The commissioners did not know the area at all. If the chain mesh fence had been erected, mothers and fathers would have found themselves picnicking in one area, separated by the fence from their children, who would be playing near the creek on swings and slides on the other side. Little holes would have been cut in the fence in no time. I guarantee that the commissioners never inspected the park. They would probably get blood noses if they went to the top end of the electorate.

The bill is great legislation as well as a tribute to the honourable member for Melton. Even when he was a member for the province of Melbourne North in the other place he was campaigning for restoration of democracy in Melton, not because he was a local member but because he was a campaigner for democracy. I commend the bill to the house.

Mrs FYFFE (Evelyn) — The title of the Local Government (Restoration of Local Democracy to Melton) Bill is an insult. In particular, the words ‘restoration of local democracy’ are an insult to the people of Melton who voted to retain commissioners.

The history of the councillors who held office prior to the appointment of commissioners is not one to be proud of. It was reported that five Melton councillors called on the then local government minister, the Honourable Maureen Lyster, to sack them and appoint an administrator.

The councillors could not work with the staff. The staff put a black ban on work for the councillors and refused to write reports or take minutes of meetings. There were allegations about tampering with cars, anonymous late-night phone calls and councillors not responding to the community.

During the period of amalgamations, which was a time of great change for Victorians — it was actually something a former Labor Premier had wanted to do but he could not because he did not have the courage of

his convictions to enable him to carry out that difficult but necessary task — I was appointed a commissioner to the Shire of Yarra Ranges. That council is in my electorate, and the people of the Yarra Ranges elected me to this house.

Ms Allen interjected.

Mrs FYFFE — The honourable member for Benalla is expressing a lot of interest in this and has been interjecting throughout the debate. She reminds me of a story I heard of her interest in local government during a period of water shortage in her electorate. A serious discussion took place between an economic development officer of one of the shires who had called the meeting and a lot of business people. The honourable member for Benalla's answer to this — —

An honourable member interjected.

Mrs FYFFE — This is in relation to local government.

Ms Allen — On a point of order, Mr Speaker, the honourable member for Evelyn is deliberately digressing from the topic of the debate. I ask you to make her return to the subject.

The SPEAKER — Order! I am not prepared to uphold the point of order, but I remind the honourable member for Evelyn, as I do other honourable members, that they must keep their comments relevant to the bill.

Mrs FYFFE — I was using my comments to demonstrate the lack of knowledge of other members of this house about how local government operates.

Returning to the story: the economic development officer was looking for a solution to a problem, and the honourable member for Benalla came up with the unique suggestion of using trucks with water-filled tanks and parking them somewhere ready for when there was a shortage. Her suggestion was not the least bit useful. An understanding of what government is about, whether it is state or local government, is important when one is making comments and criticisms of the roles that were taken.

Amalgamations among the shires of Victoria were wanted in the 1980s but the then Premier could not get the support needed to do it and did not have the courage to push it through. It took a lot of courage to do the amalgamations, but they were necessary.

The shire of which I was a commissioner was made up of four earlier councils. One was in the red; one was just skirting on the edge of being in the red; one was

quite financially strong; and the other one was just in balance. They are the reasons for the amalgamations.

The commissioners of Melton, like me, served for a period of two years and four months. When it was coming to the time to go to elections — I would like to set the history straight on this — the residents of Melton approached the commissioners and said that they wanted the commissioners to stay on because the residents' memories of their former council were too clear.

Mr Cameron interjected.

Mrs FYFFE — No, I am sorry. Mr Speaker, I am being asked by the Minister for Local Government to finish my speech. This is an important debate, and I am incensed at some of the comments that have been made about commissioners. As commissioners we all worked extremely hard in carrying out what was a difficult task and producing a fair and balanced outcome.

As I was trying to say before the minister interjected, the commissioners of Melton were approached by the members of their community and asked if they would stay on. There was much debate as to whether they could, and when there was pressure from the community the minister then responsible for local government told the commissioners to go to the residents of Melton and let them say whether they wanted the commissioners to remain. The residents of Melton voted for the commissioners in 1996 and again in 1999. The people of Melton voted to keep the commissioners!

The Bracks government has sacked a Governor who was respected by the people of Victoria and is now going to sack the democratically elected commissioners, although the procedure is being called 'early removal from office'.

In February 1999, 60.46 per cent of residents voted for the retention of commissioners and 39.54 per cent voted against. More than 22 000 people on an electoral roll of some 30 000 voted. Are you saying that the people were stupid and did not know what they were doing? Of course they knew what they were doing — they wanted a council that had business-like administration.

The Victorian government has a charter with the Independents that promises to consult with interested parties before developing new legislation. What consultation has the government had with the people of Melton? Has it been consultation with just a few Labor mates, or has it gone out to the wide circle of the people of Melton? It is easy to get a favourable answer if a survey is confined to just a select group of people.

The people of Melton demonstrated by their votes that they wanted to retain the commissioners. If they want councillors back, that is their right, and it would have been much easier if the government had decided to ask them.

Melton's residents have enjoyed the lack of politics in their council and the lack of childish squabbling. They have liked the efficient, business-like manner in which the commissioners have run the shire. On that note, I commend the chairman, Alistair Fraser, and the commissioners, John Hyett and Brian Morison, for their excellent work.

The Kennett government took the right road — not the easy or lazy road — when it restructured local government in Victoria, something other states would like to do. It takes courage to do something that does not go in the most popular direction.

When former Premier Cain wanted to restructure local government he did not have the courage to carry it through. The Kennett government had the courage and vision to embark on the restructure. Members of the Labor Party have blinkers on when it comes to commissioners, but the people of Melton do not.

The Labor Party has bleated and complained about the restructure of local government, the amalgamations and the commissioners. I have heard it often since I have been a member of this place, and I have heard it regularly tonight. The honourable member for Mildura was not happy about the commissioners, but with the power that the Independents have at the moment why is he not asking the government to restructure local government? If it is so awful now why is the government not putting it back the way it was before the Liberals came to office? If the government really believes that was the way to go, why has it not changed back to it? The majority of Victorians accepted the need for the change to local government.

If the restructure was so terrible, why am I here? Why did the people of Yarra Ranges elect me to represent them in this house? I was their commissioner for two and a half years. I am very much involved with the community and with the council, which is doing a wonderful job and working hard. The community still comes to me on issues; they ask me to represent them and approach the council on their behalf. They see me as an independent arbitrator when things are going wrong. It is a good working relationship, but that would not be the case if I were one of those awful, terrible people that the Labor Party seems to have great difficulty in handling.

There are so many things that were good about the amalgamations: they saved councils which were broke. Everything has to change — life does not go on in a continuous pattern. Some councils were not too bad but a lot were in an awful state. They were going backwards because the people running them did not have the experience or the thought to move outside the square and look at different ways to do business. Members opposite are getting a little bit upset; they would like to go back to their celebration party.

If I were not such a nice person, such a nice former commissioner, I would draw your attention, Mr Speaker, to the state of the house so some more government members could hear my speech. However, I am understanding and I realise that perhaps they do not want to be here and that the Minister for Local Government is anxious to get to his feet and wind up the debate. Therefore, I will be a nice person who was a commissioner and sit down.

Ms ALLEN (Benalla) — I am very proud to speak on this bill tonight because it is another wonderful demonstration of the Bracks Labor government's commitment to restoring democracy to the people. The honourable member for Prahran earlier cited press releases in which community members called to retain commissioners. If that is the case, residents of Melton must be the only people in Victoria who did. Ninety-nine per cent of rural councils intensely dislike the fact that amalgamations were forced upon them by the Kennett government. Rural councils have been absolutely devastated by amalgamations to the extent that they have lost local jobs, local community spirit and local equipment. No longer does a local bloke turn up to fix a pothole in a local road or fix the drains at someone's house.

Mrs Fyffe interjected.

Ms ALLEN — I will give the honourable member for Evelyn an example of some of the shires which have been absolutely devastated by amalgamations. Delatite, which is in my electorate, is one. An honourable member opposite asked us not to mention Moira shire — I wonder why. How can we forget why the Shire of Strathbogie was created? Around the areas of Nagambie, Euroa and Violet Town it is otherwise known as Pat's Plot. Members talk about rural shires which are in massive debt — Moira shire owes millions of dollars, as does Gippsland shire. Strathbogie, the shire created by Pat McNamara so he could build a rowing course, is now more than \$1 million in debt because of a blow-out in the cost of that rowing course.

An honourable member interjected.

Ms ALLEN — The rowing course in Nagambie.

The honourable member for Bentleigh rabbitied on about how wonderfully councils had operated under commissioners. If that is the case, why are so many rural councils now in debt to the tune of millions of dollars? Small local councils have not only lost local jobs but also their local community spirit.

So many opposition members have gotten their percentages wrong tonight. Only 62 per cent of the Melton community voted on the issue of commissioners and only 35 per cent of that number voted for them. How does that equate to a majority vote? Constituents who voted for the commissioners were in the minority.

I congratulate the commissioners of Melton who have agreed to step aside by October 2001 in order to restore democracy and allow the people to choose their own representatives. Obviously those commissioners believe in democracy; something the government which appointed them did not.

I agree with the honourable member for Melton who so passionately spoke about this being a good day for Melton. Like all Labor members of Parliament and the Independents, the honourable member for Melton is passionate about democracy. The people of Melton so badly wanted democracy restored that they voted in the wonderful member for Melton. I commend the bill to the house.

Mr CAMERON (Minister for Local Government) — I thank the honourable members for Prahara, Bentleigh, Mildura, Knox, Tullamarine, Evelyn and Benalla for their contributions to the bill. As is normally the case with local government bills, a great range of views was expressed. I note that there is unanimous support for the bill; there is no dissent and I thank honourable members for that.

I also thank the commissioners of Melton for their work. Members would be aware of the work that has been done in the local community by the commissioners. I know they have been prepared to work with the Bracks government as it has gone about generating economic activity in the state. That is what was wanted at Melton, and the commissioners have worked with the government to that end.

Ultimately the government wants to see a local council at Melton. The commissioners recognise that and, accordingly, an agreement was reached with them to put in place a sensible timetable for a normal election. The second Saturday of October next year is a sensible date because a referendum would otherwise have been

held. It would be best to avoid the expense of that and to hold a normal council election. That means that anyone can stand and take their luck at the polls by putting forward their views of why they should be elected. They will be in the hands of local people.

I know some people take the view that there should be another term of government-appointed commissioners, but that would mean that I as the Minister for Local Government would have to appoint new commissioners. Who those commissioners were would be a matter for me. Is that appropriate or is it more appropriate that people in the local community choose their representatives? Occasions arise when commissioners may be required. However, the government has made it clear that that is only in very rare cases where corruption has occurred or a council has seriously failed; only at that time would the government put commissioners in place.

The Liberal member for Knox pointed out that he did not like the commissioners in his area. However, he also pointed out that there was a variance across the state. I think all members appreciate that.

I thank the commissioners for what they have done; they have recognised that there is a new government and they have been prepared to work very hard in conjunction with the honourable member for Melton, who has always been a very active promoter of economic activity and jobs in his area. It is good to see the work that everybody has done.

Reference was made to an Ombudsman's report. Members will recall that I raised that matter in the house earlier this year. The Ombudsman has subsequently advised me that he did not intend to take any further action.

I look forward to a new period in Melton. This is an opportunity for the people of Melton to choose who is to lead them in the future at the local government level rather than my appointing people to do that.

I thank all those involved for their agreement and cooperation. I thank the opposition and the National Party for their support for the legislation, and I join with every member in the house in wishing the Shire of Melton all the best as it goes forward.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

**ASSOCIATIONS INCORPORATION
(AMENDMENT) BILL**

Introduction and first reading

Received from Council.

**Read first time on motion of Mr HAERMEYER
(Minister for Police and Emergency Services).**

**TRANSPORT (MISCELLANEOUS
AMENDMENTS) BILL**

Introduction and first reading

Received from Council.

**Read first time on motion of Mr BATCHELOR (Minister
for Transport).**

**PROJECT DEVELOPMENT AND
CONSTRUCTION MANAGEMENT
(AMENDMENT) BILL**

Second reading

**Debate resumed from 29 August; motion of
Mr THWAITES (Minister for Planning).**

Mr CLARK (Box Hill) — In its terms, the bill is simple. To describe it colloquially, it provides for the transfer of the Office of Major Projects from the Department of Infrastructure to the Department of State and Regional Development. To put it more formally, it constitutes the Secretary of the Department of State and Regional Development as a body corporate having a range of powers related to the management of relevant projects in terms similar to those already conferred on the Secretary of the Department of Infrastructure under the Project Development and Construction Management Act of 1994. However, it should be noted that some of the powers of the Secretary of the Department of Infrastructure are not conferred on the Secretary of the Department of State and Regional Development.

The bill also facilitates the transfer of designated projects from the Secretary of the Department of Infrastructure to the Secretary of the Department of State and Regional Development. It provides, in a way that is common to the public sector, for the transfer of the assets and liabilities from one legal entity to another by means of one or more allocation statements that are approved by the Treasurer and relevant minister. By force of such statements, the assets and liabilities concerned are transferred from the Secretary of the

Department of Infrastructure to the Secretary of the Department of State and Regional Development.

The formal provisions of the act are couched in those terms because the Office of Major Projects operates under delegation from the Secretary of the Department of Infrastructure, and the intention is that the office will operate under delegation from the Secretary to the Department of State and Regional Development.

That brings the formal provisions into line with what has been the practical position since the change of government. The incoming government decided that it wanted to base the Office of Major Projects in the Department of State and Regional Development and similarly wanted the Minister for Major Projects and Tourism to be based in that department, whereas under the previous government the relevant minister was based in the Department of Infrastructure. It is perhaps worth adding that at the time of the change of government the relevant staff of the Office of Major Projects were transferred from the Department of Infrastructure to the Department of State and Regional Development by administrative arrangements.

I have dealt with the formal content of the bill and the colloquial purpose for wanting to bring in the bill. However, the question the house needs to ask is why on earth we are bothering with a bill such as this. We are entitled to ask that question because we are entitled to know what the government has in mind for the future of the Office of Major Projects. Over the years the Office of Major Projects has been a successful organisation that has exercised its functions under the Project Development and Construction Management Act. I will quote from the briefing papers provided to me as shadow minister at my briefing after the change of government, which I understand were in the same terms as those provided to the current minister immediately prior to the change of government. They state:

OMP undertakes project implementation and delivery for the government on Agenda 21 and other nominated complex construction and property development projects assigned to the office.

OMP operates under the Project Development and Construction Management Act which provides the requisite development and financial powers for project delivery. The act creates a body corporate, the secretary to the Department of Infrastructure as a legal entity with contract and other powers, with delegations provided to OMP to exercise the necessary powers.

Projects are nominated by the Premier with the minister for planning and local government as the responsible minister and the body corporate, the secretary to the Department of Infrastructure, as the facilitating agency and are typically of the following types ...

The papers then set out the details of the four different types of projects — namely, construction and renovation of public buildings, redevelopment of surplus government property, novel projects requiring government support or initiation, and facilitation of private sector development projects that require the coordination of government involvement.

In performing those duties the Office of Major Projects has done well over the years. The concept underlying the office is the need to have a specialist body of professional people dedicated to carrying out that complex and specialist role within the government, in particular on behalf of other parts of the government and the public sector, so that that body of expertise can achieve a good outcome. The Office of Major Projects has achieved many successes over the years under the previous government. I will refer to just three of them — the Jolimont residential precinct redevelopment, the sports and entertainment precinct development and, most recently, the new Melbourne Museum. It is worth noting that the Premier in at least one of his speeches at the museum in connection with the various opening functions complimented the Office of Major Projects on the role it had played in the museum project.

Despite the successes the office has had over the years in managing those various major projects, since the change of government generally major projects in Victoria have started to hit increasing difficulties. The State Netball and Hockey Centre was not completed in time to be used for the pre-Olympic Games training that was envisaged. The National Gallery of Victoria is now running considerably behind schedule. It has hoardings around it and there is not a great deal of activity going on there. There has not been much news about the letting of contracts and so on. We all recall the incident a few weeks ago that involved union disruption at that site. The delays are flowing back to affect the State Library of Victoria project given that the temporary gallery is located in the library building in Russell Street. Most notorious of all the major projects that have hit serious difficulties under the current government is Federation Square.

It is common knowledge that from time to time major building projects experience delays and cost overruns because of a variety of factors. Those factors affect both private and public large construction projects, and apart from the intrinsic complexity of those projects there is the overlaying effect in Australia of a militant group of unions in the construction industry. No entity, public or private, that undertakes major construction projects can always expect to complete projects on time and on budget. However, professional managers do their best

to manage those risks and are usually reasonably successful in doing so. The extent to which managers depart from the ideal is a question of degree that has to be considered by looking at what has been achieved overall. So, I do not apply a benchmark of perfection to the Bracks government in assessing the way it has handled major projects, but I would certainly argue that there has been a significant falling away in performance in the management of major projects under it.

Federation Square is probably the epitome of that. We could spend all night debating the Federation Square issue, but to put it succinctly, under the present government costs have soared, not because of specific and conscious additions to the project, as happened under the previous government, but because things have got out of hand.

The completion date has also been significantly extended, which means the square will not be completed in time for the Federation celebrations. We have a fair idea of why this has happened. One factor is that the construction industry unions have become far more militant under the present government. They were certainly prepared to take on the previous government also. However, a large part of reason for the delay that occurred under the previous government — not a delay that put at risk its opening in time for May 2001 celebrations, but a delay of seven months nevertheless — was that the previous government was prepared to stand up to the unions and resist their demands for a 36-hour week at Federation Square.

Increased industrial militancy has affected work on the square. There has also been a delay of around six months in appointing a manager of the Federation Square management company. Of most significance has been the government's hasty and ill-considered intervention on the shards. That has precipitated a number of dramatic consequences, which the government was warned about before it made the final decision to axe the western shard but which it chose to ignore.

The government has tried to confine its response by arguing that the direct costs involved with the axing of the shard are relatively limited, but it has failed to appreciate the extent to which the delay and the controversy have spilled over to the rest of the square. Potential private sector investors have dropped the project; they do not want to risk their capital on a project that could be dogged by controversy and delay. A prodigious amount of professional and management time has been taken up in agonising over what should be put in place of the shard that has been axed.

On top of that, the project manager from the Office of Major Projects, Mr Damien Bonnice, resigned in protest at the government's handling of the issue. The considerable pressure the government put him under helped precipitate his resignation. For many months a working party had tried to come up with an alternative to the western shard. That process stalled, apparently because advisers from the Premier's office have not wanted to accept any replacement that could be labelled as a shard, lest it be seen to embarrass the Premier by appearing to be a reversal of his previous decision.

Despite all its work, the working party was summarily dispensed with. As I understand it, the architects have now been given a simple specification that dictates the parameters within which they must work to come up with a replacement for the western shard.

This prodigious turmoil has been caused by the government's hasty, populist and ill-thought-out intervention based on a flimsy justification. Had the government followed the usual processes and listened, consulted and paid proper regard to the advice of the architects, the Office of Major Projects and the chairman of the Federation Square management company, it would have avoided getting itself into the current difficulty.

What has been the government's response? Has it accepted responsibility? Has it taken up the suggestions that many people have made, including the editorial writers in the *Age*, to reverse its decision, admit it got it wrong and get on with quickly working out a replacement structure? That answer is no, it has not done any of that.

Instead it has resorted to blaming its workers. You would hardly have thought it likely of a Labor government, but this is a case of 'When in trouble, blame your troops'. The government has said, 'It is not our fault, it is the fault of the Office of Major Projects'. I certainly would not say that whenever something happens in the bowels of the bureaucracy a minister should always be expected to know about it. However, this is not an instance of that; this is a major issue which has been in front of the minister for months.

Indeed, it could be argued that the minister's personal intervention has caused the problem in the first place, but instead of owning up to it, taking the rap and accepting personal responsibility, he is throwing his workers out of the project — and he has done it in a most disgraceful and contemptuous way.

We need only look at recent media reports to see how this has unfolded. The Office of Major Projects has not

been dismissed with the sort of graciousness that the Minister for Local Government demonstrated in dealing with a previous bill. Instead it has been conducted through the pages of the newspapers.

The first instance was the article splashed across the front page of the *Age* of September 23 this year under the heading 'Square team to be sacked'. The opening paragraph says:

Melbourne's troubled Federation Square development is set for a massive overhaul with the state government preparing to sack the project managers, the Office of Major Projects.

That was repeated the following day in the *Sunday Age*, which reiterated the story by saying:

The *Age* revealed yesterday that the report by the Federation Square management company's chief executive, Peter Seamer, recommended the sacking of the Office of Major Projects in the square.

The minister then made a series of criticisms, many of which were implicitly linked to the office.

A paragraph in an article in the *Herald Sun* of 4 October states that the Minister for Major Projects:

... has sacked the bureaucrats managing the development, which has almost tripled from an original \$128 million to \$337 million.

It has not been a quiet, bureaucratic rearrangement; it has been done in the glare of publicity. Honourable members cannot be expected to believe that these reports fell into the hands of the newspapers purely by accident. I am sure we all know that when a government document such as this finds its way onto the front page of the *Age*, 9 times out of 10 there has been some behind-the-scenes collaboration by a minister's office and the media unit.

The Office of Major Projects was dumped on from a great height by the government to ensure it took the rap for the failings of the minister and the government. The Minister for Major Projects has since said that because he had no confidence in the office's handling of Federation Square he would transfer responsibility for its management to the Federation Square management company, which in turn, according to another recent report, has engaged a private sector firm to do the hands-on project management.

The Federation Square management company was always conceived of as the body that would take up the ongoing management of Federation Square once the project had been completed and delivered under the project management of the Office of Major Projects. The government is thus restructuring the project and

giving to the Federation Square management company a role it was not intended to have. The responsibility has now in turn been passed on to a private sector entity to do most of the work.

The minister has no confidence in the ability of the Office of Major Projects to handle Federation Square, but at a bureaucratic level the structure under which the Federation Square project is managed is virtually identical to the way all the other major projects are managed. The question that immediately arises is: if the minister has no confidence in the Office of Major Projects relating to Federation Square, does he have confidence in the office to handle other major projects? If he does, what is the explanation for the inconsistency? If he does not, what will he do about it and why is the house being asked to agree to the bill tonight?

When the minister closes the debate on the bill he should clearly explain why he considers it worthwhile to proceed with the bill, and in particular what his attitude is to the Office of Major Projects — that is, what is his position on the future of the Office of Major Projects? The least the minister can do for the hardworking staff of that office, who have been put under enormous personal strain and who have suffered much adverse reflection on their professional expertise by the actions of the minister, is to tell them and the public what their future will be. All honourable members should await the minister's explanation on the matter so that they understand why the house is being asked to agree to the bill.

Mr RYAN (Leader of the National Party) — I am delighted to join the debate on the Project Development and Construction Management (Amendment) Bill, which essentially deals with major projects in Victoria. It appears to me that the whole issue could be dealt with by an administrative order, but I understand the government considers that a better way to go about it is by way of legislation. That is why the bill is before the house tonight. The shadow Minister for Planning has already outlined the operative provisions of the bill, so I do not intend retracing those matters.

From a country Victorian perspective, the critical issue I highlight in a relatively brief contribution to the debate is the virtually complete absence in country Victoria of major projects.

Mr Pandazopoulos — Don't blame us for that!

Mr RYAN — That is an interesting comment. It is perhaps topical that over the past few days I have been interviewed in a variety of forums about my view of the

performance of the Labor government in its first 12 months in office. A reporter from one of the media outlets told me that the Premier said the government could hardly have expected to have developed any major projects in country Victoria in the time available to it. I find that concept to be absolutely remarkable. What a complete cop-out!

Mr Pandazopoulos interjected.

Mr RYAN — I am being invited by the minister to say it with a straight face. I cannot do so because the concept that the Premier advanced is laughable. At the end of 1992, when the Liberal and National parties took office, Victoria faced a state debt of \$34 billion; it was staring down the barrel of a \$2.5 billion recurrent loss; and it was having to initiate appropriate remedial measures. As opposed to that, when the Labor government assumed the Treasury benches it had to contend with a state debt of between \$5 billion and \$6 billion and had been gifted a surplus of about \$1.7 billion. The return tabled by the Treasurer yesterday indicating the activities of the Labor government during its first 12 months shows that it has a very healthy surplus once again. The net result is that the financial position inherited by Labor in 1999 compares more than favourably with the position faced by the former coalition government in 1992.

It begs the question as to what the government has been doing about major projects over the past 12 months. A variety of projects have been completed after having been commenced by the previous government. I am sure the Minister for Major Projects and Tourism is doing his best, but if there had not been any of the antics relating to Federation Square he would have had nothing to talk about. Over the past 12 months I do not know that there has been a major project that the minister or the government of which he is part could lay claim to.

A government member interjected.

Mr RYAN — I am being accused of not listening now. The fact of the matter is that if you take out Federation Square, which has been the subject of a degree of discussion, there is really nothing of any consequence about major projects that has rated a mention.

The only thing, I must say in fairness, that has had some sort of run over the past few weeks has been the announcement about rail developments in regional Victoria. But that is not necessarily a happy tale either, because it apparently started off at \$80 million and by some sort of magical application of Labor Party process

turned out to be an \$810 million project towards which the public purse is contributing \$550 million, so it is said, out of the \$1 billion Growing Victoria fund. That fund was established by a process that saw \$1 billion being parked by the government because it just did not have a good idea at the time. The money has been put aside for the moment while the government thinks of something. The first thing the government has been able to come up with in the interests of regional Victoria is the so-called fast trains.

Time does not permit me to go into a fulsome discussion of the notion, but even being as generous as possible one would have to say that the prospect of spending \$810 million on a project that will see so-called fast trains going to Bendigo, Ballarat, Geelong and the Latrobe Valley in order to save something like 20 minutes per trip to or from any one of those centres has to be questionable.

The honourable member for Geelong has suggested that I disagree with the project. I would have to say in all honesty that the concept of spending that amount of money to achieve —

The ACTING SPEAKER (Mr Jasper) — Order! I ask the Leader of the National Party to address the Chair.

Mr RYAN — Certainly, Mr Acting Speaker. I was trying to be appropriately courteous and address the honourable member who made that point. When \$810 million is being expended on fast trains with a view to saving about 20 minutes on a trip, I am not the only one to say that you would have to have a lot of doubt about it.

The other major project that you could come close to including under the umbrella is the Snowy River proposal. That has thrown up more questions than it has answered. Even today we saw a remarkable display by the Premier in responding to a question from me about the government's intention to buy water in the private market, which will inevitably lead to absolutely disastrous consequences for all who otherwise have to trade in water. It shows that the government simply has no idea about water management across the state.

Through the bill the government wishes to make some changes that historically have been effected by administrative order. It is the right of the government of the day to make the changes by legislative provision, and so be it, but on the matter of major projects across Victoria, the record of this government does not do well when compared with the track record of the former government. The former government left an absolute

legacy to this government, but it has been possible to refer to only a couple of projects that are the sum total of the government's efforts over the past 12 months on behalf of country and regional Victoria. In the Melbourne metropolitan area the only one that has attracted any sort of commentary is Federation Square — a project originated by the previous government — so the whole field of major projects under this government is pretty much a blank.

It is no wonder that when you talk to people involved in business activities pertinent to what would otherwise be termed major projects, and when you look at the various statistics relating to business confidence in Victoria, you find that they all have severe misgivings. I simply urge the government, on the back of this legislation, to get its act into gear and apply itself to using positively the legacy it inherited, with the assistance of the three Independent members of Parliament, from the coalition government. I urge the government to get out there and do something on behalf of all Victorians and show the leadership and direction that in country Victoria is certainly seen to be lacking.

Mr Dixon — I wish to make a short contribution to debate on the bill. It is important that some points be made —

The ACTING SPEAKER (Mr Jasper) — Order! I give the call to the Minister for Gaming, who is also the Minister for Major Projects and Tourism and who is at the table but is not handling the bill before the house.

Mr PANDAZOPOULOS (Minister for Gaming) — The Minister for Planning is handling the bill. I look forward to the honourable member for Dromana's contribution.

It is my pleasure to speak on the bill as it relates to my portfolio as Minister for Major Projects and Tourism. The bill is being handled by the Minister for Planning because the Project Development and Construction Management Act will now not only continue to apply to the Department of Infrastructure but will also apply to the Department of State and Regional Development as a result of the new administrative arrangements put in place by the government.

The government has sought these administrative arrangements for a couple of reasons. One is that we wanted an economic development focus on major projects. The second is that we wanted to move away from a perception of a conflict of interest, with planning and major projects being in the same agency. There are a lot of planning issues and disputes associated with major projects, and they need to go through proper

planning processes separate from any desire by the major projects minister of the day to do things as quickly as possible. The change in administrative orders is about accountability. At the moment we are working under delegation from the Department of Infrastructure, but that department should not be totally accountable for what happens in an area where it simply delegates and over which it does not have total administrative control.

The shadow minister asked what the government has to say about the Office of Major Projects. I have great confidence in the Office of Major Projects. That is why we are working together to finish off the existing major projects while the government is developing its own.

In relation to Federation Square, the opposition wants to rewrite history. We understand that now you are in opposition — particularly when the opposition lost government unexpectedly — you want to be able to say you were great economic managers, when in fact you were not. The problems with Federation Square, as the Auditor-General has said on a couple of occasions, go back to the start of the project.

It was not well thought through and construction commenced even before it was known what was to be built. That is what the Auditor-General has commented on; do not listen just to what the government is saying. The Auditor-General made the comments, but the opposition wants to rewrite history.

The shadow minister also said it is not uncommon for major projects to cost more than was originally thought, and that is true. The objective is always to build on time and on budget, but as all honourable members know, it is not always easy. I agree with the honourable member for Box Hill that it is not uncommon, but an extra \$155 million is a significant blow-out in the cost of the Federation Square project, and it indicates that it is not the tail end of the project that is the problem but the start, which is what the Auditor-General said. Seventy per cent of the project was already completed before the Labor Party came into government, so how can it be blamed for the blow-out in costs of a project that started at \$110 million and will end up costing the government \$350 million, with a total cost of \$400 million? How can this government be responsible for that when the Auditor-General has indicated the real problems?

My job is to get the project completed, as it is with all other projects. What were the administrative arrangements for Federation Square? The responsible minister was not the previous Minister for Major Projects and Tourism but the Premier of the day, Mr Kennett, and that is where the problem lay. Did he

have full control to contain the costs of the project? Obviously not.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Mordialloc will cease interjecting and allow the minister to make his contribution. If the honourable member wishes to have the call he can stand and be given it at the appropriate time.

Mr PANDAZOPOULOS — Honourable members know of the proverb that too many cooks spoil the broth — and that is exactly what happened at Federation Square. For example, the Federation Square management company, the Office of Major Projects, the Department of Premier and Cabinet, the Department of Treasury and Finance, the Melbourne City Council and the Department of Infrastructure were all trying to run the project. Yet there were many issues for which no-one was taking responsibility. Too many people had their fingers in the pie, including Klein and Associates, the National Gallery of Victoria, Cinemedia and SBS. The issue was to streamline management and take control of costs in order to make quick, efficient decisions. That is why the government handed over the administrative arrangements to the Federation Square management company. It was not an attack on the staff of the Office of Major Projects but an effort to get the project moving along, into shape, contained and properly funded.

The shadow minister said the project was all there, but a large part of the money the Bracks government has put in was to be used to reinstate the parts of the project which had been taken out but which had been kept a secret from the public as costs continued to blow out.

Honourable members will recall that Federation Square was to link the CBD with the Yarra River. However, the previous government did not fund the integration between Federation Square and the Yarra bank and it was left out of the project. Federation Square was supposed to highlight multimedia to the state; the former Minister for Multimedia was supposed to highlight the multimedia strengths of the state, but that was not funded and was taken out of the project. The north-west corner building, downstairs on the old platform of Princes Bridge station, was supposed to be the entrance to a tourist information centre to service an estimated 600 000 visitors. However, the previous government did not fund it and it was taken out of the project.

This government has put all the money back into the project because it wants to finish it properly so that when it is opened, people will say, 'Wow, this is great. It is all here'. The government does not want to take on the cost cutting of the previous government. It deliberately deceived the public and kept the cost issues from them because it did not manage the project from the start. If projects are not well managed from the start the end cost is much higher than it should be. The opposition can rewrite history as much as it wants but the public knows where the problem is.

I will give an example of why this government believes an economic development focus on major projects is important compared with the focus of the Department of Infrastructure, which is on building infrastructure. The government wants to assess projects according to their economic value. Earlier today the Leader of the National Party cried crocodile tears asking what the government had done in the past year about getting major projects for country Victoria. Give it seven years and it will have a few projects in country Victoria, because the government's focus is not only on civic construction projects but also on economic development projects. It is about achieving projects that otherwise might not be achieved without a central agency.

One of the first initiatives undertaken by the Department of State and Regional Development was to set up an office of manufacturing. The government is spending a huge amount of money, hundreds of millions of dollars, on projects of the Office of Major Projects, and that is only a small part of the state's capital works initiatives. The local content policy maximises Australian content. The government is using taxpayers' money to build projects to maximise jobs in Australia and opportunities for Australian industry. The government changed the rules to get maximum economic value from major projects.

The first contract available to the government was the National Gallery of Victoria, valued at about \$110 million. When expressions of interest and the tender were called, a plan trying to maximise local content was required. That is a boon to places in country and regional Victoria, including Ballarat, Bendigo, Geelong and Portland, and outer suburbs such as Dandenong, which has manufacturing industries, and gives them a chance — —

Mr Leigh — What about Mordialloc?

Mr PANDAZOPOULOS — And Mordialloc. It gives them a chance to at least be considered for contracts for major projects. That basic initiative has

added value as a result of the focus on economic development.

The opposition has asked about major projects under the Bracks government. The government has had to contain cost issues on the projects inherited from the former government. The Bracks government is not petty; it does not want to undermine those projects and it has a responsibility to complete them properly. It has had to find some \$200 million it thought was there when it was elected. More money will be spent by the Office of Major Projects next year than in the last year of the former Kennett government because additional resources have been needed to complete the projects.

What could be accomplished with \$200 million? The additional \$160 million put into Federation Square would build five state hockey and netball centres, three multipurpose venues or half a new museum. Those are the economic opportunities lost to Victoria, but it is a responsibility the government must meet. The government dislikes putting additional resources into projects the public thought were already funded, but it must be done to complete them properly.

I do not know where the shadow Minister for Planning was when the government launched the \$10 million Malthouse Plaza project in the Southbank area a few weeks ago. The government has announced major projects and more are in the pipeline now that it is confident the facilities can be funded. The Office of Major Projects is only one small part of the infrastructure program. During the last year of the Kennett government capital works programs of \$1.1 billion — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Jasper) — Order! The Chair will not tolerate the honourable member for Mordialloc and the Deputy Leader of the National Party interjecting across the table, or the honourable member for Mitcham interjecting out of his place. The minister should continue his contribution without interjection from either side of the house.

Mr PANDAZOPOULOS — In the last nine months of the Kennett government and the first few months of the Bracks government total infrastructure investment was \$1.1 billion. By the end of the financial year due before the next election that figure will be \$1.8 billion. The government hears much from the opposition about the money the former government put into infrastructure, but the Bracks government is putting in more.

A criticism of the former government is that although money was put into the civic process it was not put into the other economic infrastructure of schools, roads, public transport, hospitals, and technical and further education institutes. The focus of the Bracks government is on more money for infrastructure. It is committed to the Office of Major Projects. The opposition should stop whining and give the government a chance to show that it can provide good economic projects for Victoria.

Mr DIXON (Dromana) — The Project Development and Construction Management (Amendment) Bill is a mechanical, plain and ordinary bill, similar to the government's policies on major projects. Major projects are important not only for the city in which they are built but for the whole state. The major projects commenced and/or completed by the former government are great for all Victorians, including the people on the Mornington Peninsula whom I represent.

The exhibition centre at Southbank was left a desolate half-finished skeleton by the former Labor government, but it has now been turned into a world-class centre providing exhibitions and displays of all the things that are good about Victoria and its industries. The library, which is still under construction, provides a tremendous outreach service for all Victorians and many online services. When the building is finished those services will be provided in first-class facilities. The library is a place for school excursions, and all Victorians can use its facilities.

The former Kennett government implemented and built the Melbourne Museum. The Premier opened the building but did not recognise the work of the former government. When in opposition he and some of his senior ministers knocked the museum and found every reason both architecturally and in practical terms to criticise it. The Premier must have attended for the publicity because his heart was not in the project. Docklands is another fantastic project implemented by the former government. It will provide many long-term jobs for all Victorians, not just in the construction industry but in industries that supply components and materials as the various sections are developed. The art gallery offers services similar to the library and museum. Many of its outreach services are available in regional and country Victoria. Tourists from all around the world visit the gallery and Victorians will enjoy magnificent new facilities implemented by the former government.

The Bracks government has dragged out the building of Federation Square. It made the curious ideological —

certainly not architectural — decision to scrap the shard, which has caused delays and cost blow-outs. When completed the square will be not just a tourist precinct but will provide services for all Victorians as the base for Cinemedia and SBS.

At the last election we went to the people with ideas and policies on major projects including an enhanced convention centre with a huge plenary hall that Melbourne needed.

The ACTING SPEAKER (Mr Jasper) — Order! The time has come under sessional orders for me to interrupt the proceedings of the house.

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

Mr DIXON (Dromana) — As well as the new plenary hall, which would have attracted even more conventions and provided more employment opportunities to the wonderful convention city that Melbourne is, the former government proposed a major upgrade of the showgrounds.

Major projects, as I have pointed out, are great for all Victorians in both the short and long term. Good buildings are statements in themselves and when they have great architectural qualities are tourist attractions as well. They are part of the lifeblood of the city and the state. To date the Bracks government has come up with no new major projects. It recently announced a park at Docklands worth \$3 million, so I suppose that is a start.

Major projects need a very long lead time. Many years pass before a major project actually starts, so lost opportunities under this government will translate into years of lost opportunities for employment and lost attractions that all Victorians could have enjoyed.

Mr LEIGHTON (Preston) — The honourable member for Swan Hill is trying to gag debate on the bill, just as the former government of which he was a member gagged debate on the principal legislation in 1994. It is because that bill did not receive proper scrutiny that we have inherited problems with some major projects today.

Even though there have been nine bills before the house this week there have been opportunities for members on both sides to make contributions, albeit brief, to debates — unlike the situation when the 1994 bill was before the house. On that occasion I was the only Labor member to get an opportunity to speak on the proposed legislation. The previous government had a habit of guillotining debate on bills.

The Project Development and Construction Management (Amendment) Bill is sensible legislation. From tonight's debate it is clear that the establishment of the Secretary of the Department of State and Regional Development as a body corporate and the transfer to that entity of the assets and commitments entered into by the Office of Major Projects has support on both sides of the house. That action has flowed naturally from the government's decision to separate the responsibility function from other functions. Under the previous government the planning minister had responsibility for both the approval of processes and the management of them.

The principal bill put before Parliament in 1994 was sensible legislation that reflected a need. Major projects had previously been undertaken pursuant to the Urban Land Authority Act, and the main government department with legal authority to conduct works was the former Department of Housing and Planning. The Kennett government did not, however, take up the opposition's proposals for greater scrutiny. The then opposition sought to make amendments that would have built in stronger reporting requirements, better tendering processes and more quality assurance. Those amendments would have strengthened the bill. We also pointed out the corruption in the tendering processes in the building industry in the 1980s and 1990s that led to substantially inflated costs for government projects.

The previous government refused all those amendments. Little wonder then that the Bracks government inherited messes such as Federation Square, which has suffered cost increases from \$128 million to \$262 million, and the museum, which has a funding shortfall of \$41 million.

I wish to answer the opposition's question: 'Where are your major projects?'. The Bracks government can boast a \$1 billion infrastructure fund, a public sector assets program that has been increased from \$1.123 billion in 1999–2000 to \$1.921 billion in 2003–04, the redevelopment of the National Gallery of Victoria, a \$1.5 billion fund for Linking Victoria and further announcements about funding for the Commonwealth Games.

Under the previous government major projects meant development of the central business district, whereas this government has projects that will serve to grow the whole of Victoria. The changes made possible by the bill will streamline the management of major projects.

Mr CAMERON (Minister for Local Government) — I thank honourable members for their

contributions to the debate and the opposition for its support of the bill.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

LOCAL GOVERNMENT (RESTORATION OF LOCAL DEMOCRACY TO MELTON) BILL

Rescission

Mr CAMERON (Minister for Local Government) — By leave, I move:

That the order of the house acquainting the Legislative Council that the house had agreed to the Local Government (Restoration of Local Democracy to Melton) Bill without amendment be read and rescinded and that the orders of the house for the second and third readings be read and rescinded.

Motion agreed to.

Second reading

Debate resumed from earlier this day; motion of Mr CAMERON (Minister for Local Government).

The SPEAKER — Order! As the bill requires to be passed by an absolute majority of the house and there are not 45 members present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

Motion agreed to by absolute majority.

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

Third reading

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

HERITAGE (AMENDMENT) BILL*Second reading*

Debate resumed from 5 October; motion of Mr THWAITES (Minister for Planning).

Mr CLARK (Box Hill) — The Heritage (Amendment) Bill makes a series of largely administrative and procedural alterations to the Heritage Act of 1995. The bill builds on the substantial legacy of heritage protection established under the previous government and in particular reflects the commitment to heritage matters of the former Minister for Planning, the honourable member for Pakenham. The bill is described as having been derived in part from a national competition policy review of the Heritage Act undertaken in 1999–2000. The opposition was kindly provided with a copy of the national competition policy review of the Heritage Act, dated March 2000 and carried out by Freehill Hollingdale and Page, together with the government's response, which is also dated March 2000.

Although the second-reading speech strongly implies that the amendments in the bill were recommended by the national competition policy review, it is fairer to say that those amendments were stimulated by the national competition policy review rather than recommended by it. The government's response to the review refers to the report's recommending that certain practice notes be prepared and complied with by the Heritage Council and states that the government intends to implement those recommendations, with the single exception of the requirement to complete each stage of the registration and permit approval process within the appropriate maximum time frames.

However, the bill goes beyond that by making a series of amendments to the Heritage Act itself. It is not exactly clear how that is intended to fit in with the making of practice notes or whether the amendments are intended to supersede the making of them. If the latter is the case and it has been concluded that it is better to do it by way of amendment to the legislation, it is probably a good decision.

As I said, the amendments in the bill largely cover administrative and procedural matters, including rewording section 32 of the principal act so that the range of decisions available to the executive director is more clearly set out; changing section 34 so that the owner, the nominator and the local council are advised of particular decisions; specifying more clearly which information must be provided; allowing for the

publication of decisions; and altering some of the time frames for the making of submissions.

Changes are also proposed to the obligations placed on a property owner while a Heritage Council decision on heritage registration is pending, specifying the notification the owner must give the Heritage Council. There are adjustments to the provisions relating to the timing of Heritage Council decisions, and there are changes to the notice that must be given of any arrangements for the sale of registered places or objects. Another change affects the prescribed form of notice for claiming liturgical exemption, by which a church exercises its right to make alterations to a heritage building in order to comply with the requirements of its liturgy.

One change that is more than merely procedural or administrative allows the executive director to consider the impact of permit proposals on the heritage significance of neighbouring properties when the director is deciding on an application relating to a property listed under the Heritage Act or a permit to do something for which a permit is required.

There are some changes authorising the subdelegation by responsible authorities of powers that have been delegated to them by the executive director. There are provisions relating to the powers of the executive director to issue permits for the use of shipwreck relics and archaeological artefacts. Inspectors are given the power to require people who cannot produce the appropriate permits or consent forms to leave registered archaeological places. That is intended to make it easier to protect such places when people with dubious rights to be in such places are unable to produce documentation showing that they are entitled to be there.

A further provision allows an inspector to enter a registered place which is a residence to search for evidence of the commission of an offence. Some people have raised concerns about the provision. One must always be very cautious in conferring any powers on inspectors, particularly powers to enter residences. It is worth noting that the provision requires the issuing of a search warrant before an inspector can enter a residence, which, as I said, has to be for the purpose of seeking evidence of the commission of an offence. The concern that the power of entry would allow inspectors to enter places to take inventories or otherwise have a look around is not valid.

One fairly standard provision that is being inserted into a range of acts provides that any information obtained by inspectors in the exercise of their powers under the

act is subject to certain confidentiality requirements. So far as the opposition can see, the amendments are sensible improvements to the operation of the principal act.

It is worth making two general points to put the bill and the issue of heritage protection into context. The first is that the Heritage Act deals only with the listing of premises and items on the Victorian heritage register which are of considerable heritage significance. There is a separate regime for providing heritage protection by way of planning schemes under the Planning and Environment Act. Those are separate from the provisions in the bill and have their own associated issues and concerns. Many honourable members will be aware that there is often community debate about the exercise of those powers by local councils.

The ACTING SPEAKER (Mr Nardella) —

Order! If honourable members want to talk, I ask them to go outside. I am having difficulty hearing the shadow minister.

Mr CLARK — On the one hand, the provisions give rise to concern about whether there are properties which are being demolished but which should be subject to heritage protection. On the other hand, concerns have been raised by a number of residents of properties that have been subjected to such heritage protection, who say that the process that has been followed or the conclusion that has been reached has not been properly carried out, is not justified or has worked unfairly to the detriment of the owners. There is a range of strong views on the issue, as well as a variety of competing considerations. All honourable members need to give consideration to the issue, including the way it impacts on their local communities.

In conclusion, I refer to the curious pair of paragraphs at the end of minister's second-reading speech, in which he refers to demolition by neglect. He describes it as a process by which a property is allowed to deteriorate to the point where it has to be demolished. The minister made the point that concerns have been raised with him about the problem and that although he is committed to finding a solution, more consultation with local government and the community is required before it can be finalised.

The curious thing about this is that those remarks appear in the second-reading speech but the provisions do not occur in the bill. The house and the general community are left wondering about the current state of play in relation to resolving the issue. Why is reference made in the bill to something that the bill does not deal

with? When can we expect to hear of further progress on the issue?

It is perhaps a another example of the government going through a process of consultation, but that process is taking a considerable time. In the meantime, people are wondering what is going on.

On their face the provisions contained in the bill appear quite sensible. The opposition is not in a position to take responsibility for every last detail. However, it does not oppose the bill, which appears to build on the significant heritage protection legacy established by the previous government.

Mr DELAHUNTY (Wimmera) — I am pleased to represent the National Party in the debate on the Heritage (Amendment) Bill. Firstly, I thank the departmental staff, Mike McIntyre and Wendy Clancy, for their cooperation in briefing the Honourable Jeanette Powell, a member from the other house, and me. They fitted in with the schedule of country members, and I thank them for that.

The National Party will not oppose the bill. I shall cover some of its main purposes, but before doing so I make the point that, at this stage, country Victoria has no member on the Heritage Council, although some regional liaison officers and alternative council members reside in country Victoria. I ask the minister to ensure that he keeps country people in mind when appointing members to the council.

Mr Helper — What about the past seven years?

Mr DELAHUNTY — You have been in government for 12 months so you have the chance to do something now.

The main purpose of the bill is to amend the Heritage Act to improve the transparency in administrative decision making of the executive director and the Heritage Council and to make a number of technical amendments to improve the efficiency and effectiveness of the act.

During 1999–2000 the national competition policy review confirmed the soundness of the current heritage legislation and concluded that the act confers net benefits to the community. We must always be mindful of that.

The review examined alternative heritage protection models and could find no preferred alternative to the Victorian framework. That is a complement to the work of the previous government in that area. The review identified a number of actions that could be

implemented to bolster certainty and confidence in the system. Confidence, as discussed in the debate on a matter of public importance this morning, is important to any community, and the Heritage Council must work with the community to make sure confidence in planning matters is maintained.

The bill supports the improvements recommended by the national competition policy review. It will ensure that there is greater disclosure and documentation of the reasons for the decisions of the Heritage Council. It will also reduce the uncertainty caused by unnecessary delays by applying consistent time frames for making submissions on the executive director's decisions and for the decision and review processes of the Heritage Council.

Time lines are important and it is important that the Heritage Council, along with any planning authority, does not delay the process unnecessarily and instils confidence that the process is working for the net benefit of the community.

The bill will also improve clarity by more clearly expressing the existing obligations of the owner, pending a Heritage Council decision on heritage registration. Even though I represent the electorate of Wimmera, where heritage registration is not such a hot issue as in some metropolitan areas, heritage registration is important to rural communities.

I went to Benayeo a couple of months ago to launch a book on 150 years of settlement. I was pleased to see the honourable member for Bellarine there. He played a part in the building of the heritage of Benayeo and it was great to see him there and to launch the book.

An honourable member interjected.

Mr DELAHUNTY — I agree he is a living treasure for the people in Benayeo.

The other aspect of the bill that caught my attention is that it provides for an inspector with a warrant to enter a registered heritage place that is a residence and specifies the conditions and requirements that must be met. A confidentiality provision is added which limits the use of information gained by inspectors in the use of their powers.

In meeting briefly with the departmental staff I asked the question, 'Can this information be accessed under freedom of information legislation?'. I caught them a bit off guard, but from my discussions with them I think they feel comfortable enough with this requirement being met. They do not see a problem in keeping the confidentiality requirements as listed in the bill.

A number of amendments in the bill are designed to improve administrative efficiency, which I have said is important for confidence in the community. The other technical amendments should also be supported.

I read the minister's second-reading speech, which discusses the topic of demolition by neglect. The minister said he believed the current Heritage Act had adequate provisions to deal with the problem of buildings that are on the state heritage register. However, as was stated in the second-reading speech, those provisions do not extend to buildings listed or classified at a local level. I am pleased that after a number of councils and individuals expressed concern about the gap in the legislative process the government asked for more input by local government and the community before coming up with a final response to the concerns. I applaud that process by the government.

The National Party consulted with a town planner of good repute. Briefly, his comments were that he believes the bill makes good sense.

An Honourable Member — Hear, hear!

Mr DELAHUNTY — You agree with that? Thank you very much, I will pass that on. The bill also looks after the rights of all people, which is important. One positive aspect that the town planner commented on is that some works can now be considered if they will impact on another heritage building. He brought to the attention of the National Party the example of works to the side of a building being detrimental to a building next to it. That example could now be dealt with by the bill. The town planner believes the amendments are appropriate. That gives members of the National Party, as people who are not expert in town planning, a degree of confidence in not opposing the bill.

I read the report of the Scrutiny of Acts and Regulations Committee and noted that it considers the delegation power to be reasonably defined and limited and appropriate for the purpose of the legislation. Following the reassuring words of the people who have looked at the bill — the town planner and the members of the Scrutiny of Acts and Regulations Committee — and the National Party's review of it, I am happy to report that the National Party will not oppose the bill.

Mr CARLI (Coburg) — I am pleased to have heard the comments of the honourable member for Wimmera and the shadow minister, particularly their decision not to oppose the bill. They were positive about and descriptive of the various elements of the bill. As they pointed out, it is a minor bill that essentially makes technical changes. However, it is important in the sense

that it strengthens the heritage legislation in Victoria to cover not just places but also objects. The bill covers not only physical space, including buildings, but also archaeological relics, shipwrecks and a raft of other things. It is important that there is a commitment by Parliament to saving the historical legacies of previous generations in Victoria and ensuring they are there for our children and their children.

I am pleased to support the bill. It resulted from the recommendations of the national competition policy review, which looked at the Heritage Act and found that the bill is worthwhile public policy that would have a net benefit to the community by regulating a number of areas. The bill passed the test of national competition policy, which asks why we impose regulations in the first place. More importantly, the review came up with a number of recommendations to improve the transparency of decision making.

The bill states clearly which decisions are available to the executive director and ensures there is a greater disclosure of documentation outlining the reasons for decisions being made. One of the important aspects is the right of inspectors to inspect sites and issue warrants.

It is important to see the bill, although it is technical in nature, as a commitment by Parliament to Victoria's historical legacy. I am pleased to support it. It is getting late in the night and I said I would be brief, so I will. This is important legislation. Although the bill is minor in tone, it is important because it strengthens a major commitment of this Parliament.

Mr SPRY (Bellarine) — I will make a brief contribution to the debate on the Heritage (Amendment) Bill. As the member for Bellarine and a resident of the historic town of Queenscliff, I am conscious of the issues concerning the obligations of ownership of some older properties and the expectations of the public, and we have seen a bit about that in the newspapers recently.

I refer to not only the privately owned properties but also some of the corporately owned properties such as the Royal Hotel in Queenscliff or the Grand Hotel in Portarlington. They may not be on the national heritage list at this stage, but they are the sorts of buildings that contribute greatly to the historical ambience of places like the Bellarine Peninsula and they draw thousands of people to the area annually. The value of those historic buildings must not be underestimated.

Generally, each resident of this great state of Victoria values our heritage, in particular our built heritage. In

Parliament House we see the results of the great gold boom of the mid-1800s. Buildings like this add something tangible to the quality of life in this great state.

The honourable member for Hawthorn, with his great heritage in Queenscliff, reminds me of the connections his family has to that great town. I think his ancestors had something to do with the Ozone Hotel. The honourable member might even have been a regular customer from time to time!

Most Victorians would appreciate that it is beyond the role of the public purse to purchase and preserve those properties. It is therefore incumbent on owners, whether they be private or corporate, to share the dream or the expectations of the population of this great state and contribute to the maintenance and preservation of those buildings. As the owner of one historic building with a National Trust listing, I can confirm the heavy obligations on owners. They are expected to maintain the properties in pristine condition, but because they are old buildings the maintenance costs are sometimes quite onerous. The owners regard themselves more as custodians than owners of the buildings. They would not have bought the properties in the first place unless they had some deep and abiding feel for the historic nature of the properties, a sense of obligation to the generations of people who will follow and a strong desire to preserve the buildings.

A moment ago I mentioned public expectations. One has only to reflect on the property that was demolished in Church Street, Brighton, a couple of days ago to understand the depth of feeling that people have for older buildings, and it is quite understandable. However, there is an equation that must be balanced — that is, the expectations of the public and the rights of owners. It is an issue that I, as an owner of one of those buildings, have had a lot to do with over the past 30 years, since I had the fortune or misfortune to purchase the house I live in. I am conscious of the fact that sometimes the only things that work in the building are the owners themselves. The lighting and water reticulation are not always in pristine condition, so it is important that owners put a lot of effort into maintaining those properties. The amount of money poured into the two hotels I mentioned before — the Royal Hotel in Queenscliff and the Grand Hotel in Portarlington — and the other hotels in Queenscliff to keep them going is enormous.

Some of the obligations imposed on owners by the bill are significant. Clause 7, which substitutes proposed new section 36, headed 'Obligations of the owner' states in part:

- (3) The owner of a place or object must advise the Executive Director of —
- (a) any works that are being carried out in relation to the place or object at the time the statement is given;
- ...
- (13) An owner of a place or object must comply with this section.

Then it details the penalties. A private owner who does not comply will be subject to a penalty of up to \$5000. For a corporation, the penalty is up to \$10 000. These are not insignificant amounts of money. There are certainly stringent obligations on owners of listed historic properties.

Another provision relates to an intention of an owner to sell. Owners of properties registered with the national estate have to notify the authorities if they are about to sell the properties. Clause 19 deals with the powers of entry generally. There is provision for inspectors to apply for a warrant to search a residence. Proposed section 150A states:

- (1) An inspector may apply to a magistrate for the issue of a search warrant in relation to a particular registered place which is a residence if the inspector believes on reasonable grounds that there is, or may be within the next 72 hours —

and so on. I am trying to highlight the expectations of the owners of these historic buildings that are conveyed in the bill. We need to get the equation right and understand that some form of incentive needs to be instituted to encourage owners who have those feelings for old buildings to maintain and preserve them for future generations. At the same time I acknowledge the general feeling throughout Victoria and Australia of joint ownership and joint expectations that the general public has for these buildings. I implore the house to bear those matters in mind when it is deliberating on issues such as the preservation of historic buildings.

Mr TREZISE (Geelong) — I support the Heritage (Amendment) Bill. I do not often agree with the honourable member for Bellarine, but I support his comments that his home town of Queenscliff has some magnificent buildings and hotels, as does my electorate of Geelong, and that ownership of those buildings attracts some significant responsibilities.

I am currently involved with a community group that is trying to protect the old orphanage and common school at the Australian Portland Cement site in Manifold Heights. Associated with those buildings are many issues that members of Parliament have to deal with. I am pleased to support the bill as it will improve the

current legislation. Out in the suburbs and in regional cities the bill will not have any dramatic effect on heritage issues or building works, but it will improve the administration processes and the implementation of the legislation. Obviously any improvements will bring about better legislation.

I note in the minister's second-reading speech that he refers to the issue of demolition by neglect or stealth. Demolition by neglect has reared its head in Geelong over the past couple of years. Mr Randall Bell of the National Trust in Geelong has championed the preservation cause over a number of years. Mr Bell has on numerous occasions raised with me his concerns about some Geelong property owners allowing their historic buildings to slowly decay to a point where local authorities have no choice but to see them demolished.

The Heritage Act that the bill seeks to amend addresses the issue where buildings are listed on the state historic register. I ask the minister to extend this protection to buildings listed at the local level. I commend the bill to the house.

Mr THOMPSON (Sandringham) — It is an inviolable principle under federal constitutional law that there should be no appropriation of property without just compensation. I am reminded of the story of a Greek gentleman who lived in the city of Sandringham and who on one occasion after his bayside milk bar was classified by a heritage architect as worthy of preservation stood up in a public meeting and said, 'In the country that I come from I certainly understand what heritage is about'. He was perplexed, in the light of his understanding of the great buildings of Ancient Greece, as to why his weatherboard, federation-style milk bar was classified for protection under a local heritage scheme. There is a great fundamental principle at stake in terms of what imposts are placed on individual property owners where there will be significant economic impacts later on.

The bill makes a number of amendments to the Heritage Act that will enable it to operate on better terms. One of the great heritage buildings in the City of Bayside is Black Rock House in Black Rock, which was the home of Victoria's first Auditor-General, Charles Ebdon. It is listed on the state heritage register and has some outstanding features. It was constructed in the mid-1850s from some of the rock on the Black Rock foreshore.

Black Rock House has a slate roof and an interesting verandah. It also has an interesting garden, with Moreton Bay fig trees and other plantings that originated from South Africa. It has a castellated wall

several metres high which was intended either as a form of protection against prospective Russian or French invaders or to provide security for the homestead. The property was regarded as being of heritage value. It was acquired by the local council at a cost that was shared by the wider community, and it represents an outstanding addition to the heritage stock of Victoria.

Likewise around the state there are many heritage properties. In western Victoria homesteads such as Ercildoune, the original home of the Learmonth family, Clunie and others that were built in the 1850s have some outstanding features.

Important principles are at stake, and in some circumstances local communities or individuals should have the right of determination. After a decision by the Minister for Planning to overrule Bayside council on heritage controls, Cr Harwood, a former mayor of the City of Bayside, is reported as having said:

The minister's actions appear to be entirely contrary to the Bracks government's platform of local autonomy and self-determination.

I emphasise the fundamental importance of examining alternative measures where individual property rights are impacted on so that the appropriation of property is undertaken on just terms or with individuals having the right to register their properties on a voluntary basis to ensure that they do not suffer hardship. At the same time there must be a strategic direction to enable properties that are worthy of protection and of forming part of the national and Victorian heritage to have the benefit of that protection.

Mr THWAITES (Minister for Planning) — I thank all honourable members for their contributions. The range of different views expressed by honourable members on the other side highlights the different aspects of heritage control across the state. The position the honourable members for Sandringham and Bellarine have adopted is inconsistent with that of the shadow minister. He was urging me to proceed down the track of demolition by neglect of protection, which is completely inconsistent with the thrust of the points made by the honourable members for Sandringham and Bellarine.

The honourable member for Sandringham also raised the issue of voluntary heritage controls and made a passing comment about a former mayor of Bayside. I point out that the current problem with the building in Bayside that was demolished this week was caused by the so-called voluntary controls. The council has now changed its mind. Where it earlier supported voluntary controls it now supports proper heritage controls.

Originally the council failed to put the building on the heritage register; it was left to the owners to do so. In that case, as one would expect if they wanted to knock it down, the owners did not want it to be subject to heritage controls. So the whole shemozzle in Bayside was caused by the former council's position on voluntary controls.

Members of the government, I hope along with most members of the former government, support heritage controls across the state. The heritage of the state is not only part of our past but also very much part of the future of Melbourne and the state. If we do not protect our heritage, Melbourne and our regional centres will not be as attractive or culturally important as they are and could be. It is important for Victoria's future that we leave for coming generations the best of the past, as I am sure many honourable members on the other side agree, even if the honourable members for Bellarine and Sandringham have a problem with it.

The bill makes mainly minor technical changes. It specifies that the executive director has the power to issue permits for the use of historic shipwrecks. I was pleased last week to be in the electorate of the honourable member for Bellarine to launch the Victorian shipwrecks strategy.

Mr Hulls — Named after the opposition.

Mr THWAITES — There are a few shipwrecks on the other side. I am very interested in the area, having spent a lot of time when I was younger in those lovely environs, out on boats or whatever. Indeed all honourable members would agree that Queenscliff is one of Victoria's great heritage towns. It has been preserved for some 140 years. It is interesting to note that Queenscliff avoided much of the development of the 1950s and 1960s, which probably wrecked many of our cities and other areas around the state.

I was very proud to launch Victoria's shipwrecks strategy. There are in the order of 697 wrecks of ships that have gone down, and it is interesting to note that we know the location of only about a quarter of them. Part of the strategy is to locate as many of those shipwrecks as we can around Port Phillip Bay and the Victorian coast and preserve the artefacts and environs. Last Christmas the Department of Infrastructure's heritage unit located a shipwreck at Wilsons Promontory. That was a great find, but we want to find many more.

As the Leader of the Opposition knows, around Portland and the adjoining coastline there are some great shipwrecks. I know the shipwreck trail is

something many tourists like to do. As you go down the Great Ocean Road, you can follow the shipwreck trail from Warrnambool. It is a great part of Victoria's history and is something we all ought to advance.

The government wants to put shipwrecks on the Internet. At the moment the shipwrecks can obviously be viewed only by those who can dive. With the new technology available on the Internet we can provide photographs and other information so that many more Victorians can share the adventure. In the long term we would like to do it in an interactive way, where people will be able to get a virtual reality view around the shipwrecks. That would be great.

Mr Spry — You do a much better job on this than you do on health!

Mr THWAITES — It is a lot easier. Recently I visited the maritime museum in Queenscliff. There are some very good and committed people down there. The government wants to work with the various maritime museums and dive clubs to assist Heritage Victoria in protecting those shipwrecks.

This bill will make some relatively minor but nevertheless important amendments to the heritage legislation. I am pleased that all members who have contributed have done so in generally good spirit.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

ESSENTIAL SERVICES LEGISLATION (DISPUTE RESOLUTION) BILL

Introduction and first reading

Received from Council.

**Read first time on motion of Mr HULLS
(Attorney-General).**

**Remaining business postponed on motion of Mr HULLS
(Attorney-General).**

ADJOURNMENT

Mr HULLS (Attorney-General) — I move:

That the house do now adjourn.

St Leonards: pier

Mr SPRY (Bellarine) — I refer the Minister for Environment and Conservation to an issue raised by a concerned resident of St Leonards about the deteriorating state of St Leonards pier. Over the past eight years the responsibility for that piece of infrastructure has passed from the Port of Melbourne Authority to the Department of Natural Resources and Environment and finally to Parks Victoria. The situation now is that Parks Victoria's funds are stretched to the absolute limit and it has no capacity to pour more money into the pier.

Years ago the timber extension was buttressed with a rock wall on the seaward side, but over the years that rock wall has gradually subsided and is now below sea level at high tide. During that time timbers have rotted and broken away from the structure, posing a safety hazard to small craft. Those timbers were then removed, together with extensions to the jetty.

This infrastructure is vital to St Leonards, and its restoration and upkeep is essential for the economy of the town if it is to prosper in the future. It is clear that it is a low priority in Parks Victoria's regional maintenance strategy because of the lack of funds, but as with the Point Lonsdale sea wall, a stitch in time obviously saves nine. Therefore, before it is too late, urgent works need to be done or we will not have a jetty at St Leonards at all.

I do not suppose these small coastal town piers and jetties could ever be self-funding as they were when they serviced the Port Phillip Bay fishing and trading fleet last century, but the cost can still be mitigated. The piers must not be allowed to deteriorate by neglect to the point where they have to be demolished. I ask the minister to consider a public-private partnership exercise in developing a small marina with a revenue stream to offset the maintenance costs of this pier, along the lines suggested by the Minister for State and Regional Development in his speech last Thursday night at the Colonial Stadium when he was addressing members of the Australian Council for Infrastructure Development.

Fire blight: New Zealand imports

Ms DUNCAN (Gisborne) — The government needs to ensure that Victoria remains fire blight free. Honourable members may be aware that a draft input risk analysis has been prepared and recently released by the Australian Quarantine and Inspection Service for importing apples from New Zealand. There is a 60-day public consultation period on this issue. The document

provides a draft conclusion that the risk posed by fire blight can be effectively managed through a systems approach, which raises a number of steps in a protocol that is expected to ensure that we do not import fire blight.

It is a critical issue for all apple and pear growers in Australia. In my electorate there are growers in Bacchus Marsh and Harcourt, which is the apple centre of Victoria and a beautiful part of the world. The growers there are critically concerned about the potential introduction of fire blight, and many of them have raised their concerns with me.

Victoria is Australia's major producers of pears. The industry is important to Victoria, being worth many millions of dollars per year, so the seriousness of the disease cannot be underestimated. An outbreak of fire blight in Melbourne's Royal Botanic Gardens several years ago had an enormous impact on the industry. The fear of fire blight alone almost destroyed a number of local growers just outside the metropolitan area. The disease is incredibly virulent.

The ultimate decision will be made by the federal National Party Minister for Agriculture, Fisheries and Forestry, Warren Truss. I urge the many members of the Liberal and National parties who have expressed their concern about the introduction of fire blight to lobby their federal counterparts on the issue. I also ask the Minister for Agriculture to lobby the federal minister to protect the industry and ensure it remains fire blight free, not just in Victoria but throughout Australia.

Fire blight is not currently found in Australia. However, it has spread to 41 other countries, and under favourable conditions one bacterium can multiply to become one trillion in three days. The disease could easily enter Australia in apples, apple leaves, twigs from apple trees and apple cartons from infected areas of the world.

Schools: Echuca VCE

Mr MAUGHAN (Rodney) — I raise the failure of the Minister for Education to answer her correspondence — and I raise it out of sheer frustration. As the minister will be well aware, there have been longstanding discussions about the provision of the Victorian certificate of education (VCE) in Echuca. Echuca is one of a small number of communities of fewer than 10 000 people that have two government secondary colleges. By way of background, a committee was appointed by the regional manager of the minister's department to review the provision of the VCE in Echuca. The committee, which comprised the

principal, school council president and VCE coordinators of both schools and which was chaired by an independent chairman, met on 12 occasions over six months and unanimously recommended that the VCE be provided on a single site.

A further committee, again appointed by the regional office and again comprising representatives of both schools and the Department of Education, Employment and Training with an independent chair, met on 15 occasions over seven months. It presented its unanimous report to the acting regional director, asking that:

... for the sake of students in Echuca now, and particularly in the future, we ask that you provide improved schooling provision including consolidated VCE delivery at the earliest possible time.

The committee went on to add:

Our view is clearly supported by the great majority of parents.

It then went on to state:

It is the view of the implementation committee that facts detailed in the previous reports, the support of both school councils, the support of the department of education ... for VCE consolidation, and the support of the majority of parents will empower the director to make an appropriate decision.

The change was supported by a unanimous vote of the members of the Campaspe Shire Council.

In spite of that strong recommendation, the acting regional director rejected the recommendations on the basis that there was no consensus — and that is my problem. I wrote to the Minister for Education on 5 June asking how she defined the word 'consensus'. I patiently waited for a reply until 18 July. When I did not receive a response I contacted her office on nine occasions. On 4 October, some four months later, I received a letter not from the minister but from Mr Michael White, the Director of Schools. As I said, four months previously I had written to the minister asking her to define what she meant by 'consensus'.

I cannot get any sense out of the minister's office. She will not respond to letters personally. I therefore ask the minister to define for the Echuca community and for me what she and her government mean by 'consensus' in the context of consolidating the provision of the VCE on the one site.

Trams: W-class

Mr LEIGH (Mordialloc) — I raise a matter for the Minister for Transport concerning the situation with W-class trams. I know he is around Parliament House,

and I ask him to come into the chamber to answer it. The trams were withdrawn by Swanston Trams on 1 June. Yarra Trams, which is now run by our old friend David White, a former Labor minister, refused to remove its W-class trams, and as a result the minister ordered their withdrawal.

A number of tests were done on the trams in Preston. The house will be interested to know that for some months now the government has been aware that the cost of repairing the trams will vary between \$80 000 and \$100 000.

Both Yarra Trams and Swanston Trams wrote to the minister weeks and weeks ago asking what he was prepared to do about it. W-class trams, one of Melbourne's icons, are rotting on the tracks and the Minister for Housing thinks it is a joke. That is not what members of the Public Transport Users Association and many others think. W-class trams are part of Melbourne's treasured, heritage tram system, but the government is blowing it. As a result, the two tram companies are waiting for the minister to tell them what the cost will be. 'When are you going to pay, Minister?', is what the companies are asking.

Today I saw Mr David White, one of the architects of the Guilty Party and Transfield's new boss, negotiating in this place with the Minister for Transport. The minister said in August that the trams would be back, but they are not coming back until at least February. Victorian public transport users want to know when they are coming back.

Minister, you are responsible for running public transport in Victoria. As Kenneth Davidson said, 'You are not the worst Minister for Transport, because there is a big queue in front of you, but you are the laziest'.

The minister should quit his party games, get into his office and make a decision about the trams so that Victorians can know what is happening to part of their heritage. It is also time the National Trust decided to participate. If it is serious about Victoria's heritage its representatives will be at Transport House tomorrow asking what is happening with the trams.

Mr Lenders interjected.

Mr LEIGH — Another clown, the honourable member for Dandenong North, thinks it's a joke. It is time the Minister for Transport told the house what he proposes to do. He should not listen to David White; instead, he should pay the money and get the system back on track. He is the responsible minister, and he should have the guts to come into the house — I know he is sneaking around listening to what I am saying —

and tell Victorians what is happening with their trams. The minister should not just swan off. When he was in opposition he carried on about the transport system. Now that he has control, where is he?

A government member interjected.

Mr LEIGH — The dud from Geelong shouldn't talk because he is getting the bad trains! The Minister for Transport should return to the chamber.

Frankston Hospital

The ACTING SPEAKER (Mr Plowman) — Order! I apologise to the honourable member for Frankston East for his missing the call before. The government benches will have the next two calls.

Mr VINEY (Frankston East) — Thank you, Mr Acting Speaker. I ask the Minister for Health to advise on the progress of the great redevelopment of the Frankston Hospital. I ask him to do so because last evening the Honourable Cameron Boardman, a member for Chelsea Province in another place, misrepresented my correspondence in the local press about additional beds for the hospital. He deliberately confused the proposed redevelopment and the provision of additional beds at the hospital with the government's winter bed strategy. I should give him the benefit of the doubt because he has no idea about the health system, which explains why he has failed to represent Frankston Hospital in the five years he has been a member of Parliament.

He has completely misunderstood that the winter bed strategy is about providing beds to meet the winter demand, which the government has agreed to fund with ongoing recurrent funding. The additional beds include 10 subacute beds purchased from Nepean Rehabilitation Services and 15 subacute beds at the Rosebud Hospital, which will relieve the pressure on the acute beds at Frankston Hospital.

Mr Boardman completely misrepresented the situation by suggesting that there is some delay in the redevelopment taking place at Frankston Hospital. I assure the house that the redevelopment includes 60 additional beds and two new wards, together with 16 beds for an observation unit adjacent to the emergency section. A shell will be developed for two wards for midwifery and paediatrics, which are desperately needed at Frankston. They were completely ignored by the member for Chelsea Province in another place and the honourable member for Frankston during their time in government.

They were silent and did nothing when they knew there was a crisis at the hospital. Whenever I spoke in support of additional beds they said there was no crisis and no problem, yet now they suggest there is a crisis. The government is responding by proceeding immediately with its commitment to provide additional beds. Documents have been uncovered that show the hospital requested additional beds but the former government decided to do nothing. The attempt to misrepresent the situation is a disgrace.

Chisholm Institute of TAFE

Mr LENDERS (Dandenong North) — I refer the Minister for Post Compulsory Education, Training and Employment — a good minister — to the need for capital works funding for the Chisholm Institute of TAFE in my electorate. The institute owns the former Cleeland technical school site in Dandenong, which currently houses several TAFE programs.

There are serious inadequacies in the current facility in terms of teaching and the delivery of the vocational education and training programs that people in my electorate are crying out for. The institute has requested funding for a purpose-built facility to better service the local community and to deliver essential programs involving English as a second language, literacy and numeracy, the Victorian certificate of education, work education and small business training — all critical to building a skills base in my electorate.

The facility will also boost library services and create a flexible learning centre to support the delivery of a TAFE virtual campus network to enable the Chisholm institute to better meet the needs of local students and employers. The facility will also give the general community improved access to those services.

I seek from the Minister for Post Compulsory Education, Training and Employment — as the honourable member for Hawthorn will appreciate — funding to assist with the construction of this much-needed, purpose-built facility. Areas such as Dandenong were ignored during the seven long, boring, painful, tedious and dark years of the former government, except when the former Premier sought people's votes at election time with a shallow, cynical gesture.

I seek action from the minister to restore services to that critical growth area, an area I am proud to represent.

Hospitals: Bentleigh electorate

Mrs PEULICH (Bentleigh) — I ask a question of the Minister for Health through the Minister for Aged

Care. I hope the Minister for Health comes back into the chamber to hear it. He slunk out very quickly when I told him I had a health matter to raise with him, and I can understand why. As well as being the Minister for Health he is the Minister for Planning, so he is a very busy man. He can attend to his health portfolio only on a part-time basis and seems to be doing more planning than anything else. In fact, he seems to be planning to make every day a planning day.

I raise with the minister the worsening crisis in hospital services affecting the Bentleigh electorate, particularly the appalling statistics recorded in a report for the March quarter prepared by the Department of Human Services — that is, by the government itself — on hospital services. Statistics for the Monash Medical Centre in Clayton and the Sandringham and District Memorial Hospital show that those two institutions are far worse off under the Bracks government than they were during the Kennett years and confirm my fears about the results of the realignment of the health networks.

A comparison of statistics for the June 1999 quarter and this year's June quarter reveals the following: the number of patients treated in the emergency department at the Monash Medical Centre has gone down from 12 214 under the former coalition government to 11 848 under this government; Monash had 14 ambulance bypasses in the June quarter last year and 159 this year under a Labor government — 11 times as many; the number of people on elective surgery waiting lists is nearly 15 per cent higher this year than last year, as I predicted it would be; the number of patients waiting on trolleys has increased; and the number of people on waiting lists, 3355 under the coalition government, has risen to 3712 under the Bracks government. Despite the government's claim to have injected more funds the situation is in meltdown.

I call on the minister to take urgent action to fix the situation. Clearly he is doing nothing about it except throwing the money in. He is not delivering an outcome. My constituents, living in an electorate with the third highest number of over-65s in the state, are suffering. I call on the minister to do his job.

Preston integrated care centre

Mr LEIGHTON (Preston) — I ask the Minister for Health to agree to meet with a deputation from a local community group called the People for PANCH on the question of the Preston integrated care centre.

I thank the minister for his ongoing support for the establishment of the centre. He and other honourable

members will recall that the previous government closed our local public hospital, the Preston and Northcote Community Hospital, leaving an enormous gap in health services in Preston. When it closed the hospital the previous government promised it would build a new integrated care centre on the old PANCH site. Instead, after it had closed the hospital it reneged on that promise and sold the site to a private developer at the bargain-basement price of \$5 million. How shonky that developer is has previously been demonstrated in this house.

During the last state election the Labor Party made a commitment to building a new integrated care centre in Preston at a capital cost of \$5 million. Earlier this year the minister appointed me to chair a community advisory committee. That committee has finished its work and its report has gone to the minister.

I believe now is an opportune time for the minister to meet with the People for PANCH to discuss the content of that report, which identifies a range of new health services required in the Preston area, including specialist medical services, renal dialysis and dental health services. An integrated centre will bring health services back to the people of Preston.

At present elderly people have to catch public transport to get to the Epping hospital or park their cars in a shopping centre and walk across. Sometimes they have to access services twice a week. The same can be said for Preston residents who have to go to the Bundoora Extended Care Centre to access services.

We are keen to move to the next stage, which is for me to appoint an interim board that will undertake further planning of services. Now is the opportune time for the minister to meet with the People for PANCH.

Brentwood Preschool

Mr SMITH (Glen Waverley) — Honourable Comrade Mr Acting Speaker — or whichever way this crazy government is going at the moment with the way it wants members to address the Chair — I raise with the Minister for Community Services a matter brought to my attention in a letter I have just received from Brentwood Preschool, which is in my electorate. At a meeting held last Wednesday night the preschool, due to the very difficult financial conditions it is working under, took the unprecedented step of employing a treasurer at a cost of \$1200 a year.

Due to the amount of effort put into completing the necessary paperwork and the increase in preschool running expenses, it is physically impossible for

volunteers to perform the tasks and provide the time without the preschools incurring extra costs.

I have a letter from the president of the preschool association, Jo Ellemor, which states:

As per our discussion of Thursday, 19 October, I am notifying you of our motion passed at the meeting of 18 October to employ an external treasurer for our committee for 2001. This results in a cost of \$1200 to the association, which can be little afforded, but of which we feel we have no choice in spending. The reporting requirements of the volunteer committee to the Department of Human Services have increased recently, especially for the treasurer. It is not uncommon for a volunteer to spend at least 20 hours a month on the centre's finances. It is obvious that the responsibility of the job of treasurer is becoming too demanding (not to mention difficult!) for a volunteer parent to perform. Hence our decision to employ an accountant to perform this role.

The whole process is out of kilter because of the way in which the government is failing to meet its commitments.

I call on the minister to urgently provide the extra resources that are required to enable kindergartens to work without their having to employ the staff that the letter refers to.

International Year of Volunteers

Mr LANGUILLER (Sunshine) — Next year will be the International Year of Volunteers. The Sydney Olympics convincingly demonstrated the importance of volunteers. It is again worth putting on the record that the Sydney Olympics were the best Olympics ever, with much of the credit going to the volunteers who assisted at the events. Through the Victorian Multicultural Commission, the government has examined the role of volunteers in conjunction with the Australian Multicultural Foundation and the Royal Melbourne Institute of Technology.

I ask the Minister assisting the Premier on Multicultural Affairs to tell honourable members about any action the government intends to undertake to ensure that volunteers will be properly recognised in 2001. I have recollections of the many good volunteers, carers and voluntary translators who operate in the courts and tribunals. I also have recollections of the religious orders that have assisted many citizens in the western suburbs. All of them should be recognised. A lot of people carry out voluntary work across Victoria. In the electorate that I proudly represent sports clubs, ethnic community groups and a number of other organisations rely on the work of volunteers.

I seek confirmation of the actions the government intends to undertake to recognise 2001 as the International Year of Volunteers.

Responses

Ms GARBUTT (Minister for Environment and Conservation) — The honourable member for Bellarine raised an issue concerning St Leonard's pier, also mentioning a number of other piers in his electorate that are slowly falling into disrepair. The honourable member asked whether the Partnerships Victoria policy that was recently announced by the Treasurer applied to the sort of project he had in mind — in particular, the development of a marina with a revenue stream for the committee of management.

The Partnerships Victoria policy offers significant opportunities for the development of infrastructure across Victoria as well as the delivery of better services in an innovative and flexible manner. The Treasurer announced that some projects had already been identified as suitable under the policy — for example, the redevelopment of Spencer Street station and the fast rail links to Ballarat, Bendigo, Traralgon and Geelong. More recently he announced that the Wodonga waste water treatment plant could possibly be funded in that way.

The program will obviously be able to deliver major benefits — —

The ACTING SPEAKER (Mr Plowman) — Order! There is too much audible conversation. I am having trouble hearing the minister.

Ms GARBUTT — Whether the honourable member's idea would be suitable or not depends on the details. It seems that at this stage it is an idea rather than a definite proposal, so it obviously needs to be developed. A decision to fund the project under the Partnerships Victoria policy would be made only after the appropriate planning processes had been gone through. Marinas are a particularly sensitive issue, so a number of requirements would need to be met before it got to that stage.

Nevertheless, I am pleased that the honourable member has recognised the value of the Partnerships Victoria policy, including the opportunities it offers regional Victoria.

Mr HAMILTON (Minister for Agriculture) — The honourable member for Gisborne raised the serious matter of the Australian Quarantine and Inspection Service (AQIS) draft inquiry report on the importing of New Zealand apples.

Let me make it quite clear: I do not want fire blight to be introduced into Australia at any stage. The government does not want fire blight to be introduced into Australia, and I would be very confident in saying that neither the Liberal nor National parties wants fire blight to be introduced into this country.

Nevertheless, there is a process in place. As a nation we are signatory to the World Trade Organisation agreement. That agreement requires sanitary and phytosanitary assessments to be made on whether we import goods from other countries. New Zealand has asked to be allowed to export apples to Australia, and we have a closer economic relations agreement with New Zealand. That agreement has led to the importation into this country of a great many agricultural products of New Zealand.

The bottom line is that Australia is free of fire blight. We had an outbreak of fire blight in May 1997, as the honourable member for Gisborne so graphically described. That outbreak occurred in the Royal Botanic Gardens and created havoc for the Victorian industry. It cost more than \$2 million through a national eradication program and something like \$1.6 million of that was spent in Victoria. Since May 1997 the industry has adopted a self-surveillance scheme whereby outbreaks are observed on the trees and the fruit and also in the root stock. It became a critical issue.

The process at the moment is that for 60 days after the release of the draft import risk analysis (IRA) by AQIS time is available for submissions. The government's response at this stage has been twofold. First, we have set up a working party with industry representatives and we are assisting and working with industry to produce a response to the IRA. Second, we have arranged a delegation to meet the Honourable Warren Truss, the federal minister responsible for this area. The federal Department of Agriculture, Fisheries and Forestry — Australia, known as AFFA, will make the final decision.

We need to go through the processes. Once the submissions have been made to AFFA in response to the draft IRA there will be a period, which is predicted to be something like six months, for those submissions to be analysed. In the intervening period there will be a meeting of the Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ). The next meeting is scheduled for March next year and will be held in New Zealand. That will be an interesting meeting because significant concern has been expressed by the agricultural ministers in South Australia, Tasmania, Victoria, New South Wales and Queensland.

Those states are the home of the pome fruit industry, and they want to ensure that our industry is protected.

There must not be a knee-jerk reaction. We have had all sorts of calls for the state to introduce its own legislation. Most members of this house would be aware of section 92 of the commonwealth constitution, which makes it very difficult to forbid cross-border trade. The decision rightly belongs to the national government. However, in the interests of protecting the fire blight-free status of this country, the argument we will be raising — and I am sure the industry will be raising — is that the phytosanitary restrictions placed on the import of New Zealand apples should be so stringent that not only is there a low risk of importing fire blight into this country but there is no risk. That is the argument: the bar should be placed so high that it is impossible for fire blight to be imported into this country.

I assure the house that this government will be working through the proper processes. There will be no knee-jerk reaction. However, we are determined to work with the sector to protect the valuable and important pome fruit industry. That is important not only to the growers but also to the value adding that takes place with SPC and Ardmona in the Goulburn Valley. If fire blight breaks out, we will be at risk of losing the industry and the nucleus of these important towns.

Honourable members should be assured that the government will work through the proper processes. Next March will be a critical time, as that is when ARMCANZ will make a decision. We will be endeavouring to convince the federal government that it must not allow fire blight into this country and must take all necessary steps to prevent fire blight from entering so we can be guaranteed that not only this year but in 5 or 10 years time we will still be probably the only country in the world with a pome fruit industry that has no fire blight at all. That is the goal. That should be the outcome, and that is what we must aim for, not just as a state government but as an Australian nation.

Mr BATCHELOR (Minister for Transport) — The member for Mordialloc raised with me — —

Government members interjecting.

Mr BATCHELOR — There is no need to be dismissive. He is the shadow minister, and he is entitled to raise issues about public transport.

Government members interjecting.

Mr BATCHELOR — It is the summer roof; it is a bit like Homer Simpson when it all radiates inwards and is a bit hard to deal with.

Honourable members interjecting.

The ACTING SPEAKER (Mr Plowman) — Order! The minister, without interjection, and through the Chair.

Mr BATCHELOR — Let the sun shine in, Mr Acting Speaker. The member for Mordialloc raised with me the issue of the W-class trams. I can assure the member for Mordialloc that we will provide for the return of W-class trams when it is safe to do so. We will not allow W-class trams to come back onto the network until it is safe to do so.

The other point the member made in his diatribe was a sleazy attack on David White, who has been appointed as non-executive chair of Metrolink, the company that has the Yarra Trams franchise.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Mordialloc will cease interjecting.

Mr BATCHELOR — The member for Mordialloc has had a bit of a tragic record about — —

Mr Leigh — On a point of order, Mr Acting Speaker, the matter I raised was in respect of the W-class trams. I said correspondence was on the minister's desk from both companies asking what he was going to do and what money he was going to spend. The companies want to know when he is going to make a decision. I do not care about that crook, David White.

The ACTING SPEAKER (Mr Plowman) — Order! There is no point of order. This is not question time.

Mr BATCHELOR — In his contribution the member for Mordialloc specifically raised the position of the non-executive chair of Metrolink, the company which runs Yarra Trams, and that is David White, a previous minister in this Parliament. Another previous member of this Parliament and a former Liberal minister, Phil Gude, is a member of the Connex advisory board. Connex is the name being used by the company previously known as Hillside Trains, which runs one of the train companies.

The member for Mordialloc has difficulty in dealing with the private companies that now run our public transport system. His leader, laughing in the back rows of the chamber, pretending to have returned from a meeting of the Masonic Lodge — —

Mr Smith interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Glen Waverley. The minister will return to the issue before the house.

Mr BATCHELOR — Any connection between the Leader of the Opposition and the Masonic Lodge and an attempt to run it down by the member for Glen Waverley is purely coincidental. We will leave it to opposition members to run down the Leader of the Opposition, or the Masonic Lodge, or the honourable member for Glen Waverley.

An honourable member interjected.

Mr BATCHELOR — I need to return to the issue raised by the member for Mordialloc, who seeks to attack the administrative executives of our train and tram companies under a system that the previous government, of which the member for Mordialloc was a member, was responsible for privatising.

The member for Mordialloc hates the fact that private companies have anything to do with the running of public transport. He hates private companies having a decent relationship with the Labor government. He raised the matter tonight and has raised it previously in the public arena, and who better to respond to the attitudes of the member for Mordialloc — —

Mr Leigh — Tony Shepherd!

Mr BATCHELOR — You are right! Tony Shepherd, the chief executive of the Transfield company which is part of the Metrolink consortium, of which David White is the non-executive chair. What did Tony Shepherd say?

Tony Shepherd is a representative of one of Australia's leading private companies working with the Labor government in Victoria. I understand Tony Shepherd is working with other governments around Australia trying to deliver outcomes. He regards the attitudes of the member for Mordialloc as rubbish and Looney Tunes. That is how Tony Shepherd regards the honourable member for Mordialloc, the shadow Minister for Transport in the Victorian Parliament, the person who was personally selected by the Leader of the Opposition to take on the role. He is the

representative of Looney Tunes in this Parliament. He is the colleague of Daffy Duck — —

The ACTING SPEAKER (Mr Plowman) — Order! The minister will refer to honourable members by their proper titles.

Mr BATCHELOR — The member for Mordialloc is seen as a coalition of Daffy Duck and a range of other Looney Tunes in the Victorian Parliament. That is not the attitude of the Labor Party but that of the private sector. One of the most significant private companies in Australia refers to the attitude of the shadow Minister for Transport, the member for Mordialloc, as nothing more than the representative of Looney Tunes in the Victorian Parliament. He has the audacity to come into the Parliament and raise these sorts of issues and is prepared to attack — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Glen Waverley. The minister, back on the issue.

Mr BATCHELOR — I am back on the issue of public transport in Victoria and those members who were previously members of Parliament. The member for Mordialloc is prepared to attack the likes of David White and Phil Gude, who are prepared to put in time and effort to help run public transport under a Labor government. The government is thankful that the likes of Phil Gude and David White are prepared to assist the private companies operating public transport in Victoria.

The member for Mordialloc, in the company of the Leader of the Opposition sitting up there on the back bench, who is — —

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member must stick to the issue.

Mr BATCHELOR — I am sticking to the issue and the Leader of the Opposition is endorsing the attack by the member for Mordialloc on the administrative executive officers of public transport companies in Victoria, attacking people like Phil Gude and David White who are doing a good job.

The government is not embarrassed about having former members of Mr Kennett's government running public transport in Victoria. Neither are we embarrassed about former members of Labor administrations adding their intellectual capacity to run public transport.

If they do a good a job under the Labor government they are permitted to continue doing it, in stark contrast to the way the previous Kennett government treated the contributions of members of the public like Phil Gude and David White, who are prepared to put in for the people of Victoria. It is little wonder that people like Phil Gude, David White and Tony Sheppard, who work for the private sector, are prepared to refer to the attitude and remarks of the honourable member for Mordialloc as rubbish and Looney Tunes. It is not only an attack on people like Phil Gude and David White, it is an absolute condemnation of the opposition. Phil Gude is a member of the Connex advisory board. He has a similar position to David White's position at Metrolink. Those people — —

The ACTING SPEAKER (Mr Plowman) — Order! I think we have just about had enough of this. I can tell there have been many good parties tonight. It is nearly midnight, and I think all honourable members are wishing for the sitting to come to an end. I ask the minister to conclude his answer.

Honourable members interjecting.

Mr BATCHELOR — As I was saying before I was so intemperately interrupted by the honourable member for Forest Hill, Phil Gude is on a board that also has other members who are significant contributors to public life. People like Bob Annells and Jeneanne Kirk of the Committee for Melbourne are significant contributors to the economic wellbeing of Melbourne and the operation of public transport companies in Victoria, yet the opposition has the audacity to come in here and attack institutions and public and private sector companies that are trying to run a decent public transport system in Melbourne.

The government says to the opposition members, particularly the honourable member for Mordialloc, that it is not prepared to put up with their Looney Tunes comments. If the Leader of the Opposition is prepared to keep the honourable member for Mordialloc on as the opposition spokesperson on public transport, it will reflect not only on the honourable member for Mordialloc but also on the Leader of the Opposition. The Leader of the Opposition is running a Looney Tunes party.

The ACTING SPEAKER (Mr Plowman) — Order! I ask the Minister for Transport to come back to the issue.

Mrs Peulich — On a point of order, Honourable Acting Speaker, it seems that the Minister for Transport is doing a Roadrunner on the issue raised by the

honourable member for Mordialloc. In fact, he is the Looney Tune. He should get back to answering the question.

The ACTING SPEAKER (Mr Plowman) — Order! There is no point of order, but I ask the minister to conclude his answer.

Mr BATCHELOR — It seems that the honourable member for Mordialloc is not the only one who has suffered sunstroke through the sunroofs of the opposition's cars. Opposition members sit out in the sun far too long. If they did not have sunroofs in their cars they might be able to come up with a more sensible response.

The Labor government is trying to work with private enterprise to deliver transport services in Victoria, despite the Liberal opposition, which, interestingly, is not being supported by the National Party because it does not want a bar of this reprehensible attack on private enterprise and people like Phil Gude and David White.

The Labor Party condemns the honourable members for Mordialloc and Bentleigh and the Leader of the Opposition for what they have done here tonight.

Mr THWAITES (Minister for Health) — I am wondering whether the honourable member for Mordialloc will get to ask a question during question time tomorrow.

An honourable member interjected.

Mr THWAITES — If we are lucky! There seems to be something about the Liberal members in south-eastern Victoria: they are affected by the sun.

The honourable member for Bentleigh raised an issue about Monash Medical Centre and the Sandringham hospital. She said she was concerned about the statistics in the hospital services report because they confirmed her alarm about the effect of the realignment of the health networks. The problem for the honourable member for Bentleigh is that the networks had not been realigned at the time those statistics were given, so she also seems to be affected by the sun. I point out to the honourable member that under the Kennett government waiting list numbers at Monash Medical Centre increased by more than 100 per cent. The honourable member should look at the facts.

The honourable member for Frankston East, on the other hand, is more concerned about building up health services. He single-handedly did what his predecessor, who was a member of the previous government, never

did — that is, he convinced the government to provide more beds for Frankston Hospital. That was needed for many years, but the previous government ignored it.

The honourable member for Chelsea Province in another place is another one of those south-east Liberals who are affected by the sun. He is confused. He admitted that he was confused about the beds at Frankston Hospital.

The basis of his confusion is that he does not understand that the winter elective bed strategy is about adding beds, on top of which we are adding the beds that the honourable member for Frankston East has obtained for the hospital. Indeed, the honourable member for Frankston East has overseen a process whereby the government is spending \$12 million to build extra beds.

The honourable member for Bentleigh waves her hand in the air. I think there is a hole in the ozone layer over the south-east that is affecting members on the other side!

We will not get the improvement we want until those beds are built, but they have not been built before now because the other side failed to do anything for four years. We are building the extra 60 beds with the \$12 million. The beds are desperately needed, and until they are built Frankston will continue to have problems.

As I said, the honourable member for Frankston East has overseen the process. There will be extra beds in the observation area associated with the emergency section, as well as 60 beds for general surgery. The government is building up the state's health system after years of neglect.

The honourable member for Preston is another government member who in a short space of time has been able to oversee the provision of extra health services in his area. The previous government promised that it would establish an integrated care centre at Preston. The closest the people of Preston got to that occurring was a glossy pamphlet in their letterboxes promising them a care centre. A short while after that the promise was broken. But there was no glossy pamphlet to inform the people of Preston that it would not go ahead; in fact, there was no information at all. The former government just sold off the hospital.

By contrast this government is committed to building services for the people of Preston. An integrated care centre is being developed, and the process is being overseen by the honourable member for Preston, who is doing a very good job. Services that have previously not been available will include dialysis machines,

dental care and primary care. I am happy to meet with the local group and the honourable member to ensure the provision of the best possible services for the community.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The honourable member for Dandenong North raised with me a matter concerning the Cleeland Street campus of the Chisholm Institute of TAFE. He said that under the previous government the campus had been allowed to become run down and much-needed money for maintenance had not been provided.

I am happy to inform the honourable member for Dandenong North, who has fought hard for the redevelopment of the Cleeland Street campus, that the government will provide \$8 million in funding for the Chisholm Institute of TAFE so it can start planning the development of the purpose-built facility at the Cleeland Street campus in readiness for construction at the beginning of 2001.

As a result of his efforts and those of the people in his community, the government has heeded their concerns and is prepared to provide funding of \$8 million, which is very much needed. Four other Victorian TAFE institutes will also share in more than \$27 million in major capital works projects over the next year.

These projects are selected by the state government and funded through the Australian National Training Authority. They are additional to the \$27 million of TAFE capital works that have already been funded by the government in this year's budget.

The Bracks Labor government is committed to putting in the money for the capital works that are so needed in our TAFE institutes and not allowing them to run down to the point of affecting the quality of training provided in those institutes. The funding is in addition to the recent \$2.1 million extra maintenance allocation that was provided in the recent budget.

Other TAFE institutes that will receive a capital boost under this funding are Kangan Batman, with \$3.8 million for the new regional development centre at Broadmeadows. That project will see the establishment of a purpose-built facility to house transport, warehousing and distribution programs currently located in the institute's Avondale Heights campus. The new facility will also house a flexible learning centre. I know the honourable member for Broadmeadows will be very keen on that project.

The funding also includes \$6.35 million for South West Institute of TAFE for stage 2 of the redevelopment of

the Warrnambool TAFE campus. The funds will be used to develop a new facility, upgrade existing facilities and help consolidate the institute's strategic base. An amount of \$5 million is provided for the city campus of RMIT to refurbish the existing facilities constructed for the now obsolete aircraft technology program, and that will also allow RMIT to deliver engineering programs which are very much needed.

Finally, \$4 million will be provided for an upgrading of existing facilities of the Preston campus at Northern Melbourne Institute of TAFE which will allow for the refurbishment of the institute's business and communications technology program, the multifunction centre, the visual art centre and the pastry kitchen. That money will be a great help with the capital development of those facilities. It will ensure there is first-class training within those facilities, and assist in providing a skilled work force to provide first-class employees for Victorian employers.

Ms CAMPBELL (Minister for Community Services) — Obviously the honourable member for Glen Waverley did not run his adjournment issue past the previous Minister for Community Services, who I notice has just scurried out of the chamber. He has scurried out, Mr Acting Speaker, and why wouldn't he leave when the question raised by the honourable member for Glen Waverley goes to the very heart of all of the responsibilities that were given to the committees of management?

Honourable members interjecting.

Ms CAMPBELL — The issues that go to the very heart of the workload of committees of management are contained in a letter sent in June 1998 informing committees of management that they had to have a full understanding of the responsibilities of children's services, the Children's Services Act — —

Honourable members interjecting.

Ms CAMPBELL — Let me get on to what I am doing.

Honourable members interjecting.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Glen Waverley is not helping matters.

Ms CAMPBELL — In 1998 under the previous minister, now the Leader of the Opposition, committees of management were told to inform themselves about the Children's Services Act and the Children's Services Regulations and to become familiar with this 144-page

document as well as almost as many pages in appendices.

An honourable member interjected.

Ms CAMPBELL — I will get to what I am fixing.

They also had to be familiar with the Children's Services Licensing Operational Guide. It was a huge workload. I raised that matter with the former minister in September 1998 and he said it was important that we have appropriate legislation and regulations to ensure quality of standards.

Honourable members ask what I have done since I became minister. I have written to committees of management telling them — —

Mr Smith interjected.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Glen Waverley will cease interjecting.

Ms CAMPBELL — Preschools in Victoria are entitled to have their payrolls completed free of charge through Pay Connect. When the government sought to identify with the preschools their current issues, they said it was important to have administrative and payroll support. The government has acted. I am happy to give the honourable member for Glen Waverley a copy of the letter, which states that from 2001 all preschools will be required to utilise the payroll support services of Pay Connect. I, too, am concerned about the workload of preschool committees. That is exactly why the government has put in place systems to ensure that Pay Connect is utilised by more than 45 per cent of preschools.

Today I attended a Treasure Kindergarten Day function in the Treasury Gardens, where a dedicated group of people spoke in support of preschools and the importance of support by government for their committees of management. I am pleased to inform the honourable member for Glen Waverley that although the previous minister was happy to tell them to buy the act at their own cost and read it and the regulations so they would know every detail of more than 300 pages of the licensees handbook and the operational guide, as minister I have acted and ensured that next year the preschools will use Pay Connect. Now that the honourable member for Glen Waverley is awake, perhaps he could inform his committees of management of that fact.

Mr Smith interjected.

Ms CAMPBELL — They have their letter.

The ACTING SPEAKER (Mr Plowman) — Order! The honourable member for Glen Waverley!

Mr PANDAZOPOULOS (Minister assisting the Premier on Multicultural Affairs) — The honourable member for Sunshine regularly raises issues affecting this culturally diverse community, and I thank him for his ongoing interest in representing one of our most culturally diverse communities in the Sunshine area.

He noted that next year is the International Year of Volunteers and highlighted the role and importance of the fact that, along with all those who work as volunteers in community organisations, people from culturally diverse backgrounds are also volunteers and government needs to nurture, encourage and support them.

He also highlighted a report commissioned by the Victorian Multicultural Commission entitled *Opening Voluntary Work to Everyone*. It considers the contribution and some of the barriers to participation in volunteerism by people from culturally diverse backgrounds. It was quite interesting to note that the results of the report, which I launched a couple of weeks ago, indicate that in terms of voluntary work in mainstream organisations the participation rate among people from culturally diverse backgrounds is only 9 per cent, compared to the national average of 19 per cent for others.

Clearly mainstream organisations are not tapping into the talents that exist in culturally diverse communities. Organisations such as the Red Cross, service clubs, the Country Fire Authority and the State Emergency Service are doing work for the community. There is a need to create a link between those mainstream organisations and people from culturally diverse backgrounds who may not be able to speak English well. There is an opportunity to link them to ensure that those organisations continue to have volunteer support to better target and support a variety of ethnic communities in their local area.

The report highlights that things can be done to encourage volunteer agencies to attract volunteers by undertaking further study on best practice in recruiting culturally diverse volunteers and specifically targeting particular ethnic communities. There are many good examples around and we should celebrate them.

From next year the Victorian Multicultural Commission will start a volunteer awards program to recognise in various categories the work volunteers from culturally diverse backgrounds do in their own

communities and in mainstream organisations, to highlight and profile best practices among a range of organisations. Those practices can be used as examples which may be able to be replicated in other communities. That is one of the things the multicultural commission has always wanted to do, and I support the program.

Early next month we will formally launch the volunteer programs which will be administered by the Victorian Multicultural Commission. There will be six categories: the volunteer involvement award, the youth award, the volunteer management award, the cultural awareness initiatives award, the inclusive practices initiatives award, and the Premier's special commendation award. The awards are to ensure people from culturally diverse communities are included in things. They have a lot to contribute. Many community organisations already do great work. Working together we can create that bridge, also recognising the work that volunteers do. I thank the honourable member for raising the matter.

Ms PIKE (Minister for Housing) — The honourable member for Rodney raised a matter with the Minister for Education regarding the appropriate location of Victorian certificate of education studies in Echuca. I will pass on that matter to the minister and request that she responds to the honourable member.

Motion agreed to.

House adjourned 12.17 a.m. (Thursday).

